Annex

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ORGANISATION DE L'UNITE AFRICAINE
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AFRICA'S SUBMISSION TO THE SPECIAL SESSION
OF THE UNITED NATIONS GENERAL ASSEMBLY
ON AFRICA'S ECONOMIC AND
SOCIAL CRISIS

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VOLUME ONE

Part I: The crisis of African development and summary of conclusions and proposals

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1. INTRODUCTION

1. We, the African Ministers for Foreign Affairs and the Ministers responsible for Economic Development and Planning having convened in Addis Ababa from 29 to 31 March 1986 for the extraordinary meeting of the Council of Ministers of the Organization of African Unity and for the extraordinary session of the Conference of Ministers of the Economic Commission for Africa and, acting for and on behalf of all the Governments and Peoples of Africa, have made a careful assessment of the rapid deterioration of the social and economic conditions in our region and do hereby, in accordance with Africa's Priority Programme for Economic Recovery adopted at the twenty-first Assembly of Heads of State and Government of the Organization of African Unity, present to the special session of the United Nations General Assembly on African economic situation, this our submission on Africa's economic and social crisis.

2. First we wish to express our gratitude to the international community including governments of individual countries, the United Nations system, voluntary organizations and agencies as well as the millions of people all over the world for the generous assistance to the relief effort during the calamity that recently affected many of our countries.

3. We continue to be gravely concerned by the profound crisis in our social and economic structures. We recognize that this not only jeopardizes the development process of our economies but also the very survival of millions of our people. The tragic and disastrous famine and hunger that many of our countries have experienced as a result of the recent drought has "strengthened us in our conviction that it is necessary for our Governments, individually and collectively, to take immediate, concerted and urgent actions to ensure harmonious economic and social development of our countries".

4. In full recognition of the potential of our region, we reaffirm our total commitment to the primary responsibility for the development of our continent. In this context, we reiterate our continued full commitment to the basic principles and long-term objectives of the Lagos Plan of Action and the Final Act of Lagos.

5. We, however, wish to stress the fact that to establish a prosperous future for our region, there is need for our governments, our peoples and the world as a whole to focus, in the short and medium term, on specific priorities that will pave the way for national and collective self-reliant and self-sustained growth and development of our economies. We, therefore, reiterate our determination to face and overcome the twin challenges of survival and development through the immediate implementation of Africa's Priority Programme for Economic Recovery 1986-1990 adopted by the Assembly of Heads of State and Government of the Organization of African Unity at its twenty-first ordinary session held in Addis Ababa from 18 to 20 July 1985. It is within this context that we submit the present document to the special session of the General Assembly.

6. Africa is deeply appreciative of General Assembly resolution 39/29 and the Declaration on the Critical Economic Situation in Africa annexed thereto as well as General Assembly resolution 40/40 in which the General Assembly decided to convene, from 27 to 31 May 1986, a special session of the General Assembly to consider in

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depth the critical economic situation in Africa, focusing "in a comprehensive and integrated manner, on the rehabilitation and medium- and long-term development problems and challenges facing African countries with a view to promoting and adopting action-oriented and concerted measures". We see the special session as part of the process that has been going on during the past three years involving, inter alia, considerable international discussions and debates on the nature, causes and solutions to the African economic and social crisis. Therefore, we sincerely hope and wish that by the end of the special session the international community will have entered into a viable and action-oriented compact with Africa: a compact that will be the beginning of a new era in international co-operation with the continent.

7. To prepare for the special session, Africa has painstakingly evaluated its past and present situation. The preparations involved joint OAU/ECA missions to each and every African country to enable a full articulation of the approaches and needs for the implementation of the Priority Programme. Extensive consultations were also made at all levels of the international community to ensure that a comprehensive and balanced view of the African situation is presented to the world as a whole.

8. The synthesis of a critical self-examination and global consultations is the present submission that analyses the nature of the African crises of development and the potential for its future development and outlines actions that are required from us and the international community to ensure the launching of a genuine development process in all our countries. Our submission is presented in two volumes each consisting of two parts. Part I of volume one consists of the analysis of the African crisis and the region's future prospects as well as a summary of our main conclusions and proposals, including the framework of a follow-up mechanism. Part II of volume one contains an analytical presentation of Africa's Priority Programme for Economic Recovery 1986-1990. In view of the heterogeneity and vastness of our continent, the specific consideration and concerns of the different subregions have been highlighted in order to demonstrate the growing differentiations among regions and individual countries. Part II of volume one concludes with a chapter giving the overall picture that has emerged from the submissions of the individual African countries. Part I of volume two gives country-specific profiles for each of the 50 African States. Each profile contains details in five sections covering the economic performance since 1980, areas of focus of the national recovery programme, highlights of policy reforms, estimates of resource requirements for the national priority programme 1986-1990 and estimates of debt-servicing requirements covering the same period. Part II of volume two consists of statistical appendices on all the African countries.

9. Our proposals identify what our Governments and peoples are doing and are determined to do and what we expect from the international community. On our side, we reaffirm our commitment to mobilize all our resources for development purposes and to undertake, individually and collectively, all measures and policy reforms necessary for the recovery of our economies and the revitalization of genuine development to the benefit of all our peoples. It is our collective and individual determination to make all the sacrifices required for bringing about economic rehabilitation recovery and development. Accordingly, we will, inter alia, take measures to strengthen incentive schemes, review public investment policies, improve economic management, including greater discipline and efficiency in the use

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of resources, encourage domestic resources mobilization and ensure the broad participation of all our peoples in the veritable fight against poverty, famine and hunger and disease and ignorance. As part of the compact, we call for a firm commitment by the international community, to assist our Governments and peoples in the realization of the objectives outlined in Africa's Priority Programme for Economic Recovery 1986-1990 (APPER) which should constitute for us - the Africans and the international community - a common point of reference and a new dedication to do better and more for Africa, by identifying the financial, economic and other resources which, in addition to those provided by African Governments, would contribute to the attainment of the objectives of the Priority Programme.

10. We have no doubt that the General Assembly at its special session will, within the framework of the proposed compact, give our proposals the seriousness that they deserve and on their basis come out with concrete arrangements and commitments that will provide a stronger foundation for self-reliant and self-sustaining development and thus enable the continent to make a fuller contribution to world development.

2. THE CRISIS OF AFRICAN DEVELOPMENT AND FUTURE PROSPECTS

11. At the height of the drought-induced emergency situation of 1983-1985, the African economic crisis was the subject of lengthy debates at the General Assembly and its Economic and Social Council. These debates, which were based on several reports which analysed the causes - both remote and immediate - of Africa's economic situation, culminated during the thirty-ninth session of the General Assembly in the adoption of resolution 39/29 to which was annexed the Declaration on the Critical Economic Situation in Africa.

12. It is thus clear that not just Africa but the entire international community has become conversant with the plight of the continent and the main actions that need to be undertaken to extricate it from underdevelopment. The dramatic effects of the drought are but a manifestation of the fragile nature of the socio-economic structure. Without minimizing the impact of the devastating drought and while, at the same time, being appreciative of the humanitarian assistance provided by members of the international community, it is important to realize that the drought has merely accentuated Africa's more pervasive and structural problems. Unless the fundamental factors underlying Africa's economic and social crisis are attached at the root through durable and long-term structural transformation, Africa will perforce remain the sick child of the international community, a situation which is no doubt extremely undesirable. Consequently, it has become a matter of urgent necessity for the international community to assist African Governments to undertake long-term structural transformation which will guarantee development and progress and ensure effective participation in the exploration of the tremendous opportunities for human advancement that modern science and technology has made possible.

13. Africa certainly cannot accomplish this complex task without the active support of the international community. This special session provides an opportune occasion for the international community to enter into a firm compact with the African people for laying the foundation for the structural transformation of the African economies on the basis of <u>Africa's Priority Programme for Economic Recovery 1986-1990</u> (APPER) which African Heads of State and Government adopted in 1985.

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Fundamental causes of the crisis

14. In this part of the document, it is our intention to focus on the fundamental causes responsible for Africa's recurrent crisis. The African economic crisis is due principally to insufficient structural transformation and the economic diversification that are required to move the continent away from inherited colonial economic structures, typified by a vicious interaction between excruciating poverty and abysmally low levels of productivity, in an environment marked by serious deficiencies in basic economic and social infrastructures, most especially the physical capital, research capabilities, technological know-how and human resources development that are indispensable to an integrated and dynamic economy.

15. Twenty-five years after independence, in spite of all the efforts made, the basic economic structures of African countries have not fundamentally changed. Most African countries are still heavily dependent on the export of a narrow range of primary commodities. In spite of the recent shift of emphasis in favour of food production, research and extension services and direct investment as well as basic infrastructure in this critical sector still lag behind the attention given to export crops; and the linkages among the economic and social sectors are still so weak that many African countries do not as yet enjoy the mutually supportive sectoral interactions that are essential for building dynamic, self-reliant and self-sustaining economies. Furthermore, with such a lack of interdependence, African economies are particularly exposed to changes in external factors and cannot generate from within themselves either the necessary momentum for sustained development or the capacity to withstand external shocks. Particularly serious is the socio-economic dualism evident in the very large subsistence or near-subsistence sector which still accounts for 60 to 80 per cent of gross domestic product and which continues to exist side by side with the relatively small and disjointed monetized enclaves dominated by mining and other extractive industries. These modern enclaves, producing a narrow range of minerals and fuels for exports, are for the most part dependent on imported capital, equipment and skills, with the result that activities are seriously constrained by limitations of foreign exchange. Indeed, it is significant that over the past decade or two, mineral producing countries have not been able to undertake the most-needed overhauling of this sector for lack of necessary capital.

16. Of particular concern has been the poor performance of the predominant agricultural sector, reflecting a long-term deteriorating trend in agricultural production and per capita food production. Over-dependence on rain-fed agriculture, inadequate investment, poor incentives to farmers, inadequate application of science and technology and research and extension, absence of efficient pricing, defective marketing and distribution systems and institutional constraints were the major factors behind this disappointing performance. During 1971-1980, agricultural production grew by a mere average of 1.6 per cent per annum. This compares unfavourably with a rate of growth of 3 per cent for the developing countries as a whole. The deterioration is more noticeable in food production. At a time when Africa's population was growing at an average annual rate of growth of 2.8 per cent during the 1970s, total food production in the region as a whole was growing by no more than 1.5 per cent, with the result that food self-sufficiency ratios dropped from 98 per cent in the 1960s to 86 per cent in 1980. During 1980-1984, food self-sufficiency ratios declined further as food

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production increased by a mere 1 per cent while population grew at a rate of 3 per cent. It is only obvious that food production has not been receiving the attention it deserves and has indeed lagged behind the production of export crops. No wonder then that with the growth in food demand, the volume of total food imports have increased during 1970-1980 at an average annual rate of 8.4 per cent, not to mention the increased dependence on food aid. The cumulative result is that today one out of every five Africans depends for his/her survival on food imports, about 25 per cent of which is provided by food aid.

17. As far as the exports of primary commodities are concerned, it has been argued that in spite of falling prices, Africa has no choice but to strive to maintain its share of world market for its main export commodities in order to generate the foreign exchange resources needed to provide the imports required for development programmes and essential consumption, as well as for maintaining foreign debt at manageable levels without increased dependence on grants and external policy directives. Obviously, such a policy would be justified only where it would contribute to a net gain in foreign exchange earnings, that is, where an assessment of the prospects of primary commodities prices leads to the conclusion that the foreign exchange costs of generating additional exports would be less than the gross earnings from those exports. There have been occasions when African producers of primary commodities have been concerned that the additional earnings from export expansion would not be sufficient to cover even the cost of producing the additional exports. Internal costs would also have to enter into the calculations, especially if the production of the additional exports entails the diversion of resources from domestic activities, such as the production of staple food crops, that will itself lessen dependence on imports.

18. The heart of what appears to be a veritable dilemma for policy is the low productivity of African economies; the heavy dependency of domestic production on imports; failure to diversify into new types of exports; and, the absence of domestic linkages. For example, hardly any African economy has as yet achieved the stage of structural sophistication that enables resources to be shifted fairly easily, depending on changing situations in world markets, between activities producing for exports and those producing goods, including import-substitutes, for domestic consumption.

19. All these essential aspects of the structural problems that must be addressed to maintain the competitiveness of African exports of raw materials, increase the domestic value-added of such exports through greater processing and use raw material exports as a springboard for generating the productive environment that will launch African countries into world markets for manufacturers. Unless these central problems of structure are addressed, to do more of the old things - producing the same raw materials for exports in traditional enclaves and with the same degree of dependence on the imports of materials and skills - would be like chasing a mirage.

20. It will thus be clear that lack of structural transformation and the widespread low level productivity of the African economies are the fundamental causes of their continued underdevelopment and persistent economic crisis. Therefore, a substantial raising of the level of productivity in all sectors, particularly in agriculture, is a sine qua non for putting the African economies on the road to development. So also is structural transformation, without which many

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African countries will not be able to attain the stage of self-reliant and self-sustained development with the implied flexibilities that will enable them to take their place as effective partners in the international system, acquire the capacity to adjust, at no great social and economic costs, to changing situations in world markets and be able to cope with the basic needs and the rising aspirations of their populations on a sustainable basis.

21. While African countries are fully aware that the task of structural transformation will require increased inflow of external resources and more support from the international community in ameliorating the external constraints to their development, they are also conscious of the fact that it will demand on their part a radical change in development priorities. Nowhere has this lesson been more clearly demonstrated than in the case of some of the African countries that have joined the ranks of petroleum producers and that have discovered that unless major structural transformations are accomplished and major changes made in the orientation of development priorities, dependence on oil exports is no more than a mere replacing of one type of monoculture with another, apart from bringing other serious economic and social problems in its wake.

Explanatory factors of the crisis

(i) Endogenous

22. In addition to the fundamental causes there are also explanatory factors that have tended over the years to produce major economic and social distortions in Africa's development. Some of these factors are endogenous while others are exogenous. Among the endogenous factors, the most serious are the structural imbalances evident in the sharp contrasts between urban development and rural poverty, the great disparities in income distribution and the divergent trends in birth and death rates that have resulted in a rate of population increase far in excess of what can be sustained by present rates of economic growth.

23. Other endogenous factors include the inadequacy and/or misdirection of human and financial resources; inappropriate economic strategies and policies; poor economic management; inadequacies of the institutional and physical infrastructures; the persistence of social values, attitudes and practices that are not always conducive to development; and, political instability which has manifested itself, *inter alia*, in a large and rapidly growing population of refugees.

24. Since the population problem has given concern to certain circles in and outside Africa, it requires to be treated at some length. Africa's population, which is currently growing at an estimated average annual rate of 3 per cent, is expected to reach over 880 million by the turn of the century and almost 2 billion by the year 2025.

25. That having been said, significant differences in population growth rates in different parts of the continent do exist and need to be recognized. While some parts of the continent are clearly experiencing or are on the verge of untenable population rates of growth, other parts, mostly in Central Africa, are experiencing rates of population growth that are relatively low. In spite of the rapid overall rise in population, the African continent, the least densely populated continent on

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the globe, is underpopulated. But this does not detract from the fact that the continent does have a food problem because, due to pervasive low levels of productivity and structural rigidities, the rate of growth of food production has consistently been below the rate of growth of population. Therefore, African countries should push for the attainment, within the shortest possible time, of an agro-food production growth rate at least equal to the population growth rate. Thus while a population policy has to be put in place by each government, on the basis of the Kilimanjaro Programme of Action on Population adopted by all our Governments in 1984, there is no doubt that unless the structural transformation and the measures for raising the general level of productivity - including vital breakthroughs in agronomic research - that the continent so badly needs are pursued with sufficient resolve and speed to reverse the present declining production trends, the spectre of over-population will continue to haunt policy-makers in what might otherwise look like a half-empty continent.

(ii) Exogenous

26. The international recession, the collapse in commodity prices, the adverse terms of trade, the decline in real terms in official development assistance (ODA), increased protectionism, high interest rates, currency fluctuations and the heavy burden of debt and debt-servicing obligations of African countries are among the more serious external constraints that have further aggravated the crisis. This situation would have been ameliorated had it not been for the failure of the international community to honour its commitments in pursuance to United Nations General Assembly resolutions on the implementation of the Substantial New Programme of Action (SNPA) in favour of the least developed countries as well as several UNCTAD resolutions on trade and development. While admitting that Africa is not the only region to be affected by adverse trends, unfortunately, the continent does not have the capacity that other regions have to cushion the impact of those external shocks on account of the structural rigidities and the excessive outward orientation and overt dependence of the African economies.

27. Because of their particularly serious aggravating effects, it is worth saying a little more about the implications of the collapse of commodity prices, the debt and debt-services burden and the decline in resource flows.

28. The global recession and the sharp contraction in world demand have caused a sharp drop in the prices of primary products, particularly those in which Africa has a comparative advantage and which are likely to remain its main source of foreign exchange earnings. In real terms, commodity prices in 1982 were at their lowest level since 1940. Between 1980 and 1983, the cumulative foreign exchange losses from the sharp fall in commodity prices reached some $US 13.5 billion, equal to about 2 per cent of total output in this period.

29. The rapidly escalating magnitude of the region's debt and the debt-servicing obligations have exercised major debilitating effects on the African economies. While the total debt figures might seem modest, relative to those of other debtor regions, Africa's debt burden is more cumbersome than that of major debtor nations. Between 1974 and 1985, Africa's total external debt, including short-term debt and the stock of accumulated arrears, grew by more than sevenfold to reach over $US 175 billion in 1985. In relation to exports and GDP, Africa's total external indebtedness more than doubled between 1974 and 1984 and accounted for

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nearly 50 per cent of its GDP. Debt-service ratios have soared so fast and have also become so unmanageable in a large number of African countries such that the region, as a whole, has had more than 32 reschedulings in a period of less than three years and repeated and growing arrears have become common practice to the extent that 20 African countries reported payment arrears at the end of 1984. The gap between debt-servicing capacity on the one hand, and servicing obligations on the other, has approached the 50 per cent mark in many countries and if total debt-servicing obligations - including arrears - are taken into account, this ratio would exceed 100 per cent in many countries and would reach unbearable levels for some countries.

30. Indeed, the situation could soon degenerate into total chaos unless urgent and imaginative actions are taken to alleviate the burden of debt and debt repayments. The expiration of grace periods associated with recent restructuring and an increased level of repayment which is expected to occur - particularly in relation to IBRD and IMF loans - are anticipated to raise total debt-service payments from an annual average of $US 4.3 billion during 1980-1982 to over $US 14.6 billion per year in 1986-1990. Current debt-relief measures within the framework of the Paris Club have generally proved to be inadequate because of the failures to rapidly restore adequate levels of trade finance and to provide for additional flows. Moreover, the relatively high charges associated with such reschedulings have often resulted in a worsening of the debt profiles. In many instances, Paris Club arrangements are, by their nature, limited since they exclude non-guaranteed loans, short-term credit and debt owed to multilateral institutions, socialist creditors and other developing countries, which represent a significant component of debt, reaching in many cases close to 50 per cent of the total debt.

31. The impact of the collapsing commodity prices, the mounting debt burden and the sharply declining debt-servicing capacity has been further compounded by contracting external capital flows. Net resources flows from all sources declined by about 28 per cent between 1980 and 1984 while official development assistance (ODA) flows have declined by about 9 per cent over the same period.

<u>The way forward</u>

32. These structural imbalances, pervasive low levels of productivity and aggravating internal and external trends, have combined to place Africa in such a weakened position that nothing short of radicial measures will be necessary to save the African economy from collapse and ensure the fundamental restructuring and policy reorientation that will launch the continent on the path of self-sustained development. Bold steps must therefore be taken to change these structures and establish more dynamic, self-reliant and self-sustaining economies in which economic growth and development would be more dependent on internal demand stimuli. This will be achieved by adopting an integrated approach to development that takes into account the effective interdependence of sectoral economic activities and recognizing the special role played by food and agriculture as a leading production sector and the main centre for the necessary intersectoral interdependence and linkages; by increasing the substitution of factor inputs from within the system for those derived from outside; by altering the nature and type of goods and services needed to meet the basic needs of the majority of the population; and by strengthening sub-regional and regional co-operation and encouraging the co-ordinated exploitation and utilization of the vast resources of

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the continent for the benefit of our people. Above all, those efforts must translate themselves into a marked increase in productivity in all sectors and particularly in the leading food and agriculture sector.

33. Having said this, it must also be stressed that achieving such a task would be extremely difficult, if not altogether futile, without the amelioration of the factors mentioned above, both internal and external, that have aggravated the structural crisis.

34. On the internal side, special attention needs to be accorded to the role played by human resources. Policies will need to be pursued to ensure the effective development and utilization of human resources in all fields and sectors, ensure the effective participation of the people in all dimensions of development, develop indigenous entrepreneurial capabilities, both private and public, and establish sound basis for political, economic and social justice. Particularly in the food and agriculture sector, the focus of attention must be the peasant farmer with special reference to female farmers who dominate food production in most countries.

35. Particular efforts need to be invested in improving the management of the African economies through, <u>inter alia</u>, the efficient allocation and use of resources; improvement of public management systems, institutions and practices; reshaping the public services to become more development-oriented services; improvement of the performance of public enterprises; and the better management of foreign debt and foreign assistance.

36. Special importance will need to be accorded by each African country to a population policy that will, <u>inter alia</u>, address issues of high fertility, morbidity and mortality, rapid urbanization, rural-urban and rural-rural migration, the problems of children and youth and the protection of the environment in a manner that would ensure compatibility between demographic trends, appropriate land utilization and settlement patterns and the desired pace of economic growth and development.

37. On the external side, improvements in the international economic environment will need to take place if the economic restructuring measures and reform of policies and institutions are to succeed, and the international community must assist Africa in finding imaginative solutions to these serious exogenous constraints over which Africa has no control and which, if they persist, will frustrate any efforts towards development, no matter how serious and bold they may be.

38. It is generally accepted that the seriousness of the African situation will need for its alleviation substantial additional flows of financial concessional resources. In this connection, it is recognized that some initiatives have already been taken, notably the World Bank's Special Facility for Sub-Saharan Africa, the recycling of the IMF's Trust Fund, IFAD's Special Programme for Sub-Saharan Africa affected by Drought and Desertification, and the proposed replenishment of IDA-8. However, given the magnitude of the tasks that have to be performed, these initiatives, welcome and important as they are, will have to be substantially

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expanded and new proposals will need to be considered to mobilize the volume of resources that will be required to enable the African countries to cope effectively with the problems of structural transformation and low level of productivity.

39. The severe drought situation of the past three years has helped in no small way to give Africa an unfortunate image. The fact, however, is that, in spite of the human and social tragedies of the immediate past and the economic retrogression over the last few years, Africa remains a continent of great and tremendous potential, almost all of which have so far remained untapped. African States are now most anxious that these potentials be realized so that their continent should not continue to be the weakest link in the network of world economic interdependence.

40. Africa has a development capacity which must be strengthened and utilized for its peoples to enjoy a respectable standard of living. Africa is a large continent covering almost a quarter of the earth's land mass. It also has a veritable culture of its own. Besides, it is rich in physical and human resources and strategic minerals. For instance, it has substantial proven reserves of commercial energy while at the same time possessing ample renewable energy resources such as solar energy, bio-gas and winds. Africa also has the inherent capacity to lay the foundation for rapid, self-sustaining socio-economic transformation once it is able to surmount its current crisis and difficulties. Far from being a lost cause, Africa has the potentials to become a strong and viable member of the international community.

41. African Governments are committed to laying the foundation for an endurable economic recovery and development through the rehabilitation and revitalization of the African economy currently envisaged by APPER. The costs and the sacrifices involved in such efforts are enormous and definitely beyond what Africa can conveniently afford or endure on its own without untold hardship to its populations. But development assistance and aid, necessary as it is, is not a pre-condition for the rehabilitation and recovery efforts which African countries are irrevocably committed to undertake so as to avoid recurring incidence of structural emergencies such as drought, cyclone and famine.

42. In this battle for survival and development, African Governments have recognized the necessity to fully mobilize and utilize all their domestic resources. The co-operation and assistance solicited from the international community is therefore intended to complement the tremendous efforts which African countries have decided to make in the years ahead to put their economies on course. By so doing, Africa is underscoring, anew, the new phase of shared responsibilities and genuine partnership which must prevail in an interdependent world. By sharing in the tasks of African development through a new compact the international community will no doubt make the job easier and ensure that the painful and arduous tasks are accomplished faster and at less costs in terms of human suffering. Africa is convinced that given the necessary support from the international community, it is capable, in the not-too-distant future, of establishing national, subregional and regional structures that are sufficiently dynamic, self-reliant and interdependent, to enable it to function as an effective partner in the international economic system.

43. The African development crisis is not an exclusive African problem but one that concerns mankind as a whole. Interdependence and interconnectedness is today a living reality as no region of the world can act as if it were alone. A sick Africa therefore means a sick world, and an Africa that remains stagnant or perpetually backward economically is a threat to the security of the world. Recognition of mutual interests by the world community should ordinarily lead to the fulfilment of mutual needs through international co-operation for development. Without sustained economic development in the world's poor regions, of which Africa is a notable example, there is a real danger that the lofty ideals of equitable international development and human solidarity would at best be hollow and ineffective, and at worst a mere facade. Helping Africa to overcome its problems of mass poverty is thus an essential element of an international strategy that should aim at creating a mutually more tolerable environment for all the world's people.

3. SUMMARY OF CONCLUSIONS AND PROPOSALS

A. Conclusions

44. This chapter contains a summary of our conclusions and proposals. As indicated in the preceding chapter it is our firm belief that the underlying causes of our underdevelopment and persistent economic crisis are the lack of structural transformation and the pervasive low level of productivity, aggravated by exogenous and endogenous factors. The endogenous aggravating factors include the structural imbalances evident in the great disparities in urban and rural development and in income distribution, the divergent trends in birth and death rates, the inadequacy and/or misdirection of human and financial resources, inappropriate economic strategies and policies, poor economic management, institutional and physical infrastructural inadequacies, political instability and the prevalence of social values, attitudes and practices detrimental to development. Among the more serious aggravating external constraints are the international recession, the collapsing commodity prices, adverse terms of trade, the decline of ODA in real terms, increased protectionism, high interest rates and the heavy burden of debt and debt-servicing obligations of African countries.

45. Given the weakened position in which Africa has been placed by a combination of these factors, we are convinced that nothing short of bold steps and radical measures are needed to save the African economy from collapse and ensure fundamental restructuring and policy orientation that will launch the continent on the path of self-sustained development. While we are fully aware that the task of structural transformation will require a new approach to development assistance from the international community, we are also conscious of the fact that it will demand, on our part, the full commitment to the implementation of Africa's Priority Programme for Economic Recovery 1986-1990, development priorities, hence the necessity to forge a new compact between Africa and the international community.

46. In the circumstances, our proposals are directed at providing solutions to medium- and long-term problems which emerge from the following broad conclusions:

(a) Precisely because the structural transformation of the African economies is a long-term endeavour, the process must be started immediately and urgently. APPER, as a programme of action, helps to translate the broad principles and objectives of such endeavour into a sharply focused, practical and operational set of activities to be implemented during 1986-1990 so as to lay the foundation for durable structural change and improved general level of productivity.

(b) In any programme of action for African recovery and development, the rehabilitation and development of agriculture demands the highest priority while other sectors supportive of agriculture and rural development are also of tremendous importance, namely industry, transportation, health, education, and other social services. There is also an urgent need to take fundamental measures to deal with the problems of drought and desertification, and efficient development and utilization of human resources.

(c) A tremendous amount of domestic effort will have to be mobilized for the effective implementation of APPER. The programme nevertheless represents only the bare minimum and the core of the investment programmes required to develop the capacity of African economies to cope with the present crisis and the excruciating problem of underdevelopment. The implementation of APPER should therefore be seen as the beginning of laying the foundation for structural transformation.

(d) While Africa is appreciative of the very positive response of the international community during the critical emergency period between 1982 and 1985, it is vital that the international community should now look beyond the emergency and supplement the domestic efforts currently being made to achieve a lasting solution to the problems of structural and chronic underdevelopment. Indeed, the broad commitment of the international community to meeting the gap in resources required to finance APPER will not only ensure its speedy and full implementation but it will also constitute a compact between Africa and the international community to put Africa's economy on the path of rehabilitation, growth and development.

(e) If that goal is to be realized, the support of the international community should go beyond the mere flow of financial resources. It should also address those aggravating exogenous factors, the amelioration of which would go a long way to restore the capacity of Africa to lay a new foundation for development, apart from creating a healthier international economic environment to the benefit of the entire world.

(f) More specifically, the structural transformation of Africa would be greatly helped by the elimination of barriers, especially non-tariff measures that restrict the entry of African products to important export markets. The required transformation would also be helped by tackling the problems of instability in commodity prices and shortfalls in export earnings, and by raising the capacity of African countries in the processing, marketing, distribution and transportation of their commodities.

(g) Given the acuteness of Africa's debt problem, it is necessary for the international community to support a package of measures that will free African countries from the present excruciating debt burden.

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(h) The African continent, in spite of its basic economic and social characteristics, exhibits very wide disparities both among countries and between subregions. Therefore, in viewing African social and economic problems and the crisis of development, and in order to ensure balanced and equitable development, it is necessary to take full cognizance of the peculiar problems and needs not only of individual African countries but also of those of the various subregions. Consequently we have divided Africa into seven subregions based purely on common ecological and economic factors rather than follow the traditional subdivisions patterned on economic co-operation arrangements.

B. Proposals for action

47. On the basis of the above major conclusions, a number of proposals are considered important and urgent. These proposals take into account the decision of General Assembly resolution 40/40 to focus on the challenges facing African countries with a view to promoting and adopting action-oriented and concerted measures. The proposals cover both what Africa commits itself to undertake in the short and medium term of the Priority Programme and in the longer term, as well as what Africa expects from the international community. It must be stressed that the proposals for domestic and international action are neither exclusive of each other nor exhaustive. They are, like the priority programme, intended to focus on those areas that require urgent action with immediate and long-lasting results for the resolution of the crisis.

48. In order to ensure success, we propose that a new set of relationships - a compact - be forged between Africa and the international community which will be built around the principle of partnership in which massive support for Africa will be strengthened by the growing determination on the part of the African people and their Governments to pull themselves up by their own bootstraps through the making of exceptional sacrifices in mobilizing domestic resources, to optimize the efficient use of such resources and to back all these up with appropriate adjustments. On their part, the international community will commit themselves to a new approach in their co-operation with Africa which will be based partly on substantial increases in the flow of highly concessional resources and, no less important, to putting in place essential economic policy measures which will enhance the capacity of Africa in its efforts to mobilize its domestic resources and will considerably ameliorate those exogenous factors dealt with in the preceding chapter.

49. On the side of African countries, individually and collectively, there is an unshakable resolve to urgently undertake all those measures that are outlined in the Priority Programme to ensure the rapid recovery of the African economies and a substantial improvement in the well-being of our peoples. Our proposals for national, subregional and regional action include the following:

(a) National emergency preparedness

While the worst appears to be over as regards the emergency situation in Africa, it must be recognized that many African countries are still fragile *vis-à-vis* climatic changes and other natural calamities, and that it will take some time before they establish enough resilience to cope with such problems, if and when they occur. It would be desirable therefore to create and sustain national emergency preparedness capacity involving the institution of effective early

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warning systems and national food security arrangements to cope with future emergencies and catastrophes.

(b) Focusing on agricultural development

In line with APPER and to make a start on structural transformation, African Governments are determined to give a new push to agricultural development with particular attention to elements such as increasing levels of productivity and production. The eight broader investment areas on which our effort will concentrate are: (i) increased food production; (ii) arable land development and land improvement; (iii) livestock and animal product development; (iv) mechanization; (v) storage and marketing; (vi) agricultural research and extension; (vii) water-resource management and low-cost irrigation schemes; and (viii) reafforestation programmes and drought and desertification control. In addition particular attention is also given to elements such as the establishment or strengthening of incentive schemes, better agricultural pricing policies, effective credit and adequate input delivery systems, networks of agronomical research institutions and diffusion of appropriate agricultural technologies, improving the distribution systems of rural transport, and making the rural peasant farmers, especially women food producers, genuine economic actors. The problem of food security and food processing at national, subregional and regional levels will be tackled by appropriate measures. Total investments under APPER is estimated at $57.4 billion which is 44.8 per cent of the total cost of implementing APPER. This is substantially more than the 20-25 per cent target of total public investment to which our Governments committed themselves last year.

(c) Other sectors in support of agriculture

(i) Development and rehabiliation of agro-based industries

Given the high dependency of Africa on imports of almost all industrial goods in general and also due to the urgent need to increase our capacity for raising food production, the main areas of action during the 1986-1990 period are: the development of industries for production of small-scale irrigation equipment, agricultural inputs including agricultural tools and implements, the processing of raw materials and intermediate inputs and rehabilitation and upgrading of existing plants, the development of capacity for the utilization of renewable sources of energy, especially biomass and solar energy, the establishment of the engineering capacity for production of spare parts and components and training in this area and the development of local capability for project design and preparation.

(ii) Development of transport and communications

Action in this area will consist of developing and maintaining feeder, access and service roads, rehabilitating and maintenance of existing modes of transport and communication, production of spare parts for the overhaul, repair and maintenance of public vehicles, machinery and equipment, labour-intensive technologies in the construction and maintenance of transport infrastructure, and participating in the development of multinational and intermodal transport networks so as to facilitate the development of intra-African trade in industrial raw materials and other goods and services in a complementary manner. We will, in co-operation with the international community, intensify our efforts in financing and implementing the United Nations Transport and Communications Decade in Africa.

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(iii) Trade and finance

Due emphasis will be given to improving the distribution channels for domestic trade and improving market arrangements and reversing the present consumption pattern in favour of domestically produced goods; availability of rural credit facilities and the diversification of trade structure in terms of both commodities and markets within the framework of the mechanisms which are being set up in the region for promoting intra-African trade and financial co-operation in Africa.

(d) Tackling the problem of drought and desertification

Although drought and desertification requires a long-term approach, there is need for immediate action by the African countries at national, subregional and regional levels to implement a comprehensive programme for drought and desertification and to stem and control the effects of drought and desertification on both the ecological environment and the development process. African Governments are, therefore, committed to continue to undertake measures relating to massive afforestation and reafforestation, better management of water resource including river basins and irrigation, protection of common eco-system and the development of alternative sources of energy to replace wood fuel.

(e) Improving management of the economy

African Governments recognize that genuine efforts must be made to improve the management of the African economies and to rationalize public investment policies, particularly since the public sector will have to continue to play an important role in the development of the region. Such efforts would require, inter alia, improvement of public management systems, institutions and practices; improvement of the performance of public enterprises; reforming the public services to make them more development-oriented services, greater mobilization of domestic savings; improvement of financial management, fiscal administration and control of public expenditure with a view to promoting the efficient use of resources and cutting on wastage and resource misallocation, reduction of foreign exchange leakages; better management of the foreign debt and external assistance. The positive role of the private sector is also to be encouraged through well-defined and consistent policies.

(f) Human resources development, planning and utilization

African Governments fully recognize that central to the successful implementation of the proposed actions is the efficient development, planning and utilization of human resources and the full and effective participation of the people in the development process. In this regard we are adopting comprehensive policies for human resource planning, development and utilization with a view to integrating these within the framework of overall national development policies and plans. During the next five years special attention will continue to be given to the need for a radical change in the educational systems at all levels to ensure that the skills, knowledge and attitudes that are relevant to Africa's developmental needs are generated. Efforts at promoting mass literacy and adult learning programmes will be intensified. The efficient utilization of manpower resources, including measures to control the brain drain and ensure socio-political stability and human rights, will be given high priority so as to reduce the present

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high level of dependence of most African countries on foreign experts which has become a major source of foreign exchange leakage as well as constituting an important element in foreign aid and assistance.

We are also committed to ensure good working conditions and the growing role and participation of our women and youth particularly those living in the rural areas, in the development process.

(g) Strengthening the institutional framework

Proper social and economic management will only materialize if African countries urgently strengthen their social and economic institutions at all levels. To this end, African national and multinational institutions will be made more responsive to the challenges of development through the improvement of their management systems, rationalization of their activities and elimination of duplication of efforts.

(h) Consolidating African co-operation

Existing subregional organizations should be strengthened with a view to consolidating African co-operation in accordance with the objectives of the Lagos Plan of Action. Likewise, the establishment, whenever deemed necessary, of subregional organizations based upon economic criteria including natural resources criteria should be enhanced towards the attainment of the above objectives.

(i) Other policy reforms

Africa has demonstrated its determination to tackle its social and economic crisis through, among others, the adjustment measures that it has undertaken in the recent past. These measures include exchange rate adjustments, debt-relief arrangements, wage and salary reduction and employment freeze. Though the tasks involved have often been difficult and painful, Africa has recognized the necessity to bear the burden and made the necessary sacrifices to the extent possible. In the coming years short-term adjustment measures should give way to the medium- and long-term structural transformation. Austerity measures will be continued with prudence through appropriate monetary and fiscal reforms. Finally, population policies will also be adopted, wherever necessary.

(j) Subregional concerns

In order to deal with the divergence, and differentiations among African subregions and countries the following proposals are made bearing in mind the unique problems which the groups of countries concerned face in their efforts to accelerate their rates of economic growth:

(i) The areas most seriously affected by drought and desertification, namely, the Sahel region, plus the Sudan, Ethiopia, Somalia, Mozambique, Botswana and Lesotho have diminishing opportunities of raising domestic resources for implementation of the priority programme. They also face problems in instituting recovery programmes because of the limited economic options in the wake of severe climatic conditions. In fact, for some of these countries, especially those in the Sahel, the road to self-sufficiency in food production is paved with particular difficulties especially as they are not in a position to mobilize from domestic resources more than 4.21 per cent of their requirements, depending on external sources for the balance. Therefore in order to tackle the environmental, development and human problem, in these countries, programmes for afforestation and reafforestation, as well as for the development and utilization of water resources will have to be put in place while special investments should be made to develop alternative sources of energy to wood fuel and charcoal in order to protect the ecology. This should include research and development of small gas, coal, or oil stoves suitable for rural communities. In addition, drought resistant crop varieties will have to be developed.

(ii) With regard to the African island nations, these countries are virtually isolated from the mainland both in terms of transport and communications as well as trade and other social factors unlike their counterparts in the Caribbean which have access to the strong economies of North America. A special programme will need to be devised for these countries to develop trade and transport linkages with the African mainland as well as with the rest of the world. Additional resources are needed for programmes aimed at protecting them against the devastating effects of cyclones, typhoons and floods.

(iii) Many countries in the East, Southern, Central and non-Sahel West African subregions are faced, inter alia, with serious problems of being land-locked and among the least developed countries. In case of countries in Southern Africa, they are subjected to externally engineered destabilization. These countries require special assistance in tropical and sub-tropical agriculture research. Hitherto, limited locally based agricultural research has been conducted in crop diversification, high-yield seeds and the control of pests. These countries also urgently need intensive research in methods to combat widespread animal and livestock diseases such as rinderpest, foot and mouth as well as to control the tsetse fly. At the same time, the problems of storage, transport and transit, equally acute, also require large investments.

(iv) Some of the countries of the North African subregion face substantial balance-of-payments deficits demonstrated by increasing debt-service burden. Agricultural development in some countries of the subregion has been slowing down due to drought, water shortage, mounting desertification and soil erosion. The widening food gap in the subregion is among the highest gaps in Africa.

50. On the part of the international community Africa expects a full determination to support the individual and collective efforts of the African countries to implement the priority programme and thereby establish a new era of international co-operation between Africa and the rest of the world along the lines of our proposals contained in paragraph 49 above. The action-oriented proposals that Africa wishes to make in this context are as follows:

(a) Commitment to a common point of reference

Africa's Priority Programme for Economic Recovery 1986-1990 provides the necessary framework for a transition frm emergency and short-term actions to the re-launching of long-term programmes for self-sustaining socio-economic development. This being the case, it is vital that the international community fully accepts the priority programme as the basis for the re-ordering of assistance programmes. Such an acceptance would enable the compact between Africa and the international community to have a universal basis for joint programming, elaboration of policy frameworks and other arrangements for the recovery of the African economies and their eventual transformation. If the international community perceives the African priorities in this framework then the solidarity of the world with the African countries will most likely bear the expected results.

(b) Improving the co-operation environment and structures

While it is recognized that each bilateral or multilateral donor has its own rules and procedures, there are some general areas in which changes can be usefully made. For an effective support of Africa's efforts to promote economic recovery and long-term development, action has to be taken to improve the structures and environment of co-operation. The basic elements of such improvement should include:

(i) A shift from project support to programme support of the priority areas of the recipient African countries, with a view to giving an indication of medium-term support;

(ii) The use as a matter of priority of national competence and African expertise;

(iii) Donor co-ordination to ensure more effectiveness of assistance to specific programmes. In this regard the donor community should streamline the co-ordination of their aid policies so as to achieve maximum results in their support for the implementation of APPER;

(iv) Institution of a mechanism that will monitor and follow up on donor commitments, and disbursements of assistance to Africa;

(v) Review of the effectiveness of technical assistance in Africa.

(c) Improvement in the external environment

While Africa recognizes that many of the issues regarding the external factors that aggravate the African situation need to be examined in a variety of other contexts and forums, the region is convinced that action can be taken in the present context on certain aspects of the external environment. Agreement on some of these would benefit Africa and create a healthier external economic environment to the benefit of the entire world. These areas include:

(i) Adoption of policies in the rest of the world that are conducive to growth rather than contraction of the world economy;

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(ii) Elimination of the protectionism of the developed countries through, inter alia, the removal of barriers especially non-tariff measures that restrict the entry of African products to specific important markets;

(iii) Refraining from agricultural and trade policies which have a detrimental impact on Africa's export and diversification programmes;

(iv) Creating and strengthening structures that aim at effectively setting fair and remunerative prices and stabilizing the earnings of African commodity exports. If higher producer prices and guaranteed returns form an essential element of the domestic reform package, the counterpart at the international level is for a combination of commodity agreements and compensatory finance to avoid the sharp falls in export earnings that characterized the first half of the 1980s and which prejudiced the implementation of a coherent agricultural development strategy; and

(v) Strengthening international co-operation and support for increasing the capacity of African countries in the processing, marketing, distribution and transportation fo their export commodities.

(d) Economic recovery and the debt constraints

Difficulties in estimating Africa's debt burden have been encountered because of differences in definition. While some available data include items such as IMF repurchases, interest on short-term debt, and payments on private non-guaranteed long-term debt and arrears, others are limited to official credits and publicly guaranteed commercial debt. For example, in its most recent publications entitled Financing Adjustments with growth in sub-Saharan Africa, 1986-1990. The World Bank has estimated the debt-service obligations of the 25 IDA-eligible countries at $US 6,887 billion per annum during the 1986-1990 period. The comparable figure for eight non-IDA-eligible sub-Saharan African countries on which data are available is $US 9,497 billion per annum during the same period. Estimates for five North African countries is $US 7,244 billion per annum. Estimates for the remaining 12 sub-Saharan African countries give obligations of $US 0,898 billion. This brings the total to an average of $US 24,516 billion per annum for all the African countries. The breakdown into payments on principal and interest are as follows:

Table 1. Scheduled debt-servicing including private non-guaranteed debt

(Annual average during 1986-1990)

	$US billion
IDA-Eligible Countries (25)	
Principal	3.910
Interest	2.967
Other IDA-Eligible Countries (4)	
Principal	0.357
Interest	0.109

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Table 1 (continued)

	$US billion
Other Sub-Saharan Africa (8)	
Principal	5.268
Interest	4.229
Other Sub-Saharan Africa (8)	
Principal	0.305
Interest	0.127
North Africa (5)	
Principal	5.377
Interest	1.867
Total (50 countries)	24.516

51. The figures which are shown on a country-by-country basis in the profiles contained in part II of volume II of our submission are limited to only official credits and publicly guaranteed commercial debt and are projections based on 1984 debt levels. The overall picture these data present is as follows:

Table 2. Projected debt-service, excluding private non-guaranteed debt

(Annual average during 1986-1990)

(In $US billion)

A.	Official credits:		
	(i) Principal	24.692	
	(ii) Interest	12.672	
	Total		37.360
B.	Commercial credits:		
	(i) Principal	28.692	
	(ii) Interest	12.672	
	Total		35.801
C.	Total debt-service:		
	(i) Principal	52.772	
	(ii) Interest	20.395	
	Total		73.167
D.	Annual average of debt-servicing payable		14.633

Whichever figure is taken the gravity of the African debt situation is indisputable. The annual debt-service obligations will be in the range of

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$14.6 billion to $24.5 billion during the next five years. This is certainly beyond the means and capacity of African countries to service. Therefore, appropriate measures have to be taken most urgently by the international community to alleviate Africa's debt burden and thus enable the region to focus on its problems of economic recovery.

Therefore, the objectives to be attained are:

(i) Conversion of ODA debts and interest obligations into grants;

(ii) Consolidation of non-ODA official debts and service payments thereon due over the period of the Priority Programme 1986-1990 into long-term loans repayable over 30-40 year period on concessional terms with 10-year period of grace;

(iii) Improving the existing framework for commercial debt renegotiation. Capping and reducing interest rates for commercial debts as well as consolidating debt-servicing payments for these debts and their repayment over a long period of time on concessional terms will further reduce the size of Africa's debt obligation;

(iv) Ensuring adequate and automatic inflow of resources on highly concessionary terms that would enable African countries to achieve a sustained economic growth.

(e) Supporting Africa's policy reforms

There is need for extensive support to sustain the reforms that Africa has identified as necessary and on which many of them have already embarked. In particular unless African countries are assisted ways that enable them to expand their import capacity during the period of the priority programme, many reform programmes will be compromised. For example, Africa will need to import more fertilizers, pesticides, tractors, spare parts and other equipment to rehabilitate the economy. To this end, Africa proposes that:

(i) Non-project aid, particularly balance-of-payments support, to African countries should be greatly expanded during the period 1986-1990;

(ii) Donor countries and agencies should agree to ease the procurement requirements and administrative procedures to ensure fast disbursement to African countries for production inputs and for policy support assistance;

(iii) Donor countries and agencies should substantially increase their aid budgets as well as speed up the disbursement of funds in support of policy reforms; and

(iv) There should be non-politicization of aid.

(f) Financial support for Africa's Priority Programme

51. Africa's Priority Programme sets priorities among the many priorities of the African countries. Thus the support that the international community should give to its implementation should be seen as special assistance to a special programme.

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The external resources gap of $45.6 billion that has to be filled by external assistance during the programme period 1986-1990 is specific to the Priority Programme and it represents an annual average of $US 9.1 billion.

52. The calculation of the gap has been made on the basis of certain assumptions. Of the total cost of APPER estimated at an average of $US 25.6 billion per year, African countries have indicated their intention to mobilize, domestically, an average of $16.5 billion yearly. However, of this amount about $9 billion will have to be in the form of foreign resources to cover the import content of the programmes to be undertaken. Even if this can be covered by an increase in export earnings as a result of both an increase in the export volume and an improvement in commodity prices - an assumption whose realization would depend on significant improvements in the external environment - the African countries would still be faced with the problem of raising the present depressed level of current imports to at least the 1980 level, an objective that may itself require some increase in the present level of resource flows. As such the gap of $9.1 billion annually (or $45.6 billion for the five-year period, observed in table 3) would be further additional financial assistance for the specific purpose of financing APPER.

53. In addition to this gap, we must take account of the debt-servicing requirements of African countries during the next five years. As already indicated under section (d) above, this will come to an amount ranging between $US 14.6 billion and $US 24.5 billion annually on the basis of available information. However, to the extent that our package of proposals on ways and means of alleviating the debt burden are accepted, to that extent will the debt-servicing burden be eased. For example, the conversion into grants of all ODA debts and interest obligations will mean a relief of aproximately some $US 3 to 5 billion per annum. The consolidation of non-ODA official debts and service payments thereon into long-term loans repayable over a period of 30 to 40 years, with a 10-year period of grace, will bring an additional relief to the tune of $US 4 to 6 billion per annum. This will leave Africa with the core debt-servicing burden of commercial credit estimated at between $US 7 and 11 billion annually. If, as we suggested above, the interest rates on these commercial debts are reduced and the debt-service payments thereon are consolidated for repayment over a long period of time, additional reliefs will be provided to African countries from this source. Unfortunately, we are not in a position to quantify such reliefs.

54. It should have become crystal clear from our proposals that if international support were limited only to filling the gap in the investment requirements for the implementation of the Priority Programme without at the same time providing substantial relief for debt-servicing, the African countries might at the end of the period be worse off than they were at the beginning. This is more so as the debt-service obligation of the African countries will increase from $US 4.3 billion per annum during the 1980-1982 period to a level ranging between $US 14.6 and $US 24.5 billion per annum during the period of the Priority Programme. Even if all the domestic resources being mobilized to finance APPER are used in servicing debt, the African countries will still not be able to meet all their debt obligations, let alone have resources left to finance APPER. Therefore, the central issue in the compact is what the international community does in alleviating the debt-service obligations of African countries.

C. Follow-up mechanisms

55. The implementation of the decisions of the special session of the General Assembly is a critical element in the success of Africa's Recovery Programme. Therefore, the establishment of effective and workable follow-up and evaluation mechanism is an important and integral part of the global programme of action to deal with Africa's social and economic crisis. There is general agreement that it is absolutely essential that a machinery be put in place to monitor, on a continuing basis, the implementation of the Priority Programme so as to ensure that problems and bottlenecks are identified at an early stage and corrective measures are instituted without delay. For this reason, it should be emphasized that experience has shown that post facto evaluation of programmes has often proved too late to allow for remedial action. The follow-up and evaluation mechanism is also essential in order to periodically apprise the international community of the progress so far achieved at each stage in the implementation of the Priority Programme.

56. The general principles underlying the establishment of follow-up monitoring mechanism, whether at national, regional or international levels, are twofold:

(i) The mechanism should be simple, operational and without involving substantive additional expenditure; and

(ii) The emphasis should be placed, as far as possible, on the strengthening of existing institutions rather than the creation of new ones.

57. However, the idea of a compact between Africa and the international community in the implementation of the Recovery Programme must also include an element of reciprocal responsibility in the follow-up and evaluation mechanism actions required from the decisions of the special session. This means that, over and above the follow-up mechanism already put into place at the national level, a joint national government and donor community follow-up mechanism must be instituted as appropriate at each national level. Such a mechanism will follow up and evaluate both the actions of the national Governments as well as those of the international donor community. There is also the need for an international periodic review and appraisal arrangement to be agreed upon. We shall now dwell on these two at some length.

Joint donor community, national government evaluation and follow-up mechanism at the national level

58. Many African countries have already derived valuable experience from the operations of the Consultative Groups and Roundtables. 1/ However, the role of

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1/ Consultative Groups organized with the assistance of the World Bank have been held for the following countries: Ghana, Kenya, Madagascar, Malawi, Mauritania, Senegal, Somalia, the Sudan, Uganda, Zaire and Zambia. Preparations are at present underway to organize similar arrangements for Guinea and the United Republic of Tanzania. Roundtables organized with the assistance of UNDP have also been held for the following countries: Benin, Burkina Faso, Burundi, Djibouti, Cape Verde, the Central African Republic, Chad, Comoros, the Gambia, Guinea Bissau, Equatorial Guinea, Lesotho, Mali, the Niger, Rwanda, Sao Tome, Sierra Leone and Togo.

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these arrangements has been limited despite the substantial improvements that have been introduced. Usually they meet on an _ad hoc_ basis and have limited responsibilities. More often than not, they are more concerned with resource flows although in recent times they have begun to discuss policy issues and policy reforms. It is rare for them to consider debt and debt-servicing issues as these are regarded as the preserve of the Paris and London Clubs. Yet it will have become abundantly clear from our analysis that it is totally unrealistic to separate debt and debt-servicing issues from resource flow problems and policy reforms. All the three are inter-linked and should realistically be treated together.

59. Another limitation of the Consultative Group/Roundtable arrangements is that they do not meet regularly. The _ad hoc_ nature of their operations mean that many fundamental decisions are taken bilaterally and with little co-ordination and inadequate attention to long-term needs. In this respect, it should be recalled that APPER has already recommended that African countries should establish a follow-up mechanism as appropriate. Hence, we propose that a possible new machinery having the following characteristics should be considered:

(a) It should be a joint committee consisting of senior representatives of the Governments concerned as well as senior representatives of the major bilateral and multilateral donor countries and financing institutions;

(b) In order to drive home the principle of co-responsibility under the compact, there should be two co-chairmen to preside over the meetings of the non-obligatory follow-up and evaluation mechanism, one chairman to be appointed by the host Government and the other by the donor community operating in the country concerned;

(c) The follow-up and evaluation mechanism will meet regularly, at least twice a year, particularly during the initial stage, and preferably each meeting alternating in terms of venue between the host country and the capital of one of the major donor countries; and

(d) While it should be left to each national Government and the donor community concerned to work out the terms of reference of each monitoring group, the following elements could serve as inspirations:

(i) Assist in implementing the commitments agreed to under the compact, covering the whole period of the Priority Programme phased into annual activities and commitments;

(ii) The coverage of such programmes and commitments will include resource flows, debt-servicing relief and policy measures to be introduced both by the national Governments and the international community;

(iii) To review and evaluate progress in the implementation of agreed commitments both on the part of the donor community and the national Governments;

(iv) To assist in revising and updating the national action programme; and

(v) The follow-up and evaluation mechanism will liaise with the Permanent Steering Committee on a regular basis and provide it with information on the implementation of APPER at the national level.

Regional follow-up mechanism

60. In adopting APPER, African Heads of State and Government worked out an elaborate and comprehensive follow-up arrangement at the national, subregional and regional levels. The most significant among these is the setting up of a Permanent Steering Committee to follow up on the implementation and to report periodically thereon to the Assembly of Heads of State and Government. The OAU Permanent Steering Committee is to play the main catalytic and stimulating role and provide linkage with the international community in respect of all action to be taken at the national, subregional and continental levels, in conformity with paragraph 111 of Africa's Priority Programme for Economic Recovery, 1986-1990. This Permanent Steering Committee is serviced jointly by an inter-OAU/ECA secretariat. Indeed, it is the Permanent Steering Committee that has been the focal point in the preparation of this our submission to the special session.

At the international level

61. It is proposed that the General Assembly should agree to undertake a review and appraisal of the implementation of the decisions of the Special Session of the General Assembly once every three years beginning from the forty-third session of the General Assembly. We further propose that such a review and appraisal should be part of the ordinary session of the General Assembly with three to four days set aside for this purpose. In order to prepare for that review and appraisal, we suggest that the General Assembly, at its session the year preceding the review and appraisal year, should set up such preparatory mechanism as it may deem fit. It will, of course, be the responsibility of the Secretary-General of the United Nations to mobilize the resources of the United Nations Secretariat in collaboration with the entire United Nations system and to follow up the implementation of APPER at the international level.

62. On our part, we undertake to submit to such preparatory mechanism and, through it, to the General Assembly a comprehensive report on the status of implementation of the General Assembly decisions using the same mechanism as we have employed in the preparation of this submission.

VOLUME ONE

Part II: Africa's Priority Programme and the overall picture

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4. AFRICA'S PRIORITY PROGRAMME FOR ECONOMIC RECOVERY 1986-1990

63. Africa's Priority Programme for Economic Recovery 1986-1990 (APPER) is a programme of action that is firmly rooted in the Lagos Plan of Action and the Final Act of Lagos, whose philosophy, principles and objectives have become even more relevant today than ever before. Thus, the aims of achieving a radical change in the patterns of production and consumption, social and economic structural transformation, accelerated economic growth and development as well as the integration of the economies of the region, remain of critical importance. The Priority Programme translates such broad principles into sharply focused, practical and operational set of activities and policies to be implemented in the years 1986 to 1990 so as to lay the basis for durable structural change and improved general level of productivity.

64. While drawing attention to the adverse external factors that have aggravated the African situation, the programme candidly acknowledges that shortcomings in development policies have been partly responsible for the rapid and continued deterioration in the region's social and economic structures. The programme is, therefore, an unambiguous sign of full commitment on the part of the African leaders to undertake a number of policy measures that will remedy the shortcomings of past approaches.

65. Africa's Priority Programme lays considerable emphasis on the food and agriculture sector. An important aspect of this decision is the commitment to raise the level of investments in the agricultural sector to between 20 to 25 per cent of total public investments. This is only natural given the intrinsic importance of the sector in African economies and the need to ensure that African countries will never again have to go through the disastrous and humiliating consequences of famine. In putting special emphasis on the agricultural economy, the Priority Programme seeks to revitalize the more dynamic and internally-based forces for growth and development. The programme recognizes the crucial fact that the satisfaction of food requirements for the African people hinges on the rapid reversal of the declining trends of productivity in the rural areas. The alleviation of the problem of growing mass poverty and the subsequent dynamization of internal demand forces also depend largely on the rapid improvement of rural incomes. Furthermore, for many African countries the capacity to increase their foreign exchange earnings required to sustain growth depends on the effective revitalization of the rural sector. At a more structural level, the development of the rural sector is one, if not the only, way of breaking through the deep-rooted and distorting socio-economic dualism and ensure the fuller participation of all the African people in the process of development. While the problem of low level of productivity runs through virtually all economic and social sectors, it is in the sector of agriculture and rural development, which provides the livelihood for close to 80 per cent of the African population, that its impact is most keenly felt.

66. But the Priority Programme does not ignore the fact that if Africa's agricultural resources are to be efficiently exploited, the linkages between agriculture and other sectors, notably industry and physical infrastructures, have to be strengthened and made more articulate. Thus, the programme endeavours to situate the transformation of the agricultural sector in an overall context of the structural transformation of the whole economy. Accordingly, the programme

envisages the establishment of strong structural linkages between agriculture and industry through the provision of agricultural implements and tools, fertilizers and pesticides as well as the processing of food and other agricultural products. Linkages with the economic infrastructures are emphasized, especially with regard to feeder and access roads, storage, marketing and distribution, health and education facilities, research in agricultural technologies and in new and more suitable crop varieties.

67. The importance of agricultural support services was demonstrated so vividly during 1985, when good weather brought a welcome change in drought condition that improved the African food situation significantly and enabled a few countries to produce substantial food surpluses. What was particularly striking were the difficulties that many countries encountered in managing the surpluses because of inadequate transportation, storage and processing facilities, with the result that, in some areas, significant proportions of the harvest were lost rather than provide needed contribution to national or regional food security programmes. If measures aiming at identifying the areas with deficit or surplus harvests through the early warning system FAO/WMO are not rapidly put into effect, the experience could very well discourage producers.

68. Another basic concern of the Priority Programme is that of the development amd efficient utilization of Africa's human resources. The programme takes note of the fact that the broad-based development of the African economies will, in the final analysis, depend on the development of a wide range of human resources necessary in the formulation, planning, implementation and management of development programmes. To this end, the priority programme spells out specific areas of manpower development, which include incentives to minimize the increasing problem of the brain-drain and the improvement of working and living conditions in rural areas so as to stem the debilitating exodus of experienced agricultural manpower and youths.

69. In adopting the Priority Programme, the African Governments were fully aware of the tremendous amount of domestic effort that will have to be made for its effective implementation. Africa realizes that its programme for recovery covers many areas that will have to be tackled in a limited period of only five years. However, Africa is fully convinced that the programme represents the very minimum that is required to increase the capacity of the African economies to cope with any future crisis at considerably less cost in human and material terms. The African Governments are, therefore, dedicated individually and collectively to making all the necessary sacrifices and reforms to ensure the implementation of the programme. Already, the difficult and often painful adjustment measures that most African countries have undertaken during the recent past attest to the resolve and dedication of the African Governments and leaders to undertake domestic actions that the success of the programme entails.

70. However, it must be stressed that the recent experience of the various African countries in instituting and implementing a variety of adjustment programmes have revealed many serious constraints that result from external factors beyond the control of the countries themselves. Firstly, substantial proportions of the external resources that are promised to support the adjustment efforts have often to be recycled to pay for the high outstanding debts, thus reducing the actual and

effective level of assistance in support of the adjustment programmes. Secondly, the continued slump in prices of commodity exports undermines the capacities of individual African countries to raise their own domestic resources as well as generating foreign exchange to support the adjustment programmes. Thirdly, the high rates of interest and the volatility of exchange rates exact an unbearable burden on the implementation of the programmes. Often African countries find themselves having to pay much more than the actual benefits they get from certain adjustment programmes. These aspects will require particular attention on the part of the international community, including international institutions and organizations.

71. On its part, Africa is determined to continue to sharpen all the policy instruments that are required for the implementation of the structural reforms of the Priority Programme. As the Priority Programme recommends, African countries are ready to pay due attention to the questions of appropriate incentives and agricultural pricing policies. To boost productivity, African countries have reaffirmed their commitment to the establishment of remunerative produce pricing policies, timely supply of agricultural inputs at accessible prices, improvements in the efficiency of the marketing systems, easier access of credit and an adequate supply of consumer goods to the masses. African Governments have also reaffirmed their recognition of the need for better and more efficient economic management to avoid wastage and increase the returns to investment. The specific policy measures envisaged by each country within the framework of the Priority Programme are spelt out in the national profiles in volume two, part I of this document.

72. But, it is evident that the challenges facing African countries require the full support of the international community in a number of critical areas. Africa is, of course, appreciative of the very positive responses of the international community during the critical emergency period between 1983 and 1985. It is through this response, thanks to the humanitarian gestures of the people of the world with Africa, that the region as a whole has been able to reduce the dire consequences and impact of the calamity of famine and hunger. It is, however, vital that the international community now looks ahead to supplement the efforts being made by African countries to solve, once and for all, the problems of structural and chronic underdevelopment and socio-economic decline. It is only if this perception is put into concrete action that Africa will become resilient enough to cope with the burden of development through its own immense resources and efforts.

73. The support of the international community should be provided at various levels and should take various forms and be made available through various modalities.

At the financial level

74. To realistically quantify its resource needs, Africa has calculated on a country-by-country basis the total cost of the national priority programme formulated in the context of Africa's Priority Programme for Economic Recovery, 1986-1990. The calculations of the financing structure show how much African countries will be able to mobilize domestically to support their natural priority programmes and how much they will receive from donors on the basis of available indications by donor countries and agencies. This gap which remains to be filled by external assistance constitutes a key issue for consideration by this special session of the General Assembly. Indeed, it is in the broad commitment of the

international community to meet this gap that lies the possibility for Africa to implement fully the Priority Programme. Such a commitment will also constitute a compact between Africa and the international community designed to put Africa's economy on the path of rehabilitation, growth and development.

<u>At the general economic level</u>

75. However, it should be noted that the estimated gap is highly sensitive to the future developments in the external and domestic environment of the next five years. Factors like Africa's terms of trade, policies in developed countries and the general well-being of the world economy do influence the amount of external resources that Africa will need to finance its priority programme. Further, while every effort will be made to increase domestic savings to generate the necessary resources, the capacity of some African countries to generate counterpart funds for the projects of the Priority Programme is still very low. This problem is likely to seriously affect the full implementation of the Programme. The international donor community is therefore requested to agree to meet the total cost of projects in the priority programme except the salaries and wages of the nationals engaged in the implementation of those projects.

76. It must, nevertheless, be stressed that the support of the international community should not be limited to the financial flow of resources. Those aggravating exogenous factors, discussed in chapter 2, need to be addressed. These are, to repeat, the debt burden of African countries, the collapse in commodity prices, increasing protectionism, high interest rates and the fluctuations in major currencies. Practical solutions to these problems would go a long way in restoring the capacity of Africa to lay a new foundation for development and in creating a healthier international economic environment for the benefit of the entire world.

<u>At the level of the international economic environment</u>

77. Although improved domestic policies and increased financial flows are indispensable, there is a crucial role to be played by international trade in the process of recovery and development. In this context, the importance of providing an international economic environment conducive to growth rather than contraction, which the African countries cannot afford, will be greatly helped by expansionary policies in the rest of the world. The structural transformation of Africa would be greatly helped by the elimination of barriers, especially non-tariff measures that restrict the entry of African products to important export markets. Such restrictions apply not only to processed items but also to various agricultural products and minerals. The interests of Africa should be effectively taken into account in the proposed multilateral trade negotiations. The international community should refrain from adopting agricultural and foreign trade policies, which have a detrimental impact on African export and diversification programmes. Efforts should be intensified to reduce the price and earnings instabilities that plague commodity exports, especially from African countries. Increased transparency in world commodity markets as well as assistance in improving the organization and conduct of both exports and imports would be beneficial. Of interest to many countries would be reduction in interest rates which would provide immediate relief on debt-service obligations. Likewise, more stable exchange rates, particularly of major currencies, would also help.

78. Africa is convinced that its debt problem is so acute that it requires immediate and special attention. The present patterns of exceptional financing, involving frequent rescheduling of obligations, run-down in reserves and increasing accumulation of arrears, threatens African countries with a serious and prohibitive cost in terms of loss of credit-worthiness and financial insecurity and instability. It is, therefore, necessary for the international community to support a package of measures that will, in the next few years, free the African countries from the excruciating debt burden. The basic element of such a package deal that the international community should seriously consider has been provided in Chapter 3 of this document.

(a) Financing of Africa's Priority Programme for Economic Recovery, 1986-1990

79. Of the $128.1 billion needed to finance Africa's Priority Programme for Economic Recovery, 1986-1990 for the whole continent, $82.5 billion or about two thirds has already been or is to be raised by African Governments from domestic resources. The external resource requirement is therefore only 35.6 per cent of the total cost of the priority programme, i.e., $45.6 billion. The tables below present a summary of the sectoral financing requirements of the Priority Programme. From the information obtained from Member States in connection with the preparation of this document, about 10 per cent of this gap is in various stages of negotiations for external support.

80. These tables demonstrate unequivocally the extraordinary efforts African Governments are making to mobilize domestic sources to finance Africa's Priority Programme for Economic Recovery, 1986-1990.

Table 3. Resource requirements for Africa's priority programme for economic recovery, 1986-1990 (in million $)

Sector	Total cost	Domestic resources already available or planned	Total external resource requirements
Agriculture	57 434.1	40 288.4	17 145.7
Other sectors in support of agriculture	60 110.5	36 675.8	23 435.1
Drought and desertification	3 408.9	1 505.5	1 903.4
Human resources development	7 151.0	4 017.7	3 132.9
Total	128 104.5	82 487.4	45 617.1

Source: ECA.

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Table 4. Resource requirements for Africa's priority programme for economic recovery, 1986-1990 (percentage)

Sector	Total cost	Domestic resources already available or planned	Total external resource requirements
Agriculture	100	70.1	29.9
Other sectors in support of agriculture	100	61.0	39.0
Drought and desertification	100	44.2	55.8
Human resources development	100	56.2	43.8
Total	100	64.4	35.6

Source: Calculated from Table 8 and Statistical Appendices in Vol. II.

81. The breakdown of the total external resources requirements of $45.6 billion by sector is given below:

Table 5. Total external resources requirements

	Amount (in million)	Percentage of total cost	Percentage of total external resource requirements
Agriculture	17 145.7	13.4	37.6
Other sectors in support of agriculture	23 435.1	18.3	51.3
Drought and desertification	1 903.4	1.5	4.2
Human resources development	3 132.9	2.4	6.9
Total	45 617.1	35.6	100.0

Source: ECA.

82. External resource requirements, in value terms, are highest for other sectors in support of agriculture, followed by agriculture, human resources development, and drought and desertification; 51.3 per cent of the total external resources requirement relate to "other sectors in support of agriculture" and 37.6 per cent to the agricultural sector itself. Thus the two sectors that are at the very heart of Africa's Priority Programme for Economic Recovery, 1986-1990 account for 88.9 per cent of the amount that African Governments have to raise externally. Human resources development and drought and desertification account for 6.9 per cent and 4.2 per cent of the total external funding required respectively.

83. The support that the international community should give for the successful implementation of the APPER should be seen as special assistance to a special priority programme. The external resource gap of $US 45.6 billion during 1986-1990, or an average of $US 9.1 billion per annum, is specific to the Priority Programme.

(b) Africa's Priority Programme for Economic Recovery and Adjustment measures and policy reforms

84. Over the last 10 years or so, a large number of African countries have taken major steps and undertaken far-reaching reforms, mostly with IMF and World Bank support, to deal with their fast deteriorating economic situation and to create conditions necessary for resuming normal growth. The range of domestic reform measures has, in many cases, been quite far-reaching, involving exchange rate adjustment, fiscal and monetary measures, structural changes - ranging from improving management levels to rehabilitating or supporting the productive base particularly in agriculture - and institutional reforms involving the role of public enterprises, the private sector, the distribution channels and tax reforms.

85. Exchange rate devaluation has been used in 20 developing African countries, in the last few years. Indeed some of these countries have devalued several times. Another stabilization policy instrument employed by African countries is demand management engineered through budgetary reforms. Almost all countries have a component of their adjustment programmes relating to specific targets on growth of expenditure and revenue and related measures. Among the widely employed measures to contain expenditure was restraint or reduction in wages and salaries for civil servants, salary and employment freeze. Measures to increase revenue included increases in excise and custom duties on a wide range of products, taxes on travels and mineral exports.

86. Many countries had to seek debt-relief arrangements with their major creditors in order to be able to pursue their adjustment efforts. What made things worse and limited the flexibility of many countries in designing their own adjustment programmes was the insistence by many commercial and even bilateral sources on an IMF package as a pre-condition to a debt rescheduling agreement. Nonetheless, debt-relief arrangements so far have provided only temporary relief for the countries concerned, usually at the cost of having to face a bigger debt problem within a few years.

87. The adjustment programmes have not made it possible to increase to GDP but have enabled their financial deficits to be reduced. The few exceptions are countries such as Ghana where, as a result, living standards have now begun to show

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significant improvements. Although reduction of the inflation rate has been one of the main objectives of the stabilization programmes of African countries, only a few have been able to lower the rate appreciably. As for the balance of payments, exports have failed to grow in most African countries due to both price and volume factors while many countries have had no option but to cut down their imports drastically thereby adversely affecting new investment and the supply of important inputs.

88. The overall conclusion is that the adjustment packages so far adopted by African countries have not been particularly successful in realizing their overall objectives of restoring internal and external equilibrium and effecting a resumption of steady growth.

89. The unsatisfactory overall outcome of the adjustment programmes can be traced to a number of factors. Firstly, and most importantly, the adjustment programmes, in their concept, design and implementation, may not have been fully adapted to the domestic realities in African countries. Secondly, the programmes have not been long enough to address the critical problem of structural transformation and low productivity.

90. While most of the Fund credit arrangements have been for less than two years, African problems are mainly structural in nature, requiring adjustment programmes of a structural nature with longer time horizons for implementation to bear fruits. Thirdly, the demand management measures seem to have affected investment programmes seriously in many countries. Inflation, for example, is not strictly a demand-related phenomenon in African countries, determined only by excessive domestic credit expansion. Structural rigidities, particularly in agriculture and distribution systems and imported inflation affecting the domestic cost structure are also major factors in domestic price increases. Fourthly, the international environment has not been particularly favourable for the adjustment process of primary producers in general and African ones in particular. The recessionary conditions in the developed countries have led to lowered demand and falling prices for African products with far-reaching consequences for foreign exchange earnings and government revenues. Fifthly, external assistance which was hoped for in order to bridge the exchange gap has either not been forthcoming in the right amounts, terms and time, or is linked to undertaking domestic measures which many countries find socially unacceptable.

91. The policy packages contained in APPER, as already outlined, include measures for enhancing the productive capacity of the economy by focusing on agriculture and other sectors in support of agriculture. This is an essential condition for success since agriculture in still the mainstay of the African economies. The full implementation on APPER will no doubt improve on the results already obtained from the adjustment measures and policy reforms so far pursued in African countries since APPER, more than ever before, has succeeded focusing on incentives for production, savings, investment as well as sectoral policies geared to increased productivity.

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5. SUBREGIONAL ANALYSIS AND CONCERNS

INTRODUCTION

92. While the African continent exhibits certain common economic and social characteristics that qualify it to be considered as a unique entity, it has to be recognized that it is also a heterogeneous and highly differentiated continent. Therefore presenting a global picture is far from being sufficient. Hence the need arises to disaggregate information related to African problems in order to show a more accurate image of reality and to better focus attention on common problems that may be peculiar to different subregions. But to recognize the need for disaggregation still begs the question as to how this should be done.

93. A look at the map would immediately suggest tremendous differences in the physical environment, in climate, in human settlements and in social and cultural settings. Fertile plains with temperate climate, clotted here and there by high mountains, descends sharply into arid desert zones with dry inhospitable climate, which in turn merges into the savannah with a precarious climate but great potential for grains and livestock. The forest zones, hot, and humid, have their unique potential characteristics and problems, while the scattered islands skirting the continent on all sides, and the land-locked countries, of which there are 15, have special problems of transport, transit and communications.

94. For these reasons, continental and regional organizations like OAU and ECA have designed different types of groupings so as to be able to address more specifically the problems peculiar to particular subregions. The OAU groupings is based on political considerations while the ECA approach is designed for the purpose of facilitating subregional economic co-operation.

95. Because these approaches may not be entirely suited to the presentation of the disaggregated picture intended in this paper, it has been decided to distinguish for this purpose seven subregional groups, based on countries showing the same ecological features or facing the same economic problems. The seven subregional groups are as follows:

(a) The four island countries of the Indian Ocean: the Comoros, Madagascar, Mauritius and Seychelles;

(b) The East African countries, comprising nine countries: Burundi, Djibouti, Ethiopia, Kenya, Rwanda, Somalia, the Sudan, Uganda and the United Republic of Tanzania;

(c) The Southern African States, comprising eight countries: Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe;

(d) Central Africa, comprising six countries: Cameroon, Gabon, the Central African Republic, Equatorial Guinea, Sao Tome and Principe and Zaire;

(e) The Sahel, comprising nine countries: Burkina Faso, Cape Verde, Chad, the Gambia, Guinea-Bissau, Mali, Mauritania, the Niger and Senegal;

(f) Non-Sahelian West Africa, comprising eight countries: Benin, the Republic of Côte d'Ivoire, Ghana, Guinea, Liberia, Nigeria, Sierra Leone and Togo;

(g) North Africa, comprising five countries: Algeria, Egypt, the Libyan Arab Jamahiriya, Tunisia and SADR.

A. THE ISLAND COUNTRIES OF THE INDIAN OCEAN

96. The main obstacles to the development of this Indian Ocean zone are physical, demographic and economic in nature. With more than 100 islands scattered within a 1,500 km radius, communications between them are extremely difficult. Each State is in a sense spread out, except for Madagascar, and this large island suffers at the internal level from the same disadvantages as the small ones, namely, extremely hilly terrain of volcanic origin which constitutes a major handicap to the installation of a road or rail infrastructure.

97. Except for Madagascar, these States are so small in area that the cultivable land area is small and has to be used rationally, all the more so in that there is a trend towards soil impoverishment. These countries are also periodically subjected to meteorological hazards such as cyclones or floods caused by heavy rain, and these destroy agricultural produce, nullifying the effect of the efforts and investments made.

98. The population of each State, except Madagascar, is relatively small. Notwithstanding, the population densities are among the highest in Africa and may, as in Mauritius, reach 500 inhabitants/km^2. In relation to cultivable land area, Madagascar's population density is high. The reduction of mortality rates and the maintenance of birth rates are causing a disturbing acceleration of the rate of population growth which neither Madagascar nor the Comoros can manage to restrain. These growth rates explain the high proportion of children to adults, and this constitutes a burden on the development of the economy, which also suffers from a shortage of qualified manpower and supervisory staff.

99. Local production in these countries remains very low, and confined primarily to agriculture. Export products comprise coffee, perfume oils especially; Lang-yland vanilla, cloves, sugar, cinnamon and fisheries products. With the exception of vanilla for which Madagascar and Comoros are first and second largest producers respectively, the quantities exported are minimal in relation to world production. These countries are not in a position to set or even influence export prices which are determined by the major producers as a function of their stocks. Their main steady markets are France and the European Economic Community.

100. The absence of natural resources and the low level of food production and manufacturing output necessitate substantial imports of consumer goods and capital goods, with a resulting chronic deficit in their balance of payments.

101. The low level of incomes retards the creation of savings, with the result that the States rely heavily on outside resources to finance their development plans. Moreover, the lack of qualified staff to execute development projects is also crucial, necessitating dependence on technical assistance from abroad.

102. Internal and external communications have always presented a problem for the four Indian Ocean countries as a group; their remoteness making international maritime transport expensive and irregular. In the course of 1986, the deep-water port of Mustsamdu, Comoros, will be operational. Because of the low volume of

foreign trade, high shipping costs are an obstacle both to the export of commodities and to imports. Transport by sea between the different island countries such as Seychelles, Mauritius, or the Comoros, or between the various ports of Madagascar, is effected by small steamers or dhows. It is slow, and also suffers from the obsolescence of port facilities. Transport within the islands is restricted by the absence of roads from the coast into the interior or, except in the case of Mauritius, their poor condition. This handicaps the countries' economic development with respect both to bringing out and marketing produce and to disseminating the effects of modernization.

103. Despite their remoteness from Europe, the four Indian Ocean countries possess good tourism development potential. But the tourism sector must be managed with care to ensure that the countries derive the full benefits from it. Tourism must earn a net foreign exchange surplus after payment of all import bills, interest and dividends on foreign capital. It must also simultaneously promote handicrafts production, local agriculture (cereals, fruit, livestock, fish) and even agro-industry for food to meet its own needs and those of the population.

B. EAST AFRICA

104. The East African subregion in this group covers the countries of Kenya, Uganda, the United Republic of Tanzania, Somalia, Ethiopia, the Sudan, Rwanda, Burundi and Djibouti. All but one have signed or initialled the terms of association of the Preferential Trade Area (PTA). Six of them are members of the Intergovernmental Authority on Drought and Development (IGADD).

105. Many countries of the subregion have had to face the problems of refugees and displaced persons. The greatest problem caused by refugees for the receiving countries is the difficulty of absorbing them into their economies, given the very narrow labour market and their incapacity to provide, at short notice, shelter, water facilities and other services which they may require. National resources may have to be diverted to unproductive activities, involving the handling and resettlement of refugees, in spite of some assistance from the international community.

106. Many countries of the East African subregion are drought-prone. Ethiopia was one of the countries most affected by the 1983-1985 drought as a result of which cereal crop production dropped from 5.4 million tons in 1982 to 4 million tons in 1984 and to 3.5 million tons in 1985. Consequently, the food deficits increased tremendously. The population affected by the drought was estimated at nearly 8 million. Faced with this unprecedented crisis, the Government adopted a Programme of Action that comprises short-, medium- and long-term programmes aimed at saving the life of millions of people in the drought affected areas, and laying the foundation for the long-term solution to the drought problem. The international community also came along to alleviate the problem by providing food and other emergency assistance. This drought brought havoc to economic activity, particularly, agricultural activities and left in its wake death and human suffering, apart from decimating a large proportion of the livestock. Vital resources which could otherwise have been used to expand fixed capital formation have had to be diverted to deal with relief and rehabilitation of drought victims. Major parts of three administrative regions have been over-burdened by population pressures and drought-caused deterioration of arable land. Government is currently

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searching for ways to ameliorate this situation by land rehabilitation programmes, bringing new land under cultivation, creating better irrigation and water management schemes as well as other incentives toward a better and more productive pattern of arable land utilization. In a country in which agriculture provides around 50 per cent of GDP, the drought has had a critical impact on the Ethiopian economy, whose rate of growth fell by 3.7 per cent in 1984 and by 6.5 per cent in 1985.

107. Kenya was also affected by drought in 1984. The main rainy season of March and April of that year failed and cereal production dropped by as much as 40 per cent on the average. The output of maize, the basic food of the country, fell by 35 per cent. Tea production was also affected, falling by 2.5 per cent in 1984. Livestock was also badly hit because of the lack of adequate pasture, and dairy production declined. Unlike in Ethiopia, the impact of the drought was short-lived as the small rains in the last quarter of the year were better than expected. In Burundi, drought obliged the Government to make an appeal for emergency food aid in 1984, the first appeal since independence, amounting to 66,000 tons of cereals; Rwanda also made a similar appeal. In the Republic of Tanzania, drought has generated considerable problems. On the whole, in addition to food aid, the Governments of East African countries have had to import large quantities of food to make up the food deficits and this affected their balance of payments.

108. Somalia faced severe drought in 1983 and 1984 which caused tremendous shortage of water and pasture for the livestock. Agricultural production declined and exports fell to their lowest level in recent years. Cattle exports dropped from 157,000 heads in 1982 to 44,000 in 1983 and to a much lower level in 1984. The export value of banana, the second most important export commodity, declined to low levels in 1983 and 1984. Imports, particularly food, increased thus affecting balance-of-payments position. At present eight regions of the country are facing severe drought due to the failure of rains in 1985.

109. In 1984, the estimated population of the nine countries in the East African subregion was 135.1 million. In terms of growth rate of population, the East African subregion ranks first with 3.1 per cent per year in 1980-1984. But in terms of density, Rwanda comes first with 225 persons per km^2, followed by Burundi with 163 persons per km^2.

110. The East African subregion has tremendous agricultural portentials but most of the countries of the subregion are quite small and most of their pasturelands suffer from overgrazing and over-exploitation. In Rwanda and Burundi, more than 35 per cent of the total land is arable whilst in Ethiopia more than 50.9 per cent is classified as permanent meadows and pasture. In the subregion, 7.5 per cent of land is classified as arable, 38 per cent as pasture and meadows, 25 per cent as forest and the remainder as waste land. Low agricultural productivity has indeed been a great concern of the subregion.

111. The Sudan was also seriously affected by the drought of 1983-1985. Cereal production fell from 5 million tons in 1982 to 2.1 million tons in 1985. The country therefore had to import 2.45 million tons to feed more than 6 million people in the east and west regions. The prolonged drought also had the effect of displacing the inhabitants from their native lands towards urban areas, especially along the River Nile and around the administrative centre. The Sudan lost 55 per cent of its livestock. Although food production this year was satisfactory, there are still about 4 million people in the west region living under pressure

from famine and 400,000 of them are starving. The problem, however, was that although the area under production increased substantially, yields fell. The reasons for this failure included lack of fertilizers and other chemicals, manpower shortages at harvest time and the country's chronically poor infrastructures. Furthermore, the farmer's financial incentives were switched from the traditional cotton crop into staple foodstuff such as sorghum (dura) and ground-nuts.

112. In the Republic of Tanzania, the organization of previously scattered peasant farmers into villages involving various types of communal farming has been a major Government objective. At the end of 1980, there were 8,167 registered villages within a population of about 14 million. In Kenya, the presure on land is particularly heavy in West, Central and Nyanza provinces to the potential detriment of agricultural productivity. Various solutions to escape from this land constraint continue to be explored by the Government by expanding the supply of good quality land through irrigation, drainage or the conversion of forests and pastures, although the rate of return on most of the irrigation schemes has been rather low.

113. From the point of view of a land-locked developing country, the dependence upon a transit country for access to the sea has a number of basic implications which can be inherently adverse. The transport and freight rate policies within the transit country are formulated and administered primarily to support its overall domestic development strategy. Such a strategy may not be consistent with the requirement of the land-locked neighbour. For example, the transit country may wish to protect particular modes of transport which might not meet the specific requirements of the land-locked neighbouring country. In the case of the East African subregion, this problem occurs in the transit countries (Kenya, the United Republic of Tanzania and Djibouti) in their relations with the land-locked countries (Rwanda, Burundi and Uganda). The situation is expected to improve following the signing and implementation of the Northern Corridor Transit Transport Agreement by Burundi, Kenya, Rwanda and Uganda.

114. The major difficulty in transit transport is posed by the lack of adequate facilities. The intercountry road transport arrangements governing vehicle dimensions, axle load specifications and other legal and administrative questions related to licences and insurances may be either non-existent or their enforcement and surveillance may be weak and ineffective. Storage for transit cargo raises a number of difficult problems which can be a source of friction between land-locked and transit countries, particularly with regard to the capacity and predictability of inland transport and the time required for cargo documentation. Communication links with various ports and commercial centres in land-locked countries continue to be a major handicap inhibiting the speedy movement of transit cargo which leads to enormous delays in getting the cargo in and out of the ports.

C. THE SOUTHERN AFRICAN STATES

115. These countries have experienced serious problems in implementing their development objectives and priorities due to their geographical proximity to South Africa as well as the special trade and economic links with the racist régime which render their economies extremely vulnerable to any policies which South Africa may decide to take on economic or political grounds. It is expected that, for the same reasons, they will encounter serious difficulties in implementing Africa's priority programme for economic recovery. Historically, all these countries had developed

varying degrees of economic dependence on South Africa as well as trade and cultural links. In fact, in some of the countries, such as Botswana, Lesotho and Swaziland imports from South Africa account for as much as from 70 to 98 per cent of total imports. Mozambique, Swaziland, Zimbabwe and Botswana share common boundaries with South Africa while Lesotho is completely surrounded by South Africa and Zambia shares the border with Namibia which is illegally and militarily occupied by South Africa. South Africa also has some control over transport and communications facilities for most of these countries except Mozambique and Angola. Many of the countries have over the years established fairly liberal migration arrangements and considerable portions of their labour force, estimated in milions, earn their livelihood in South Africa.

116. Within the subregion, the industrial development pole is still centred in South Africa, which offers attractive incentives due to its abundant natural resources and mineral wealth, advanced industry as well as a well-developed economic and social infrastructure. Since 1910, Botswana, Lesotho and Swaziland have been bound to South Africa by the South African Customs Union (SACU) under which they have established a comon external tariff, a free trade area and a common system of customs revenue collection. Although independent nations gain substantial revenue from this arrangement, they do so at a high cost manifested in their loss of industrialization opportunities. The countries also co-operate in monetary matters. The South African Rand is freely convertible in all countries except Angola. Specifically, Swaziland and Lesotho are members of the Rand Monetary Area. As such they are tightly integrated into both the monetary system and the economy of South Africa which acts as a metropolitan centre.

117. The major effects of the economic dependence on South Africa are very complex. Many of the countries earn regular amounts of revenue from remittances from their migrant labour which find employment largely in the mines and farms of South Africa. Secondly, some of the countries are interlinked with the economic infrastructure (transport and communications) of South Africa. However, South Africa takes undue advantage of this dependence and the following factors need special mention:

(a) The South African Government is able to pursue policies of economic destabilization through various means such as disinvestment by the transnationals as well as other firms based in South Africa;

(b) The loss of industrialization opportunity due to the presence of the free trade arrangements under which most of the economies, except Angola, become market hinterland for South Africa;

(c) The loss of revenue through resource leakages and flight of capital which is generally attracted to South Africa; and

(d) The difficulty of pursuing a truly independent economic development policy and the problems of protecting their economies from the effects of the devaluation of the Rand.

118. The economic and political destabilization policy of South Africa on the Southern African States has created many critical problems for their economic development. Such destabilization takes essentially three forms: (i) direct military intervention by South African troops such as in Angola; (ii) the support

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of dissident groups such as in Angola, Mozambique, Zambia and Zimbabwe; and (iii) economic blockages, trade embargoes and disinvestments by South Africa in critical development projects in the Southern African States. These countries not only have to cope with the development problems facing other African countries but also find themselves spending huge amounts of resources (both financial and human) in an attempt to counteract or protect their economies against such policy. The most readily identifiable effects of such a policy are the following: (a) loss of human life, livestock and property; (b) the disruption of economic production and the destruction of infrastructure especially transport and communications facilities which greatly harm the land-locked countries; (c) the diversion of resources required for economic development to defence spending and war damage repairs; (d) the disruption of the supply of essential goods and raw materials; (e) the creation of a stream of refugees and other displaced persons; and, (f) the resulting slow rates of economic growth and prosperity.

119. South African aggression and destabilization has cost its neighbours in excess of $10 billion during the period 1980-1985, an amount that represents more than one third of all their exports and indeed more than all foreign aid. This loss is accounted for by direct war damage; extra defence expenditure; higher transport and energy costs; loss of exports and tourism; smuggling; refugees; reduced production; lost economic growth and boycotts and embargoes. The destabilization policy also results in the movement of refugees and other displaced persons among the Southern African States themselves.

120. Six of the eight Southern African States (Malawi, Zambia, Botswana, Lesotho, Zimbabwe and Swaziland) are land-locked countries and face special problems of transport and communications resulting from historical links with South Africa. Therefore, apart from the direct war damage, the Southern African States have had to meet enormous extra expenditure due to South Africa's deliberate policy of disrupting competing railways resulting in loss of vital foreign exchange earnings. Most of these countries have also had reduced production as a result of a serious fall in agricultural and industrial production since most development projects have had to be delayed. Moreover, until recently, all international flights to some of these countries had to make transit connections in South Africa so as to change to smaller aircraft, while in the countries bordering on South Africa some international telephone calls and telexes are routed through it.

121. A number of Southern African States are also plagued by natural calamities such as drought and desertification (Mozambique, Botswana and Lesotho) or floods and cyclones (Mozambique). These countries have had to spend large portions of scarce resources, both domestic and foreign, to deal with such calamities. In addition, the apartheid policy of South Africa and the political repression have resulted in a constant influx of thousands of refugees and other displaced persons from South Africa into the Southern African States. The Southern African States are fully cognizant of their special geographic location and the consequential effects of South Africa' destabilization policy on their political, economic, social and cultural institutions. Hence, the Southern African Development Co-ordination Conference (SADCO) was created not only to foster subregional co-operation among its member States but also to provide an effective common platform to respond to this threat.

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D. CENTRAL AFRICA

122. The Central African subregion comprises seven countries (Cameroon, Gabon, the Central African Republic, the Congo, Zaire, Equatorial Guinea and Sao Tome and Principe) and covers an area of more than 4 million km^2 or about one seventh of the continent's surface, but with only an eleventh of its population.

123. There is only one country, namely Zaire, in this subregion with a population exceeding 10 million and two countries (Equatorial Guinea and Sao Tome and Principe) with less than a million. Largely due to high infant mortality and the high incidence of sterility, the subregion's population growth of 2.8 per cent is below that of most other subregions which range from 2.87 per cent in North Africa to 3.1 per cent in East Africa, as well as of Africa as a whole (2.9 per cent). Some Governments of the subregion, for example, the Gabonese Government whose population growth rate has been one of the lowest, not merely among developing regions but also in the world, took measures to boost their population. Family allowances have been generalized and an efficient public health service has been inaugurated to tackle the familiar deterrents to population increase. Life expectancy at birth is also low in the subregion: 46 years against 55, 48 and 60 in North, West, East and Southern Africa, respectively; and like the other African subregions, Central Africa reveals the morphology of a young population, with about 44 per cent of its population under 15 years of age. Apart from increasing the dependency burden, such an unfavourable age structure places enormous stress on economic infrastructure.

124. Although great efforts are being made or planned and it is encouraging to note the heavy emphasis being placed on transport in their national economic recovery programmes, the countries of the subregion are ill-served by their transport networks. Zaire is a partial exception, provided the pre-independence transport network is restored. The predominance in the subregion of laterite roads means a heavy investment toll in maintenance, not only of the roads but of the vehicles that have to run on them. However, the air transport system of the subregion seems to be well served by four African airlines, although it is difficult to serve the islands of Equatorial Guinea and Sao Tome and Principe on a regular basis, even by boat. Telephone communications and interconnections constitute another problem of the subregion which need outside investments and technical know-how. The transport and communications system in Central Africa should therefore be developed to promote industrial and agricultural production and the economic integration of the countries of the subregion.

125. In the subregion, one country is completely land-locked (the Central African Republic), one semi-land-locked (Zaire) and two are island countries (Equatorial Guinea and Sao Tome and Principe). Lack of access to the sea and remote location from transit ports constitute a serious additional burden for the Central African Republic which renders its weak economy more vulnerable. In particular, the additional transport and transit costs which it must bear constrain export and import development and have an adverse effect on its terms of trade.

126. Although Zaire is a semi-land-locked country opening up to the Atlantic Ocean by a corridor of only 60 km, the centres of mining and agricultural production are located far away from the export seaports of Matadi, Boma and Banana, and Zaire has to carry most of its foreign trade through transit ports in the United Republic of Tanzania, Mozambique and South Africa. The Angola port of Lobito, which was

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previously used on a large scale for imports, has been closed since 1975 due to UNITA guerrilla activity.

127. The problems of island countries - Equatorial Guinea and Sao Tome and Principe - are mainly those of communication with the outside world, although in Equatorial Guinea there are problems of communication between the continental part (Rio Muni) and the island part (Bioko) of the country which are separated by 250 km from each other. In the island countries poor international communications have traditionally been a major obstacle to economic development. Though there have been some improvements recently in port and air cargo facilities, subregional arrangements to make effective use of these facilities still need to be developed.

128. Central Africa has also shared in the problem of African refugees. The impact of such influx of refugees in the receiving country is straightforward: problems of shelter and employment lead to precarious life in temporary shanty towns with shortages of food and other consumer goods and destruction of the traditional society. For the host countries, a large influx of refugees leads to disorganization of national economies, misallocation of scarce resources for unproductive activities, and the weakening of government capacity to sustain its development goals.

129. Given the artificial frontiers bequeathed by colonization, migratory movements across frontiers in the pre-independence period were commonplace in the Central African subregion. However, changing political currents that have followed in the wake of independence caused several countries of the subregion to restrict inter-country migrations despite the UDEAC or CBEAC agreements. In recent years, several Governments have taken measures to clamp down on illegal immigrants.

E. THE SAHEL

130. The Sahel constitutes a relatively honogeneous subregion in terms of its ecosystem located south of the Sahara, its share of the characteristics of contrasting climatic features ranging from drought and total aridity to devastating rains. In addition, the subregion is affected by desertification which from one year to the next reduces the useful land area by a strip some 20 km in width. Five of the countries are totally land-locked or island countries, which accentuates their situation of dependence. These countries thus share the same problems, which they seek to solve individually and collectively.

131. The dominant economic activity in the Sahelian countries is basically agricultural and pastoral, and is vulnerable to the vagaries of climate, and especially to rainfall patterns. In the space of less than 10 years, these countries have experienced a series of severe droughts, as well as other natural disasters. Worse still, the islands of Cape Verde had no rains from 1967 until, when it finally came in 1984, it was in the form of torrential downpours which had equally disastrous effect on the national economy.

132. The impact of drought and desertification in the Sahel has been considerable, both on agriculture and on national economies as a whole. Mention may be made of the substantial drop in food crop production, which has aggravated the already precarious food situation; the decline in cash crops; famine and malnutrition; excessive mortality and aggravated morbidity; increased imports and dependence on

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food aid; the drop in foreign exchange earnings and the aggravation of the trade and balance-of-payments deficits; the extensive (50 to 80 per cent) loss of livestock, indeed the total disappearance of hundreds of herds; the deterioration of the Sahelian ecosystem, thus promoting desert encroachment and the retreat of cultivable land; the falling levels of watercourses; the difficulty of electricity supply with its impact on already low industrial production, the fall in watertables and the drying up of watering points; the accentuation of the rural exodus towards urban centres and more hospitable climates; and the pressure on the receiving areas, with consequent environmental degradation.

133. The phenomenon of drought and desertification has completely disrupted national economies, and seriously slowed the development efforts of the countries in question. Governments have had to face major problems such as food crisis and famine, health and mortality problems affecting both people and livestock, transport and communications difficulties, the acute problems of the displacement of populations in search of subsistence and the special problems resulting from the countries' land-locked or island status.

134. During the two droughts, the Sahelian countries experienced substantial falls in all forms of food-crop production. Millet and sorghum, for example, two cereals traditionally resistant to climatic variation, underwent a drop in production of almost 40 per cent, creating a food deficit which was met in part by aid in the form of substitute cereals such as rice and wheat. The most serious consequence, however, was malnutrition. In some zones, the food deficit, coupled with the scarcity or total absence of logistic means, as well as the poor state of the roads, among other things, led to famine.

135. The first to be affected were the vulnerable groups of young children, mothers and the aged, taking into account the age distribution of populations in the Sahel. The drought afforded a breeding-ground for numerous epidemics, and thus increased mortality among young children, the old and women of child-bearing age. Of equal concern is its impact on livestock, a principal wealth of the Sahelian countries, the population of which has in some countries been reduced to 20 per cent of its original level. The widespread lack of water and grazing land made it impossible for these dramatic losses to be avoided.

136. The transport and communications sector is a major constraint on development in the Sahel, accentuated by the vastness of the subregion's territories - more than 5.5 million km^2 - and by the erosion-affected terrain. The existing scanty infrastructures pose acute maintenance and repair problems, the cost of which must be added to that of energy. The inadequacy of transport and communication infrastructures and means condemns to isolation a vast number of inhabited points separated by vast distances, both within the continent and in the Cape Verde archipelago. Faced with the high cost of investment in this area and with the equally high recurring costs, the countries of the subregion are not in a position to release sufficient resources to ensure both the proper functioning of what exists and the development of the various means of transport and communications.

137. The countries of the Sahel have always witnessed population movements brought about by the vital search for food and water. These movements accelerated during the periods of drought, destroying socio-political balances and creating acute problems of all kinds. Because of the ubiquity of the drought, the collective drama of the displaced peasantry is not solaced by the hope of finding a more hospitable and more fertile land.

138. The land-locked countries suffer both from their own internal difficulties and from those of their neighbours, in that the goods they import or export are burdened with the costs of transit through the neighbouring countries as well as those arising at home. The case of Cape Verde is equally dramatic, since, by reason of its geography, it has to maintain constant links between its various islands. The isolation becomes still further aggravated in the event of natural disasters, such as the past droughts, for speed of supply of goods becomes critical and, moreover, larger volumes than in normal times have to be handled. The customary obstacles of structural and infrastructural inadequacies then become more insurmountable.

139. The problem of economic integration in West Africa has given rise to the establishment of numerous subregional bodies, often with the same motives and objectives and an interest in the same aspects of development - namely, the economy, agriculture, transport and communications, etc. These institutions, some 30 in number, have not always fulfilled the hopes and expectations Governments have invested in them with respect to the promotion of collective self-reliance, growth and self-sustaining development in the subregion. It thus appears essential to rethink the machinery of economic co-operation in West Africa, particularly among the Sahelian countries, due consideration being given to the proliferation of existing structures.

F. NON-SAHELIAN WEST AFRICA

140. One of the predicaments of this subregion is a high growth rate population compared with any other subregion on the continent, with the result that while the rate of decline in real GDP has been no worse than in other subregions there has been greater fall in GDP per capita. The problem is further compounded by the likelihood that population growth rates could reach higher levels in the immediate future propelled by continued high fertility and declining mortality, creating severe strains for the countries of the subregion, by holding back improvements in living standards and the provision of basic needs. Even for countries like Nigeria and Côte d'Ivoire which are rich in natural resources, the rapid growth in population makes it hard to readily develop both the human skills and provide the heavy infrastructural investments and administrative structures that are needed to exploit these resources more effectively.

141. Associated with the high population growth is the rapid growth in the urban population propelled in part by a high rate of rural-urban drift that has posed serious problems for economic management, apart from contributing to serious distortions in the allocation of investment between urban and rural areas in the subregion. Reducing the high cost of urbanization and stemming the flow of rural-urban migration constitute two of the major problems of economic adjustments now confronting the subregion.

142. While the countries of the subregion have relatively good rainfall régimes, the sharp contrast between the unduly wet rainy season and the extremely dry season, in most of the countries, creates problems of water conservation and soil erosion and depletion. Furthermore the economic infrastructure do not adequately allow the growing of more than one crop a year for most of the staple crops and to promote effective protection of the fragile environment. In this connection, it is

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worth noting that the staple crops of the subregion, especially the tubers like yam and cassava, are precisely those crops of the humid subtropics for which agronomic research has so far resulted in less than spectacular growth of productivity (with the exception of Côte d'Ivoire) and no marked improvements in storage and preservation techniques.

143. For these reasons, the subregion is not entirely free from the impact of occasional drought conditions, particularly in the northernmost areas which, in actual fact, belong ecologically to the Sahelian region. Indeed, the severe and prolonged drought of 1983 to 1985 contributed to declines and disruptions in agricultural production in most of the countries of the subregion, thus exacerbating an already precarious food situation. In addition, the prolonged insufficiency of rains led to a reduction in the level of water resources, including the total drying up of wells and boreholes in some cases, due to the lowering of the water table. In countries such as Côte d'Ivoire, Ghana and Nigeria, the availability of adequate water supplies for hydroelectric power generation, irrigation and fisheries was also adversely affected by reduction in stream flow régimes and basins with shallow water tables. In Nigeria, the drought also intensified the degradation of pasture land, resulting in the death of a large number of livestock.

144. Virtually all the countries of the subregion have served as receiving centres for population displaced by the Sahelian drought. As the drought intensified, there were mass movements of people southwards from the Sahel into the non-Sahelian countries of West Africa in search of food and water and of pasture for livestock, thus imposing additional strains on the already serious food situation and the fragile economic and social infrastructures of those countries. Furthermore, in spite of the relatively underdeveloped nature of their economic infrastructures, the countries of the subregion have had to provide, of necessity, transit facilities for the export and import trade of their land-locked Sahelian neighbours to the north, and for the transportation of emergency relief materials. Yet many of the countries in the subregion could ill afford the magnitude of investments required to expand and maintain the necessary transportation infrastructures that will enable them to play such a role effectively.

145. The decline in government revenues in the non-Sahelian West African countries in recent years as a result of the worsening international environment has resulted in cut-backs in investment plans and slow-down of ongoing projects, which has adversely affected the operation and maintenance of existing facilities, including physical infrastructures. Yet these are the very countries that require perforce to pay greater attention to the maintenance of physical infrastructures due to the deleterious and corrosive effects of high humidity, particularly on the highly delicate, sensitive and expensive equipment that modern technology demands.

146. In a subregion where education has proceeded further than in other areas of the continent, and where growing unemployment of graduates trained at great cost is already a major social problem, it is a paradox that many of the countries still rely heavily on foreign skilled manpower which has been a major drain on scanty foreign exchange reserves. This has led to a new awareness of the importance of human resource development and manpower planning and the necessity to maintain quality and excellence in educational development.

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147. While the subregion provides a good example of the tremendous effort that has been made in subregional co-operation in Africa during the past 25 years, it also bears witness to the very limited results that such efforts have so far produced. Indeed there are at least 35 economic co-operation groupings in the West African region as a whole (such as ECOWAS, CEAO, Mano River Union, River Niger Basin, CILSS, Council of Entente etc.). Conceived and designed as instruments of economic co-operation and accelerated development on the basis of collective self-reliance, these groupings have been striving at great odds towards the harmonization of rules, procedures, strategies and programmes that will enable them to be integrated effectively into the wider framework of the West African Economic Community. The development of reliable transport and communications links by sea, land and air in the non-Sahelian West Africa will be a major factor in promoting that co-operation.

148. A major thrust of future policy in this subregion therefore is the revitalization of the instruments of economic co-operation and the mobilization of the internal and external resources that will be needed to promote joint programmes and execute joint projects in many areas of economic and social life, that will accelerate the realization of the objectives of the Economic Community of West African States.

G. NORTH AFRICA

149. The subregion comprises the six North African countries Algeria, Egypt, the Libyan Arab Jamahiriya, Tunisia and SADR.

150. All North African countries produce and export either oil or phosphate, and their products. The main thrust of their economic strategy is to plough back revenues to diversify their economies. A number of common problems affect practically all the countries in the subregion. Perhaps the most important is rapid population growth, which is creating great strains on services, particularly in the areas of education, health and housing. Population growth rates range from a high of 3.2 per cent annually in the case of Algeria to a low of 2.5 per cent annually in the case of Tunisia. Closely associated with this problem is rapid urbanization which has put further strains on services in urban centres, especially the capital cities. Extensive integrated rural development programmes have therefore been accorded high priority in a bid to reverse the strong tide of rural-urban migration.

151. The demographic trends have had serious implications for employment. Except for some countries, there is surplus trained manpower and graduate unemployment is prevalent. Due to historical factors, large numbers of the nationals of Algeria and Tunisia are currently working in Western Europe, and the recessionary conditions which have prevailed in the industrial countries over the past few years have adversely affected their job opportunities and hence their home remittances, which constitute an important part of the foreign exchange earnings of their respective countries. Egypt also faces a similar situation with the prospect of the return of a large number of its 3 million or so nationals currently working in other Arab countries.

152. A second problem faced by the region is the possible adverse impact of the expansion of the European Economic Community (EEC). Traditionally, EEC has had bilateral trade relations with almost all the North African countries under the umbrella of what the former called its Mediterranean Policy.

153. Under that policy countries like Tunisia and Egypt were known to have established traditional commercial relationships with EEC by exporting citrus fruits and vegetables to the Community. For these products EEC constitutes about 60 per cent of their export market. Problems resulting from recent admission of Greece, Spain and Portugal to EEC and the resulting competition faced by the agricultural products of the North African countries as well as EEC's application of its protectionist Common Agricultural Policy constitute major constraints on their exports to Europe. Serious consideration is therefore now being given by the countries of the subregion to the diversification of the export markets of the North African countries to non-traditional areas, including Africa and the Arab world.

154. Drought and desertification is another major problem faced by the subregion. The southern parts of the North African countries extend over large areas of the Sahara desert. Hence, the subregion has had to cope with problems of desertification, and the destructive impact of strong winds and sand dunes, as well as lack of rainfall and inadequate availability of potable water for human consumption and for farming purposes. Although drought has not had such devastating effects as it has had in the Sahelian countries of West Africa, its impact has none the less been quite significant in some countries. It has been reported that in some parts of northern Sahara, there has been no rain for about 12 years running. In other areas where underground water is drilled out of boreholes, it has often been found to be salty, non-potable and unfit for irrigation.

155. Another problem facing many of the countries of this subregion lies in the need for them to import increasing quantities of food for their people. While all of them are striving to achieve rapid improvements in agricultural production, they face certain serious constraints, such as water scarcity and soil depletion.

156. The vast areas covered by most of the countries impose upon them major problems in developing effective transportation networks among themselves and between coastal areas and hinterland and with the rest of the African region; yet the high cost of developing such network will have to be borne, both in the interest of national economic integration within each country and also for the realization of the objective of subregional co-operation and the wider aim of the African economic community.

Subregional analysis of the financing of APPER

157. In concluding this part, the problem of growing differentiations among the various subregions is best illustrated by the table below. Whereas, North Africa will mobilize 9 per cent of the total cost of APPER the Sahel will only mobilize 4.2 per cent. Therefore, although as we had indicated earlier that 64.4 per cent of the total cost of implementing APPER will be mobilized domestically, there are considerable variations in capacities of various subregions as well as of individual countries to raise such resources.

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Table 6. Subregional comparison of the situation with respect to the financing of Africa's priority programme for economic recovery, 1986-1990

	Total cost of priority programme		Domestic resource available or planned		Total external resources requirements	
Indian Ocean island countries	1 250.3	100.0	195.1	15.61	1 055.2	84.4
East Africa	21 127.6	100.0	9 539.0	45.1	11 588.6	54.9
Southern African States	9 418.0	100.0	3 580.7	38.0	5 837.3	62.0
Central Africa	12 834.5	100.0	7 462.4	58.11	5 372.1	41.9
Sahel	5 625.9	100.0	237.2	4.21	5 388.7	95.8
Non-Sahelian West Africa	21 901.8	100.0	10 548.5	48.1	11 353.3	58.9
North Africa	55 946.4	100.0	50 924.5	90.0	5 021.9	9.0
Total Africa	128 104.5	100.0	82 487.4	64.4	45 617.1	35.6

Source: ECA.

6. THE OVERALL PICTURE

1. Geographical and demographic setting

158. In order to understand the causes and consequences of the African economic crisis, it is important to outline briefly the geographical and demographic setting. Africa is a land of great diversity with a population of approximately 550 million and covers an area of approximately 30 million km^2 which is about a quarter of the world's total land area. Out of its total land area, only 44 per cent can be used for agriculture including pasture. Its vegetation varies from the lush equatorial forests of Central Africa to the arid deserts of the Sahara and Kalahari. There is great variation in the size of countries as far as area and population are concerned. The smallest country has an area of less than 500 km^2. The population also varies from 65,000 for Seychelles to approximately 95 million for Nigeria.

159. The main geo-political problems of the region are as follows:

(a) A large number of countries with small-size markets;

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(b) A number of land-locked countries without a good network of roads and adequate communications, thus resulting in difficulties in exporting their commodities and importing essential supplies;

(c) Some countries with very narrow coastal strips;

(d) Large areas of arid and semi-arid lands;

(e) A large number of countries suffering from drought and desertification.

160. The main demographic characteristics of the continents are:

(a) Wide variations in both population and critical population densities;

(b) A high dependency ratio;

(c) An age-structure, with more than 40 per cent of the population aged less than 15 years;

(d) A high rate of urbanization especially as a result of rural-urban migration which brings in its wake social and economic problems.

2. Gross domestic product

161. Without doubt, the performance of African economies in recent years has been dismal. GDP at current prices for the whole of Africa was 295,076.3 million in 1983 and 298,496.6 million in 1984, representing a rate of increase of only 1.2 per cent. Per capita GDP at current prices for Africa as a whole was $611 in 1984. However, the situation varied greatly among the various subregions as is demonstrated by table 7 below.

Table 7. GDP and GDP per capita by subregion (at current prices)

Subregion	GDP (in million $) 1983	GDP (in million $) 1984	GDP per capita (in $) 1984
Indian Ocean island countries	4 170.0	3 649.2	326
East Africa	29 817.1	30 641.2	227
Southern African States	18 893.7	18 666.0	399
Central Africa	18 337.0	17 709.6	386
Sahel	7 943.7	7 490.7	202
Non-Sahel West Africa	96 717.8	93 003.9	697
North Africa	119 197.0	127 509.0	1 607
Total Africa	295 076.3	298 496.6	611

Source: ECA secretariat calculations.

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162. From the above table, it could be seen that between 1983 and 1984 GDP at current prices fell in four subregions: Indian Ocean island countries, Central Africa, Sahel, and non-Sahel West Africa, remained virtually unchanged during the same period in East Africa and Southern African States; and increased by 5.4 per cent in North Africa.

163. Growth rates have also been exceedingly poor in Africa during the first half of the 1980s. GDP at constant prices grew at 1.6 per cent in 1980-1981, 2.5 per cent in 1981-1982, -1.0 per cent in 1982-1983, and 0.9 per cent in 1983-1984, showing an average annual growth rate of 1.0 per cent during the period 1980 to 1984. In the case of GDP per capita at constant prices, the figures for Africa as a whole were -1.3 per cent in 1980-1981, -0.4 per cent in 1981-1982, -3.9 per cent in 1982-1983, and -2.0 per cent in 1983-1984, showing an average of -1.9 per cent per year during the period 1980 to 1984. Similar to what was observed in the case of GDP and GDP per capita at current prices, performance among the subregions varied tremendously. This is demonstrated in table 8 below.

Table 8. Growth rates in GDP and GDP per capita at constant prices (average annual percentage growth rate for the period 1980-1981 to 1983-1984)

Subregion	GDP	GDP per capita
Indian Ocean island countries	-0.1	-2.7
East Africa	1.6	-1.5
Southern African States	0.6	-2.4
Central Africa	5.5	2.7
Sahel	0.2	-2.8
Non-Sahel West Africa	-3.5	-6.2
North Africa	3.6	0.8
Total	1.0	-1.9

Source: ECA secretariat calculations.

164. What is striking in the above table is that no subregion attained the target of 7.0 per cent growth rate in GDP set by the International Development Strategy of the Third United Nations Development Decade. Only Central Africa came somewhat close to this. GDP growth rates at constant prices fell sharply in non-Sahel West Africa and the Sahel, while in East Africa, the Southern African States and the Indian Ocean island countries, growth rates were essentially stagnant. In the case of GDP per capita, only in Central Africa was there any growth during the period 1980-1981 to 1983-1984. The figure was an impressive 2.7 per cent per annum. GDP per capita stagnated in the case of North Africa and fell sharply in all other subregions, with the fall being as high as -6.2 per cent in non-Sahel West Africa and -2.8 per cent in the Sahel.

165. Clearly, the economic situation in Africa is of serious concern, and the situation is moving from bad to worse. Present trends show that GDP at constant prices for Africa as a whole is not likely to grow faster during the second half of the decade than it was done during the first half. However, should Africa's

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Priority Programme for Economic Recovery be fully implemented, and should the economic environment improve significantly, Africa's GDP may resume the annual growth rates of the 1970s.

166. As far as the sectoral composition of the GDP is concerned, the relative shares of agriculture and industry have remained virtually unchanged. Agriculture accounted for 41 per cent of GDP both in 1980 and in 1982, whereas industry constituted 18 per cent of GDP in 1980 but only 17 per cent in 1982 for Africa as a whole. The performance of the industrial sector has been particularly disappointing. Growth in this sector for all of Africa was 1.0 per cent during 1973-1980, falling however to -4.1 per cent between 1980-1982.

Agriculture

167. Because of its central position in most African economies, the agricultural sector has had a major influence on overall GDP. The general picture of agriculture in the last two decades has been one of stagnation, and of falling per caput production. In almost half the African countries there was an average annual fall in per caput production of 1 per cent or more per year. The effect of this poor performance on domestically produced food supplies is clear from figures on basic food production. During the 1960s basic food production grew by an annual average of 2.8 per cent, but betwen 1979 and 1984 this rate fell to 1.6 per cent. As a result, while per capita food production stagnated in the 1960s (with an annual fall of 0.1 per cent), during the 1970-1984 period it fell sharply by an annual average of 1.4 per cent. Reversing this trend is the greatest challenge for Africa's economic survival.

168. The most important problems that have to be tackled therefore include: maintaining appropriate balance between the growth rates of population and food production, restoring and protecting arable land and rendering marginal land more productive, through more attention to water and soil management and better control of plant diseases; raising productivity of livestock production through better range management and increased attention to livestock diseases; paying sufficient emphasis to agriculture and rural development in African development plans and strategies; and, most especially, raising substantially the level of investment in agriculture; reversing urban consumption habits in favour of locally-produced foods; and maintaining appropriate balance in research and marketing between export crops and food crops for domestic use.

169. Partly because of the low priority that has been accorded to food and agriculture, production is extremely low. Traditional technology is the rule rather than the exception. Only very small quantities of modern inputs, such as fertilizers, improved seeds, farm and processing machinery, and chemicals to control pests and diseases, are used at present. Widespread use of improved seed for cereals is limited, by and large, to only a few countries with well-established seed industries supported by strong breeding programmes. As with seeds, so with pesticides. Few are regularly used on staple food crops, even though several serious pests could be controlled with relatively safe, low-cost pesticides. Labour constraint limits land preparation and cultivation throughout sub-Saharan Africa because of widespread dependence on hand implements. Tractor use is limited, except in North Africa, where some 40 per cent of the arable area is cultivated with tractors. In most other regions tractor cultivation accounts for less than 5 per cent of arable land preparation.

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Industrial rehabilitation

170. Many African countries have paid special attention to the development of the industrial sector in order to achieve growth rates and structural transformation of their economies, that will enable them to attain self-reliant and self-sustained growth and development. However, the pace of expansion of this sector has been disappointingly slow. While it is difficult to generalize for all countries, the following are among the main reasons for the slow growth of the sector: the generally poor agricultural performance affecting agro-industries, faulty conception, poor design, construction and/or management, inappropriate choice of technology and equipment, absence of forward and backward linkages, lack of skilled manpower, limited local and external markets, relatively high energy costs, unserviceable and poorly maintained equipment and machinery and shortage of foreign exchange and consequent difficulties in importing inputs and spare parts.

171. The industrial structure in most African economies is not properly matched with the natural resource endowment resulting in large-scale importation of raw materials, and the linkages with the rest of the economy are either very weak or virtually non-existent. The development of heavy industry encountered serious obstacles, both internal and external, with variable effects which have hampered its harmonious development and ran contrary to the objectives for which they were established.

172. On the whole, Africa's industrialization has been largely inward-looking with much emphasis on import-substitution policies and strategies. But these strategies have been adversely affected by the underutilization of capacities, the inappropriate choice of technology, and institutional and management problems. In view of these difficulties, most African countries are now engaged in vigorous efforts to rehabilitate existing industries while adjusting their policies in the light of their experience. The limitations of the inward-looking strategies for the satisfaction of local demand have become apparent. In this regard, attention is now being concentrated on projects with low capital intensities, lower energy use and greater mobilization of local skills and resources in an effort to reduce cost and increase the competitiveness of domestic industry.

3. External trade

173. Foreign trade is a critical element in the implementation of APPER. Taxation of foreign trade contributes more than one half of all government revenues and up to three quarters of total tax receipts. As is well known, about 95 per cent of African exports are primary commodities, including fuels. This section briefly outlines the problems of stagnation of exports; fluctuations in export earnings; instability of commodity prices and the impact of the collapse of such prices on resources; the effect of changes in the terms of trade on incomes and the balance of payments; protectionism; the slow growth of Africa's share in world exports; and the problems of declining imports.

(a) Stagnation in exports

174. Since 1975, total export earnings of African countries have grown at an average annual rate of around 5 per cent. Although they increased significantly from about $36 billion in 1975 and reached a peak of $96 billion in 1980, they fell

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sharply to $63 billion in 1984. When the earnings of major oil exporters (Algeria, Angola, the Congo, Egypt, Gabon, the Libyan Arab Jamahiriya, Nigeria, Tunisia) are excluded, the corresponding figures become $13 billion, $23 billion and $18 billion respectively. However, looking at the value, unit value and quantum indices of foreign trade as shown in table 9, it is evident that taking 1980 as the base year, export earnings in 1984 of oil exporters and non-oil exporters were, respectively, 65 per cent and 77 per cent of their 1980 levels. The reductions in earnings were caused both by declining prices (reflected in export unit values) and by lower quantities exported. The situation was also made worse by the recession in the world economy after 1980 and by production failures in the wake of the drought.

Table 9. Value, unit value and quantum indices of African exports (1975-1984) (1980 = 100)

	1975	1981	1982	1983	1984
For all Africa					
Value	38	79	69	64	68
Unit value	40	104	95	85	85
Quantum	95	6	73	76	79
For major oil exporters					
Value	33	78	67	60	65
Unit value	35	109	99	87	85
Quantum	95	72	68	69	76
For non-oil exporters					
Value	55	84	76	81	77
Unit value	59	90	83	78	84
Quantum	93	93	92	103	91

Source: UNCTAD secretariat calculations.

175. The average annual growth rates of world trade for most commodities of interest to Africa have been low except for copper, vegetable oils and, to a lesser extent, tea whose average growth was significantly higher in 1982/1983 as compared to 1972/1973. Thus, the average annual growth rate of world export volumes for bananas, coffee, cocoa and bauxite, have been less than 1 per cent while those for cotton, sisal, timber, iron ore, manganese and phosphate rock have even been negative. Only tea, vegetable oil and copper have achieved average growth rates of 1.6, 4.1 and 4.3 per cent respectively. For other major commodities, world trade volumes in the early 1980s stood close to their former magnitudes. Data in

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table 10 shows Africa's annual average growth rate of primary commodity exports (except fuels) in the periods 1966-1970, 1970-1975, 1975-1980 and 1980-1984, with corresponding average for world and other regions. It shows that developed market economy countries increased their primary commodity exports more rapidly than developing countries, and that Africa's exports have been the slowest growing (or fastest shrinking).

Table 10. Annual average growth rate of non-fuel primary commodity exports, 1966-1970 to 1980-1985 (in percentage)

	1966-1970	1970-1975	1975-1980	1980-1985
World	7.1	16.7	15.0	-2.7
Developed market economy countries	8.0	18.1	16.1	-3.2
Developing countries	6.2	14.0	14.4	-1.9
Africa	6.6	10.1	9.6	-4.0
America	7.0	15.1	14.3	-1.2
Asia	4.5	15.1	17.9	-1.3

Source: UNCTAD secretariat calculations.

(b) Declining share of Africa in world commodity exports

176. What is perhaps most important from the point of view of Africa is the general fall in the proportion of world exports of those commodities in which African countries are major suppliers. The decline was most pronounced in respect of agricultural commodities and minerals, ores and metals which in fact provide the bulk of Africa's export earnings. None of the important African export commodities, except tea and fishery commodities, have been spared the decline.

177. Had Africa's export quantities been increasing satisfactorily, the decline in shares would be less important as an indication of export performance. However, we must also point out that a few commodities such as sugar and tobacco have increased in the quantities exported despite the overall declining trend. It should also be added that overall figures for Africa's export performance sometimes hide certain interesting divergences among countries. For instance, Côte d'Ivoire considerably increased its production and export of cocoa while Africa's other major producers like Ghana and Nigeria have fallen behind. On the whole, the relatively slow growth of African production and exports has allowed other exporters to secure higher export markets at the expense of the continent.

(c) Import problems

178. One clear reflection of Africa's external trade problems has been a fall in imports associated with declining foreign exchange earnings. After using from an index level of 95 in 1972 (on a base 1980 = 100) to 117 in 1978, imports of non-oil exporting African countries have fallen continuously, dropping to 79 in 1984.

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179. The impact of these developments were considerable because in most cases this meant cutting back on important investment goods and other intermediate requirements. Two forces were at work in most countries. Not only did total imports have to be curtailed, there were also shifts away from imports of machinery and equipment towards imports of energy and food. Consequently, development efforts tended to receive secondary importance in the face of the need to feed the population.

(d) Fluctuations in export earnings

180. An important characteristic of African primary commodity trade, besides its slow growth, is the wide fluctuations in export earnings due to price and/or supply instability. For most African economies, it has also been a source of insecurity with tremendous detrimental effects for the development efforts which are usually import-intensive and makes production of crops less attractive.

181. Primary commodity trade generally exhibits a greater degree of instability than trade in manufactured goods. The recent price collapse has been most severe for countries dependent on commodity export earnings who have thus been more affected by the relatively unstable nature of commodity markets. The most detrimental effects of this instability have been greatest for the fragile African economies than for the more diversified economies, including the newly industrializing countries (NICs). This instability makes economic planning and the implementation of economic programmes not only difficult but also unmanageable. Often, major projects embarked upon at times of high commodity prices have had to be abandoned.

(e) Terms of trade and purchasing power of exports

182. Africa's terms of trade for 1975 and 1981-1984 are shown in table 11. Although the decline in the unit values of exports were somewhat counterbalanced by declines in import unit values, the relatively smaller declines in import unit values were such that the terms of trade and the purchasing power of exports of all African countries, including the major oil-exporters, were generally on the decline in the 1980s. For the non-oil exporting African countries, there was an improvement in the terms of trade as from 1983 onwards following the initial decline in 1982 but the purchasing power of exports rose in 1982 only to fall again in 1984.

183. The significance of the adverse movements in the terms of trade and purchasing power of exports for the region or for each individual country's economy depends on the relative importance of exports in the GDP. Data in table 12 gives the change in income associated with changes in terms of trade and purchasing power of exports as a percentage of GDP. 1/ It is observed that declines in purchasing power of exports have had a proportionately greater impact on the GDP of oil exporters in Africa as a group that on the non-oil exporters, despite the fact that the terms of trade of the latter group were continuously lower but the depressive effect of quantities was stronger for oil exporters.

1/ The change in income is obtained by multiplying the figures in table 11 by the share of exports in GDP for each of the country groupings. A minus sign indicates loss of income and the figures reflect the depressive effects of foreign trade on the growth of the continent's economy.

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Table 11. Africa's terms of trade and purchasing power of exports, 1975-1984 (1980 = 100)

	1975	1981	1982	1983	1984
All Africa					
Terms of trade	71.0	106.9	101.2	94.0	96.7
Purchasing power of exports	67.4	81.3	73.5	71.4	76.8
Major oil exporters					
Terms of trade	59.0	113.4	107.2	97.4	97.8
Purchasing power of exports	56.2	81.0	72.5	66.9	74.6
Other Africa					
Terms of trade	113.9	89.7	85.6	85.9	94.1
Purchasing power of exports	106.4	83.8	78.6	88.8	86.1

Source: UNCTAD secretariat calculations.

Table 12. Change in income associated with changes in terms of trade and purchasing power of exports 1981-1984 (percentage of GDP)

	Associated changes over 1980			
	1981	1982	1983	1984
For all Africa				
Due to terms of trade	2.0	0.3	-1.7	0.9
Due to purchasing power of exports	5.4	-4.7	-5.3	-3.8
For major oil exporters				
Due to terms of trade	4.5	2.4	-0.9	-0.7
Due to purchasing power of exports	-6.4	-9.2	-11.1	-7.9
For others				
Due to terms of trade	-2.2	-2.8	-2.7	-1.1
Due to purchasing power of exports	-3.1	-4.1	-2.1	-2.7

Source: UNCTAD secretariat calculations.

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(f) Protectionism

184. Another group of factors which affect the performance of Africa's foreign trade emanate from protectionist policies pursued by the industrialized countries. Such protectionist policies have constrained the export prospects of most African countries. Added to those are the saturated markets for most foodstuffs, the development of synthetics and substitutes and the expansion of primary input-saving technologies which restrict primary commodity imports.

185. The general economic policies of most industrialized countries have restricted domestic economic activity and this has had a restraining impact on their demand for primary commodities. In many developed countries protectionism has become a common approach to tackling unemployment problems irrespective of its disastrous effect on the volume of world trade. Further, agricultural policies in many industrialized countries have involved massive subsidies to agricultural producers resulting in high increase in the supply of agricultural goods with the consequence of depressing the price level of such goods. This has, in turn, a negative impact on the export earnings of many African countries.

(g) Commodity trade prospects

186. Although some preferential entry for some African products is provided for in the Generalized System of Trade Preferences (GSTP) there are, still, important omissions and constraining limits. In addition, there are a number of non-tariff measures that affect the entry of African exports in the important markets. Such non-tariff measures include, inter alia, voluntary export restraints, tariff quotas, surveillance systems, quantitative restrictions, variable duties and levies, anti-dumping duties and other price controls.

187. The possible impact of Africa's external trade on the implementation of APPER, needs to be assessed against the background of the problems discussed in the preceding paragraphs.

188. What is evident is that the demand for primary commodities depends mainly on changes in world economic activities, particularly in the developed market economies; and it should also be stressed that possible changes in the agricultural and trade policies of developed countries have considerable impact upon the prices of various commodities of interest to Africa and hence on Africa's capacity to implement its objectives.

189. Many of these factors when put together in the light of various macro-economic considerations, indicate the improbability of any substantial improvement in the market for primary commodities in the years up to 1990 in the absence of appropriate corrective measures. While incidental upward fluctuations can be expected basically due to supply instability in the major producing countries, fluctuations among major currencies have deeper repercussions on commodity prices and hence foreign exchange earnings. The linkage between such earnings and Africa's capacity to service external debts (as shown by high debt-servicing ratios) is a critical factor in the overall programme for economic recovery.

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4. External finance

190. After a decade of rapid growth, the net inflow of external resources from all sources in 1984 to African countries is about $5.5 billion less than it was in 1980 (and about $6.5 billion lower than the peak of 1982 (table 13)). The decline in overall growth during the 1980s of about 28 per cent provides a measure of the collapse in international financial co-operation as compared with the decade of the 1970s when the net capital flows expanded more than sixfold.

191. The stagnation and decline in the pattern of capital flows has been particularly marked as regards the flow of funds associated with trade credits, private direct investment and commercial bank lending. While a modest rise in official flows helped offset the decline in private flows, overall the net flows are presently declining on a broad front. As may be expected, net transfers (net flows less payment of interest and profit dividends) show a dramatic collapse as rising interest and amortization payments claim a growing proportion of gross disbursements. For African countries taken as a group, net transfers are lower by about $10 billion in 1984 as compared with 1980.

Table 13. Sources of medium- and long-term net flows to Africa a/
($US billions)

	1975	1980	1981	1982	1983	1984*
Total net flows:	12.8	20.2	19.7	21.2	19.0	14.6
Concessional	6.9	10.8	10.5	10.5	9.4	9.8
Bilateral	5.7	8.0	7.7	7.8	6.9	7.6
Multilateral	1.2	2.8	2.8	2.7	2.5	2.2
Non-concessional	6.0	9.4	9.2	10.7	9.6	4.6
Bilateral	5.5	8.6	8.2	9.8	8.4	4.0
of which official and private export credit	2.9	4.6	3.6	3.3	3.6	2.0
Multilateral	0.5	0.8	1.0	0.9	1.2	0.8
Memo item:						
IMF, net purchases	0.3	0.7	1.8	1.6	1.7	0.7

Source: Economic Commission for Africa based on UNCTAD 1985 Handbook of International Trade and Development Supplement and OECD data.

* Estimates.

a/ From DAC member countries, OPEC member countries and multilateral agencies.

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Official development assistance

192. Of particular significance to countries in Africa is the stagnation in the availabilities of ODA, resources associated with the IMF and export credits. As regards ODA performance, it should be borne in mind that Africa's share of this extremely scarce resource rose quite rapidly during the 1970s - from about 25 per cent of all ODA in 1970 to more than 40 per cent by 1980. The share of countries in the sub-Saharan region over the same period rose by about 12 percentage points. As a result of this expansion much of it contributed by OPEC-funded institutions - countries in the sub-Saharan region have become critically dependent on ODA to finance their long-term investment programmes. Lack of dynamic and diversified export base effectively precludes them from assured access to IBRD loans and to capital markets for both short- and medium- to long-term finance.

IMF resources

193. For a large number of countries in Africa shut off by the market from access to short-term payments-related finance, the IMF remains their only source of balance-of-payments support. The Fund indeed played a major role in providing such finance during the 1980s. Between 1980 and 1983 net purchases from the Fund more than doubled and partly helped absorb the trade-related shocks of the early 1980s. However, given the revolving character of the Fund and terms and conditions attendant upon access, repayments on account of earlier drawings are now themselves a serious source of difficulties in the management of external accounts. This process was aggravated, given the fact that many of the Fund programmes did not succeed in correcting the payments disequilibria in many of the borrowing countries. In this connection, it has been argued by some that the typical Fund stabilization programmes could not effectively deal with the payments disequilibria of a structural character nor those which are externally induced. Be that as it may, what has become clear in the recent past is that a larger proportion of Fund programmes currently favour standby arrangements (of 12-18 months duration) as compared with extended arrangements (of a medium-term character). As of 30 September 1985, of a total of 15 standby and extended arrangements in place in favour of countries in Africa, only one - Malawi - had an extended arrangement. The resources available from the IMF, however, provide only a fraction of Africa's needs for payments finance: Africa accounts for only 3.3 per cent of quotas. Moreover, since access limits to the use of Fund resources have been reduced since the 1983 quota increase, the net effect has been to leave sub-Saharan African countries with reduced access in 1985 as compared with their position before the general quota increase.

194. The failure to offset the continuing declines in the purchasing power of African countries is now generally acknowledged to be a major constraint in the present system of international financial co-operation. Given the key role of the IMF in virtually all financial transactions - including commitments from bilateral donors, export credit agencies, Paris Club arrangements and access to private finance - it is essential that its role be the subject of close scrutiny and evaluation if the present financial crisis in Africa is to be surmounted. The disturbing - if not altogether surprising - phenomenon of payments of arrears by a growing number of member countries in Africa to IMF and to other multilateral lending institutions provides the point of departure for restoring Africa's relations with IMF on a more secure footing. The recent decision to reconstitute the Trust Fund in a Special Disbursement Account in favour of low-income countries

may well be viewed as the first step in this direction. Of greater importance to African countries, however, is a substantial increase in their quotas beyond the present levels and a substantial allocation of SDRs to reconstitute reserves and liquidate accumulated arrears.

World Bank

195. Like the IMF, the World Bank in recent years has assumed a key role in meeting the capital needs of African countries. Its contribution - through IDA - the Special African Facility and its considerable expertise in evolving country-specific programmes of structural adjustment - have gradually helped evolve a policy envirnoment for laying the basis for sustained growth. However, despite the recent initiatives, net flows of multilateral loans to countries in Africa are now lower - by almost $0.5 billion - than they were at the beginning of the present decade. There is now growing concern that, on the basis of present pattern of gross disbursements on the one hand and prospective debt-service payments on the other, a growing number of African countries may become lenders to multilateral development lending institutions such as the World Bank. It is essential therefore that the replenishment of the eighth IDA take into account the need to fully support structural adjustment measures which many countries in the region have begun to put in place.

African Development Bank Group

196. The African Development Bank Group has an increasingly important role to play in financing economic and social development projects and programmes in African countries. In recent years, the Bank Group has been able to increase its share of total external flows to African countries and to achieve some measure of diversification into new forms of lending. These efforts must be encouraged and strongly supported. In particular, it is necessary to increase the resources of the African Development Fund which provides financial support to African countries on concessional terms. The fifth replenishment of the Fund with highly concessional resources would go a long way in increasing the flow of resources to African countries and ensuring their effective utilization.

International Fund for Agricultural Development (IFAD)

197. IFAD has also increased significantly the level of its resource allocation to Africa. With exclusive mandate for financing projects for the development of smallholder sector, increasing food production and reducing rural poverty, the Fund has acquired specific expertise and experience in these areas. IFAD's recently established Special Resources for Sub-Saharan Africa should be strongly supported by the international community, and the future financial strength of this institution should be secured.

Multinational assistance

198. During the last few years the resources made available through multilateral sources, particularly through the United Nations system, in the form of technical, financial and commodity inputs have been declining despite the growing needs of the African countries, particularly at a time when most of them are facing serious socio-economic crises. Hence the need for a sustained policy of supporting the United Nations system and making available adequate resources, through the system, to assist the African countries to meet their immediate and long-term development needs.

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Export credits

199. Export credits and other trade-related finance have in the past played a key role in financing critical imports - particularly capital goods and maintenance inputs - vital to Africa's production and trade. Export credits from OECD to countries in sub-Saharan Africa expanded at an exceptional pace during the 1970s, averaging about 21 per cent per annum. Since the 1980s, this vital source of external finance has declined drastically - by over 50 per cent - with the result that, in many countries in Africa, the repayments on account of past borrowing significantly exceed new disbursements. This phenomenon reflects, on the one hand, the relatively hard terms at which this source of borrowing is secured and, perhaps more critical, the fact that many export credit agencies have drastically reduced their cover to countries in Africa. An immediate consequence of this development is that a growing proportion of African trade now takes place on the basis of cash or barter. A second consequence of declines in trade finance has been growing accumulation of arrears, variously estimated to be between $10 billion and $17 billion, most of them on account of trade related short-term finance. A related and crippling consequence has been the emergence of the practice of placing significant mark-ups on cash imports, partly designed to compensate for accumulated arrears to traditional suppliers.

200. The stagnation in capital flows has affected economic performance in a variety of ways. In the first place it has given rise to acute difficulties in refinancing and rolling-over maturities. Secondly, given the close relationship between imports and capital formation, the decline in import capacity as a consequence of decline in net transfers has contributed to a sharp declaration in the pace of capital formation. The latter phenomenon itself is the outcome of a series of complex factors revolving around declines in public revenue, in the domestic savings performance and the need to shift savings to finance current consumption and to meet rising debt-service payments. Even if the domestic savings performance were to improve remarkably, its contribution to capital formation will be relatively modest, given the need to accomodate rising payments on external debts.

201. A broad conclusion deriving from the above discussion is that international financial co-operation vis-à-vis many countries in Africa has largely become inoperative and has been replaced by exceptional means of financing, namely, frequent rescheduling of obligations, draw-down in reserves and accumulation of arrears, including arrears to multilateral creditors. Clearly, while such a pattern of financing may secure some breathing space, it cannot be sustained since costs in terms of loss of credit-worthiness become prohibitive.

5. External debt

202. While net flows between 1980 and 1984 have declined by about $6 billion the stock of debt outstanding has continued to rise - by about $5 billion for all African countries and about $18 billion for countries in the sub-Saharan region. The phenomenon of rising debt outstanding in conjunction with declining net capital flows is related in part to the capitalization of arrears and interest payments as well as the large number of debt rescheduling exercises which have characterized the recent African experience.

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203. At the end of 1984, Africa's external public and publicly guaranteed debt was about $145 billion but total debt from all sources disbursed and non-disbursed, was close to $200 billion by the end of 1985. The relevant debt indicators suggest that Africa's debt burden is no less serious than that of other major debtor nations, but what is clear is that Africa has outpaced its capacity to service its debt: between 1974 and 1984, Africa's total external debt multiplied sevenfold while real output during this period declined by close to 1 per cent per year. In relation to exports and GDP, Africa's external indebtedness roughly doubled between 1974 and 1984, with a sharper growth experienced by countries in the sub-Saharan region. Accumulation of debt in Africa has coincided with adverse trends in terms of trade and declining capital flows particularly since the 1980s.

204. The debt-servicing estimates were based on estimates of two ranges. The lower bound of $US 14.6 billion gives the projected average annual debt-service of all the African countries for all public and publicly guaranteed debt. This lower estimate excludes the servicing of private non-guaranteed debt which, however, constitutes a burden on the external foreign exchange resources of the African countries. Also, the projected debt-service is lower than the scheduled debt-service over the period. The details of these projected debt-service on a country-by-country basis are given in table 6 of the statistical annex in volume two. The upper bound of $US 24.5 billion per annum gives the scheduled debt-service including the available information, the servicing of the private non-guaranteed debts of all the African countries. The value of this upper bound is based on the World Bank estimates of the 25 African IDA-eligible countries and 8 other sub-Saharan countries and our estimates for the remaining African countries.

205. The widening gap between debt-servicing capacity on the one hand, and servicing obligations on the other, is manifested in the quadrupling of debt-service to exports ratio in the 10-year period to 1984, with the ratio reaching 30 per cent in the latter year. For many low-income countries the burden is even more onerous: available estimates place their current debt-service ratios in excess of 30 per cent in the latter year. For many low-income countries the burden is more onerous: available estimates place their current debt-service ratio in excess of 30 per cent with individual countries experiencing ratios exceeding 100 per cent, when short-term debt, IMF repurchases and arrears and associated charges are taken into account. Evidence recently made available to the joint OAU/ECA missions which have just visited all member States by several national OTU authorities suggests a widening gap between actual debt-service payments and obligations. In most cases obligations exceed actual payments by as much as 50 per cent. Declining debt-servicing capacity has been worsened by contracting external capital flows. In 1984, net financial transfers from all sources to sub-Saharan Africa were estimated to have fallen by close to $8 billion from the level of just over $11 billion in 1980-82, as rising debt-service payments coincided with virtual cessation of voluntary lending from private sources and the breakdown in access to trade finance.

206. For the majority of African economies, debt-servicing problems have come on the heels of successive financial disruptions caused by external economic shocks and compounded by natural calamities of drought and famine, although misdirected economic policies have played their part in aggravating the crisis.

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207. However, the severity of external economic disruption cannot be understated. Key macro-economic indicators show concurrent declines on a broad front: between 1980 and 1983 the cumulative foreign exchange losses from the fall in commodity prices aggregated some $13.5 billion. In the same period, as many as 27 countries out of 39 sub-Saharan countries have experienced declines in per capita output while 23 countries recorded declines in net transfers of external capital flows, and foreign exchange reserves are currently estimated to be barely sufficient to cover six weeks of imports. There is clearly no margin left for manoeuvre economies are highly prone to the recurrence of financial crisis because of the openness and rigidity of their economic structures with their typically narrow production base. The predominant share of a few primary commodities in total output makes economic performance and financial availabilities highly uncertain, a victim of volatile weather conditions and sharp swings in commodity prices. At the same time, import demand consisting predominantly of essential items such as food and fuel cannot be compressed without long-term damaging effects on welfare and productive capacity. Moreover, as argued earlier, because of their lack of credit worthiness, African countries generally do not have ready access to bridging finance from private sources to hedge temporary liquidity shortages.

208. Africa's liquidity problems have been further exacerbated by the stiff condition attached to loans. Between 1975 and 1984, as many as 15 African countries have on more than 40 occasions sought relief on account of official and officially guaranteed export credit debt through reschedulings under the auspices of the Paris Club. Debt relief under the Paris Club has generally proved to be inadequate because of the failure to rapidly restore adequate levels of trade finance and to provide for additional aid flows. Moreover, the relatively high charges associated with such rescheduling often result in a worsening of the debt profiles. In any event, Paris Club arrangements are by their nature limited since they are largely confined to official and officially guaranteed debt: they do not deal with non-guaranteed debt, short-term credits, debt owed to multilateral institutions or to socialist creditors or for the most part to other developing countries. As a result, a significant component of debt - close to 50 per cent - is not addressed by the Paris Club and is left to other ad hoc arrangements. That the frequent and piecemeal nature of the reschedulings do not properly address the chronic nature of Africa's liquidity crisis, is manifested by demands for more rescheduling and growing arrears. As regards the latter point, it should be noted that of the 43 countries which reported payments arrears at the end of 1984, more than 20 were from Africa.

209. Debt-servicing prospects over the medium term are not promising and no major improvements are in sight. The international environment continues to be difficult. Continuation of high interest rates has the effect of inflating debt-servicing obligations while commodity prices and export earnings show little promise for an upswing, as long as the market of these products remain depressed. Morover, the expiration of grace periods associated with recent debt restructuring is anticipated to raise total debt-service payments from an annual average of $4.3 billion in 1980-1982 to some $14.6 to $24.5 billion annually in 1986-1990.

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6. Overall estimates of resource flow requirements

210. The support of the international community should not be limited to bridging the financial gap of APPER. Indeed, for Africa to succeed in implementing the Priority Programme and in effecting the necessary structural transformation of its economies, it is essential for the international community to undertake a measure of firm commitment to provide the external resources for the Priority Programme, as indicated above, and to ensure in addition that:

(a) The exogenous factors which have aggravated Africa's plight, particularly the heavy debt and debt-servicing burden, will not render the restructuring efforts a mere fantasy;

(b) Resource flows, in addition to those required for the Priority Programme, are provided in the form of grants or on concessional terms to accommodate the repayment of debt and ensure over and above the availability of an adequate level of foreign resources that would restore the financial viability of African countries and buttress the efforts to resume growth and raise the levels of per capita income; and

(c) During the period of implementing APPER no African country should have a net outflow of resources. In other words, no donor country should be a net recipient of resource flows from an African country.

211. Over the next five years between $US 14.6 billion and $US 24.5 billion will be required every year for the servicing of Africa's external debt. African countries cannot on the average finance APPER to the tune of $82.5 billion, or about 64.4 per cent of the total cost, and maintain adequate import levels from domestic resources during 1986-1990 and also be able, at the same time, to cover their debt-service payments.

212. Unless effective debt-relief measures and substantial resource inflows are assured, it will mean that the domestic resources being mobilized to finance APPER and generate growth will have to be diverted to service debts. Indeed, if international support were to be limited only to filling the gap in the investment requirements for the implementation of the Priority Programme without at the same time providing substantial relief for debt-servicing, the African countries might at the end of the period be worse off than they were at the beginning. There is no way in which Africa can move from a level of debt-servicing obligation of $US 4.3 billion per annum during 1980-1982 to one ranging between $US 14.6 and $US 24.5 billion per annum during 1986-1990. Even if all the domestic resources being mobilized to finance APPER are used in servicing debt, the African countries will still not be able to meet their debt obligations, let alone have resources left to finance APPER.

213. Given the indications of the African countries to finance 64 per cent of APPER, it must be stressed that this will involve a foreign exchange component of about $9 billion to cover the import content of the priority programmes. Even if this can be covered by an increase in export volume and an improvement in commodity prices, the African countries will have to face the task of financing an increased level of imports to at least the 1980 level. This will not be possible on the basis of African export earnings alone. It will, therefore, be necessary to

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continue to assist African countries through increased net resource flows that will enable the raising of the import level. As such the $9.1 billion annually would be specific assistance to the implementation of APPER. On this basis the average annual additional resources requirements, including the estimated debt-servicing requirements during 1986-1990 will be as follows:

Table 14. Resource flow requirements for APPER and debt-servicing

		($US billions) Annual average for 1986-1990	
		Low estimate	High estimate
1.	External resources required to finance APPER (gap between total cost of APPER and resources that can be mobilized drastically)	9.1	9.1
2.	Estimated debt-servicing requirements	14.6	24.5
	Resource flow requirements	(23.7)	(33.6)

214. Obviously these requirements will go down if effective debt-relief measures are implemented. If all bilateral debts are, for example, converted into grants, the annual resource flow requirements could go down to $20 billion under the low estimate and $26 billion under the high estimate. The consolidation of non-ODA official debts and service payments thereon into long-term loans repayable over a period of 30 to 40 years, with a 10-year period of grace could bring an additional debt-servicing relief to the tune of $4 to $6 billion per annum.

215. Capping and reducing interest rates for commercial debts as well as consolidating debt-service payments for these debts and their repayment over a long period of time on concessional terms will further reduce the size of the external resource gap.

216. Indeed, a package providing for debt-relief measures and substantial resource inflows will need to be devised, taking into account the peculiarities of the debt situation and debt-servicing capacities in each group of countries, and put into effect. For example, for low-income African countries the resource gap will have to be met by concessional flows and highly concessional debt-relief measures. For the middle-income countries the latter measures, in addition to an increased level of non-concessional borrowing on adequate terms, seems to be appropriate.

217. Estimates of the resource gap can at best provide only a broad order of the magnitude of the requirements. The estimates are highly sensitive to assumptions made about and trends of the external economic environment, commodity prices, movements in the terms of trade, interest and exchange rates and debt-service payments. Moreover the outcome of domestic savings efforts and of other policies designed to influence the macro-policy environment to have a significant bearing on the outcome of the estimate.

218. Bearing this in mind, our range of estimated external resource requirement clearly demonstrates that nothing short of a massive inflow of resources in addition to a significant alleviation of the crippling and already unmanageable debt-servicing burden as well as improvement of the external economic environment in support of policy reforms and the development effort are required from the international community if Africa is to break through the vicious circle of underdevelopment and achieve modest rates of growth in the coming five years.

7. Government priorities within the framework of APPER

219. From the data made available in the National Profiles (part I of volume two) it is clear that within the framework of the African Priority Programme for economic recovery agriculture has the top priority among all the sectors followed by other sectoral measures in support of agriculture, human resources development and drought and desertification.

220. In respect of the investment in the development of agriculture, we are concentrating in the following eight areas in order to achieve the objective of APPER:

1. Increased food production.
2. Arable land development and improvement of land tenure policies.
3. Livestock, animal production and fisheries development.
4. Animal traction and agricultural mechanization.
5. Food storage and food marketing.
6. Water resources management and development, and low-cost and simple irrigation schemes.
7. Drought, desertification control and re-afforestation programmes.
8. Agricultural research, extension and human resources development.

221. The next sector which is given second priority is other sectoral measures in support of agriculture and this includes construction and maintenance of feeder roads, access and service roads, rehabilitation of railways, rehabilitation of industries providing inputs or investment incentives to agriculture such as fertilizer manufacturing plants and processing of agricultural outputs, rural development, land-use planning and provision of adequate housing for people. In the field of rural health and primary health care, strategies have been adopted for the immunization of all children and the provision of safe drinking water and sanitation by 1990.

222. Under drought and desertification, afforestation and re-afforestation development, drought monitoring, development of alternative sources of energy in place of wood fuel, land management and development and conservation of water

resources are identified. The fourth priority, human resources development, covers, inter alia, improving management institutions and the performance of the public sector, strengthening human resources planning and management. The last category also covers manpower surveys and planning and projects such as development of institutes of public administration and management and management productivity centres.

223. It has not been possible in all cases to distinguish clearly between these four areas for all countries and in some countries land management and re-afforestation have been listed under agriculture, since for these countries the purpose of re-afforestation is not to check drought and desertification but to replace forest products which have been depleted.

224. Tables 2, 3 and 4 of the statistical annex show the cost of APPER for 1986-1990 by sector, source of funding, by subregion and country in millions of dollars and in percentages respectively.

225. The total cost of the programme is $128.1 billion of which agriculture accounts for $7.4 billion (44.8 per cent); other sectoral measures in support of agriculture $60.1 billion (46.9 per cent); drought and desertification, $3.4 billion (2.7 per cent) and human resources development $7.2 billion (5.6 per cent). As far as the total cost of the programme is concerned, it ranges between $3.2 million for Swaziland and $27.6 billion for Algeria.

8. Policy measures in support of APPER

226. In order to achieve the objectives of APPER, a number of major policy measures are being undertaken by African Governments while attention is also being focused on policy reorientation. The most significant of these are discussed in this section.

(a) Incentive policies

227. African Governments have come to realize that one of the policy measures that are most needed to improve production performance, particularly in agriculture, is to provide appropriate incentives to producers, among other things, by eliminating pricing policies that have tended to discourage production. Under APPER, many countries have improved production incentives, and further measures in this direction are to be taken to stimulate production responses not only to aid recovery but also with the aim of maintaining the momentum for increased production in the longer term.

228. The range of incentives given by the various African countries revolves around the provision of stronger financial incentives for agricultural producers, including substantial increases in producer prices in the subsectors of food and export production, and encouragement of private savings and investment. Delivery of appropriate packages of services to farmers and improvements in the efficiency of the economic, social and administrative infastructure is to be given high priority. In general, however, the price-incentive measures are to be supplemented with improved and generous inputs, action programmes aimed at reducing the

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technological and institutional bottlenecks in the sector, and policies to improve the performance of public marketing agencies and encourage the involvement of the private and co-operative sectors. A few countries have gone a step further by prohibiting or limiting the importation of certain agricultural products and staples in order to encourage domestic production and self-sufficiency.

229. To restore the growth of industry, which in many countries has been severely hampered in recent times by capacity underutilization due mainly to shortages of spare parts and of imported raw materials and technology, countries have undertaken increased allocations of foreign exchange to the industrial sector to enable it to utilize existing capacity more fully and to carry through essential rehabilitation. As part of their package of export incentives, a few countries have introduced a system of automatic retention of foreign exchange earnings for certain categories of exporters which can be utilized for the import of equipment, spare parts and essential inputs as well as for meeting the exporters' external financial obligations.

230. In order to improve and liberalize the overall policy framework within which the private sector operates, measures such as the easing of the stringency of price and distributional controls, the minimization of the ineffectiveness and rigidities of the import licencing system and the adoption of a more realistic pricing of foreign exchange have been taken. In some countries, new investment codes are being introduced, while existing ones are being revamped to attract foreign investment and to simplify the regulations and guidelines governing industrial investment in general. In a few countries, there is a renewed attempt at increasing private sector confidence through the introduction of private sector representation on certain policy-making bodies as well as enhancing the flow of productive private investment. Greater market opportunities and potentialities are to be created through the subregional trade and economic groupings already in existence or planned to be established and the rationalization of tariffs and subregional investment régimes.

(b) Public investment policies

231. The public sector has been the prime mover of domestic investment in developing Africa, and this sector has played the leading role in initiating and sustaining the momentum of the modern development process on the continent. Therefore, the sector grew into its present leading and dominant position in African economies. Indeed, the percentage share of fixed capital formation of public enterprises in Africa is one of the highest among all other non-socialist regions of the world. The average percentage share of capital invested in public enterprises accounted for 32.4 per cent of gross fixed capital formation during 1974-1977 as compared to only 11.1 per cent and 27.0 per cent for industrial and for all developing countries respectively during the same period. In a number of cases surveyed, there was clear evidence that public sector investment as percentage of total investment is increasing, even in countries with a traditionally strong private sector.

232. But the expansion of public investment has been accompanied by some disquieting features: investments have grown increasingly capital-intensive, while unemployment has also increased; the rate of capacity utilization has been low and

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this has become particularly acute since the late 1970s owing to chronic shortages of foreign exchange for imported inputs; and the general level of productivity has been low, among other things, because of poor management, inadequate maintenance and lack of supporting services. The overall consequence has been a general decline in the efficiency of capital utilization.

233. Another explanation for the vast expansion of public investment is that in a majority of African countries, development plans have in the past focused mainly on the public sector. Only in a handful of countries have efforts been made to extend development planning to the whole economy. In the medium-term plans formulated in various African countries in conjunction with APPER, emphasis is placed on public investment programmes. Public investment also needs to be promoted and, where necessary, suitable receiving structures for foreign private investment in the productive sectors of the economy established.

234. The overall aim of the new agricultural policy is to accelerate the drive towards self-sufficiency and security in local staples and to rehabilitate and expand the domestic production capacity for agricultural raw materials and exports where expansion is expected to create the additional import capacity needed to finance growth.

235. There is a renewed emphasis on the development of rural infrastructure in virtually all the countries. It is indeed only within this sector and in support of its range of activities that some countries have conceived or contemplated the possibilities of embarking on new capital programmes in the next five years. The emphasis of public policy in capital programmes is for the most not to start new projects but to concentrate on completion of ongoing capital projects with high economic returns, and the repair, maintenance and rehabilitation of essential infrastructures, physical and social, which in recent times had suffered from lack of funds.

(c) Resource management

236. In order to align budgetary measures with the policies and programmes of APPER, the mobilization of domestic resources has been stepped up in virtually all African countries while the share of resources allocated to investment expenditure is being significantly increased. The emphasis is on the redesigning of budgetary policy to bring about fuller mobilization of the whole range of domestic resources while at the same time maximizing their effective use.

237. The government budget plays a crucial role in the effective mobilization of domestic resources and as an instrument for economic control and stabilization. Sound financial management is therefore a sine qua non for the realization of the main objectives of growth and stability. In recent years, as a result of the recessionary conditions, and most especially the fall in export earnings, increased burden of external debt and reduced inflow of financial resources, the task of sound financial management has become even more challenging, because declining resources have to be mobilized.

238. In recent years, available government revenues have had to be diverted to coping with the emergency situation induced by the drought, making up for rising rates of inflation and meeting growing national debt obligations.

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239. In many countries of the region, new measures are actively being pursued to increase government revenues through selective increases in consumption taxes and charges, and taxes on travel. Tax reforms and the introduction of new tax measures are contemplated also in a few countries. But for the generality of countries, however, including the least developed among them, there is a definite limit to taxable capacity imposed by very low income levels and the scope for further increases in taxes is rather limited. Many Governments, in the circumstances, are focusing attention on the improvement and development of appropriate institutional machinery in order to improve tax collection and to encourage domestic savings. The Governments of a few countries with relatively developed monetary and financial markets are also planning to resort to greater public borrowing from the private sector through the issuing of securities, bonds and certificates at attractive and remunerative interest rates.

240. The underdevelopment of banking habits, the scarcity of active financial institutions and the skewness in the branch distribution of those already in existence in favour of the few large cities, constitute one of the main structural and institutional deficiences and obstacles which have operated to limit and inhibit the receipt and channelling of individual savings for productive investment in African countries. Banking reforms, including rural banking programmes, have been planned or intensified in most countries while there is a general move towards the development of a wide range of fianancial institutions and a revitalization of the financial intermediation process. The objective is to make the financial intermediaries more active and indeed aggressive in domestic resources mobilization.

241. Under the set of policies adopted in support of APPER, almost half of the African Governments are planning to tackle the problem of low interest rates by adopting a flexible interest rates policy. In a few countries, interest rates on deposits have been raised in recent times and are to continue to be increased to positive levels in order to remove the severe disincentives to formal savings. To generate greater public savings and budgetary surplus, most Governments have embarked upon measures to restrain recurrent government spending and subsidies despite the obvious social and political pressures which they are likely to come under by so doing. The expenditure restraining measures include reduction in wage bill through retrenchment of staff, reductions in wages and salary levels and in the financial privileges enjoyed by public sector employees followed by salary and wage freeze. Overseas travels have been drastically curtailed in most countries while there is planned removal or minimization of government subsidies on petroleum, energy and fertilizer in most countries through the adoption of appropriate pricing policies. It has not been an easy task. Indeed, to restrain current expenditures at a time when per capita services were at their lowest ever is indeed a daunting task. That many countries were in fact able to freeze or reduce wages and salaries, cut subsidies, rationalize their public sector operations and set ceilings on public expenditures, speaks of their determination to undertake necessary economic changes that may carry great political risks. What renders the social cost of such an adjustment exercise a painful one is the fact that it has been carried out against a background of lower growth and falling per capita incomes.

242. The question of administrative and managerial reform particularly in the public sector has inevitably arisen in connection with APPER since it is the sector that is responsible for managing the programme. The issue of low productivity of the public sector is being addressed both in relationship with the management of public enterprises and of economic policy in general. Some countries are indeed embarking on basic changes in the ways in which their economies are managed while, in others, efforts have been confined mainly to measures aimed at substantially upgrading financial management, investment planning and administrative capacity and the strengthening of key implementation and monitoring agencies and the public service in general. Almost all countries are planning to improve and reform the public enterprise sector such that they cease to be a drain on the government budget while contributing more towards the development fund. The measures planned include, in some countries, steps which are designed to improve the efficiency in the performance of public enterprises while in others, they include reduction in the size of the public enterprise sector through divestiture and/or restructuring, privatization, joint ventures with the private sector, and improvement in the operational efficiency and financial health of enterprises remaining in the public sector through fiscal, monetary and managerial reforms.

243. In the use of resources, emphasis has continued to be placed on the directly productive sectors in many countries. The priority in government spending is thus to ensure better capacity utilization in industry and enlargement of the productive capacity of the economy.

VOLUME TWO

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CONTENTS (continued)

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VOLUME TWO

Part I: Synoptic country profiles

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1. ALGERIA

1. Overall economic performance since 1980

With a growth rate of 4.9 per cent in the last five years, Algeria undoubtedly has a sustained average economic growth. While petroleum continues to be the engine of growth of the economy in providing, together with natural gas, over 90 per cent of exports and about 43 per cent of government revenue, Algeria has, in recent years, settled down to implementing a policy of diversifying its exports. The development of the sectors of industry, construction activities and services has sustained the new impetus of the economy. However, the accumulated effects of the world economic crisis and the weakening of the oil market over the past few years have somewhat affected the strong growth of the economy which was witnessed towards the end of the 1970s.

While the economic basis has started to bear fruits, the weakening of the oil sector has however affected the balance of payments. Higher deficits in the current account have been recorded in recent years. Debt-service obligations of its outstanding debt of $16.6 billion in 1984 siphoned off some 33.1 per cent of export earnings. This, notwithstanding, the domestic performance of the economy remains sound. Agricultural production (about 10 per cent of GDP) shows considerable progress, following the adoption of measures intended to give priority to the development of the agricultural sector and related sectors such as water engineering and agri-foodstuffs.

2. Main areas of focus of the national recovery programme (1986-1990)

The economic development programme basically aims at continuing the policy of modernizing and developing agriculture through the improvement of production techniques, the development of land, the provision of credits, the rationalization of public sector agricultural enterprises and the provision of incentives to farming in Sahel areas. At the same time, other sectors and services directly related to agriculture are also being developed, especially the water engineering sector, the dissemination of techniques and methods of improving irrigation and cultivation and agro-based industries. Special emphasis has been laid on food production, especially cereals and livestock, to consolidate food self-sufficiency. Great effort is being made in other sectors of the national economy to develop such sectors as industry, public works, education, health, etc.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

In implementing the programme for economic development, direct and indirect measures relating to agriculture and to the improvement of the overall management of the economy have been adopted. Within this framework, the Government is rationalizing public expenditure and giving more emphasis to productive investment. Public enterprises have been restructured with a view to making them more efficient and self-supporting. Incentives have been introduced to promote the development of small- and medium-sized enterprises. While preserving the dominant role of the public sector in the national economy, the Government is now encouraging the participation of the private sector in economic development within the framework of the role assigned to the sector.

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4. Resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	5 520	
	Externally	-	
	Subtotal		5 520
(ii)	New resources planned to be mobilized		
	Domestically	22 080	
	Externally	-	
	Subtotal		22 080
(iii)	Estimate of likely available resources		27 600
(iv)	Total estimated cost of programme		27 600
(v)	Resource gap		-

5. Estimates of debt-servicing requirements (1986-1990) (in million of $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	762.8	2 083.9	2 846.7
Principal	2 363.1	8 435.6	10 798.7
Total	3 125.9	10 519.5	13 645.4

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2. ANGOLA

1. Overall economic performance since 1980

With an area of 1,246,670 km^2 and a population of 8.44 million (in 1984), Angola has been mostly preoccupied with maintaining its territorial integrity which has been seriously threatened by South Africa's armed incursions. National defence has absolute priority. The implementation of the last five-year plan (1981-1985), which was recast into revolving annual plans, has been seriously disrupted by the war. The scant data available indicate that GDP increased on averge by 1.9 per cent yearly between 1980 and 1984; by -2 per cent in 1980-1981; by 5.4 per cent in 1981-1982; by 1.5 per cent in 1982-1983 and by 2.5 per cent in 1983-1984. External debt amounted to $818.5 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

Within the framework of its priority programme, Angola places special emphasis on:

(a) Maintenance of territorial integrity;

(b) Development of agriculture: to increase food production and set up a food security system;

(c) Development of support sectors: to improve and rehabilitate transport and communications infrastructures, particularly those damaged by the war, develop rural feeder roads in order to promote agriculture, develop industry to assist mining and agriculture; and

(d) Human resources development: to set up educational structures consistent with the Angolization of higher-level personnel.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The following policy reforms are pursued or envisaged:

(a) Investment incentives: granting of land titles to farmers, producer price incentives, distribution of seeds and farming implements to displaced farmers victimized by the war and/or drought;

(b) Public investment policy: promotion of marketing co-operatives, restoration of the production capacity of existing industrial enterprises, supply of raw materials, training of administrative and management personnel;

(c) Resource management policy: more efficient budgetary planning, preparation of national accounts and of an appropriate system for debt recording; and

(d) Decentralization of economic and administrative management to provinces and military zones: establishment of a ministry to co-ordinate activities in the provinces with a view to revitalizing agricultural production so as to cut down on the import of food products and to increase the export of agricultural produce.

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4. Estimates of resource requirements for the national recovery programme (1986-1990) (in million $)

Data are not made available to the joint ECA/OAU mission.

5. Estimates of debt-servicing requirements (1986-1990) (in million US $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	520.0	-	520.0
Principal	1 275.0	-	1 275.0
Total	1 795.0	-	1 795.0

3. BENIN

1. Overall economic performance since 1990

The economy of Benin has been under considerable strain over the past few years. The GDP growth rate, which was 4.1 per cent in 1980, declined steadily until 1983. The economy began to recover in 1984 owing to improvement in agriculture, oil production and the production of clinker. Taking the period 1980-1984 as a whole, however, the economy grew by a mere 1.9 per cent yearly on average, which entails a fall of about 1.1 per cent yearly in per capita income during this period. Several factors have contributed to the deterioration in the economic situation, foremost being rising debt obligations and the recurrence of unfavourable weather. External debt amounted to $638 million in 1984 while the debt-service ratio accounte for 35.6 per cent of export earnings. At the same time net resource flows dwindled from $ 149.4 million in 1980 to only $ 73.0 million in 1984, mostly because of the contraction in the non-ODA flows, from $ 59.0 million to $ 8.0 million during this period.

2. Main areas of focus of the national recovery programme (1986-1990)

Benin's economic development objectives comprise the following four major priorities:

(a) Improvement of agricultural productivity and increasing the cultivable land area, especially for food crops;

(b) Development of the industrial sector in order to expand agricultural outlets through the creation of units to process agricultural products and produce intermediate and consumer goods for this sector;

(c) Reinforcement of economic infrastructures in the fields of rural transport and energy production and distribution; and

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(d) Development of technical and professional training capabilities and expansion of community education facilities.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The policy reforms include:

(a) Strengthening of centres for rural action (CARDERs) to ensure farmer participation and provide extension services in agricultural techniques;

(b) Establishment of a Standing Commission responsible for the supply of factors of production and the marketing of agricultural products;

(c) Strengthening of the agronomics research department for the development of new varieties;

(d) Regulating of cereals prices by the Office national des cereales (ONC) and guaranteeing the best prices for producers;

(e) Establishment of commissions to draw up price lists and fix prices of agricultural produce;

(f) Establishment of the "Fonds de soutien et de stabilisation des prix agricoles" (agricultural price support and stabilization fund); and

(g) Encouragement of private sector participation in certain public or semi-public enterprises.

4. Estimates of resource requirements for the national recovery programme (1986-1990) 1/

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(ii)	Resources planned to be mobilized		
	Domestically	265.4	
	Externally	-	
	Subtotal		265.4
(iii)	Estimate of likely available resources		265.4
(iv)	Total estimated cost of programme		924.3
(v)	Resource gap		658.9

1/ Based on data contained in the Second State Plan (1983-1987).

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5. Estimates of debt-servicing requirements (1986-1990) (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	39.9	43.8	83.7
Principal	94.8	198.9	293.7
Total	134.7	242.7	377.4

4. BOTSWANA

1. Overall economic performance since 1980

Botswana is a land-locked country with an area of 582,000 km^2 and a population of 1.053 million in 1984. Botswana's economic growth has been mainly dominated by an export-oriented mining sector. During 1980-1984, GDP grew at an average rate of 9.7 per cent, while GDP per capita grew at a rate of 5.9 per cent. The country enjoys a sound balance-of-payments position. The other dominant sector has been agriculture, particularly cattle rearing. The outbreak of the foot and mouth disease in the late 1970s led to a decline of almost 55 per cent in beef exports. This was further aggravated by environmental degradation and the serious drought that hit the country. The country has no significant debt-service problem. Its external debt was $165 million by the end of 1981 while net external resource flows amounted to $403.9 million. Since 1982, however, the Government has had to step up external borrowing to finance a number of infrastructural projects. This resulted in a rise in external debt to $356.1 million in 1984 and a debt-service ratio of 2.3 per cent as against a debt-service ratio of 1.4 per cent in 1983.

Among the country's major problems is the growing number of the unemployed arising from the capital intensive nature of the mining sector. Due to lack of developed infrastructure and industrial base, most manufactured goods are produced more efficiently in South Africa, making protection under SACU necessary if local industries were to compete. The stable political system and the favourable economic environment have otherwise encouraged the inflow of external resources.

2. Main areas of focus of the national recovery programme (1986-1990)

The main focus is on agriculture especially crop cultivation to reduce dependence on cattle rearing. Great attention is being given to paying remunerative prices to farmers and the building up of adequate transportation and marketing facilities. Post-drought measures are being undertaken to speed up the rehabilitation of the agricultural sector. The recovery programme also emphasizes rural development and job creation. Study of irrigation option is being given priority, although conjunction of adequate water resources and suitable soils may limit opportunities. Manpower development, at technical, managerial and professional levels, is emphasized.

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3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

In the agricultural sector price incentives will be used to foster increased production. Financial incentives such as the Financial Assistance Policy will be used to promote industrial development and thus diversify the economy and create employment opportunities. Technical and vocational training will be accorded a high priority to produce the required skilled manpower which is one of the major constraints to development.

4. Estimates of resource requirements for national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	4.2	
	Externally	-	
	Subtotal		4.2
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	45.9	
	Subtotal		45.9
(iii)	Estimate of likely available resources		50.1
(iv)	Total estimated cost of programme		142.2
(v)	Resource gap		92.1

5. Estimated debt-servicing requirements (1986-1990) (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	112.5	14.0	126.5
Principal	140.8	10.9	151.7
Total	253.3	24.9	278.2

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5. BURKINA FASO

1. Overall economic performance since 1980

Burkina Faso has been seriously affected by the protracted drought which ravaged the country for more than a decade, as well as by the encroaching desertification which has seriously harmed its productive potential. Over the period 1980-1984, real GDP grew at an average annual rate of -0.7 per cent, largely because of the failure in agricultural production, particularly food production.

The volume of the country's external debt was estimated at $754.2 million in 1985. From 1981 onwards, the ratio of debt-service to exports exceeded the tolerable limit, rising from 36.83 per cent in 1982 to 48.1 per cent and 60.81 per cent in 1984 and 1985 respectively. At the same time, the net flow of resources declined from $277.9 million in 1980 to $224.0 million in 1984. ODA constituted about 84 per cent of the latter figure against 77 per cent at the beginning of the 1980s.

2. Main areas of focus of the national recovery programme (1986-1990)

The priority areas for the national recovery programme are the following:

(a) Agriculture, which accounts for 74 per cent of the investment and modernization effort, covers the following activities: promotion of food crop with a view to achieving food self-sufficiency, advisory services regarding improved inputs, water and irrigation schemes, and agrarian reform;

(b) The other sectors directly supporting agriculture will receive 13 per cent of investments for the five-year period 1986-1990 with a view to strengthening the productive machinery by integrating agriculture closely with agro-based industries and developing and reorganizing the marketing system so as to limit the number of middlemen;

(c) To control drought and desertification, the policy of judicious use of water will be pursued, widespread introduction of approved stoves wil be promoted and three offensives will be launched against the abusive cutting of trees, cattle rustling and bush fires; and

(d) Human resources development will focus mainly on health care for all, mass literacy, staff training, the organization and mobilization of rural populations.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

In the context of its People's Development Programme the Government spelt out a number of social and economic restructuring measures for application in 1984 and 1985. The first five-year People's Economic and Social Development Plan for the period 1986-1990 was prepared with the same concern in mind. The special feature of the programme is its degree of decentralization and the effective involvement of the broad masses at all stages of project identification, selection and implementation. In the private sector, the emphasis is placed on making private businessmen aware of their role in socio-economic development. The revision of the investment code is also designed to encourage private investment. In the public sector, the Government took a number of measures directed towards dynamizing public sector enterprises' operations as well as streamlining budgetary operations, increasing investment, and redeeming arrears.

4. <u>Estimates of resource requirements for the national recovery programme (1986-1990)</u>

		Millions of US dollars	
(i)	**Resources already mobilized**		
	Domestically	-	
	Externally	242.8	
	Subtotal		242.8
(ii)	**Resources planned to be mobilized**		
	Domestically	-	
	Externally	197.9	
	Subtotal		197.9
(iii)	**Estimate of resources likely to be available**		440.7
(iv)	**Total estimated cost of the programme**		839.1
(v)	**Resource gap**		398.4

5. <u>Estimated debt-servicing requirements (1986-1990)</u> (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	47.3	3.5	50.8
Principal	115.7	17.6	133.3
Total	163.0	21.1	184.1

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6. BURUNDI

1. Overall economic performance since 1980

Burundi forms part of Africa's great lakes region. Its land surface area is roughly 27,834 km^2, of which about 51 per cent is cultivable land. The very high population density of 162/km^2 places the country among the most densely populated in Africa. Other development constraints include: land-lockedness, weak agriculture and market narrowness.

The performance of the economy has been particularly poor over the past few years with GDP growth averaging only 2.0 per cent yearly between 1980 and 1984.

The amount of Burundi's external debt incurred on concessional terms stood at $335 million at the end of 1984, with a debt-service ratio of 27 per cent for the same period but this ratio is expected to rise to 24 per cent of exports by the end of 1986. The total net flow of resources rose from $165.9 million in 1980 to $200.5 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

Burundi's priority programme focuses on:

(a) Food and agriculture (food security);

(b) Sectoral measures in support of agriculture including transport industries, transport and communications, trade and finance;

(c) Environmental and soil protection; and

(d) Development of human resources.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The main policy reform adopted by Burundi includes:

(a) Review and easing of the investment code;

(b) Setting of remunerative prices for farmers and promotion of marketing co-operatives;

(c) Granting of tax and customs concessions to investment in the priority development sectors;

(d) Reduction of borrowing from the Central Bank;

(e) Channelling of investment into productive sectors;

(f) Adoption of a financial and monetary policy that promotes economic growth;

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(g) Review of public enterprises with a view to making them more efficient; and

(h) Measures to rehabilitate and strengthen agricultural training services, etc.

4. <u>Estimates of resource requirements for the national recovery programme (1986-1990)</u>

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	-	
	Externally	440.5	
	Subtotal		440.5
(ii)	Resources to be mobilized		
	Domestically	-	
	Externally	143.7	
	Subtotal		143.7
(iii)	Estimate of likely available resources		584.2
(iv)	Total estimated cost of programme		912.4
(v)	Resource gap		328.2

5. <u>Estimated debt-servicing requirements (1986-1990)</u> (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	66.8	3.6	70.4
Principal	97.5	23.8	121.3
Total	164.3	27.4	191.7

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7. CAMEROON

1. Overall economic performance since 1980

The GDP changed structure during the period 1980-1984, owing, especially, to the boom in the petroleum setor, the share of which rose from 4.3 per cent in 1980 to 14 per cent in 1984. GDP amounted to $7.8 billion in 1984 at current market prices. This gave Cameroon a per capita GDP of $792 in 1984, which places it among the relatively high-income countries in the African region. In spite of the exceptional drought which occurred in 1981-1983 and the decline of oil prices on the world market, Cameroon's economy remains buoyant, probably as a result of the sound management and diversification of its economy. Overall, growth in real GDP averaged about 5.8 per cent during 1980-1984.

The total outstanding external public debt stood at a little over $2.7 billion in 1984 as compared to $1.9 billion in 1982: an increase of nearly 42 per cent. It should be noted however, that the Government is exercising caution in contracting loans and making it a point to use national resources. Debt-servicing was estimated at 7 per cent of exports of goods and services in 1984. From time to time, the Government has had to honour its guarantee of loans contracted by public enterprises experiencing financial difficulties. ODA, however, declined from $US 264.1 million in 1980 to $US 131.4 million in 1983.

2. Main areas of focus of the national recovery programme (1986-1990)

Fiscal 1985/1986 marks the end of the period for implementing the fifth Five Year Plan (1980-1986) at the same time as it marks the first phase of the second stage of long-term planning for the drawing up of the sixth development plan, now in preparation. However, the following guidelines, some of which reflect the objectives of the Lagos Plan of Action, will be incorporated into the sixth plan: community free enterprise, endogenous, self-sustaining and balanced development, open government, national integration and social justice. For the main sectoral concerns, the Government is adhering to the sectoral priorities adopted by the Heads of State and Government of OAU, namely, (a) agriculture; (b) other sectors directly supporting agriculture; (c) human resources development; and (d) drought and desertification.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The Government has recently updated the investment code in order to promote the establishment of small and medium-scale enterprises and generally, to stimulate economic activity. Several other reforms have been carried out or are being planned to make the public sector more efficient economically and financially and to enable the private sector to participate more in economic activities. Significant incentives are being given in the agro-pastoral sector. They include competitions for best farm, raising of producer prices, payment of rebates and the establishment of a veterinary drugs office. With respect to mobilization of domestic resources, the State plans to continue with its policy of granting domestic loans.

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4. **Estimates of resource requirements for the national recovery programme (1986-1990) 1/**

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(ii)	Resources planned to be mobilized		
	Domestically	3 020	
	Externally	289	
	Subtotal		3 309
(iii)	Estimate of likely available resources		3 309
(iv)	Total estimated cost of the programme		3 619
(v)	Resource gap		310

1/ Cost estimates are made on the basis of the fifth plan.

5. **Estimated debt-servicing requirements (1986-1990)** (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	364.2	60.6	424.7
Principal	574.4	262.1	836.6
Total	938.6	322.7	1 261.3

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8. CAPE VERDE

1. Overall economic performance since 1980

The Cape Verde archipelago is in a unique overall situation, consisting as it does of isolated islands at some distance from each other, with an arid or semi-arid climate and very little land suitable for agriculture. Thus water and land are the scarcest factors of production. Even with the best climatic conditions the country hardly produces one third of its food requirements. In addition, the drought which occurs in a cyclical pattern in the continent is a permanent feature in the archipelago, so that the situation which elsewhere qualifies as an emergency is here simply the normal state of affairs. This notwithstanding, the economy grew at an average annual rate of 4.6 per cent between 1980 and 1984. External debt amounted to $118 million while debt-service accounted for 20.0 per cent of exports in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The Government's major concern is to reclaim some agricultural land through large-scale reafforestation, drilling of wells for irrigation, and land reform. All of the Government's action must be regarded as falling within this framework.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

For Cape Verde, in the light of its special situation, the term recovery is synonymous with development. Among the measures envisaged, mention should be made of:

(a) Ground-water exploitation for irrigation and other agricultural needs;

(b) Reconditioning of irrigated plots and water supply infrastructure in the islands of Santo Antao/ Santiago and Sao Nicolâu;

(c) Training for low and higher level personnel;

(d) Improvement of marketing and extension services;

(e) Supply of food aid, water and prime necessities for the rural population;

(f) Intensification of reafforestation programme; and

(g) Control of soil erosion and degradation.

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4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars
(i) Resources already mobilized		
Domestically	-	
Externally	-	
Subtotal		-
(ii) Resources planned to be mobilized		
Domestically	-	
Externally	-	
Subtotal		-
(iii) Estimate of likely available resources		-
(iv) Total estimated cost of programme		334.0
(v) Resource gap		334.0

5. Estimated debt-servicing requirements (1986-1990) (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	15.0	0.5	15.5
Principal	27.7	1.0	28.7
Total	42.7	1.5	44.2

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9. CENTRAL AFRICAN REPUBLIC

1. Overall economic performance since 1980

The economy of the Central African Republic suffered major setbacks in 1980-1983, mostly because of drought. GDP growth was only 1.5 per cent in 1981, 1.6 per cent in 1982 and -6.5 per cent in 1983. However, the economic situation improved greatly in 1984. GDP grew by an exceptional 8.7 per cent in that year, owing mostly to the recovery of agriculture following the return of normal weather conditions. Overall, GDP grew at an average annual rate of 4.5 per cent between 1980 and 1984, reflecting mostly the favourable terminal impact of the 1984 crop year.

The total external public debt outstanding at the end of 1985 was $289.7 million, or 4.5 per cent more than at the end of 1984. Concessional debt accounts for about 30 per cent of the total, and non-concessional debt for 70 per cent. The debt owed to bilateral sources accounts for 48.4 per cent of the total and multilateral debt for 40.4 per cent. Debt-service ratio amounted to 17.1 per cent of exports in 1984. ODA fell steadily from $110.0 million in 1980 to $92.9 million in 1983, but rose to $120.0 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The Government is currently in the course of finalizing its sectoral adjustment programme within the framework of the second Five Year Plan (1986-1990). This Plan will be submitted to the second donors' round table to be held this year, i.e., 1986. The sectoral priorities adopted in the programme are: (a) agriculture; (b) promotion of small- and medium-sized enterprises; (c) human resources development; (d) development of physical and institutional infrastructures and other sectors.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

(a) Reorganization and decentralization of the Ministry of Rural Development;

(b) Reform of agricultural training institutions, especially the Institut supérieur de développement rural, and refresher training for the staff of the Ministry;

(c) Restructuring of agricultural organizations, particularly the Société industrielle centrafricaine des produits agricoles et de rives (SICPAD) and the Agricultural Products Stabilization and Equalization Fund (CAISTAB);

(d) Maintenance of the major balances within the framework of an IMF stabilization programme, and of realistic prices which reflect production costs while making allowance for consumer purchasing power;

(e) Continued elimination of "economic barriers" and dynamization of the small- and medium-sized enterprise sector, particularly production enterprises;

(f) Far-reaching reforms of public administration through the adoption of new texts defining the functions of the various ministerial departments; and

(g) The promotion of small-scale enterprises.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars
(i) Resources already mobilized		
Domestically	71.2	
Externally	328.5	
Subtotal		399.7
(ii) Resources planned to be mobilized		
Domestically	-	
Externally	-	
Subtotal		-
(iii) Estimate of likely available resources		399.7
(iv) Total estimated cost of programme		675.2
(v) Resource gap		275.5

5. Estimated debt-servicing requirements (1986-1990) (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	29.8	4.1	33.8
Principal	70.2	13.0	83.3
Total	100.0	17.1	117.1

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10. CHAD

1. Overall economic performance since 1980

GDP growth has been negative for all the years of the 1980-1984 period. Average negative growth was in the order of 6.9 per cent yearly. This poor performance is largely attributable to the effects of the war of occupation during 1980-1983 and the ravaging drought which prevailed during the 1984/85 growing season.

Chad's economic development is mainly dependent on foreign aid. The external public debt amounted to $157.9 million at the end of 1984. Bilateral aid on soft terms accounted for $44.1 million and multilateral aid to $91.2 million, while the long-term hard debt is estimated at $22 million. The resources received over the period 1982 to 1985 amount to FCAF 153.3 billion ($393 million). Overall external debt-servicing represents about 10.9 per cent of 1984 exports. External debt arrears amount to $16.5 million. ODA increased steadily, from $35.3 million in 1980 to $115.0 million in 1984. The Government has negotiated a rescheduling of these arrears with its major donors.

2. Main areas of focus of the national recovery programme (1986-1990)

The Government has adopted the following sectoral priorities for its priority economic recovery programme:

(a) Agriculture, including food crops cultivation, animal husbandry, grazing-land, village water supply, forests and fisheries;

(b) Industry, comprising mining, quarrying, manufacturing and energy;

(c) Infrastructure, comprising roads and related works, buildings, town-planning, urban water supply, posts and telecommunications, road and air transport facilities;

(d) Human resources, comprising primary, secondary, technical, university and general education, vocational training, social affairs and the advancement of women, youth and culture, and health; and

(e) Support for development, comprising administration, trade and information.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

Two types of incentives are envisaged:

(a) Incentives to investment in small- and medium-sized enterprises, foreign investment and all forms of productive investment through the updating of the investment code which is currently being udertaken with IMF assistance; and

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(b) Incentives to promote exports: tax incentives, technical assistance, help with initial investments, management assistance, export market studies, assistance in improving product quality, producers' associations and marketing co-operatives.

4. Estimates of resource requirements for the national priority programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(iii)	Estimate of likely available resources		-
(iv)	Total estimated cost of the programme		392.9
(v)	Resource gap		392.9

5. Estimated debt-servicing requirements (1986-1990) (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	6.3	0.0	6.3
Principal	16.5	0.4	16.9
Total	22.8	0.4	23.2

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11. COMOROS

1. Overall economic performance since 1980

During the period 1980-1984, GDP grew in real terms by 4.3 per cent per year. This rate, which exceeded the population growth rate of 3.3 per cent, denotes an improvement in per capita GDP. These results were achieved through sustained investment effort despite the difficult domestic financial situation. The primary sector which provides nearly all the export earnings, grew by only 3 per cent per year on average during period. The secondary sector recorder an annual growth rate of 4.4 per cent due to the rapid expansion in building and public works. The tertiary sector grew in real terms by 5.6 per cent owing to the sharp rise in commercial value added.

Public finances and the balance of payments have always recorded deficits financed by external assistance. Official grants received during the period amounted to $ 120.2 million, and external official loans totalled $ 93.3 million. At the end of 1984, the outstanding foreign public debt amounted to $ 203.0 million, of which $ 183.4 million had been incurred on concessional terms. Debt-servicing for the year amounted to 45 per cent of export earnings. This high ratio resulted from the fall in export earnings. The estimated ratio for 1985 is, however, 22 per cent.

2. Main areas of focus of the national recovery programme (1986-1990)

In 1983, the Government submitted to the conference of funding agencies its investment programme for 1984-1990 in which the following priorities were defined:

(a) Rural development comprising agriculture (food crops, cash crops, irrigation) animal husbandry, fisheries and forestry;

(b) Building roards, airports, and ports and the development of transport to open up the hinterland and establish external links;

(c) Human resources (education, health and vocational training).

3. Highlights of policy reforms in support of the national programme (1986-1990)

To implement the 1984-1990 investment programme, Government intends to take the following measures:

(a) Improvement of public finance through improvement of tax collection; adoption of new general taxation code; preparation of new custom tarif and new customs code;

(b) Improvement of public enterprises;
(c) Improvement of civil service;

(d) Strengthering of training and leadership organization institutions in the agricultural sector;

(e) Better co-ordination between the Ministry of Planning and the Ministry of Economic and Finance;

(f) Adoption of a new investment code;

(g) Implementation of a policy on tourism;

(h) Establishment since 1982 of an agricultural commodity price stabilization fund.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	3.3	
	Externally	63.8	
	Subtotal		67.1
(ii)	Resources planned to be mobilized		
	Domestically	9.6	
	Externally	16.0	
	Subtotal		25.6
(iii)	Estimate of likely available resources		92.7
(iv)	Total estimated cost of programme		148.4
(v)	Resource gap		55.7

5. Estimated debt-servicing requirements (1986-1990) (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	12.7	0.0	12.7
Principal	29.6	0.1	29.7
Total	42.3	0.1	42.4

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12. CONGO

1. Overall economic performance since 1980

The Congolese economy is characterized by the predominance of oil which accounts for 40 per cent of GDP while the other directly productive sectors (agriculture, animal husbandry, fishing, forestry and industrial processing) as a whole represented 14 per cent of the gross domestic product. In real terms, GDP grew at an average annual rate of 14.5 per cent between 1980-1984 owing largely to the rapid growth in the oil sector.

As at 31 December 1984, the public debt was estimated at $1.3 billion. Despite the fact that a significant part of this debt is repayable in United States dollars, the impact of the fluctuations in the exchange rates of the FCFA and the dollar on the budget or the balance of payments has been quite limited because nearly all of the exports, notably oil, are also expressed in the dollar, unlike in other FCFA countries. The debt-service ratio was equivalent to 27.2 per cent of export earnings in 1984. This ratio is expected to rise steadily up to 1987 after which it would level out and start on a downward trend in 1988-1990. The net resource flows amounted to $205.0 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The Congo is currently in the final phase of its five-year programme (1982-1986) and preparing for the next one. However, as a result of the oil crisis, the Government has adopted a national structural adjustment and economic austerity programme. This programme embodies a selected list of priority projects scheduled to be carried out during the 1985-1986 period and may be continued in the 1986-1990 period. The following order of priorities has been established:

(a) Development of productive sectors, especially agriculture, mining and industry (small- and medium-scale enterprises);

(b) Unification of administrative districts and establishment of viable economic entities, especially construction of roads to open up isolated areas; and

(c) Manpower development, particularly health and education.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The policy reforms include:

(a) Abolition of certain monopolies through the creation of several legally autonomous entities for enterprises requiring different management methods and techniques;

(b) Liberalization of activities where the economic and commercial networks are sufficiently developed;

(c) Readjustment of prices in order to strike a balance between the purchasing power of consumers and the production costs of the enterprises;

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(d) Reorganization of State intervention in agriculture by separating research from the development of seeds;

(e) Entrusting the management of certain large projects to third parties;

(f) Encouraging the private sector to establish joint ventures with the public sector; and

(g) Creation of a ministry responsible for small- and medium-scale enterprises.

4. Estimates of resource requirements for the national priority programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	-	
	Externally	64.7	
	Subtotal		64.7
(ii)	Resources to be mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(iii)	Estimate of likely available resources		64.7
(iv)	Total estimated cost of programme		1 317.1
(v)	Resource gap		1 252.4

5. Estimated debt-servicing requirements (1986-1990) (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	144.8	139.2	284.0
Principal	348.9	603.0	951.9
Total	493.7	742.2	1 235.9

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13. COTE D'IVOIRE

1. Overall economic performance since 1980

The economy of the Republic of Côte d'Ivoire was marked by very low growth of gross domestic product in real terms during the period 1980-1984 - averaging 0.7 per cent yearly - despite the growth in oil production which in 1980 was negligible, but now accounts for 2.7 per cent of GDP. The sector hardest hit has been building and public works, in which activity is directly related to the level of investment. The latter - or more precisely gross fixed capital formation - decreased in volume by 12 per cent over the period.

The outstanding external public debt stood at $4,596 million in 1984. Thanks to debt rescheduling, debt-service ratio was reduced from 37.3 per cent in 1983 to 19.9 per cent of export earnings in 1984. Net resource flows fell dramatically from $1,876.3 million in 1980 to $277.0 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The main directions proposed for the Economic, Social and Cultural Development Plan (1986-1990) which relate to Africa's Priority Programme for Economic Recovery are:

(a) Continuation of the training and development of human resources;

(b) Continuation of the modernization and diversification of agriculture, which will entail a significant increase in investment in the sector;

(c) Reorientation of the industrial sector to contribute to exports, through more efficient processing of raw materials;

(d) Maintenance of existing infrastructure and facilities to make them profitable undertakings; and

(e) Better resource management and development of energy strategies.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

(a) Grouping, reorganization and rationalization of former facilities for farmers whose main activities will be: supply of high-quality seeds; supply of factors of production and farm implements and machinery; pre-extension and extension work to ensure rapid and effective transfer of new technologies and information; estimation of agricultural credit to be provided; statistical follow-up of operations and activities. These facilities are reduced to four whereas as many of them had existed before, some of which, like SATMACI, MOTORAGRI and BNDA had even existed for over 20 years. To these facilities should be added research institutes like IRFA, IRHO, IRCC, IRCA, CTFT, etc., which, in co-operation with ORSTOM, carry out technological development and the improvement of outputs and varietal species that are most adapted to the country;

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(b) Adoption of a new Investment Code (the new code entered into force on 15 March 1985);

(c) General revision of customs duties based on the search for a 40 per cent protection rate for Ivorian industry against its foreign competitors;

(d) Reform of certain tax provisions designed to increase the incentives offered to establish small- and medium-sized enterprises;

(e) Improvement of macro-economic forecasting and management tools to permit greater coherence of the State's activities;

(f) Thorough reform of the industrial incentives scheme to encourage production for exports;

(g) Improvement of information and statistical systems;

(h) Dissolution, reorganization or reform of certain major parastatal bodies to improve their efficiency. These measures are to be implemented before the drawing and release of the 1986-1990 plan; and

(i) Decentralization to encourage the participation of people in the development process.

4. Estimates of resource requirements for the national recovery programme (1986-1990) 1/

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(ii)	Resources planned to be mobilized		
	Domestically	331.6	
	Externally	-	
	Subtotal		331.6
(iii)	Estimate of likely available resources		331.6
(iv)	Total estimated cost of programme		1 381.5
(v)	Resource gap		1 049.9

1/ Estimates based on the data given in the major-programme breakdown of investment operations: VIII Congress of PDCI-RDA.

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5. Estimates of debt-servicing requirements (1986-1990) (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	808.4	783.5	1 591.9
Principal	997.9	2 114.3	3 112.2
Total	1 806.3	2 897.8	4 704.1

14. DJIBOUTI

1. Overall economic performance since 1980

Since 1980, the growth of GDP has slowed, with an average annual rate of 1.5 per cent over the period 1980-1984 as against 3 per cent a year from 1978 to 1980. This positive growth in GDP during the past five-year period stems from the maintenance of investment and consumption levels. This would not have been possible for an economy so poor in natural and human resources had it not been for external financial and technical assistance.

Djibouti's economy remains fragile and imbalanced: the primary and secondary sectors account for only 20 per cent of GDP, production of goods for export is practically non-existent, and the economy is primarily based on the tertiary sector (services).

Grants received from abroad over the period 1980-1984 amounted to an estimated $479 million. Highly concessionary loans amounted to $74.5 million. The outstanding external public debt stood at $179 million at the end of 1984, and the debt-servicing burden is still low, amounting to only 2.3 per cent of total export earnings. ODA fell from $71.6 million to $40.1 million between 1980 and 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

In view of the particular situation of the economy of Djibouti which is primarily based on the tertiary sector, the Government has given top priority to the primary sector in order to diversify the economy.

The main thrust of the priority programme is on the following areas of the primary sector: harnessing and developing water resources; increasing of agriculture production; the increasing land under irrigation; diversifying crops accordging to the various ecological zones of the country; improving animal production and promoting small scale stock breeding schemes; developing oasis agriculture; associating agriculture with stock breeding and continuing efforts to modernize fishing equipment.

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The other areas of focus of the priority programme are transport to open up rural areas, developing local sources of energy (geothermal, solar, wind), drought control (particularly through water and soil conservation, range land restoration and improvement of grazing land, reafforestation), development of human resources and the strengthening of institutions and services that provide support for the primary sector.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

To implement the priority programme, priority will be accorded to the mobilization of rural folk.

The main reforms planned or under implementation are:

(a) Greater access of farmers to credit;

(b) Greater access to information and markets;

(c) Drafting of legislation on the environment in order to preserve the natural environment;

(d) Investment stimulation measures (investment code);

(e) Development and exploitation of all sources of energy.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	3.0	
	Externally	7.0	
	Subtotal		10.0
(ii)	Resources planned to be mobilized		
	Domestically	6.1	
	Externally	14.1	
	Subtotal		20.2
(iii)	Estimate of likely available resources		30.2
(iv)	Total estimated cost of programme		182.7
(v)	Resource gap	152.5	

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5. Estimate of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	13.1	0.8	13.8
Principal	32.1	3.3	35.5
Total	45.2	4.1	49.3

15. EGYPT

1. Overall economic performance since 1980

Egypt continues to maintain its strong growth momentum which started in the mid-1970s. In addition to the revitalized industrial and infrastructural base, the economy was boosted by increased foreign exchange earnings from the Suez Canal, oil exports, tourism and remittances by the 3 million or so nationals working in the neighbouring oil-rich Arab countries. Propelled by these favourable factors, the economy grew at an average annual rate of about 7.5 per cent over the past five years.

Although the economy seems to be progressing along the path charted by the Five Year Plan (1981/1982-1986/1987) there has been some concern about the inability of the agricultural sector to attain the planned rate of growth of 3.8 per cent. In part, this has been attributed to the increased production costs and, as a consequence, the decline in the relative profitability of this sector. Burdens arising from subsidies still loom large and account for about 24 per cent of tax income. Another growing burden on the Government budget is the debt-service obligations of its external debt of about $25.0 billion in 1985 which will take about 31.3 per cent of export earnings, including invisible exports. In view of this and despite a rising level of external resource flows which amounted to about $2.8 billion in 1984, the balance-of-payments position continues to be a major development problem. The situation will surely be complicated by the expected return of a large number of the nationals working abroad as well as by the expected significant decline in earnings from oil, remmittances, tourism and the Suez Canal.

2. Main areas of focus of the priority programme (1986-1990)

The Egyptian priority programme aims at removing present obstacles faced by the agricultural sector and providing it with the necessary services, including improved seeds, credit, extension services, etc. This is to enable the sector to provide an increasing share of the growing food requirements as well as boost agricultural exports. The programme also aims at reclamation and cultivation of desert lands and the protection of the present arable areas from the encroachment of the desert. The enhancement of the efficiency of the meteorological network, to meet both local and regional needs for weather reports is a main priority. Strengthening training capabilities, particularly for middle- and higher-level manpower, is given a high priority in the programme. Other priority sectors are: agro-industries; transport and communications; and rural development.

3.1 Highlights of policy reforms in support of the national recovery programme (1986-1990)

Egypt pursues an "open-door" policy within the framework of planned development, the objective being the encouragement of private initiative, the broadening of the economic base, modernization of production processes and renewal of obsolete equipment. To realize these objectives the Government undertook a number of policy reforms including taking measures to correct price distortions, removal of direct and hidden consumption subsidies, providing of incentives for agriculture including regular price increases, marketing facilities and supply of vital inputs. It has also carried out important measures to reform its public sector by emphasizing efficiency and removal of administrative obstacles.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	2 871.0	
	Externally	700.0	
	Subtotal		3 571.0
(ii)	New resources planned to be mobilized		
	Domestically	14 335.0	
	Externally	-	
	Subtotal		14 335.0
(iii)	Estimate of likely available resources		17 906.0
(iv)	Total estimated cost of programme		21 467.0
(v)	Resource gap		3 561.0

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5. Estimates of debt-servicing requirements (1986-1990) (in millions of US dollars)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	2 266.4	627.2	2 893.6
Principal	3 537.7	2 494.0	6 031.7
Total	5 804.1	3 121.2	8 925.3

16. EQUATORIAL GUINEA

1. Overall economic performance since 1980

The economy of Equatorial Guinea declined from 1968 to 1978. A recovery policy was introduced in 1979, but ran into monetary difficulties as a result of the weakness of the national currency. With the entry of the country into the CFA franc zone in January 1985 and the institution of a programme of reforms supported by expected assistance from friendly developed countries and international agencies, the conditions for economic recovery have been fulfilled. Accordingly a few months after entry into the franc zone a significant resurgence of economic activity was noted, particularly in the agricultural sector which constitutes the engine of the economy; cocoa production targets for the 1984-1985 season have been exceeded. However, no specific data were available at the time of the survey for economic activity during 1983-1985 to be evaluated. Preliminary estimates, however, indicate that real GDP might have grown by about 1.4 per cent yearly during this period.

The external public debt of Equatorial Guinea amounted to $126 million at the end of 1984, 70.6 per cent of which has been incurred on concessional terms. Budgetary problems and lack of foreign exchange led to the accumulation of substantial arrears over several years. Donor countries have been impressed by the recovery realized through the implementation of the IMF-supported rehabilitation and recovery programme. This has made it possible for the country to reschedule about $25.9 million of its external debt within the framework of Paris Club. Debt-servicing weighs heavily on the country; in 1984, it accounted for about 84 per cent of export earnings. ODA however increased only marginally, from $9.3 million in 1980 to $11.2 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

Equatorial Guinea is preparing a medium-term programme for economic recovery that will be submitted to the second conference of the round table of donor agencies this year. The following sectoral priorities have been approved in principle: (a) agriculture, including institutional support to agriculture, production of food crops, production of cash crops, integrated rural development, fishing and forestry; (b) the other sectors directly linked to agriculture, notably industry, trade, labour, transport and communications and energy; and (c) development of human resources through health and education.

3. <u>Highlights of policy reforms in support of the national recovery programme (1986-1990)</u>

Political reforms basically consist of restructuring the entire parastatal sector and limiting it to six agencies only. Improved management of the other parastatals remains one of the priorities of the recovery programme. The Government will strengthen its planning and inter-ministerial co-ordination capability in order to integrate all economic and social activities and ensure coherence in economic decision-making. Measures have also been taken to combat all types of blockages and to avoid red tape in the economy. The Government also intends to take the necessary measures to institute a better system of controlling available resources in order to ensure that they are used in the national interest. Foreign exchange resources for imports, loans for investment and public funds will be allocated in accordance with clear regulations and under effective supervision to guarantee the achievement of the national priority objectives.

4. <u>Estimates of resource requirements for the national recovery programme (1986-1990)</u>

	Millions of US dollars	
(i) Resources already mobilized		
Domestically	-	
Externally	49.5	
Subtotal		49.5
(ii) Resources planned to be mobilized		
Domestically	-	
Externally	-	
Subtotal		-
(iii) Estimate of likely available resources		49.5
(iv) Total estimated cost of programme		107.4
(v) Resource gap		57.8

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5. Estimates of debt-servicing requirements (1986-1990) (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	7.4	1.8	9.2
Principal	36.0	8.8	44.8
Total	43.4	10.6	54.0

17. ETHIOPIA

1. Overall economic performance since 1980

The Ethiopian economy had made significant progress since the 1974 Revolution, in particular, in the development of social and economic infrastructures which were designed to lay the groundwork for speedy development, in addition to the land reform and related measures. Since 1980, however, it has been declining due to recurrent devastation by drought and the unfavourable international economic situation. This drought brought havoc to agricultural activities and caused significant damage to life and property. The gross national product at current market prices was estimated at $4,845.8 million in 1983 and at $4,831.1 million in 1984, indicating a decline of 0.5 per cent for the year. Between 1980 and 1984, the GDP growth rates at constant prices declined steadily from 3.1 per cent in 1981 to -3.7 per cent in 1984, except in 1983 when the rate of growth was 5.3 per cent. These rates averaged to 1.5 per cent annually during the entire period. In terms of per capita income, the performance was more dismal. Per capita GDP at current market prices declined from $118 in 1983 to $114 in 1984 and per capita growth rates average -1.8 annually for the period 1980-1984.

The most important factor which has accounted for the poor performance of the Ethiopian economy has been the unprecedented and debilitating drought which ravaged the country continuously for three years during the period 1981-1984. This drought brought havoc to the agricultural activities and left in its wake horrible scenes of death, famine and malnutrition. The country is still feeling the impact of the onslaught of the drought. Low level of investment which has resulted from financial constraint has also played a part. This is in addition to unfavourable international economic conditions.

The total external debt of the country stood at $1,550.2 million by the end of 1984 while the debt-service ratio amounted to about 19.3 per cent. It is to be noted also that the net resource flows to Ethiopia have been rising steadily over the past few years. The total flows increased from $302.0 million in 1980 to $443.2 million in 1984. ODA rose from $221.5 million in 1982 to $397.2 million in 1984 while other forms of assistance fell from $61.0 million to $46.0 million in the meantime, but remained one of the lowest in the world in per capita terms.

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2. Main areas of focus of the national recovery programme (1986-1990)

Within the priority given to food and agriculture, Ethiopia has focused on integrated rural development with emphasis on water resources development. In the field of agriculture, a number of incentives were given including the provision of fertilizers, seeds, preferential credit, implements, extension services, training to farmers and the establishment of regional peasants development programmes (PADEP) to enhance an increase in agricultural productivity and production throughout the country. Other sectoral measures in support of agriculture include the development of industry, with particular emphasis being placed on the production of agricultural implements and agro-based industries and the development of small-scale industrial enterprises. The country has embarked on the development of human resources for agricultural production, and particular programmes have been instituted to train peasants. In an effort to improve the quality of life leading to increased productivity, attention will continue to be given to the provision of health services to the peasantry and urban poor, with their participation, by implementing the eight elements of Primary Health Care as declared at Alma-Ata in 1978.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The Ethiopian Government adopted a number of policies directed towards the effective implementation of its recovery programme and the restoration of firm and stable growth after several years of devastating drought. In the field of agriculture a number of incentives were given including provision of fertilizers, seeds, preferential credit, implements, extension services and training to farmers, and the establishment of regional Peasant Agricultural Development Programmes (PADEP) to supervise the implementation of the agricultural policies and programmes throughout the country. Due to an uneven settlement pattern degradation of land beyond reclamation in some regions of the country resulting from high population density, deforestation, soil erosion, an elaborate resettlement programme for the drought victims in the more fertile and sparcely populated areas is being pursued. A number of activities designed to provide the necessary means for stable settled life like building of dams, drilling wells, etc., have been undertaken. By end-January 1986, about 600,000 drought-affected persons have been resettled, mostly in the western and south-western parts of the country. At the same time the Government is improving its planning capabilities through establishment of regional planning centres and creating more opportunities for private initiative encouraging the co-operative sector and providing facilities for joint ventures. This is in addition to other macro-economic policy measures designed to encourage savings and improve financial management and resource utilization.

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• Estimates of resource requirements (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(ii)	New resources planned to be mobilized		
	Domestically	2 897.9	
	Externally	-	
	Subtotal		2 897.9
(iii)	Estimates of likely available resources		2 897.9
(iv)	Total estimated cost of programme		4 880.6
(v)	Resource gap		1 982.7

• Estimates of debt-servicing requirements (1986-1990) (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	124.5	48.3	172.7
Principal	356.3	115.8	472.2
Total	480.8	164.1	644.9

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18. GABON

1. Overall economic performance since 1980

High oil export earnings and low population growth (2.0 per cent) combined to place Gabon among the higher income categories in the African region. Per capita income amounted to $3,490 in 1984. However, overall GDP grew by only 1.5 per cent yearly between 1980 and 1984. This has been mainly due to the decline in oil prices in recent years, as production has been sustained at high levels, reaching 9 million metric tons in 1984. It is for this reason that the Government is currently making serious efforts to diversify the economy through the revitalization of forestries and development of timber industries and agriculture, and the promotion of small and medium-sized enterprises.

The outstanding external public debt stood at $611 million in 1984. The Government has made tremendous efforts to reduce its indebtedness to the outside world: at the end of 1979, the outstanding external debt amounted to $1.5 billion. About 66.6 per cent of this debt was contracted on concessional terms and the remainder on non-concessional terms. Public debt service accounted for about 10.5 per cent of export earnings in 1984. With the fall in oil revenue, which is becoming steeper from year to year, the country's credit worthiness and debt repayment capacity will continue to diminish. It was in anticipation of the decline in oil revenue that the State made provision in the Five Year Plan (1984-1988) for a sharp reduction in the planned new loans, so as to avoid reduction in public investments after 1988. Gabon receives almost no development assistance in the form of grants. However, official assistance received in the form of concessional loans has risen from $90 million in 1983 to $214 million in 1984, during which year the net flow of resources amounted to $62.0 million.

2. Main areas of the national recovery programme (1986-1990)

The Government is currently in its second year of implementing the Five Year Plan (1984-1988). The Plan takes into account the prospects of a fall in oil revenue and provides for the confinement of public investment spending within the limits of projected revenue and the reduction of external debt in order to preserve the country's credit-worthiness. The portion of the Plan that has yet to be implemented is considered part of the priority programme for economic recovery, and has the following sectoral priorities: (a) agriculture and rural development, with emphasis on agro-industrial operations and supporting activities together with development of rice, maize and soya beans; (b) economic infrastructure, in particular the implementation of major rail and road projects; (c) physical planning; and (d) human resources development.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The following policy reforms have been undertaken:

(a) In anticipation of the fall in oil prices and export earnings, the following measures have been adopted: freezing of recruitment in the civil service except for new graduates, suspension of benefits and accelerated promotion, suspension of administrative contracts, immediate cancellation of any contract being negotiated or recently signed but not incorporated in the budget, the postponement or rephasing of certain projects provided for under the budget;

(b) The establishment of an audit service for state corporations, public agencies and parastatals within the office of the Controller and Accountant-General;

(c) The blockage of subsidies and other financial assistance and the formulation of a legislative and regulatory framework within which control of the use of subsidies and other financial assistance extended by the State can be improved; and

(d) The adoption of a liberal economic policy to restore dynamism to the private sector.

4. <u>Estimates of resource requirements for the national recovery programme (1986-1990)</u>

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	1 324.3	
	Externally	-	
	Subtotal		1 324.3
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(iii)	Estimate of likely available resources		1 324.3
(iv)	Total estimated cost of programme		1 784.2
(v)	Resource gap	459.9	

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5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	71.1	147.9	219.0
Principal	139.1	411.4	550.5
Total	210.2	559.3	769.5

19. GAMBIA

1. Overall economic performance since 1980

The Gambian economy was, during much of the period 1980-1985, ravaged by drought, pest infestation and administrative deficiencies. The exports of ground-nuts, the sole economic backbone of the country, dropped sharply due to the drought and inadequate incentives. During the period 1980-1984, the GDP grew at an average annual rate of 3.1 per cent while per capita GDP fell at an average annual rate of 0.5 per cent. Acute foreign exchange shortages and balance-of-payments pressures emerged. In an effort to contain the situation, a number of fiscal policy reforms - notably the devaluation of the dalasi - have been undertaken over the past three years.

The external payments obligations increased to put the total external debt at $311.7 million in 1984 compared to $105.5 million in 1980. Debt-service ratio amounted to 32.0 per cent in 1984. Net resource flows, which were largely from official sources, dropped from $175.3 million in 1980 to only $42.7 million in 1984.

These major economic weaknesses are associated with the mono-crop nature of the economy of the Gambia - a Sahelian country - and the fact that tourism, which employs 15 per cent of the work-force, has not been fully integrated into the national economy.

2. Main areas of focus of the national recovery programme (1986-1990)

The national recovery programme focuses on rain-fed agriculture, especially the production of crops that can be produced competitively (coarse grains and ground-nuts). Public investment policies favour directly productive export-oriented projects and the rehabilitation and maintenance of existing infrastructure.

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3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The following policy reforms have been undertaken by the Government:

(a) Incentives increase in consumer and producer prices for rice and ground-nuts; elimination of export taxes on certain products; multiplication and distribution of ground-nut seeds; and greater private sector involvement in input distribution and output marketing;

(b) Policy reforms in the public sector: retrenchment of government employees and embargo on new posts; and

(c) Policy reforms in the private sector: liberalization of rice imports and privatization of certain government economic activities. The private sector has also been encouraged to participate in crop transportation and in the importation and distribution of fertilizers.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	7.8	
	Externally	15.2	
	Subtotal		23.0
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(iii)	Estimate of likely available resources		23.0
(iv)	Total estimated cost of programme		157.4
(v)	Resource gap		134.4

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5. Estimates of debt-servicing requirements (1986-1990) (in millions of US dollars)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	15.4	7.2	22.6
Principal	42.4	20.7	63.1
Total	57.8	27.9	85.7

20. GHANA

1. Overall economic performance since 1980

The performance of the Ghanian economy during 1980-1984 continued to exhibit the weaknesses it experienced during the 1970s. Between 1980 and 1984, the overall GDP declined at an average annual rate of 1.3 per cent. GDP declined consistently between 1980 and 1983 but made a sharp recovery in 1984 with a growth of 10.8 per cent and 5.8 per cent in 1985. There was also a sharp decline in per capita income, averaging 3.8 per cent during the same period. External debt reached $2.0 billion and debt-service ratio amounted to 35.9 per cent in 1984. However, net resource flows rose from -$90.5 million in 1980 to $566.3 million in 1984.

The poor performance of the economy was mainly due to poor economic management and lack of adequate incentives to promote production. These policy-related problems were further exacerbated by several adverse external factors. The most important of these factors are the prolonged drought, which seriously reduced agricultural production, and the deterioration in the terms of trade of the country. Export shortfalls resulted in a severe foreign exchange squeeze and as a consequence excess industrial capacity. Low production accompanied by expansionary monetary policy, intensified inflationary pressures in the economy. The sharp recovery achieved in 1984 is a reflection of the improved weather conditions and policy reforms and incentives introduced by the Government. The volume of export products is increasing and the rate of inflation fell from 116 per cent in 1981 to 11 per cent in 1985. The Economic Recovery Programme has succeeded in laying the foundations for an increasingly productive and efficient economy.

2. Main areas of focus of the national economic recovery programme (1986-1990)

The national economic recovery programme which was initiated in 1983 to reverse the downward trend of the economy, focuses on the restoration of crop services, provision of agricultural extension services and credit facilities as well as incentives to increase agricultural production to achieve self-sufficiency and to increase exports; the pursuit of flexible exchange rate policy; monetary and

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financial discipline and measures aimed at addressing some of the structural weaknesses of the economy. In the 1986-1988 period, the second phase of the Economic Recovery Programme will shift policy reform from macro-economic to sectoral concerns in key sectors as agriculture, energy, industry, education and health.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The policy package adopted by the Government includes:

(a) Incentives: appropriate pricing policies for key sectors such as agriculture, including cocoa; price and distribution controls have been removed for industry; a generous input and credit policy is also planned; allocation of foreign exchange for vital supplies;

(b) Policy reforms in the public sector: include emphasis on proper management and accountability of public servants;

(c) Policy reforms in the private sector: adoption of a new private investment code and attempts at deregulation are regarded as strong foundation for an increasingly productive and efficient economy; and

(d) The pursuit of a flexible exchange rate policy, monetary and financial discipline and measures aimed at addressing some of the structural weaknesses of the economy.

4. Estimates of resource requirements for national recovery programme (1986-1990)

	Millions of US dollars	
(i) Resources already mobilized		
Domestically	-	
Externally	517	
Subtotal		517
(ii) Resources planned to be mobilized		
Domestically	946	
Externally	2 712	
Subtotal		3 658
(iii) Estimate of likely available resources		4 175
(iv) Total estimated cost of programme		4 724
(v) Resource gap		549

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5. Estimates of debt-servicing requirements (1986-1990) (in millions of $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	122.7	12.4	135.1
Principal	307.8	43.5	351.3
Total	430.5	55.9	486.4

21. GUINEA

1. Overall economic performance since 1980

Guinea experienced modest growth in 1984, with GDP rising by about 3.0 per cent. Prior to that date the economy was in fact sliding down. Agriculture, the country's main activity, was adversely affected by the untimely State intervention, and lack of investment. The mining sector also experienced difficulties arising mostly from the world economic crisis as well as from local factors. The ensuing shortages in foreign exchange paralysed the economy.

To the balance-of-payments deficit is added a growing debt burden; external debt amounted to $1,306.9 million in 1984. Despite relatively favourable loan terms, arrears accumulated at the end of 1984 to $320 million, underscoring the urgent need for rescheduling. Net resource flows declined to $47.0 million in 1984 as against $89.0 million in 1980.

2. Main areas of focus of the national recovery programme (1986-1990)

Starting from 1985 the Government committed itself to adopting and implementing an interim national recovery programme (1985-1987) designed to: increase food production (rice, vegetables); improve urban food supply; increase cash crop production (bananas, cotton, coffee, pineapple, cocoa, and pecan kernels); develop livestock; provide technical support, production inputs, credit and marketing facilities, training and extension services to the farmer; encourage the use of draught animals in agriculture; and develop fisheries and underground water resources.

The Government also planned to develop the transport and communications sector by strengthening the infrastructures required to attain that goal.

It also planned to increase production especially through the promotion and development of small- and medium-sized enterprises.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The reforms in support of the national recovery programme are being designed within the framework of a liberal policy, the principal components of which are:

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(a) Decentralization and spreading of the responsibility of economic agents;

(b) Transformation of institutional structures, particularly in rural areas;

(c) Human resources development and encouragement of private initiative;

(d) Exploitation of agricultural and fisheries resources potential;

(e) Rehabilitation of the mining sector;

(f) Disengagement of the State from the production sector;

(g) Reform of the public sector and the State on the basis of the economic realities;

(h) Relaunching of basic infrastructural engineering and construction works - roads, water supply and primary health care centres;

(i) Enhancing human resources potential through training and education;

(j) Upward revision of agricultural producer prices;

(k) Revision of fiscal legislation, customs tariffs, and the investments code and promoting investments in the productive sector; and

(l) Improving the management of the national economy by adopting austerity measures.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars
(i) Resources already mobilized		
Domestically	102.0	
Externally	-	
Subtotal		102.0
(ii) Resources planned to be mobilized		
Domestically	-	
Externally	-	
Subtotal		-
(iii) Estimate of likely available resources		102.0
(iv) Total estimated cost of programme		840.0
(v) Resource gap		738.0

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5. Estimates of debt-servicing requirements (1986-1990) (in millions of US dollars)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	94.3	10.9	105.2
Principal	494.6	64.6	559.2
Total	588.9	75.5	664.4

22. GUINEA-BISSAU

1. Overall economic performances since 1980

The deterioration in the economic situation during the past few years as well as the occurrence of drought and desertification have contributed to deepening the economic crisis in the country.

Agricultural output, both of food crops (rice, millet) and export crops (ground-nuts, palm cabbage, cashews), suffered from the 1983 drought. Although production increased in 1984 this was not sufficient to cover the deficit of 40,000 tons sustained in 1985. However, overall GDP grew at an average annual rate of 3.3 per cent in 1980-1984. The external public debt amounted to $214.2 million in 1984 of which $170.9 million were provided at concessional terms and $43.3 million at non-concessional terms. Debt-service ratio amounted to 17.0 per cent in 1984. Net resource flows declined sharply from $16.8 million in 1980 to $68.0 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The main areas with which the Government is concerned in the context of the national recovery programme are: increasing the area devoted to the cultivation of rice and other cereals, progressive improvement of yields, development of small-scale fisheries, supervision of industrial fisheries, improvements of port facilities, feeder roads and highways.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

Although certain policy reforms will be decided upon at the next party congress some broad guidelines are apparent:

(a) Establishment of a policy for sales at attractive prices;

(b) Provision of agricultural credit to encourage agricultural production;

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(c) Subsidization of agricultural inputs (fertilizers, farm implements, chemicals, etc.);

(d) Dissemination of the results of research to farmers through providing them with improved cereal seeds;

(e) Meeting the essential needs of small-scale fishermen so as to improve their output;

(f) Redistribution of production surpluses to shortfall regions;

(g) Rehabilitation of small-scale irrigation projects and construction of anti-salinization dams;

(h) Training of staff at all levels;

(i) Soil management and reclamation of low-lying land;

(j) Construction of roads and access routes to production centres;

(k) Maintenace of existing roads; and

(l) Liberalization and privatization of certain trade channels.

(m) Improvement of primary health care services in rural areas.

4. <u>Estimates of resources requirement for the national recovery programme (1986-1990)</u>

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	21.6	
	Externally	44.2	
	Subtotal		65.8
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(iii)	Estimate of likely available resources		65.8
(iv)	Total estimated cost of programme		160.4
(v)	Resources gap		94.6

5. Estimates of debt-servicing requirements (1986-1990) (in millions of US dollars)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	12.4	0.9	13.3
Principal	46.0	8.7	54.7
Total	58.4	9.6	68.0

23. KENYA

1. Overall economic performance since 1980

Although Kenya's fourth Five-Year Development Plan (1979-1983) reflected great optimism and projected accelerated growth at an annual rate of 6.3 per cent per annum, actual growth rates averaged only about 4 per cent during that period. Furthermore the balance of payments and the fiscal situation, which had been assumed to be comfortable, deteriorated sharply. The sharp deterioration in Kenya's terms of trade, the fall in coffee prices, the international recession, the fall in demand for Kenya's goods and services by neighbouring countries and the adverse climatic conditions were mainly responsible for this outcome.

These developments prompted the Government to adopt in 1980-1981 a stabilization and structural adjustment programme to stabilize the economy, control the key monetary and fiscal variables and remove the structural constraints to growth. As a result, inflation fell to below 10 per cent in 1984 compared to a rate of over 20 per cent in 1982; the budget deficit was reduced from 10 per cent of the GDP in 1981 to under 5 per cent for 1983-1985; the growth of money supply was reduced from 15 per cent in 1980 and 1982, to less than 8 per cent in 1983 and 11 per cent in 1984; and with the sharp fall in imports volume the current account deficit was more than halved from the level of $886 million in 1980.

The widespread drought of 1983-1984 caused agricultural production to fall, between 1983 and 1984, by 3.7 per cent and brought down the rate of growth of GDP to 0.9 per cent in the same period. However, the high export prices of tea and coffee helped to improve the foreign exchange position. During the period 1980-1984, Kenya's GDP in real terms grew at an annual average rate of 3 per cent per annum while GDP per capita actually declined by 1 per cent annually.

Between 1980 and 1984 Kenya's external debt more than trebled, reaching a level of $3.5 billion, of which $1.2 billion was non-concessional. This represents a ratio of total debt to GDP of 54 per cent and a ratio of total debt to exports of 204 per cent in 1984. The ratio of debt service to exports of goods and services for the same year stood at 31.8 per cent. Net resource flows in 1984 were 56 per cent below their 1980 level, $428.6 million as compared to $964.4 million.

2. Main areas of focus of the national recovery programme (1986-1990)

Kenya's foremost objective is to set the economy growing again at a rate of about 6 per cent per annum until the end of the century. Agriculture is the leading sector, with priority focus also on physical infrastructure and small-scale industries both in rural and urban areas. Priority in Government spending will go first towards increasing recurrent expenditure on completed projects and full capacity utilization, and secondly towards directly productive projects.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

Public sector policy reforms aim at reducing the fiscal deficit, mobilizing greater domestic and foreign resources, improving debt management, rationalizing public investment, holding down the inflation rate, using the exchange rate flexibly and relaxing legal and administrative controls. Sectoral policies aim at providing more incentives for industrial growth, promoting exports, stimulating agricultural output, rationalizing Government development outlays and encouraging the expansion of the private sector.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	91.0	
	Externally	73.0	
	Subtotal		164.0
(ii)	New resources planned to be mobilized		
	Domestically	375.0	
	Externally	417.0	
	Subtotal		792.0
(iii)	Estimates of likely available resources		956.0
(iv)	Total estimated cost of programme		1 197.0
(v)	Resource gap		241.0

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	552.7	119.7	672.4
Principal	709.2	374.2	1 083.4
Total	1 261.9	493.9	1 755.8

24. LESOTHO

1. Overall economic performance since 1980

Lesotho is a small land-locked country stretching over an area of 30,355 km^2 with a population of 1.5 million in 1984. The gross domestic product was $353.2 million in 1983 while GDP per capita was only $245. During the period 1980-1984, GDP at constant prices declined at an average annual rate of 1.2 per cent. ODA increased steadily from $90.3 million in 1980 to $101.3 million in 1983. Non-ODA resources grew only marginally, from $0.7 million in 1980 to $1.5 million in 1983. The total external debt stood at $140 million, of which about $107 million was concessional. Debt-service obligations as a percentage of exports of goods and services amounted to about 29.9 per cent in 1983. Net resources flows declined from $37.8 million in 1980 to $102.0 million in 1984.

Lesotho, being completely surrounded by South Africa, suffers the most from the political and economic destabilization policy of South Africa. It depends almost entirely on South Africa for access routes to the rest of the world. The economy is fully intertwined with that of South Africa (trade, customs union and monetary union) and has been subjected to economic and trade blockades and embargos by South Africa.

2. Main areas of focus of the national recovery programme (1986-1990)

The recovery programme period which coincides with the country's fifth Development Plan Period during which priority will be given to agriculture and rural development along with activities in support of agriculture, particularly industry, water resources development, energy, transport and communications as well as human resources development. Qualitative and quantitative improvement of the social sectors such as education and health will also be given attention.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The planning machinery is to be strengthened with a view to enhancing economic management capability. The incentive package for the productive sector will be re-examined and appropriately revised with a view to making them more responsive to

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growth demands of the economy. Public institutions including Government ministries, parastatals, marketing and financial institutions are to be reappraised and rationalized. A calculated and deliberate preference for labour-intensive investments will be cultivated. A coherent and more systematic utilization of human resources will be put into place. Participation of whole population in the development effort will be increased through, inter alia, more focused co-operative movement and establishing institutions dealing with participation of the people in the development process at village, ward and district levels.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(ii)	New resources planned to be mobilized		
	Domestically	26.7	
	Externally	31.7	
	Subtotal		58.4
(iii)	Estimates of likely available resources		58.4
(iv)	Total estimated cost of programme		119.6
(v)	Resources gap		61.2

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	16.1	0.6	16.7
Principal	30.0	3.3	33.3
Total	46.1	3.9	50.0

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25. LIBERIA

1. Overall economic performance since 1980

The Liberian economy experienced a major setback during the period 1980-1985. The decline in total export earnings was followed by a fall in Government revenues, budget deficits that were financed largely by external resources, and a mounting debt burden. During 1980-1984, the GDP, at constant prices, fell by 3.6 per cent per annum on average, while per capita GDP declined at an average annual rate of 5.7 during the same period. External public debt amounted to $997.4 million in 1984 and the debt service accounted for 25.6 per cent of exports in that year. Net resource flows decreased from $178.9 million in 1980 to $168.0 million in 1984. The poor economic performance and severe recession led to the closure of the refinery, accumulation of payments arrears for civil service personnel and the inability to meet the performance criteria attached to the IMF stand-by arrangements that were consequently revoked.

These economic woes resulted from various factors, including low prices for Liberian major exports, problems of economic management, acute resources constraints, lack of adequate incentives and the massive capital flight in the aftermath of the political upheaval and civil strife that followed it.

2. Main areas of focus of the national recovery programme (1986-1990)

The national economic recovery programme lays special emphasis on increased food production through improved agricultural management, incentives and extension services. Public investment policies are geared to investments with very high economic returns and short gestation periods, and those with very low requirements of local counterpart funds.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The following major policy reforms have been undertaken:

(a) Price incentives to farmers for production of rubber, oil palm and forestry products, and rice;

(b) Policy reforms in the public sector: financial restructuring and employment; rationalization of all public enterprises, and their selective privatization; establishment of the Bureau of State Enterprises to oversee public enterprises; and

(c) Policy reforms in the private sector: joint ventures and management arrangements with the private sector; phasing out of quantitative restrictions on 36 domestically produced industrial commodities; and improvements in the tariff structure.

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4. Estimates of resource requirements for national recovery programme (1986-1990)

			Millions of US dollars	
(i)	Resources already mobilized			
	Domestically		-	
	Externally		-	
		Subtotal		-
(ii)	Resources planned to be mobilized			
	Domestically		14.0	
	Externally		-	
		Subtotal		14.0
(iii)	Estimate of likely available resources			14.0
(iv)	Total estimated cost of programme			374.0
(v)	Resource gap			360.0

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	133.3	30.7	164.0
Principal	229.9	143.2	373.1
Total	353.2	173.9	537.1

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26. LIBYAN ARAB JAMAHIRIYA

1. Overall economic performance since 1980

The Libyan economy continues to be constrained by the adverse developments in the international oil market, affecting both the prices of and demand for crude oil and which has been aggravated by the economic and financial blockade imposed by the United States of America on Libya following further deterioration of relations between the two countries. As a result, oil exports in 1984 are only 59 per cent of their 1980 level. In dollar terms oil revenues, however, plummeted to less than half - from $21,691.9 million in 1980 to only $10,629.9 million in 1984, falling further to an estimated $9,549.0 million in 1985. As oil provides almost all export earnings and most of government revenue, the non-oil sector of the economy has thus been affected in parallel, albeit less dramatically. Thus the economy has continued to show negative growth since 1980 with yearly falls averaging about 6.0 per cent. With oil revenue falling continuously over the past few years, and despite the reduction in the volume of imports, the country was forced into heavily drawing down its foreign reserves and assets which registered their fourth successive fall in 1984. External public debt in 1984 was $797.8 million and net resources flows were -$3.3 billion in 1984 as against -$1.5 billion in 1980.

2. Main areas of focus of the national economic recovery programme (1986-1990)

The Libyan Arab Jamahiriya attaches highest priority to food self-sufficiency, hence its high emphasis on the development of agriculture and the food sector in particular. One of the main objectives of its priority programme, therefore, is to attain about 90 per cent self-sufficiency ratio in food grains and complete self-sufficiency in livestock and poultry products. Advanced methods of crop production and irrigation are envisaged and a reorientation of the agricultural product mix is planned to favour crops with lower irrigation requirements. The development of agriculture is also seen as an instrument of reducing rural migration. A major transformation scheme in this regard is the Great Man-Made River project, the implementation of which is scheduled to start in 1990. This project, for which technical assistance is required, will supply over 1,500 million cubic metres annually from underground water sources in the desert hinterland. The agricultural benefits of this scheme could be seriously affected because of the Second World War mines still hidden in some areas of the country. To protect the agricultural schemes in the coastal and desert areas from desert encroachment, the ongoing afforestation programmes will also be strengthened.

3. Policy reforms in support of the national recovery programme (1986-1990)

On the production side, the Government is steadfast in the encouragement of the agricultural sector through direct involvement in the development of pilot mixed farms as well as undertaking policy measures which are designed to encourage farming as an occupation through giving land titles, upward revision of crop prices and encouragement of creation of popular production, funding and marketing enterprises. Feeder and agricultural roads are also being developed and agricultural services are brought nearer to the farmer. To overcome the financial resources squeeze on the economy, the Government's policy currently concentrates on the completion of ongoing projects, higher utilization of existing capacities particularly in industry, reduction of unnecessary expenditure, the rationalization of the use of foreign exchange and adopting an aggressive banking control.

. Estimates of resource requirements for the national recovery programme (1986-1990)

			Millions of US dollars
(i)	Resources already mobilized		
	Domestically	1 097.8	
	Externally	-	
	Subtotal		1 097.8
(ii)	Resources planned to be mobilized		
	Domestically	4 406.5	
	Externally	-	
	Subtotal		4 406.5
(iii)	Estimates of likely available resources		5 504.3
(iv)	Total estimated cost of programme		5 504.3
(v)	Resource gap		-

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	...	...	...
Principal	...	...	...
Total	...	...	...

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27. MADAGASCAR

1. Overall economic performance since 1980

Gross domestic product decreased by an average of 1.9 per cent a year over the period 1980-1984. However, a mild recovery in 1984, when GDP grew by 2.1 per cent over the previous year was recorded as a result of structural adjustment programmes. Allowing for population growth (2.8 per cent), per capita GDP fell by 4.5 per cent annually between 1980 and 1984. The primary sector grew at an average rate of 3 per cent a year, while the secondary sector experienced annual negative growth of around 6 per cent as a result of the fall in the value-added of the construction sector. There was no change in the tertiary sector during the period under consideration.

After several years of deficits, payments positions has improved in 1984, reflecting mainly improved weather conditions, cut in imports and an increase in coffee, cloves, chrome and graphite exports. The current transactions deficit as a percentage of GDP fell from 14.6 per cent in 1981 to 10.2 per cent in 1984. Likewise, the budget deficit, which was 14.9 per cent of GDP in 1981, fell to 4.8 per cent in 1984. The inflation rate was only 9 per cent for 1984, whereas in 1981 and 1982 it had been 30.5 per cent and 31.5 per cent respectively.

At the end of 1984, the external debt amounted to $2,119.8 million, about $1,326.4 million of which are contracted on soft terms. The debt-service ratio as a percentage of exports amounted in 1984, after rescheduling, to 33.0 per cent. Net resources flows declined from $561.3 million in 1981 to $318.0 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The public investment programme for the period 1984-1990 emphasizes the production and infrastructure sectors in the order of priorities has been established as follows:

(a) The rural development sector: programmes to increase food crops (rice, maize, wheat, etc.) and export crop production, irrigation projects, animal husbandry and fisheries;

(b) The infrastructure sector: reconditioning of main and feeder roads;

(c) Combating soil erosion.

3. Highlights of policy reforms in support of the economic recovery programme (1986-1990)

With a view to achieving the programme's objectives, the Government has taken measures to:

(a) Increase production by: raising producer prices, particularly of agricultural products; liberalizing the prices of collection and marketing, bringing into existence a new and more liberal investment code and relaxing the administrative procedures for foreign trade;

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(b) Strengthen public savings capacity by: reducing the public finance deficit, improving the financial situation of public enterprises and privatizing their management;

(c) Mobilize outside resources through Paris Club.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	46.3	
	Externally	67.3	
	Subtotal		113.6
(ii)	Resources planned to be mobilized	76.0	
	Domestically	76.0	
	Externally	97.1	
	Subtotal		173.1
(iii)	Resources planned to be mobilized		287.7
(iv)	Total estimated cost of programme		872.0
(v)	Resource gap		585.3

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	221.7	83.3	305.0
Principal	544.8	273.9	818.7
Total	766.5	357.2	1 123.7

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28. MALAWI*

1. Overall economic performance since 1980

Malawi has an area of 118,484 km^2, of which 24,208 km^2 is occupied by lakes, and a population of 6.84 million inhabitants, with a population growth rate of 3.1 per cent per annum. Agriculture is the mainstay of the economy, with the small holder subsector growing mainly maize, ground-nuts, cotton and tobacco while the estate subsector produces tea, tobacco and sugar-cane. Between 1980 and 1984 GDP in real terms grew at an average rate of 1.2 per cent per annum. This low growth rate was attributable to the disruption of the traditional railway routes to the ports, adverse weather condition in 1979-1980 and the sharp deterioration in the country's terms of trade. As a result, Malawi suffered a severe drop in per capita income, increased inflation rates and serious imbalance in both its external and budgetary accounts.

External borrowing on commercial terms was sharply increased to maintain import levels required for production and maintenance of living standards while external debt mounted. As of 1984 external debt amounted to a total of $788 million, of which $482 million was concessional and $306 million non-concessional. The actual debt-service ratio amounted to 27.3 per cent in 1984. Net resource flows declined from $293.3 million in 1980 to $195.0 million in 1984.

The favourable investment climate for both local and foreign investors has contributed greatly to the development of the country.

2. Main areas of focus of the national economic recovery programme (1986-1990)

The four main areas identified in the priority programme for economic recovery are:

(a) Agriculture: rural development; food security; agricultural research; strengthening agricultural marketing networks and crop diversification;

(b) Other sectors supporting agriculture: search for alternative access routes to the sea; development of small-scale industries; improvement of access roads and rehabilitation of existing industries;

(c) Human resources development; and

(d) Drought and desertification: the major components being reafforestation, rural electrification and coal mining.

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* Some of the data which appear in this profile are updates of those in the statistical appendices.

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3. <u>Highlights of policy reforms in support of the national recovery programme (1986-1990)</u>

To increase smallholder productivity, attractive prices, better agricultural marketing and input supply facilities, agricultural research and extension, credit services are provided. In the estate sector, steps are taken to upgrade management, increase access to credit and diversify production. In the industrial sector, emphasis is placed on relaxing the price control system and strengthening of institutions for export promotion. Measures have also been taken to improve the efficiency of parastatals.

4. <u>Estimates for resource requirements for the national recovery programme (1986-1990)</u>

	Millions of US dollars	
(i) Resources already mobilized		
Domestically	-	
Externally	-	
Subtotal		-
(ii) Resources planned to be mobilized		
Domestically	83.4	
Externally	255.7	
Subtotal		339.1
(iii) Estimate of likely available resources		339.1
(iv) Total estimated cost of programme		849.9
(v) Resource gap		510.8

5. <u>Estimates of debt-servicing requirements (1986-1990)</u> (in millions of $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	90.4	19.6	110.0
Principal	122.4	87.6	210.0
Total	212.8	107.2	320.0

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29. MALI

1. Overall economic performance since 1980

Since 1980, Mali has had to live with immense difficulties, which have had disastrous effects on the general performance of the economy: poor organization and excessive centralization of the economic apparatus; imbalances in external accounts and public finance; low domestic capacity for financing investments; and deteriorating climatic conditions resulting in increased food shortages. GDP at constant prices grew by a mere 0.2 per cent yearly between 1980 and 1984.

The external debt stood at $1,176 million in 1984, of which concessional loans accounted for $1,084.5 million and hard loans for $91.5 million. Between 1982 and 1984, it was estimated that the debt-service ratio after rescheduling, rose from 6.2 to 16.7 per cent of export earnings.

The net flow of resources, which amounted to $812.2 million in 1980 fell sharply to $302.0 million in 1984. The official development assistance (ODA) portion was respectively $776.2 and $278.0 million over the same period.

2. Main areas of focus of the national recovery programme (1986-1990)

The four main areas identified in the priority programme economic recovery (1986-1990) are:

(a) Agriculture, the main components of which are: food security, especially measures to combat food crises; ensuring the reliability of and increasing agricultural income, particularly through water management and water resources development; improving food storage techniques in the villages;

(b) Drought and desertification control, with a twofold strategy of protecting existing arable land and recovering those areas in which desertification is taking place;

(c) Other sectors supportive of agriculture: adequate and regular supply to units which process agricultural products; improvement of marketing and agricultural credit; maintenance and development of rural roads; and

(d) Human resources development through improvements in the management of institutions and the productivity of the public sector and employment planning.

3. Policy reforms in support of the national recovery programme (1986-1990)

In line with the 1986-1990 priority programme, a number of corrective measures have been taken. These measures are:

(a) Public finance: reduction and even elimination of chronic budget deficits through the pursuit of suitable fiscal and monetary policies;

(b) Strengthening the payment position by reducing non-cereal imports and increasing cotton exports;

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(c) Restructuring the public sector through staff reductions, closure of certain non-viable enterprises and reforming the pricing policies of public enterprises; and

(d) Improvement of production conditions, focusing especially on the rehabilitation of the public sector, restructuring of the cereals market and reorganization of the cotton sector.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	59.4	
	Externally	17.7	
	Subtotal		77.1
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	290.7	
	Subtotal		290.7
(iii)	Estimate of likely available resources		367.8
(iv)	Total estimated cost of programme		539.1
(v)	Resource gap		171.3

5. Estimates of debt-servicing requirements (1986-1990) (in millions of $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	74.5	7.2	81.7
Principal	340.3	18.2	358.8
Total	414.8	25.7	440.5

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30. MAURITANIA

1. Overall economic performance since 1980

The magnitude of the difficulties facing Mauritania raises serious doubts about its future unless it implements a vigorous recovery programme. The per capita gross domestic product has dropped, despite a very high rate of investment. The persistent drought, the international economic crisis and the effects of hostilities contributed to the aggravation of the situation which has prevailed to date. Cereal production fell to a sixth of its average volume. Iron ore exports also fell, and although they rose again in volume terms in 1984, their actual value has in fact fallen because of the deterioration in international iron ore prices. Between 1980 and 1984 GDP dropped by 6 per cent per annum in real terms. External debt amounted to $1.7 billion in 1984 while the debt ratio amounted to 36.0 per cent of exports in that year.

2. Main areas of focus of the national recovery programme (1986-1990)

Within the framework of the 1985-1988 recovery programme, the Government is emphasizing the development of fisheries, which is considered as a renewable source of wealth, the revitalization of the production of millet, sorghum, maize and rice, the expansion of cultivable land area, reconstituting of herds, priority to drinkable water, opening-up of remote regions, the overall improvement of the environment and the promotion of the private sector activities particularly in the area of small- and medium-size enterprises.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The reforms that have been adopted or are planned include:

(a) Increases in produce prices by at least 20 per cent;

(b) Broadening of access to the facilities offered under the investment code;

(c) Establishment of agricultural credit;

(d) Financing of the recurrent expenditure of certain projects by lending agencies;

(e) Enactment of new legislation on land tenure;

(f) Enactment of a water code;

(g) Measures to render the fisheries sector more profitable;

(h) Redeployment of investment towards priority areas and the improvement of productivity;

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(i) Selection of projects which will have a rapid impact on production or are absolutely vital to meet the essential needs of the population;

(j) Scaling down the investment programme;

(k) Monetary and fiscal resource management policies to increase government revenue and rationalize its expenditure;

(l) Review of the tax exemptions, customs duty and export sector taxation régimes;

(m) Improvement of co-ordination between fiscal departments;

(n) Establishment of compulsory discharge of fish catches;

(o) Freezing of recruitment and reduction of the wage bill;

(p) Reduction of subsidies; and

(q) Rescheduling of debts and appointment of a committee to monitor the debt.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	49.0	
	Externally	-	
	Subtotal		49.0
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	809.0	
	Subtotal		809.0
(iii)	Estimate of likely available resources		858.0
(iv)	Total estimated cost of programme		1 221.0
(v)	Resource gap		363.0

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5. Estimates of debt-servicing requirements (1986-1990) (in millions of US dollars)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	132.8	21.0	153.8
Principal	527.0	69.7	596.7
Total	659.8	90.7	750.5

31. MAURITIUS

1. Overall economic performance since 1980

After the very bad year of 1980, the Government introduced a structural adjustment programme to promote economic recovery. Over the period 1980-1984, GDP increased at an average annual rate of 4.1 per cent, and in 1984 it was higher than in 1979. The most important feature of the period is the performance of the industrial sector, particularly of the Export Processing Zone (EPZ), and of the tourism sector, which grew by 16 per cent and 10 per cent respectively over the 1983 level. In terms of prodution, job creation and foreign currency earnings, these two sectors have become the engine of economic growth. The agricultural sector, too, has shown considerable advances in sugar and tea production, thanks to better climatic conditions and high export prices.

The balance of payments has improved considerably. The current account deficit fell from 13 per cent of GDP in 1981 to about 3.8 per cent of GDP in 1984. The budget deficit was only 6.5 per cent of GDP in 1984, as against 12.9 per cent in 1981. The annual inflation rate slowed to around 7 per cent after a period of very high inflation, with a peak rate of 42 per cent in 1980. The domestic savings rate, which was 12 per cent of GDP, increased over the period as a consequence of the improvement in the economic situation, and reached 18 per cent of GDP in 1984. It is still necessary, however, to seek foreign assistance to finance investment.

At the end of 1984, the outstanding public debt amounted to $US 412.4 million. Only 24 per cent of this amount consisted of soft loans, the balance being made up of short-term and long-term commercial loans contracted on the capital market (eurodollar loans). The debt-service burden is fairly critical, since it represented 28.3 per cent of the 1984 exports of goods and services. Net resource flows fell from $199.1 million in 1980 to $46.6 million in 1984.

2. Main areas of focus of the national economic recovery programme (1986-1990)

In 1985 the Government adopted the Public Sector Investment Programme for the fiscal period 1984/1985 - 1986/1987, with projects extending into fiscal year 1989/1990. The Government has assigned first priority to agriculture, comprising

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water resources development projects (irrigation), research, studies and training in agriculture, physical infrastructure (warehouses, soil management) and reforestation. Second in terms of priority come the agro-food industries, followed by human resources development (technical training projects).

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The development strategy for the implementation of this programme of investments in the public sector is to channel resources towards productive sectors. Thus the Government will reduce its operating costs and keep the financial deficit low so as to allow the private sector to benefit still further from credit on the local capital market. Likewise, in order to give more support to investment and maintain foreign exchange reserves, the stringent monetary policy introduced in the context of the stabilization programme will be maintained.

	Millions of US dollars	
(i) Resources already mobilized		
Domestically	2.6	
Externally	12.8	
Subtotal		15.4
(ii) Resources planned to be mobilized		
Domestically		52.1
Externally		10.3
Subtotal		62.4
(iii) Estimate of likely available resources		77.8
(iv) Total estimated cost of programme		99.0
(v) Resource gap		21.2

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5. Estimates of debt-servicing requirements (1986-1990) (in millions of $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	90.7	13.3	101.0
Principal	150.6	46.4	197.0
Total	238.3	59.7	298.0

32. MOZAMBIQUE

1. Overall economic performance since 1980

The poor performance of the Mozambique economy experienced in particular since 1980 is mainly attributable to a combination of adverse factors arising from the application of the sanctions against Southern Rhodesia, the collapse of the colonial administrative structures after independence in 1975, the destabilizing activities of South Africa, the international economic crisis and a series of national disasters such as floods (1976 and 1984), hail storms (1978), cyclones (1982) and severe drought (1979 to 1984).

Losses in production and low productivity particularly in the agricultural sector resulting from the above-mentioned factors have been major contributary factors to the decline in the GDP which averaged -2.6 per cent per annum during 1980-1984. GDP per capita declined at an annual rate of 5.9 per cent during the same period.

The ensuing reduction in production and commercialisation of export goods in turn, resulted in a high debt burden. The low level of ODA, in comparison with the high level of commercial loans, has aggravated the debt problem. In 1983 ODA was $211.9 million while the total value of commercial loans was $366.3 million.

2. Main areas of focus of the national recovery programme (1986-1990)

In the recovery programme, increases in agricultural production are given top priority. This is followed by rehabilitation, construction and maintenance of infrastructural facilities, development of human resources and alleviating the effects of drought.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The increase in agricultural production, especially at the level of family production units, is being encouraged through the provision of consumer goods and agricultural inputs to villages. Furthermore, in a major policy reform aimed at

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enhancing the efficiency of parastatals by giving their managers an increased degree of autonomy and accountability, agricultural and industrial production in the state sector is expected to increase. Parastatals are expected to adopt measures aimed at improving their profitability. Measures have also been taken to establish effective procedures for the control and supervision of parastatals.

In the area of resource mobilization reforms have been introduced with a view to increasing revenue through efficiency in its collection.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	95	
	Externally	500	
	Subtotal		595
(ii)	Resources planned to be mobilized		
	Domestically	600	
	Externally	-	
	Subtotal		600
(iii)	Estimate of likely available resources		1 195
(iv)	Total estimated cost of programme		2 595
(v)	Resource gap		1 400

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	273	-	273
Principal	1 326	-	1 326
Total	1 599	-	1 599

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33. NIGER

1. Overall economic performance since 1980

The Niger has accorded high priority to the mining and marketing of uranium in order to secure the resources needed to develop other sectors such as agriculture, industry and infrastructure. However, the fall in demand for and prices of uranium experienced since 1981, have frustrated the full implementation of the investment plan. Resort to external financing proved insufficient to offset the shortfall in export earnings and exacerbated the debt-servicing burden. This situation led to a severe slow-down in the level of economic activity and compounded the unemployment problem.

These difficulties were further complicated by the effects of the severe drought of 1983-1984 which completely wiped out the meagre crops, decimated the livestock and speeded up the loss of purchasing power of the rural and urban populations. As a result, GDP fell in four out of the past five years with growth rates averaging -4.5 per cent annually. External debt amounted to $886 million in 1984 while debt-service ratio reached 36.4 per cent of export earnings. Net resource flows declined from $419.6 million in 1980 to $79.5 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The national recovery programme is based essentially on revitalizing food production, with emphasis on irrigated farming, village water supply, continued construction of road infrastructures, the reform of agricultural credit and reinforcement of agronomic research and professional training.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The policy reform measures which the Government intends to take or has already taken include:

(a) The establishment (now completed) throughout the country of structures for consultation, co-ordination and direct involvement of people in business management;

(b) Measures for the recovery of the cost of maintaining public services;

(c) Measures to strengthen the efficiency of the public sector in economic and financial terms by: combining budgetary rigour with rationalization of expenditures so as to render investment more effective; formulation of a revolving three-year investment programme; limiting the dominant role of the public sector in the economy; reducing social, personnel and direct subsidy charges; and introduction of VAT and revision of the investment code.

(d) Measures to encourage increased participation by the private sector in economic activities through: introduction of appropriate private investment incentives through liberalizing the pricing and marketing systems; removal of all import monopolies and quasi-monopolies, except in the case of oil and gas products; complete or partial privatization of certain public enterprises and reduction of state participation in joint venture corporations; and reform of industrial and commercial policies so as to help revitalize the private sector, particularly the revision of the price structure of locally produced industrial goods.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	31.1	
	Externally	482.2	
	Subtotal		513.3
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(iii)	Estimate of likely available resources		513.3
(iv)	Total estimated cost of programme		1 204.6
(v)	Resource gap		691.3

5. Estimates of debt-servicing requirements (1986-1990) (in millions US$)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	100.9	40.2	141.1
Principal	171.8	140.0	311.8
Total	272.7	180.2	452.9

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34. NIGERIA

1. Overall economic performance since 1980

The performance of the Nigerian economy during the period 1980 to 1985 was a reflection of the level of revenue from petroleum exports, efficiency in economic management and the performance of the productive sectors, especially food and agriculture and the manufacturing sector. The 1980s was a period of declining petroleum prices and therefore of export earnings and Federal Government revenues. The oil glut has been followed by drastic falls in industrial and agricultural outputs, increased food imports and balance-of-payments problems. The period also saw three different governments, including a civilian administration that was supported by a huge and elaborate administration at both the state and federal levels, the rapid dwindling of Nigeria's external reserves from $10.2 billion in 1980 to $1.5 billion in 1984, and about a quadruppling of external debt, from less than $5 billion in 1980 to about $19.8 billion in 1985 the latter figure includes short-term trade arrears. The debt-service ratio was about 27.5 in 1984. Net resource flows increased substantially from $2,025.0 million in 1980 to $4,916.0 million in 1982, falling however to $3,457.0 million in 1983 and $1,319.0 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The economic recovery programme focuses on small-holder agriculture supported by integrated rural development programmes; completion of ongoing projects, rehabilitation and maintenance of existing assets, export promotion and supply of local raw materials for industries.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

Policy reforms in support of the national economic recovery programme include:

(a) Incentives: gradual removal of subsidies on agricultural inputs and introduction of effective price support, distribution of fertilizers and pesticides to farmers and liberalization of access to farm credit. Importation of rice, maize, vegetable oil, stock fish and day-old chicks has been banned;

(b) Policy reforms in the public sector: establishment of a directorate for food production and rural development; privatization of some public enterprises involving divestiture of government holdings in agricultural production, hotels and all non-strategic industries; and disengagement of governments at all levels from direct involvement in agricultural production and distribution;

(c) Policy reforms in the private sector: allowing greater scope for private airlines on domestic routes; more liberal import policy for the importation of raw materials, agricultural equipment and spare parts; and simplification of regulations and guidelines governing industrial investment and commercial banking activity;

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(d) Exchange rate policy: realistic adjustment of the external value of the Naira with a view to reducing the degree of overevaluation and operation of a two-tier foreign exchange market as a logical extension of the foreign domiciliary accounts system.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	8 724.0	
	Externally	596.0	
	Subtotal		9 320.0
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	1 117.0	
	Subtotal		1 117.0
(iii)	Estimate of likely available resources		10 437.0
(iv)	Total estimated cost of programme		12 437.0
(v)	Resource gap		2 000.0

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	904.4	2 207.3	3 111.7
Principal	1 276.4	9 316.7	10 593.1
Total	2 180.8	11 524.0	13 704.8

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35. RWANDA

1. Overall economic performance since 1980

Rwanda is a completely land-locked country in Central Africa. Apart from land-lockedness the country currently suffers from two other major development problems, namely: the limited arable land and scarcity of natural resources and population pressure. With a population of 5.9 million (in 1984) and a population density of 225 persons/km^2 Rwanda finds itself among the most densely populated areas of Africa. Given the annual population growth rate of 3.6 per cent the country's population is estimated to jump to 7.4 million in 1990, about 95 per cent of whom will be living in the rural areas.

GDP growth has been generally low and erratic. After rising by 8.1 per cent in 1981 GDP growth fell dramatically to 1.1 per cent in 1982, rising, however, to 3.0 per cent in 1983 but plummeting to -2.8 per cent in 1984. Overall, growth between 1980 and 1984 was only 2.4 per cent yearly on average. This entails a considerable fall in per capita income to the tune of 1.2 per cent annually during the same period. 1/

The volume of external debt incurred on concessional terms amounted in 1984 to $254.5 million. As for debt-servicing, it amounted to 6.1 per cent in 1984, but is estimated to rise to between 15 and 20 per cent over the coming five years. The total net flow of resources, conversely, fell from $171.3 million in 1980 to $147.4 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The main areas of concern in the national economic recovery programme are:

(a) Food and agriculture (food self-sufficiency);

(b) Agricultural support measures including soil protection and yield improvement, development of energy resources and of small- and medium-scale industries; and

(c) Human resources development.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

Among the various measures adopted or envisaged particular mention should be made of:

(a) Review of tax legislation, customs tariffs and the investment code; promotion of investment, particularly in small- and medium-scale enterprises, and their regional distribution;

1/ Source: ECA secretariat.

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(b) Creation of a special guarantee fund for national entrepreneurs who have no collateral;

(c) Austerity and rigour in the management of the public sector;

(d) Mobilization of domestic savings;

(e) Application of selective interest rates;

(f) Review of tax legislation, customs tariffs and austerity in management;

(g) Co-ordination and harmonization of development activities by the Ministry of Planning and by the interministerial co-ordinating committees;

(h) Channelling of public investment into viable sectors; and

(i) Establishment of mechanisms to monitor programme implementation.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars
(i) Resources already mobilized		
Domestically	-	
Externally	-	
Subtotal		-
(ii) Resources planned to be mobilized		
Domestically	239.9	
Externally	723.6	
Subtotal		962.5
(iii) Estimate of likely available resources		962.5
(iv) Total estimated cost of programme		1 251.2
(v) Resource gap		288.7

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5. Estimates of debt-servicing requirements (1986-1990) (in millions of US$)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	20.3	-	20.3
Principal	54.1	-	54.1
Total	74.4	-	74.4

36. SAO TOME AND PRINCIPE

1. Overall economic performance since 1980

GDP at current market prices is expected to have attained the level of $34.7 million in 1984, as against $45.6 million in 1980, reflecting a decline of 6.7 per cent per year on average. The causes of this catastrophic drop in economic activity are the fall in production and prices of cocoa, the main agricultural product accounting for about 40 per cent of GDP and from 80 to 90 per cent of export earnings. The drought experienced in the 1980s has also contributed to the economic recession. Per capita GDP fell dramatically from $486 in 1980 to $328 in 1984.

The external public debt amounted to $75.2 million at the end of 1984. Half of this amount had been granted on very concessional terms (1 per cent interest rate and 13-year grace period), one quarter on concessional terms (4 per cent interest rate and 8-year grace period) and the final quarter on commercial terms. Debt servicing was estimated at $0.9 million in 1981 and rose to $2.5 million in 1984, accounting for some 23.7 per cent of earnings from the export of goods and services. The net flow of resources amounted to $7.9 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The main areas adopted by the Government as national priorities are in the following order: (a) agriculture, with emphasis on cash crops, food crops, animal husbandry, fisheries and forestry; support for agricultural research and the development and rehabilitation of cocoa and agro-pastoral enterprises; (b) energy programme for the rehabilitation of electric power stations, storage of petroleum products, extension of the Guegne hydroelectric powerstation, etc.; (c) other sectors supporting agriculture, in particular industry, transport, rural development and administration; (d) human resources development: technical assistance to the Ministry of Agriculture, forestry training, training centre for officials.

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3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The current economic policy being pursued by the Government aims at revitalizing the economy. The primary medium-term objective is to restore the country's cocoa-exporting capacity.

This policy implies a large number of reforms in the following areas: (a) restructuring public enterprises either through the conclusion of contracts with foreign partners or the establishment of mixed corporations; (b) providing incentives for workers in the agricultural sectors by rewarding productivity with a view to improving economic performance; (c) distribution of plots of land on which each individual can produce food crops; (d) reforming the trading system by liberalizing domestic and foreign trade; (d) adopting a monetary policy aimed at strengthening the country's currency through curbs on issuing money without corresponding increases in production; (f) mobilization of popular savings to boost the economy with a view to gradually replacing external financing.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically		
	Externally	25.0	
	Subtotal		25.0
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		25.0
(iii)	Estimate of likely available resources		25.0
(iv)	Total estimated cost of programme		110.6
(v)	Resource gap		85.6

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5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	2.9	-	2.9
Principal	10.9	-	10.9
Total	13.8	-	13.8

37. SENEGAL

1. Overall economic performance since 1980

The economy of Senegal has been hard hit by the persistent drought which followed the devastating effects of the 1979 oil crisis. With the decline in raw materials prices and the sharp fluctuations in the terms of trade, Senegal went through an extremely difficult period in which the growth of GDP in real terms averaged only 3.1 per cent yearly between 1980 and 1984. The surge in domestic demand, coupled with the deterioration in the financial situation, caused an alarming deficit in the balance of payments. External debt amounted to $1,722.8 million in 1984, about 83 per cent of which has been incurred on concessional terms. Debt-service ratio amounted to 18.1 per cent after rescheduling (28.5 per cent before rescheduling) in that year. Net resource flows fell almost continuously, from $460.6 million in 1980 to $137.7 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

Against this setting, the Government decided upon a stabilization programme, followed by an economic and financial recovery programme and medium- and long-term adjustment programmes to redress the situation and re-establish the broad balances. Agriculture, conceived as a key sector, was given special attention. The aim was to raise cereal output (maize, millet, sorghum, rice) in order to achieve food self-sufficiency, to adapt export crops (cotton, ground-nuts) to world market conditions, to place greater emphasis on animal husbandry through fodder production and to settle nomadic people around water points, to revitalize the fisheries sector, to restore appropriate conditions conducive to industrial rehabilitation, to protect the environment, revitalize the soil, combat desertification, open up agricultural areas by continuing the road building programme, to develop primary health care in the rural areas, and to promote training and extension services for the rural population.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

In this respect, the Government intends to adopt reforms as part of the national recovery programme by:

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(a) Implementing the new agricultural policy based on giving rural producers greater responsibilities and improving the environment of the agricultural sector;

(b) Giving priority to productive projects with a high economic and financial profitability and improving programmes for the rehabilitation and maintenance of existing infrastructure;

(c) Carrying out a more rigorous selection of infrastructural projects that are not directly productive by giving more consideration to costs;

(d) Making the system of public investment planning more effective;

(e) Implementing the new industrial policy as well as the new policy on the semi-public sector;

(f) Consolidating achievements in financial reorganization;

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	68.3	
	Externally	449.0	
	Subtotal		517.3
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(iii)	Estimate of likely available resources		5 170.0
(iv)	Total estimated cost of programme		777.3
(v)	Resource gap		260.0

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5. Estimates of debt-servicing requirements (1986-1990) (in million $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	271.0	82.3	353.3
Principal	487.8	233.5	721.3
Total	758.8	315.8	1 074.6

38. SEYCHELLES *

1. Overall economic performance since 1980

Over the period 1980-1984, GDP recorded an average annual negative growth in the order of 2.1 per cent, whereas it has risen rapidly, by 10 per cent a year, from 1977 to 1979. This reversal of the trend was due to the fall in the number and spending of tourists, the reduction in government expenditures and the decrease in activity in the building and public workers and other productive sectors. In 1984, with the strong revival of tourism, the real growth rate of GDP was 2 per cent higher than in 1983.

The balance of payments is still unfavourable, despite the grants received and the external loans contracted, which amounted in all to $50.6 million over the period. At the end of 1984, the outstanding external public debt was $57.5 million, 72 per cent of which was incurred on concessional terms. The debt-service burden is still light, amounting in 1984 to only 9 per cent of export earnings. Although debt service burden appears low, it has risen rapidly since 1980. It is estimated to be 11 per cent of foreign exchange receipts in 1985, rising to 16 per cent in 1986. Net resource flows declined sharply from $23.9 million in 1980 to $2.1 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The National Development Plan 1985-1989 defines the broad orientations set by the Government, which focus especially on:

(a) Restoration of growth by concentrating investment on production systems such as agriculture (food crop production, animal husbandry, fisheries, irrigation);

(b) Establishment of agro-industries; and

(c) Human resources development (training, job creation).

* Updated figurres in this profile were communicated to the OAU by Seychelles Government on May 15, 1986.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

Although the Development Plan is based solidly on the public sector, the Government recognizes the importance of the role played by the private sector and private investment. Fiscal measures (tax exemptions and benefits)and financial measures (freedom of transfer) have been taken, and these will be maintained and even improved. Likewise, public savings capacity will be enhanced by reducing the public sector deficit so as to channel a major portion of domestic bank credit to the private sector.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	42.0	
	Externally	-	
	Subtotal		42.0
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(iii)	Estimate of likely available resources		42.0
(iv)	Total estimated cost of programme		350.0
(v)	Resource gap		208.0

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official Creditors	Private creditors	Total
Interest	13.2	0.8	14.0
Principal	50.0	4.0	54.0
Total	63.2	4.8	68.0

39. SIERRA LEONE

1. Overall economic performance since 1980

The performance of Sierra Leone's economy continued to be generally poor during the period 1980-1984, due to sluggish agricultural and mineral production, reduction in energy supplies and acute foreign exchange shortages. The large trade deficits and continued balance-of-payments disequilibrium accounted for the foreign exchange squeeze which in turn led to large-scale smuggling. There were also problems related to economic management and the large size of the public service, as well as inadequate incentives to agricultural production.

Real GDP growth was therefore negative for all years since 1981. The overall average annual rate amounted to 11.4 per cent yearly between 1980 and 1984. External debt amounted to $593.7 million and debt-service ratio was 27.4 per cent in 1984. At the same time net resource flows fell from $197.5 million in 1980 to $39.7 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The national recovery programme focuses on transport and communications, and improvement of the overall economic performance through the development of the small urban informal sector, handicraft enterprises, medium-sized industries and commercial farms.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The national recovery programme is to be underpinned by the following measures:

(a) Incentives: remunerative price incentives to small-holder farmers; increases in interest rates on bank deposits and prices of locally manufactured goods; abolition of price controls on locally manufactured goods; and credit liberalization;

(b) Policy reforms in the public sector: staff reduction in the public sector; privatization of some parastatals; rationalisation of the public expenditure programmes; decentralization by reviving the district council system; and reintroduction of the civil service examination; and

(c) Policy reforms in the private sector: placing most imports on the Open General Licence; privatization of some parastatals; joint public-private sector ventures; minimum restrictions on the functioning of the private sector.

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4. Estimates of resource requirements for the national recovery programme (1986-1990)

			Millions of US dollars
(i)	Resources already mobilized		
	Domestically	42.0	
	Externally	-	
	Subtotal		42.0
(ii)	Resources planned to be mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(iii)	Estimate of likely available resources		42.0
(iv)	Total estimated cost of programme		219.1
(v)	Resource gap		177.1

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	25.0	10.1	35.1
Principal	83.8	36.8	120.6
Total	108.8	46.9	155.7

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40. SOMALIA

1. Overall economic performance since 1980

The Somali economy faced a series of serious difficulties in the late 1970s and early 1980s which were largely exacerbated by the adverse effects of drought on livestock and crop production and heavy economic burdens engendered by border conflicts and a substantial influx of refugees.

Following good rains, bumper agricultural crops and expansion in livestock production during 1982, economic activity picked up considerably and the balance-of-payments position showed marked improvement. Stringent fiscal and monetary control contributed to a reduction of the huge budget deficit and the soaring rates of inflation.

A host of adverse internal and external factors brought the economy back into a state of crisis since 1983. Crop production fell as a result of the 1983 drought and the 1984 late rains; exports of live animals, Somalia's main source of foreign exchange, virtually stopped when Somali cattle were banned from their traditional market in 1983; other production was adversely affected by the lack of foreign exchange to purchase inputs; and the external and internal financial situation deteriorated sharply. In 1984, the budget deficit and government expenditure jumped to 30 per cent and 36 per cent of the GDP respectively, while inflation reached a record 92 per cent; it has dropped to a level of 36 per cent due to government effort through its adjustment and stabilization programmes. Overall GDP grew by 3.2 per cent yearly between 1980 and 1984. At the same time, Somalia's external debt and debt-servicing obligations have risen considerably. By the end of 1984, Somalia's external debt totalled $1.4 billion, of which $1.2 billion was concessional. The ratios of total debt to GDP and to exports of goods and non-factor services in 1984 were 90 per cent and 1,944 per cent respectively. The debt-servicing obligations of the country have reached alarming levels. Debt-service payments arrears reached $225 million at the end of 1984, or a ratio of 312 per cent to exports of goods and services. Total debt-servicing obligations without arrears at the end of 1984 were $131 million, or 182 per cent of exports of goods and services. The actual debt-service ratio was 50 per cent.

The overall net flows of development assistance to Somalia increased from $262 million in 1980 to $303 million in 1984. However, rising repayment obligations are likely to reduce the net flows considerably in the coming years, unless these obligations are waived.

2. Main areas of focus of the national recovery programme (1986-1990)

Agriculture and livestock, transport and communications and water resources are the main focus of 1986-1988 Public Investment Programme (PIP), receiving shares equal to 48, 13.5 and 11.6 per cent in the PIP respectively.

Investment will be concentrated on the completion of ongoing projects and the rehabilitation of idle or under-utilized capacity. Some new investments will be made in quick-yielding and profitable projects.

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3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

Policy reforms within the framework of the 1986-1988 priority programme are essentially a continuation and a further strengthening of the adjustment and stabilization policies of the 1984-1986 programme, which mainly include: introduction of a market-determined exchange rate for most private transactions, following major adjustment of the exchange rates; liberalization of pricing and marketing policies; promotion of the private sector and foreign investment; curtailment of the regulatory functions of public enterprises; improving the performance of public enterprises; greater mobilization of domestic and foreign resources; and relaxation of fiscal and monetary controls.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(ii)	Resources planned to be mobilized		
	Domestically	147.0	
	Externally	675.3	
	Subtotal		822.3
(iii)	Estimate of likely available resources		822.3
(iv)	Total estimated cost of programme		1 458.6
(v)	Resource gap		636.3

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	96.2	9.5	105.7
Principal	452.0	26.0	478.0
Total	548.2	35.5	583.7

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41. SUDAN

1. Overall economic performance since 1980

The Sudanese economy is passing through one of its most difficult times. The long list of chronic ailments includes declining productivity in agriculture and industry, worsening balance-of-payments position, fiscal difficulties, rising rates of inflation, mounting and unmanageable debt and debt repayment problems and a substantial influx of refugees.

The Government has embarked, since 1978, on a series of structural adjustment programmes comprising devaluation and adoption of a flexible exchange rate policy; relaxation of price controls; establishment of strict demand control measures; privatization of state enterprises operating in commercial fields and increased autonomy for the remaining ones. The impact of those policies were, on the whole, very disappointing. The real GDP growth averaged only 0.4 per cent yearly during the period 1980-1984 while per capita GDP fell at an average annual rate of growth of 2.1 per cent during the same period. The GDP has been decreasing for the last three fiscal years and the economy has fallen into a severe state of depression. Foreign exchange receipts were vastly inadequate and huge arrears of debt-service payments accumulated. Total debt-service obligations for 1984 reached $1,210 million, or 125 per cent of exports and non-factor services. The debt service due at the end of 1985 was $1.2 billion, while obligations overdue at the end of 1984 reached $2.3 billion. The actual debt-service ratio at the end of 1984 was 32 per cent. The Sudan's external debt reached over $9 billion by the end of 1985. The accumulation of arrears forced a number of multilateral institutions to suspend aid disbursements.

Net resource flows fluctuated considerably; they fell from a peak of $988.0 million in 1981 to $611.0 million in 1983, but rose sharply to $904.0 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The public investment programme allocates the largest share in investment to agriculture followed by transport and communications, energy and mining and regional development with a national programme of primary health care and development of water resources.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

In the wake of the April 1985 revolution which toppled the Nimeri régime, the Government has attempted to change the direction of past economic policies and to reach agreement with the IMF thereon. The Sudan has, however, failed to arrive at an IMF-endorsed policy programme and negotiations with the IMF finally broke down in February 1986. Although no official statement has been issued on the course of action to be followed, policies are likely to emphasize the need for self-reliance, establishment of greater control on foreign exchange transactions and prices and stringent fiscal and monetary controls.

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4. Estimates of resource requirements for the national priority programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(ii)	Resources planned to be mobilized		
	Domestically	1 252.0	
	Externally	911.0	
	Subtotal		2 163.0
(iii)	Estimates of likely available resources		2 163.0
(iv)	Total estimated cost of programme		2 913.0
(v)	Resource gap		750.0

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	847.6	192.5	1 040.1
Principal	1 499.5	765.8	2 265.3
Total	2 347.1	958.3	3 305.4

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42. SWAZILAND

1. Overall economic performance since 1980

Swaziland's proximity to South Africa and its membership of the Rand Monetary Area (RMA) and South African Customs Union (SACU) make its economy dependent on developments in South Africa, whose economy is rather buoyant in comparison to other African countries. In the open market environment of SACU, Swaziland's industries have not been able to compete with those of South Africa.

The high population growth rate of 3.2 per cent per annum has put pressure on the employment market, especially in the urban areas. This has been heightened by the low agricultural productivity of Swaziland.

Real GDP growth averaged 2.3 per cent annually between 1980 and 1984. The growth record, however, has been erratic. Except in 1980 when GDP rose by 6.8 per cent, growth in subsequent years, was very weak. Total net resource flows amounted to $38.0 million in 1984, compared to a level of $57.9 million in 1980. External debt, which amounted to $198 million in 1985 is high and constitutes a burden on the economy. The actual debt-service ratio amounted to 6.9 per cent in 1984 but it is expected to rise steeply in the coming few years.

2. Main areas of focus of the national economic recovery programme (1986-1990)

The main areas of focus of the national priority programme in order of priority are: agriculture; human resources development, especially vocational training; development of infrastructural facilities; and combating the effects of drought.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

Policy reforms have been instituted to improve the functioning and efficiency of parastatals as well as the effectiveness of the public sector in the planning and implementation of programmes through the establishment of a National Budget and Planning Committee. Furthermore, the initiation of the Rural Development Areas Programme to stimulate agricultural production in Swaziland has been undertaken. The Government has also introduced a sales tax to widen its revenue base and to reduce its dependence on receipts from SACU as the main source of revenue. Swaziland's membersip of RMA precludes it from independent action and determines the nature and extent of the adjustment measures it can take. However, steps are being taken to increase its autonomy over its financial and monetary policies. Above all, policy measures have been directed towards the stimulation and encouragement of private investments in both existing and new ventures.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	0.7	
	Externally	0.2	
	Subtotal		0.9
(ii)	Resources planned to be mobilized		
	Domestically	0.2	
	Externally	0.2	
	Subtotal		0.4
(iii)	Estimates of likely available resources		1.3
(iv)	Total estimated cost of programme		3.2
(v)	Resource gap		1.9

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	47.9	1.7	49.6
Principal	62.7	7.9	70.6
Total	110.6	9.6	120.2

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43. TOGO

1. Overall economic performance since 1980

Owing to the severe effects of recession and the world-wide economic and financial crisis, Togo could not fully execute the implementation of its fourth Five-Year Economic and Social Development Plan (1981-1985). Since 1979, however, the Government has been concerned to redress the situation, and has consequently proceeded to draw up and implement an IMF-supported austerity programme which entailed, among other measures, cutting back current and investment allocations. Moreover, the country was able to reschedule part of its external debt in 1979 after successful negotiations with the Paris club. Despite these efforts real GDP fell by an average annual rate of 2.5 per cent between 1980 and 1984.

The outstanding external debt in 1984 and 1985 amounted respectively to about $843.4 million and $764.7 million, representing 25.9 and 36.7 per cent of the country's export earnings. The Togolese Government, however, is taking steps to reduce the external debt-servicing burden to a level compatible with the country's economic and social development needs. It is gradually achieving that goal, and as accordingly gained a measure of confidence among both bilateral and multilateral donors. Consequently, ODA increased steadily, from $35.5 million in 1982 to $38.6 million in 1983 to $69.2 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

The Togolese recovery programme establishes the following order of priorities:

(a) Rehabilitation of infrastructure;

(b) Rural development;

(c) Socio-cultural development; and

(d) Industrial development.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The Togolese Government has taken a broad range of measures to direct and sustain the recovery and development of its economy through:

(a) Adoption of a new and more attractive investment code and a trade charter;

(b) Incentives to the farmers which include: increase in agricultural producer prices, extension services, credit and dissemination of new farming techniques and results of applied research;

(c) Setting up a seeds development plan and a programme to combat drought and desertification;

(d) Rehabilitation of the small- and medium-scale enterprises guarantee fund;

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(e) Reform of the public sector operations sought through budgetary austerity, tax reform, close auditing and monitoring of expenditure, and restructuring of the public sector operations;

(f) Expansion of the use of information science techniques in public administration and in the parastatal sector; and

(g) Reorganization of the major ministries responsible for economic and financial matters and the establishment of a ministry for state corporations.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

			Millions of US dollars
(i)	Resources already mobilized		
	Domestically	123.5	
	Externally	186.6	
	Subtotal		310.1
(ii)	New resources planned to be mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(iii)	Estimate of likely available resources		310.1
(iv)	Total estimated cost of programme		1 001.9
(v)	Resource gap		691.8

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	108.4	18.4	126.8
Principal	243.0	76.2	319.2
Total	351.4	94.6	446.0

44. TUNISIA

1. Overall economic performance since 1980

A recurring theme of the Tunisian plans is the emphasis placed on the realization of a balanced socio-economic system, through developing sectoral linkages and regional interdependence. Special attention has been accorded to agriculture and tourism which, together with oil, provide the bulk of exports. To specially boost agriculture irrigation networks have been developed and agro-industries promoted which, in addition to creating the necessary forward linkages, are also intended to provide employment opportunities and contribute to export growth.

The diversified nature of the Tunisian economy helped it register positive medium growth in three out of the past five years, recording growth rates of 4.9 and 5.5 per cent in 1983 and 1984 respectively. The average yearly growth for the 1980-1984 period was, however, lower, viz. 3.4 per cent.

The total external debt amounted to $4,032 million in 1984 and the debt-service ratio as proportion of exports is in the order of 22.1 per cent. Another disquieting feature is the falling trend of ODA resources and the rise in the volume of private credit. The former fell from a high of $241.3 million in 1981 to $222.3 million in 1984 while the latter increased from $114.9 million in 1980 to $250.4 million in 1983. The implications for debt-service obligations of these trends are obvious. The balance-of-payments position therefore remains tight. Recent policy reforms through emphasizing export promotion, increased production and reduction of dependence on external borrowing are primarily directed towards the restoration of a healthy payments position.

2. Main areas of focus of the national recovery programme (1986-1990)

The main areas emphasized by the priority programme are: tourism, agriculture, other sectoral measures in support of agriculture and the fight against drought and desertification. The focus on these areas targets the creation of a better environment for agricultural development, creation of rural employment, regional balance and increased production of agricultural export crops. To this end, an integrated rural development programme that can be financed internationally has been drawn up.

3. Policy reforms in support of the national recovery programme (1986-1990)

The major policy reforms envisaged in support of the programme, inter alia, include: assistance to farmers to undertake fast yielding investment projects to produce vegetables, cereals, livestock and fish; upward revision of prices of agricultural producer prices; rationalization of public sector operations; establishment of new financial institutions and banks to mobilize savings to finance investment and export trade and undertake off-shore banking and expanding the role of the private sector. However, the recovery programme might not attain its objectives as a result of the accumulated and recent effects of the abrupt drop in the prices of oil, phosphate and its by-products. Consequently, the domestic resources mentioned below would certainly have to be reviewed.

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4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	122.8	
	Externally	30.4	
	Subtotal		153.2
(ii)	Resources planned to be mobilized		
	Domestically	491.4	
	Externally	121.8	
	Subtotal		613.2
(iii)	Estimate of likely available resources		766.4
(iv)	Total estimated cost of programme		1 375.1
(v)	Resource gap		608.7

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	792.8	284.2	1 077.0
Principal	1 581.6	766.8	2 348.4
Total	2 374.4	1 051.0	3 425.4

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45. UGANDA

1. Overall economic performance since 1980

Uganda is a land-locked country which has experienced continuous economic stagnation as a result of economic mismanagement, internal strife and stifling international economic environment. The prevalence of domestic insecurity during the period 1980-1985 prevented the implementation of the two Recovery Programmes drawn up during that period. The economic policy reform measures introduced in June 1981 had a largely indifferent effect on the economy as those measures were fraught with contradictions of aggravated debt-service burdens, escalating inflation, and continuous weakening of the national currency which in turn discouraged investment and fuelled speculative consumption activities. The overall result is that, despite the abundance of its natural resources and a relatively developed economic base at the time of independence in 1962, Uganda today is a ravaged economy, classified among the least developed countries of the world.

2. Main areas of focus of the national economic recovery programme (1986-1990)

Uganda's economic recovery plan for the second half of the 1980s will have the following three essential strands: restoration of peace, internal security and democracy as a pre-condition for economic recovery and development; emergency provision of relief to, and resettlement of, citizens deprived and displaced as a result of the internal strife of the period 1980-1985; and a medium-term rehabilitation/development programme with the long-term objective of developing an independent, integrated and self-sustaining national economy. A remarkable measure of peace and internal security has been achieved since the end of the national resistance war in March 1986; and a six-month emergency relief and rehabilitation programme, costed at $US 161 million has been drawn up and launched by the Government. A medium-term rehabilitation/development plan is being framed for launching by mid-1986. The main areas of focus of this plan, as far as food and agriculture is concerned, will be the achievement of absolute and permanent domestic food self-sufficiency and the elimination of food import bill; and diversification of agricultural production for domestic consumption, processing and for export; and the establishment of a strong and growing linkage between agriculture and industry.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

Policy measures envisaged to support the plan include:

(i) Provision of agricultural inputs: implements, tools, seeds, etc. at prices affordable by small farmers;

(ii) Provision of agricultural credits to farmers;

(iii) Paying remunerative cash prices for export crops;

(iv) Involving co-operatives at the various stages of crop production, crop processing and crop marketing;

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(v) Strengthening agricultural research activities and the agricultural extension services;

(vi) Observing strict financial discipline in spending by Government and the agricultural corporations.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	-	
	Externally	-	
	Subtotal		-
(ii)	Resources planned to be mobilized		
	Domestically	77.4	
	Externally	1 087.0	
	Subtotal		1 164.4
(iii)	Estimate of likely available resources		1 164.4
(iv)	Total estimated cost of programme		2 500.1
(v)	Resource gap		1 335.7

5. Estimates of debt servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	81.1	9.0	91.1
Principal	284.0	46.9	330.9
Total	365.1	55.9	422.0

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46. UNITED REPUBLIC OF TANZANIA

1. Overall economic performance since 1980

The United Republic of Tanzania has been in the grip of a severe economic crisis during most of the 1970s, which worsened considerably since 1979. During the period 1980-1984, the GDP rate of growth of constant prices averaged to only 0.6 per cent yearly while per capita GDP declined at an average annual rate of 2.5 per cent. The economy also suffered from high rates of inflation, ranging between 25-36 per cent per annum during 1982-1984; huge fiscal deficits; and a serious balance-of-payments situation. Four years of drought, the two oil shocks, the break-up of the East African Community, the collapse in commodity prices and the rise in the prices of essential imports, falling production in agriculture and industry, acute foreign exchange constraints, rapid monetary expansion and deteriorated capital stock and infrastructure have combined to cause this crisis.

Tanzania's external debt stood at $2.6 billion at the end of 1984, of which $0.8 billion was non-concessional. This represents a ratio of debt to GDP of 64 per cent and of debt to exports of 603 per cent. The actual debt-service ratio was 30 per cent. Arrears on debt have started to appear and the ratio of total debt-service obligations to exports is approaching 70 per cent. Net resource flows fell sharply from $515 million in 1980 to $280.7 million in 1981, and although they rose steadily thereafter their level in 1984 was only 74 per cent that of 1980.

In June 1982, the Government adopted a comprehensive Structural Adjustment Programme (SAP) aimed at dealing with the country's serious structural problems and rehabilitating the economy. The overall implementation of SAP, carried out through the financial year 1984/1985, met with a limited success and the impact of adjustment measures on the economy was modest.

2. Main areas of focus of the national recovery programme (1986-1990)

Within the framework of the 1986/1987-1988/1989 programme for economic recovery the following areas will receive priority: increasing output of food and export crops; rehabilitating the physical infrastructure in support of direct productive activity; and increasing capacity utilization in industry.

3. Highlights of policy, reforms in support of the national recovery programme (1986-1990)

Policy reforms undertaken or planned include:

(a) Putting more emphasis on food and cash crop production by increasing the share of agriculture in the budget to 28.4 per cent, increasing producer prices from 46-55 per cent nominally and introducing other incentive measures;

(b) Adopting an austerity programme which reduced development expenditure and new investment to the minimum;

(c) Rationalization of price controls;

(d) Expanding the role of the private sector;

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(e) Improving the efficiency of parastatals; and

(f) Mobilization of additional resources and curtailment of government expenditure.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	823.0	
	Externally	148.0	
	Subtotal		971.0
(ii)	Resources planned to be mobilized		
	Domestically	3 484.0	
	Externally	664.0	
	Subtotal		4 148.0
(iii)	Estimate of likely available resources		5 119.0
(iv)	Total estimated cost of programme		5 832.0
(v)	Resource gap		713.0

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	229.5	53.3	282.8
Principal	714.4	208.2	922.6
Total	943.9	261.5	1 205.4

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47. ZAIRE

1. Overall economic performance since 1980

With a population of 29.8 million inhabitants and an area of 2,345,000 km^2, Zaire recorded an average GDP growth rate of 1.3 per cent yearly between 1980 and 1985. The purchasing power of the population has declined in the past few years mostly because of:

(a) The slackening of domestic supply of goods and services following the breakdown of basic infrastructure and the production system;

(b) The adverse effects of galloping inflation; and

(c) Through its austerity programme for economic stabilization launched in 1983, Zaire has achieved a basic equilibrium in several respects, brought inflation down from 100 to 20 per cent, improved the management of public finance and made serious efforts to meet its external debt obligations.

Zaire has a heavy burden of external debt; at the end of 1984 it owed \$4.6 billion broken down as follows: \$1.57 billion on concessional terms and \$3.58 billion on non-concessional terms. The ratio of debt service to export earnings shows the following trends: 14.9 per cent in 1980, 13.8 per cent in 1981, 11.9 per cent in 1983 and 14.9 per cent in 1984.

The net inflow of external resources is steadily declining essentially because of the continuous fall in ODA. Net resource flows amounted to, \$344.6 million in 1980, \$412.7 million in 1981, \$168.7 million in 1982, \$128.2 million in 1983 and \$256.9 million in 1984. ODA declined continuously from \$846.2 million in 1980 to \$684.9 million in 1981 to \$398.7 million in 1982 to \$334.8 million in 1983 to \$238.0 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

To give a definitive thrust to its economy, Zaire has prepared its first five-year plan (1986-1990) whose objectives fit into the framework of Africa's Priority Programme for Economic Recovery. The main elements are as follows:

(a) Agriculture: rehabilitation of the production system, control of the food crisis, development of water resources, prevention of food losses, liberalization of prices with a view to encouraging farmers to increase supply, etc.;

(b) Infrastructure: rehabilitation of roads, particularly in the rural areas and posts and telecommunications and expansion of existing capacity;

(c) Health: rehabilitation of hospitals and clinics (especially in the rural areas), expansion of the capacity of rural and urban infrastructure, the objectives of the 1986-1990 five-year plan being to provide basic health care for every citizen by the year 1990 through the establishment of a large number of health centres; and

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(d) Education: strengthening of middle-level technical schools, particularly those providing training in agriculture and mining: applied research in these two areas in particular.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The 1986-1990 five-year plan, focusing on (a) rehabilitation of the production system, (b) promotion of the social sectors supporting development, and (c) improvement and rationalization of public administration, envisages the following principal reforms:

(i) Tax reform: incentives to private investment in the priority sectors and areas of the plan; establishment of a major free zone (at Inga), investment code, etc.;

(ii) Liberalization: reduction of State intervention in direct production to the minimum. Public investment will focus on the rehabilitation of economic and social infrastructure and on rehabilitation of the production system. Certain non-viable public enterprises will be privatized; and

(iii) Reforms relating to revenue collection and the reduction of unproductive expenditure to be realized through decentralization of tax collection as well as effective supervision of tax collectors.

4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized		
	Domestically	1 095.0	
	Externally	-	
	Subtotal		1 095.0
(ii)	Resources planned to be mobilized		
	Domestically	1 951.9	
	Externally	1 415.0	
	Subtotal		3 366.9
(iii)	Estimate of likely available resources		4 461.9
(iv)	Total estimated cost of programme		5 220.9
(v)	Resource gap		759.0

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5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	914.9	128.5	1 043.4
Principal	1 378.3	546.7	1 925.0
Total	2 293.2	675.2	2 968.4

48. ZAMBIA

1. Overall economic performance since 1980

There has been a marked deterioration in the Zambian economy since 1982. GDP fell by 3.5 per cent in 1982, by 13.7 per cent in 1983 and by 21.1 per cent in 1984. The overall real GDP growth rate averaged -8.8 per cent annually during 1980-1984. Several factors have contributed to this dismal performance, foremost the sharp decline in export earnings arising from the fall in demand for and prices of copper, the country's major export commodity, low agricultural output mainly due to drought conditions as well as a depressed manufacturing sector as a result of a persistent shortage of foreign exchange to procure raw materials and spare parts. Other factors include drought and the direct and indirect effects of the political and economic destabilization policies of South Africa.

External debt has been rising steadily since 1980, reaching $4.7 billion in 1984. By 1984, debt-service obligations as percentage of exports reached 161.9 per cent, while the actual debt-service ratio was 69.8 per cent. At the same time net resource flows declined from $861.9 million in 1981 to $480.0 million in 1984.

2. Main areas of focus of the national recovery programme (1986-1990)

Zambia's priority sectors include agriculture, mining, manufacturing and human resources development. Special emphasis has been placed on: food self-sufficiency; social infrastructure, such as health, education and community services; and administration and management training. The Government also attaches great importance to supporting the agricultural sector through various measures, such as better credit facilities, producer prices, storage, marketing and supply of fertilizers and pesticides, to increase productivity in agriculture. Small-scale private participation in industry and manufacturing, including mining, has also been given prominence in the overall investment policy.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

The Government has taken bold adjustment measures and other policy reforms in support of the recovery programme. These include reorientation of investment

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patterns, diversification of exports, establishment of small-scale engineering concerns as well as restructuring the country's internal economy, with emphasis on attaining self-sufficiency in key sectors. The measures also aim at building and developing the country's statistical capacity as an input for monitoring and assessing the effectiveness and impact of the recovery programme. Other measures include introduction of foreign exchange auctioning and import liberalization programmes; decontrol of prices and interest rates in commercial banks; reduction of subsidies to parastatals; reduction of public consumption and expenditure.

A new investment act is now in place and offers attractive incentives to both domestic and foreign investors. Both the civil service and parastatals are being trimmed in size and new measures to improve the efficiency of management have been introduced.

4. Estimates of resource requirements for national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized:		
	Domestically	-	
	Externally	-	
	Subtotal		-
(ii)	Resources planned to be mobilized:		
	Domestically	105.9	
	Externally	-	
	Subtotal		105.9
(iii)	Estimates of likely available resources		105.9
(iv)	Total estimated cost of programme		557.3
(v)	Resource gap		451.4

5. Estimates of debt-servicing requirements, 1986-1990 (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	444.6	104.6	549.2
Principal	808.2	406.1	1 214.3
Total	1 252.8	510.7	1 763.5

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49. ZIMBABWE

1. Overall economic performance since 1980

Zimbabwe is a land-locked country covering an area of 390,580 km^2 and has common borders with Botswana, Zambia, Mozambique and South Africa. It has an estimted population of 7.9 million in 1985, growing at an average rate of 2.84 per cent per annum. The gross domestic product stood at $584.6 million at current prices in 1984, and per capita GDP measured $740 in that year. The GDP grew at an average rate of 4.2 per cent per annum in real terms over the period 1980-1984. The total external debt was $2,156.7 million in 1984. The actual debt-service ratio as a percentage of exports of goods and services was 30.5 per cent in 1984. The total net resources inflows to Zimbabwe declined from a level of $844.3 million in 1981 to about $418.0 million in 1984. ODA, however, rose from $212.3 million to $282.0 million during the same period. As a southern African State, Zimbabwe experienced problems resulting from the political and economic destabilization policies of South africa. This, coupled with the 1982 and 1984 droughts and the world recession has seriously hampered the implementation of the country's development plan.

2. Main areas of focus of the national development plan (1986-1990)

The principal objectives of the national development plan include: (a) transformation of the economy for the establishment of a national economy; (b) raising employment and the standard of living of the majority of the people; and (c) the development of the country's scientific and technological capability. Whilst these objectives imply that the material production sectors are at the centre of the Government's new investment programmes, the sustenance and further consolidation of the gains already made since independence in the non-material production sectors are of no less importance.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

Far-reaching adjustment measures already taken include: diversification of cash crops and the pursuance of a pricing policy that has ensured food self-sufficiency; devaluation of the Zimbabwe dollar to make exports more competitive. Policy reforms in the public sector will include the reorganization of parastatals to make them more profitable and self-financing. Other policies include: land reform and redistribution of land to small-holder farmers and co-operatives; provision of agricultural inputs in the form of credit fertilizers, improved seeds and pesticides and more effective marketing through the agricultural marketing boards. Whilst Zimbabwe's Government has indicated areas where foreign investment is welcome and the conditions attached, revisions to the foreign investment guidelines are yet to be made. Taxation policy has also to be revised in accordance with the new social order.

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4. Estimates of resource requirements for the national recovery programme (1986-1990)

		Millions of US dollars	
(i)	Resources already mobilized:		
	Domestically	1 246.9	
	Externally	-	
	Subtotal		1 246.9
(ii)	Resources planned to be mobilized:		
	Domestically	1 424.4	
	Externally	1 782.5	
	Subtotal		3 206.9
(iii)	Estimates of likely available resources		4 453.8
(iv)	Total estimated cost of programme		5 601.9
(v)	Resource gap		1 148.1

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	263.1	222.6	485.7
Principal	201.0	720.3	921.3
Total	464.1	942.9	1 407.0

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50. THE SAHRAOUI ARAB DEMOCRATIC REPUBLIC

1. Overall economic performance since 1980

The Sahraoui Arab Democratic Republic (SADR) came into existence on 27 February 1976. It has an area of 284,000 km^2, the greater part of which is desert. The fact that Spain, the former colonial Power, did not hand over any administrative or financial apparatus, and because of the war with Morocco, which engulfed the country since independence, the normal operation of the institutions of the country has been adversely affected. Hence, it has not been feasible for SADR to organize country-wide censuses to determine population, income and expenditure, resource use and structure of economic activity. However, the country is known to be rich in fishery resources and phosphate deposits. Apart from the war, which caused immense social dislocation, drought and desertification have further contributed to the deterioration in the environment and the quality of life of the people of SADR.

2. Main areas of focus of the national recovery programme (1986-1990)

The priority programme of SADR has been drawn up within the framework of the need and urgency of restoring complete territorial integrity of the country. Hence, in addition to defence requirements, top priority has been accorded to agricultural development with the objective of ensuring food self-sufficiency and creating conditions suitable for normal economic activity. In conformity with this setting, SADR's priority programme focuses on the following areas:

(a) Agriculture: establishment of livestock development units; veterinary services; fodder production; construction of irrigation systems; underground water development; storage facilities; and establishment of maintenance and repair units for agricultural equipment;

(b) Other sectors supporting agriculture: establishment of factories for carpet weaving, and manufacture of tents and footwear;

(c) Drought and desertification: programmes for afforestation and combat of shifting sand-dunes are envisaged; and

(d) Human resources development: establishment of educational and health centres; training for agronomists and agricultural planners, and technicians in the area of small-scale farming; and supply of equipment for training centres.

3. Highlights of policy reforms in support of the national recovery programme (1986-1990)

In order to give adequate thrust to the process of economic and social development, the Government of SADR has given special attention to the development of institutional support mechanisms. Within this setting, a national commission has been established to formulate a programme for the mobilization and allocation of resources in accordance with established priorities. Special emphasis has also been placed on popular involvement and participation in the development process.

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4. Resource requirements for national recovery programme (1986-1990) 1/

		Millions of US dollars
(i) Resources already mobilized:		
Domestically	-	
Externally	-	
Subtotal		-
(ii) Resources planned to be mobilized:		
Domestically	-	
Externally	-	
Subtotal		-
(iii) Estimates of likely available resources		-
(iv) Total estimated cost of programme		-
(v) Resource gap		-

5. Estimates of debt-servicing requirements (1986-1990) (in millions $)

	Type of debt		
	Official creditors	Private creditors	Total
Interest	...	...	...
Principal	...	...	...
Total	...	...	...

1/ The Government of the Sahraoui Arab Democratic Republic has put on record that the lack of information on sources and means of finance to execute the proposed projects/programmes is due to the prevailing war situation.

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VOLUME TWO

Part II: Statistical appendices

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STATISTICAL ANNEX

Explanatory notes

The following notes are being issued to clarify the concepts, definitions and classifications used in the statistical annex. For easy reference, these notes will follow the order in which the items appear in the tables. For those items which are self-explanatory, no further clarification is given. Unless otherwise stated, the sources of data are the responsible bodies in the countries themselves e.g. the Ministries of Planning, Finance and Agriculture, the Central Statistical Office and the Central Bank.

Table 1

Area in sq. km : For the avoidance of conflict, the area of any country is as recorded in United Nations publications such as the Demographic Yearbook.

Population Growth Rate : The growth rate is calculated using the geometric growth rate and is given percent per annum.

GDP Growth Rate : The growth rate per annum is calculated as the percentage increase or decrease and the average for the period of 1980-1984 as the arithmetic mean of the four annual growth rates.

Level of External Debt : External debt is defined as the total of public and private loans disbursed and outstanding at the end of 1984, including IMF repurchases, private non-guaranteed loans and arrears. Concessional debt is defined as debt arising from loans which are given at below prevailing market conditions. This generally implies long-term loans and or relatively low interest rates. All other debts are non-concessional.

Debt Service Ratio : This refers to the ratio of actual debt-service repayments during the year 1984 expressed as a proportion of total value of exports and non-factor services.

Resource Flows : The net ODA flows were calculated as: Loans + Grants - Interest - Amortization.

The net flows (others) were calculated as: Loans + Direct Investment - Interest - Amortization

The total = ODA + Others.

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Table 2

(a) Total cost:

The total cost of the priority programme relates to those components of the cost of national priority programmes which come under agriculture, other sectoral measures in support of agriculture, drought and desertification and human resources development as defined by the African Priority Programme for Economic Recovery for 1986-1990 adopted by the African Heads of State and Government in July 1985.

(b) Domestic resources already available or planned:

This refers to resources already mobilized from domestic sources or which the Government at the time of preparation of the Statistical Annex was sure it could mobilize from those sources during the period 1986-1990.

(c) External resources available or pledged:

This refers to resources already committed by foreign donors (multilateral or bilateral) or by commercial financial institutions. They include in addition funds from these sources already made available in the form of loans and grants.

(d) Gap to be filled by additional External Assistance:

This measures the difference between the total cost of the priority programme by country reduced by the amount of the domestic resources already available or planned and the amount of external resources either already made available or pledged.

Tables 3, 4 and 5

These tables are percentages of table 2 calculated in different ways as is self-evident from the tables themselves.

Table 6

This is derived from the World Debt Tables of the World Bank of 1985. It covers only public and publicly guaranteed loans and excludes IMF repurchases, interest on short-term debt and payment of private non-guaranteed debt and arrears. It is based on projections made on the basis of 1984 debt services.

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Table 1. Basic statistical data by country and subregion

	Area in sq. km.	Pop. in millions (1984)	Pop. density /sq. km.	Pop. growth rate 1980-1984	GDP level current mkt. prices (in million US$) 1983	GDP level current mkt. prices (in million US$) 1984	GDP per capita (in US$) 1983	GDP per capita (in US$) 1984
INDIAN OCEAN ISLAND COUNTRIES	591 537	11.19	18.9	2.6	4 170.0	3 649.2	382	326
Comoros	2 171	0.40	184.2	3.3	96.6	89.7	261	235
Madagascar	587 041	9.71	16.5	2.8	2 836.6	2 382.9	300	245
Mauritius	2 045	1.02	498.8	1.1	1 090.0	1 028.0	1 075	1 004
Seychelles	280	0.06	214.3	0.8	146.8	148.6	2 282	2 296
EAST AFRICA	6 206 411	135.07	21.8	3.1	29 817.1	30 681.5	228	227
Burundi	27 834	4.52	162.4	2.7	1 085.0	966.3	246	214
Djibouti	22 000	0.38	17.3	3.5	125.2	126.8	327	313
Ethiopia	1 221 900	42.20	34.5	2.8	4 845.8	4 831.1	118	114
Kenya	582 646	19.50	33.5	3.8	4 966.0	5 090.0	264	261
Rwanda	26 338	5.92	225.0	3.6	1 503.1	1 736.3	258	293
Somalia	637 657	5.80	9.1	3.1	1 412.0	1 553.0	258	275
Sudan	2 505 813	21.10	8.4	2.8	7 072.0	8 290.0	345	393
Uganda	236 036	15.15	62.0	3.5	3 360.0	3 591.0	230	237
United Republic of Tanzania	945 087	20.50	21.7	3.3	5 448.0	4 497.0	274	219
SOUTHERN AFRICAN STATES	3 958 058	46.21	11.8	3.0	18 893.7	18 452.7	417	399
Angola	1 246 700	8.44	6.8	3.0	4 211.9	4 719.1	522	568
Botswana	600 372	1.05	1.7	3.4	1 274.0	1 274.0	1 251	1 210
Lesotho	30 355	1.47	48.4	2.3	353.2	314.7	245	214
Malawi	118 484	6.81	57.5	3.1	1 214.1	1 209.5	178	177
Mozambique	801 590	13.42	16.7	2.6	1 923.8	1 969.8	147	147
Swaziland	17 363	0.72	41.5	3.2	532.4	481.9	892	669
Zambia	752 614	6.40	8.5	3.2	3 343.1	2 637.7	531	410
Zimbabwe	390 580	7.90	21.5	2.8	6 041.2	5 846.0	785	740
CENTRAL AFRICA	4 082 517	45.88	11.2	2.8	18 337.0	17 709.6	411	386
Cameroon	475 442	9.85	20.7	3.2	7 378.0	7 812.0	771	792
Central African Republic	622 984	2.62	4.2	2.5	638.0	645.0	244	241
Congo	342 000	1.91	5.6	3.5	2 298.0	2 945.0	1 269	1 100
Equatorial Guinea	28 051	0.40	11.0	2.7	19.2	26.1	49	65
Gabon	267 667	1.30	4.8	2.0	3 380.0	3 490.0	2 582	2 618
Sao Tome and Principe	964	0.10	103.7	2.3	35.2	34.9	346	343
Zaire	2 345 409	29.80	12.7	2.7	4 588.6	2 756.6	159	93

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	Area in sq. km,	Pop. in millions (1984)	Pop. density /sq. km.	Pop. growth rate 1980-1984	GDP level current mkt. prices (in million US$)		GDP per capita (in US$)	
					1983	1984	1983	1984
SAHEL	5 343 545	37.06	6.9	2.6	7 943.7	7 490.7	220	202
Burkina Faso	274 200	6.92	25.2	2.5	909.1	827.1	135	119
Cape Verde	4 033	0.33	81.8	2.0	103.0	83.9	320	256
Chad	1 284 000	4.94	3.8	2.4	551.7	573.6	123	116
Gambia	11 295	0.72	63.7	3.5	214.5	196.0	309	272
Guinea-Bissau	36 125	0.84	23.0	2.0	137.7	149.5	163	174
Mali	1 240 000	8.90	7.2	2.7	1 107.1	1 075.8	145	137
Mauritania	1 030 700	1.70	1.6	2.7	768.6	722.5	475	425
Niger	1 267 000	6.33	5.0	2.7	1 686.5	1 538.5	274	243
Senegal	196 192	6.38	32.5	2.9	2 465.5	2 323.8	398	364
NON-SAHEL WEST AFRICA	2 083 141	133.44	64.1	2.7	96 717.8	93 003.9	744	697
Benin	112 622	3.88	34.5	3.1	1 020.0	1 032.0	270	265
Côte d'Ivoire	322 463	9.74	30.2	4.3	7 085.0	6 552.0	798	671
Ghana	238 537	12.29	51.5	2.6	9 119.9	7 712.0	761	628
Guinea	245 857	5.64	22.9	2.5	837.7	861.2	152	153
Liberia	111 369	2.11	18.9	3.4	821.4	819.0	391	390
Nigeria	923 768	93.30	101.0	2.5	75 906.0	74 213.0	834	795
Sierra Leone	71 740	3.58	49.9	2.3	1 187.6	1 028.7	339	287
Togo	56 785	2.90	51.1	2.9	740.2	786.0	260	268
NORTH AFRICA	5 306 340	79.37	14.9	2.8	119 197.0	127 509.0	1 544	1 607
Algeria	2 381 741	21.60	9.1	3.2	42 624.0	45 716.0	2 040	2 116
Egypt	1 001 449	47.15	47.1	2.7	40 144.0	48 125.0	874	1 021
Libyan Arab Jamahiriya	1 759 540	3.64	2.1	2.9	28 377.0	25 741.0	8 178	7 111
Tunisia	163 610	6.98	42.7	2.5	8 052.0	7 927.0	1 184	1 136
TOTAL	27 571 549	488.22	17.7	2.9	295 076.3	298 496.6	622	611

	GDP growth rates					GDP growth rates per capita				
	1980-1981	1981-1982	1982-1983	1983-1984	Average	1980-1981	1981-1982	1982-1983	1983-1984	Average
INDIAN OCEAN ISLAND COUNTRIES	-4.0	0.5	0.9	2.4	-0.1	-6.6	-2.1	-1.7	-0.2	-2.7
Comoros	3.6	6.0	3.7	3.9	4.3	0.3	2.7	0.4	0.6	0.9
Madagascar	-8.6	-1.8	0.9	2.1	-1.9	-11.4	-4.6	-1.9	-0.7	-4.5
Mauritius	6.4	5.8	0.9	3.1	4.1	5.3	4.7	-0.2	2.0	2.9
Seychelles	-7.1	-1.6	-1.6	1.9	-2.1	-7.9	-2.4	-2.4	2.3	-2.9
EAST AFRICA	4.3	1.8	0.2	-0.1	1.6	1.2	-1.3	-2.9	-3.2	-1.5
Burundi	10.5	-3.2	1.1	0.1	2.0	7.8	-5.9	-1.6	-2.6	-0.7
Djibouti	2.9	1.6	0.9	0.5	1.5	-0.6	-1.9	-2.6	-3.0	-2.0
Ethiopia	3.1	1.2	5.3	-3.7	1.5	0.3	-1.6	2.5	-6.6	-1.8
Kenya	6.1	1.8	3.5	0.9	3.0	1.3	-1.7	-0.5	-2.9	-1.0
Rwanda	8.1	1.1	3.0	-2.8	2.4	4.5	-2.5	-0.6	-6.4	-1.2
Somalia	7.2	7.2	-13.0	11.2	3.2	3.9	4.0	-15.7	7.8	-0.4
Sudan	5.0	1.0	-2.8	-1.3	0.4	1.7	-1.0	-5.4	-3.9	-2.1
Uganda	4.0	5.9	7.3	4.5	5.4	0.5	2.4	3.8	1.0	1.9
United Republic of Tanzania	-1.1	1.3	-0.4	2.5	0.6	-4.3	-1.9	-3.2	-0.8	-2.5
SOUTHERN AFRICAN STATES	5.1	2.6	-2.9	-2.4	0.6	2.1	-0.4	-5.9	-5.4	-2.4
Angola	-2.0	5.4	1.5	2.5	1.9	-5.0	2.2	-1.5	-0.5	-1.2
Botswana	10.6	3.8	13.0	11.5	9.7	7.2	0.5	9.4	8.1	6.3
Lesotho	-0.4	-3.6	-1.4	0.4	-1.2	-2.7	-7.2	-3.7	-1.9	-3.5
Malawi	-0.8	3.2	3.8	6.5	3.2	-3.9	0.1	0.7	3.5	0.2
Mozambique	2.3	-2.8	-7.0	-2.7	-2.6	-0.3	-5.4	-9.6	-5.3	-5.2
Swaziland	6.9	-1.1	2.6	0.7	2.3	3.7	-4.3	-0.6	-2.5	-0.9
Zambia	3.2	-3.5	-13.7	-21.1	-8.8	0.0	-6.7	-16.9	-24.3	-12.0
Zimbabwe	14.1	5.0	-1.3	-1.0	4.2	11.3	2.2	-4.1	-3.8	1.4
CENTRAL AFRICA	6.4	3.4	2.2	10.1	5.5	3.6	0.6	-0.6	7.3	2.7
Cameroon	7.1	4.9	5.0	6.3	5.8	4.0	1.9	2.0	3.1	2.7
Central African Republic	1.5	1.6	-6.5	8.7	4.3	-1.0	-0.9	-9.2	6.1	-1.2
Congo	20.7	8.0	-2.0	31.6	14.5	17.2	4.5	-5.5	28.1	11.0
Equatorial Guinea	2.2	3.9	-2.9	2.2	1.4	-0.5	1.2	-5.6	-0.5	-1.3
Gabon	-3.5	1.0	1.9	6.4	1.5	-5.0	-1.0	-0.1	4.5	-0.5
Sao Tome and Principe	-13.8	3.3	-11.9	-4.3	-6.7	-16.1	1.0	-14.2	-6.6	-9.0
Zaire	3.2	-2.4	1.5	3.0	1.3	0.2	-5.4	-1.5	0.0	-1.7

	GDP growth rates					GDP growth rates per capita				
	1980-1981	1981-1982	1982-1983	1983-1984	Average	1980-1981	1981-1982	1982-1983	1983-1984	Average
SAHEL	0.5	4.0	2.5	-5.1	-0.2	-3.1	1.4	-0.1	-7.7	-2.8
Burkina Faso	1.0	1.0	-4.1	-0.9	-0.7	-0.4	-1.3	-6.1	-4.8	-3.2
Cape Verde	7.3	4.8	0.7	18.4	4.6	7.7	5.1	0.9	18.6	5.0
Chad	-9.0	-7.3	-7.0	-4.6	-6.9	-11.4	-9.6	-9.4	-6.6	-9.2
Gambia	-4.3	11.4	14.1	-8.7	3.1	-7.6	8.1	9.2	11.8	-0.5
Guinea-Bissau	3.0	0.5	2.0	7.6	3.3	1.0	-1.5	0.0	5.6	1.3
Mali	1.0	-0.1	-1.2	1.0	0.2	-0.4	-2.8	-4.2	-1.8	-2.3
Mauritania	4.6	-1.8	7.5	-2.0	2.1	1.9	-4.5	4.8	-4.7	-0.6
Niger	16.0	-2.6	-0.8	1.0	3.4	13.3	-5.3	-3.6	-1.7	0.7
Senegal	-1.2	15.4	2.2	-4.0	3.1	-4.1	12.5	-0.7	-6.9	0.2
NON-SAHEL WEST AFRICA	-1.1	-0.1	-8.1	-4.6	-3.5	-3.8	-2.8	-10.8	-7.3	-6.2
Benin	4.1	3.9	-3.0	2.9	1.9	1.0	0.8	-6.1	-0.2	-1.2
Côte d'Ivoire	2.7	1.9	-5.2	-2.4	0.7	-1.4	-2.2	-9.0	-6.5	-4.8
Ghana	-3.8	-6.1	-2.9	10.7	-0.5	-6.3	-8.5	-5.4	8.1	-3.1
Guinea	2.1	5.7	1.4	2.8	3.0	-0.4	3.2	-1.1	0.3	0.5
Liberia	-6.6	-1.3	-3.6	-1.7	-3.6	-9.0	-3.9	-7.5	-2.3	-5.7
Nigeria	-1.3	0.0	-8.5	-5.5	-3.8	-3.8	-2.4	-10.8	-7.8	-6.2
Sierra Leone	-3.9	-6.2	-28.8	-7.1	-11.4	-6.1	-8.4	-30.4	-9.1	-13.5
Togo	-3.5	-3.6	-5.3	2.6	-2.5	-6.4	-6.5	-8.2	-0.3	-5.4
NORTH AFRICA	2.0	4.3	3.4	4.7	3.6	-0.8	1.5	0.6	1.9	0.8
Algeria	2.5	6.4	5.2	5.6	4.9	-0.7	3.2	3.0	3.4	1.7
Egypt	7.9	6.9	7.2	7.3	7.5	5.2	5.2	4.5	4.6	4.8
Libyan Arab Jamahiriya	-11.4	-3.0	-7.5	-2.0	-6.0	-14.3	-5.9	-10.4	-4.9	-8.9
Tunisia	6.9	-0.1	4.9	5.5	3.4	4.4	-2.6	2.4	3.0	0.9
TOTAL	1.6	2.5	-1.0	0.9	1.0	-1.3	-0.4	-3.9	-2.0	-1.9

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	Level of external debt (1984) (in million US$)			Level of external debt (1984) as percentage of:		Debt service ratio (1984)
	Concessional	Non-concessional	Total	GDP	Exports of goods & non-factor services	
INDIAN OCEAN ISLAND COUNTRIES	1 686.9	1 253.4	2 940.3	80.6	309.9	29.3
Comoros	183.4	19.6	203.0	226.3	1 085.6	45.0
Madagascar	1 326.4	793.4	2 119.8	89.0	575.7	33.0
Mauritius	135.8	424.2	560.0	54.5	111.1	28.3
Seychelles	41.3	16.2	57.5	38.7	99.5	9.0
EAST AFRICA	14 358.3	4 760.9	19 119.2	62.3	480.8	27.3
Burundi	335.0	11.0	346.0	37.4	308.9	27.0
Djibouti	168.5	10.5	179.0	141.2	1 140.1	2.3
Ethiopia	1 384.0	166.2	1 550.2	32.1	259.4	19.3
Kenya	2 487.9	1 323.1	3 811.0	74.9	272.2	31.8
Rwanda	269.5	11.5	281.0	16.2	162.4	6.1
Somalia	1 262.6	166.4	1 429.0	92.0	1 558.3	50.0
Sudan	5 886.0	2 006.0	7 892.0	95.2	1 239.1	32.0
Uganda	675.0	356.0	1 031.0	28.7	223.2	21.7
United Republic of Tanzania	1 889.8	710.2	2 600.0	57.8	562.8	30.0
SOUTHERN AFRICAN STATES	7 241.8	3 220.2	10 462.0	56.0	190.8	31.5
Angola	859.0	-	859.0	18.2	59.3	15.8
Botswana	276.0	80.1	356.1	28.0	45.3	2.3
Lesotho	107.0	33.0	140.0	44.5	33.9	29.9
Malawi	541.3	343.7	885.0	73.2	269.8	27.3
Mozambique	1 044.0	-	1 044.0	53.0	939.7	204.6
Swaziland	189.5	89.4	278.9	57.9	85.6	63.0
Zambia	2 779.0	1 996.0	4 775.0	181.0	495.3	69.8
Zimbabwe	1 446.0	678.0	2 124.0	35.1	191.7	31.6
CENTRAL AFRICA	4 557.5	6 228.9	10 786.4	60.9	165.9	13.7
Cameroon	1 738.0	991.0	2 729.0	34.9	120.7	7.1
Central African Republic	60.2	217.0	277.2	43.0	180.0	17.1
Congo	170.1	1 432.9	1 603.0	54.4	121.5	27.2
Equatorial Guinea	89.0	37.0	126.0	482.8	797.5	84.0
Gabon	746.8	228.2	975.0	27.9	53.2	10.5
Sao Tome and Principe	56.9	18.3	75.2	217.3	356.4	23.7
Zaire	1 696.5	3 304.5	5 001.0	181.4	556.3	14.9

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	Level of external debt (1984) (in million US$)			Level of external debt (1984) as percentage of:		Debt service ratio (1984)
	Concessional	Non-concessional	Total	GDP	Exports of goods & non-factor services	
SAHEL	5 602.4	1 299.4	6 901.8	92.1	334.2	27.2
Burkina Faso	407.0	122.9	529.9	64.1	335.2	48.1
Cape Verde	118.0	-	118.0	140.6	1 242.1	20.0
Chad	135.9	22.0	157.9	27.5	138.1	10.9
Gambia	274.9	36.8	311.7	159.0	327.4	32.0
Guinea-Bissau	170.9	43.3	214.2	143.3	1 660.5	17.0
Mali	1 084.5	91.5	1 176.0	109.3	539.4	16.7
Mauritania	1 424.0	276.0	1 700.0	235.3	492.8	36.0
Niger	298.9	369.2	668.1	43.4	174.4	36.4
Senegal	1 688.3	337.7	2 026.0	87.2	277.9	18.1
NON-SAHEL WEST AFRICA	23 261.5	13 255.1	36 516.6	39.3	219.2	26.6
Benin	289.9	395.1	685.0	66.4	267.7	35.6
Côte d'Ivoire	4 032.4	3 398.6	7 431.0	113.4	269.6	19.9
Ghana	836.3	1 177.3	2 013.6	26.1	339.8	35.9
Guinea	1 168.0	138.9	1 306.9	151.8	771.0	27.2
Liberia	441.1	585.9	1 027.0	125.4	283.5	25.6
Nigeria	15 344.0	7 272.0	22 616.0	30.5	186.7	27.5
Sierra Leone	440.0	153.7	593.7	57.7	388.0	27.4
Togo	709.8	133.6	843.4	107.3	333.4	25.9
NORTH AFRICA			43 928.1	34.5	128.4	30.1
Algeria			16 615.8	36.3	122.4	33.1
Egypt			22 482.5	46.7	304.8	27.5
Libyan Arab Jamahiriya			797.8	3.1	7.6	-
Tunisia	1 672.0	2 360.0	4 032.0	50.9	144.2	22.1
TOTAL			130 654.4	43.8	187.0	27.1

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	Net Resource flows ODA (million US$)					Net resource flows Others* (million US$)				
	1980	1981	1982	1983	1984	1980	1981	1982	1983	1984
INDIAN OCEAN ISLAND COUNTRIES	342.2	407.4	227.1	292.0	205.8	543.3	315.5	247.9	78.2	187.4
Comoros	41.1**	47.6**	39.5**	38.8**	24.4	5.1	-1.9	-1.1	-0.8	1.5
Madagascar	246.0*	280.3	121.3	196.7	159.6	370.0	236.0	208.0	82.0	159.0
Mauritius	33.1**	58.3**	47.8**	40.7**	19.6	166.0	77.0	33.0	-7.0	27.0
Seychelles	21.7**	21.2**	18.5**	15.8**	2.2	2.2	4.4	8.0	4.0	-0.1
EAST AFRICA	2 196.2	2 146.0	2 211.5	2 333.8	2 234.2	1 178.0	1 339.0	723.0	275.0	672.0
Burundi	112.9	124.4	136.5	159.8	160.5	53.0	56.0	69.0	16.0	40.0
Djibouti	71.6**	63.9**	58.8**	64.6**	40.1					
Ethiopia	237.0*	417.0*	221.5	315.3	397.2	65.0	214.0	61.0	-99.0	46.0
Kenya	381.4	239.0	348.7	337.0	414.6	583.0	696.0	321.0	235.0	14.0
Rwanda	127.3	125.0	126.7	127.6	149.4	44.0	41.0	25.0	-3.0	-2.0
Somalia	262.0	292.8	299.7	230.3	303.0	7.0	-8.0	154.0	39.0	23.0
Sudan	744.0*	679.0*	693.0*	740.0*	542.0*	25.0	309.0	-32.0	-66.0	362.0
Uganda	110.0*	167.0*	135.0*	137.0*	146.0*	36.0	-36.0	34.0	52.0	-112.0
United Republic of Tanzania	150.0	213.9	191.6	222.2	81.4	365.0	67.0	91.0	101.0	301.0
SOUTHERN AFRICAN STATES	1 065.8	1 019.9	1 071.8	1 061.4	1 275.0	1 444.8	2 073.4	1 804.2	636.4	206.0
Angola	50.0*	61.0*	70.0*	71.0*	92.0*	128.0	106.0	308.0	4.0	43.0
Botswana	106.1	96.9	101.5	103.6	101.0*	302.0	307.0	110.0	107.0	49.0
Lesotho	90.8	101.0	89.6	101.3	103.0*	47.0	40.0	18.0	13.0	-1.0
Malawi	143.3	137.6	121.2	116.8	163.0*	150.0	28.0	15.0	53.0	32.0
Mozambique	169.2	143.6	204.8	211.9	250.0*	250.8	322.4	270.2	-58.6	-111.0
Swaziland	49.9	36.6	28.1	33.6	29.0*	8.0	7.0	22.0	27.0	9.0
Zambia	295.4	230.9	240.8	216.4	255.0*	358.0	631.0	464.0	103.0	225.0
Zimbabwe	161.1	212.3	215.8	206.8	282.0*	201.0	632.0	597.0	388.0	136.0
CENTRAL AFRICA	1 381.4	1 116.3	881.3	753.3	636.1	-205.6	173.8	104.3	493.4	-546.9
Cameroon	264.1	200.4	213.6	131.4	142.0*	405.0	312.0	315.0	500.0	-219.0
Central African Republic	110.0	101.6	89.7	92.9	120.0*	0.0	-5.0	32.0	13.0	17.0
Congo	92.1	69.6	93.1	108.4	44.0*	199.0	411.0	157.0	364.0	161.0
Equatorial Guinea	9.3	10.2	14.0	11.1	11.2					
Gabon	55.8	43.5	62.3	63.1	73.0*	-308.0	-272.0	-169.0	-177.0	-11.0
Sao Tome and Principe	3.9	6.1	9.9	11.6	7.9					
Zaire	846.2	684.9	398.7	334.8	238.0	-501.6	-272.2	-230.7	-206.6	-494.9

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	Net Resource flows ODA (million US$)					Net resource flows Others* (million US$)				
	1980	1981	1982	1983	1984	1980	1981	1982	1983	1984
SAHEL	1 962.5	1 350.1	1 169.9	1 118.4	1 169.3	713.0	632.0	379.0	709.0	277.0
Burkina Faso	212.3	216.8	212.9	189.9	188.0*	15.0	37.0	7.0	6.0	36.0
Cape Verde	39.0**	36.3**	42.6**	41.7**	39.9***					
Chad	35.3	59.7	64.7	86.1	115.0*	-3.0	2.0	0.0	4.0	1.0
Gambia	135.3	25.0	92.8	18.2	42.7	40.0	40.0	47.0	48.0	0.0
Guinea-Bissau	2.8	3.5	2.1	1.7	66.0*	14.0	3.0	10.0	3.0	2.0
Mali	776.2	229.5**	195.2**	214.1**	278.0*	36.0	27.0	7.0	4.0	24.0
Mauritania	170.0*	193.0*	203.0*	190.0*	156.0*	22.0	52.0	102.0	57.0	94.0
Niger	381.0	449.0	268.7	285.6	251.0	339.0	276.0	161.0	311.0	15.0
Senegal	210.6	137.3	87.9	91.1	32.7	250.0	195.0	-5.0	276.0	105.0
NON-SAHEL WEST AFRICA	883.0	589.3	607.7	611.8	711.2	3 754.0	3 560.0	6 453.0	4 691.0	1 908.0
Benin	90.4	81.6	80.2	87.2	81.0*	59.0	146.0	265.0	76.0	-8.0
Côte d'Ivoire	210.3	123.7	136.8	156.5	91.0*	1 666.0	1 636.0	985.0	903.0	186.0
Ghana	171.5	131.5	88.4	105.8	229.3	-262.0	310.0	69.0	152.0	337.0
Guinea	65.0*	97.0*	65.0*	53.0*	44.0*	24.0	23.0	23.0	31.0	3.0
Liberia	168.9	35.6	107.7	37.0	139.0*	10.0	22.0	29.0	88.0	29.0
Nigeria	58.0*	35.0*	28.0*	98.0*	30.0*	2 067.0***	1 188.0	4 888.0***	3 359.0***	1 289.0
Sierra Leone	75.5	45.5	66.1	35.7	27.7	122.0	115.0	115.0	35.0	12.0
Togo	43.4	39.4	35.5	38.6	69.2	68.0	120.0	79.0	47.0	60.0
NORTH AFRICA	1 799.5	1 699.5	1 792.7	1 817.5	1 577.3	2 463.0	2 429.1	1 936.9	2 915.7	2 436.2
Algeria	178.8	165.3	139.4	158.0**	160.4***	1 379.8**	1 031.6**	-219.5**	959.1**	787.8*
Egypt	1 387.5**	1 292.9**	1 442.2**	1 455.9**	1 394.6***	968.3**	1 113.8**	1 826.2**	1 629.8**	1 384.5*
Libyan Arab Jamahiriya										
Tunisia	233.2	241.3	211.1	203.6**	222.3***	114.9**	283.7**	330.2**	326.8**	263.9*
TOTAL	9 630.6	8 128.5	7 970.0	7 988.6	7 808.9	9 891.1	10 522.8	11 648.3	9 798.7	5 139.7

* Data provided by World Bank.

** Data provided by OECD.

*** ECA estimates.

	Net resource flows Total (million US$)				
	1980	1981	1982	1983	1984
INDIAN OCEAN ISLAND COUNTRIES	885.5	722.9	475.0	370.2	393.2
Comoros	46.5	45.7	38.4	38.0	25.9
Madagascar	616.0	516.3	329.3	278.7	318.6
Mauritius	199.1	135.3	80.8	33.7	46.6
Seychelles	23.9	25.6	26.5	19.8	2.1
EAST AFRICA	3 374.2	3 485.0	2 934.5	2 608.8	2 906.2
Burundi	165.9	180.4	205.5	175.8	200.5
Djibouti	71.6	63.9	58.8	64.6	40.1
Ethiopia	302.0	631.0	282.5	216.3	443.2
Kenya	964.4	935.0	669.7	572.0	428.6
Rwanda	171.3	166.0	151.7	124.6	147.4
Somalia	269.0	284.8	453.7	269.3	326.0
Sudan	769.0	988.0	661.0	674.0	904.0
Uganda	146.0	131.0	169.0	189.0	34.0
United Republic of Tanzania	515.0	280.9	282.6	323.2	382.4
SOUTHERN AFRICAN STATES	2 510.6	3 093.3	2 876.0	1 697.8	1 657.0
Angola	178.0	167.0	378.0	75.0	135.0
Botswana	408.1	403.9	211.5	210.6	150.0
Lesotho	137.8	141.0	107.6	114.3	102.0
Malawi	293.3	165.6	136.2	169.8	195.0
Mozambique	420.0	466.0	475.0	153.3	139.0
Swaziland	57.9	43.6	50.1	60.6	38.0
Zambia	653.4	861.9	704.8	319.4	480.0
Zimbabwe	362.1	844.3	812.8	594.8	418.0
CENTRAL AFRICA	1 175.8	1 290.1	985.6	1 246.6	89.2
Cameroon	669.1	512.4	528.6	631.4	-77.0
Central African Republic	110.0	96.6	121.7	105.9	137.0
Congo	291.1	480.6	250.1	472.4	205.0
Equatorial Guinea	9.3	10.6	14.0	11.1	11.2
Gabon	-252.2	-228.5	-106.7	-113.9	62.0
Sao Tome and Principe	3.9	6.1	9.9	11.6	7.9
Zaire	344.6	412.7	168.0	128.2	-256.9

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	Net resource flows Total (million US$)				
	1980	1981	1982	1983	1984
SAHEL	2 675.5	1 982.1	1 548.9	1 827.4	1 446.3
Burkina Faso	277.3	253.8	269.9	195.9	224.0
Cape Verde	39.0	36.3	42.6	41.7	39.9
Chad	32.3	61.7	64.7	90.1	116.0
Gambia	175.3	65.0	139.8	66.2	42.7
Guinea-Bissau	16.8	6.5	12.1	4.7	68.0
Mali	812.2	256.5	202.2	218.1	302.0
Mauritania	192.0	245.0	305.0	247.0	250.0
Niger	720.0	725.0	429.7	596.6	266.0
Senegal	460.6	332.3	82.9	367.1	137.7
NON-SAHEL WEST AFRICA	4 637.0	4 149.3	7 060.7	5 302.8	2 619.2
Benin	149.4	227.6	345.2	163.2	73.0
Côte d'Ivoire	1 876.3	1 759.7	1 121.8	1 059.5	277.0
Ghana	-90.5	441.5	157.4	257.8	566.3
Guinea	89.0	120.0	88.0	84.0	47.0
Liberia	178.9	57.6	136.7	125.0	168.0
Nigeria	2 025.0	1 223.0	4 916.0	3 457.0	1 319.0
Sierra Leone	197.5	160.5	181.1	70.7	39.7
Togo	111.4	159.4	114.5	85.6	129.2
NORTH AFRICA	4 262.5	4 128.6	3 729.6	4 733.2	4 013.5
Algeria	1 558.6	1 196.9	-80.1	1 117.1	948.2
Egypt	2 355.8	2 406.7	3 268.4	3 085.7	2 779.1
Libyan Arab Jamahiriya					
Tunisia	348.1	525.0	541.3	530.4	486.2
TOTAL	19 521.7	18 651.3	19 618.8	17 787.3	12 948.6

Table 2. Cost of APPER by sector, source of funding, country and subregion

Million US$

	Total cost of priority programme					Domestic resources already available or planned				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Grand total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
INDIAN OCEAN ISLAND COUNTRIES										
Comoros	52.0	74.1	2.5	19.8	148.4	2.6	9.2	0.1	1.0	12.9
Madagascar	401.3	406.4	64.3		872.0	60.2	52.1	10.0		122.3
Mauritius	55.9	37.2	3.2	2.7	99.0	29.2	21.4	3.2	1.0	54.8
Seychelles	66.2	20.0	27.1	17.6	130.9	2.3	1.2	1.2	0.4	5.1
Sub-total	575.4	537.7	97.1	40.1	1 250.3	94.3	83.9	14.5	2.4	195.1
EAST AFRICA										
Burundi	410.6	328.4		173.4	912.4	64.7	51.7		27.3	143.7
Djibouti	66.8	60.3	55.6		182.7	1.9	3.6	3.6		9.1
Ethiopia	1 706.5	2 898.1	176.0	100.0	4 880.6	1 039.4	1 694.3	109.2	55.0	2 897.9
Kenya	350.0	481.0	268.0	98.0	1 197.0	33.0	280.0	129.0	24.0	466.0
Rwanda	613.0	421.7		216.5	1 251.2	117.1	80.5		41.3	238.9
Somalia	1 089.2	240.3	41.0	88.1	1 458.6	83.4	47.9	9.9	5.8	147.0
Sudan	1 083.0	1 608.0	110.0	112.0	2 913.0	424.0	756.0	33.0	39.0	1 252.0
Uganda	745.0	1 680.0	40.0	35.1	2 500.1	20.4	54.5	1.4	1.1	77.4
United Republic of Tanzania	1 737.0	3 919.0	93.0	83.0	5 832.0	1 138.0	3 031.0	76.0	62.0	4 307.0
Sub-total	7 801.1	11 636.8	783.6	906.1	21 127.6	2 921.9	5 999.5	362.1	255.5	9 539.0
SOUTHERN AFRICAN STATES										
Angola										
Botswana	19.9	93.7	0.6	28.0	142.2	4.2				4.2
Lesotho	89.1	30.5			119.6	23.8	2.9			26.7
Malawi	82.6	316.2			398.8	2.8	73.9			76.7
Mozambique	834.0	724.0	927.0	110.0	2 595.0	223.0	194.0	248.0	30.0	695.0
Swaziland	1.0	2.2			3.2	0.2	0.7			0.9
Zambia	176.7	380.6			557.3	49.6	56.3			105.9
Zimbabwe	1 579.7	3 758.9		263.3	5 601.9	753.3	1 792.4		125.6	2 671.3
Sub-total	2 783.0	5 306.1	927.6	401.3	9 418.0	1 056.9	2 120.2	248.0	155.6	3 580.7
CENTRAL AFRICA										
Cameroon	1 578.0	1 942.0		99.0	3 619.0	1 317.0	1 621.0		82.0	3 020.0
Central African Republic	154.5	470.8		50.0	675.3	24.1	43.7		3.4	71.2
Congo	42.9	1 159.1		115.1	1 317.1					
Equatorial Guinea	45.2	33.1		29.1	107.4					
Gabon	204.5	1 253.8		325.9	1 784.2	151.8	930.6		241.9	1 324.3
Sao Tome and Principe	19.3	28.4	19.7	43.2	110.6					
Zaire	980.0	3 981.0		259.9	5 220.9	680.0	2 184.0		182.9	3 046.9
Sub-total	3 024.4	8 868.2	19.7	922.2	12 834.5	2 172.9	4 779.3		510.2	7 462.4

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Table 2. Cost of APPER by sector, source of funding, country and subregion

Million US$

	Total cost of priority programme					Domestic resources already available or planned				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Grand total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
SAHEL										
Burkina Faso	625.2	109.0	36.8	68.1	839.1					
Cape Verde	103.0	144.0	46.0	41.0	334.0					
Chad	72.0	265.5	7.1	48.3	392.9					
Gambia	60.0	89.8	1.6	6.0	157.4	2.9	4.5	0.1	0.3	7.8
Guinea-Bissau	65.3	58.1		37.0	160.4	10.8	5.5		5.3	21.6
Mali	290.7	177.2	19.3	51.9	539.1	32.1	19.5	2.1	5.7	59.4
Mauritania	277.0	906.0	19.0	19.0	1 221.0	11.1	36.8	0.8	0.3	49.0
Niger	429.5	627.5	28.0	119.7	1 204.7	4.8	11.2	11.0	4.1	31.1
Senegal	477.0	238.0	62.3		777.3	37.0	31.0	0.3		68.3
Sub-total	2 399.7	2 615.1	220.1	391.0	5 625.9	98.7	108.5	14.3	15.7	237.2
NON-SAHEL WEST AFRICA										
Benin	361.5	448.4		114.4	924.3	22.9	201.3		41.2	265.4
Côte d'Ivoire	840.1	478.2		63.2	1 381.5	201.6	114.8		15.2	331.6
Ghana	784.0	3 402.0	334.0	204.0	4 724.0	202.0	676.0		68.0	946.0
Guinea	300.0	418.0	41.0	81.0	840.0	36.0	51.0	5.0	10.0	102.0
Liberia	166.0	189.0		19.0	374.0	8.0	4.0		2.0	14.0
Nigeria	3 071.9	5 385.2	883.1	3 096.8	12 437.0	1 456.0	3 983.0	795.0	2 490.0	8 724.0
Sierra Leone	65.4	135.9	2.2	15.6	219.1	14.2	19.3	1.0	7.5	42.0
Togo	437.9	96.7		467.3	1 001.9	18.6	3.5		101.4	123.5
Sub-total	6 026.8	10 553.4	1 260.3	4 061.3	21 901.8	1 959.3	5 052.9	801.0	2 735.3	10 548.5
NORTH AFRICA										
Algeria	15 800.0	11 800.0			27 600.0	15 800.0	11 800.0			27 600.0
Egypt	13 143.0	7 857.0	38.0	429.0	21 467.0	10 543.0	6 286.0	34.0	343.0	17 206.0
Libyan Arab Jamahiriya	5 489.0	15.3			5 504.3	5 489.0	15.3			5 504.3
Tunisia	391.7	920.9	62.5		1 375.1	152.4	430.2	31.6		614.2
Sub-total	34 823.7	20 593.2	100.5	429.0	55 946.4	31 984.4	18 531.5	65.6	343.0	50 924.5
TOTAL	57 434.1	60 110.5	3 408.9	7 151.0	128 104.5	40 288.4	36 675.8	1 505.5	4 017.7	82 487.4

Table 2. Cost of APPER by sector, source of funding, country and subregion

Million US$

	External resources already available or pledged					Gap to be filled by additional external assistance				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
INDIAN OCEAN ISLAND COUNTRIES										
Comoros	42.2	18.8		18.8	79.8	7.2	46.1	2.4		55.7
Madagascar	64.9	97.1	2.4		164.4	276.2	257.2	51.9		585.3
Mauritius	13.9	7.4		1.7	23.0	12.8	8.4			21.2
Seychelles	13.6	4.5	2.8	1.2	22.1	50.3	14.3	23.1	16.0	103.7
Sub-total	134.6	127.8	5.2	21.7	289.3	346.5	326.0	77.4	16.0	765.9
EAST AFRICA										
Burundi	198.2	158.6		83.7	440.5	147.7	118.1		62.4	328.2
Djibouti	4.6	8.4	8.1		21.1	60.3	48.3	43.9		152.5
Ethiopia						667.1	1 203.8	66.8	45.0	1 982.7
Kenya	259.0	122.0	99.0	10.0	490.0	58.0	79.0	40.0	64.0	241.0
Rwanda	354.5	243.9		125.2	723.6	141.4	97.3		50.0	288.7
Somalia	493.3	102.8	20.5	58.7	675.3	512.5	89.6	10.6	23.6	636.3
Sudan	361.0	468.0	42.0	40.0	911.0	298.0	384.0	35.0	33.0	750.0
Uganda	426.0	633.7	12.0	15.3	1 087.0	298.6	991.8	26.6	18.7	1 335.7
United Republic of Tanzania	319.0	473.0	9.0	11.0	812.0	280.0	415.0	8.0	10.0	713.0
Sub-total	2 415.6	2 210.4	190.6	343.9	5 160.5	2 463.6	3 426.9	230.9	306.7	6 428.1
SOUTHERN AFRICAN STATES										
Angola										
Botswana	0.3	35.7		9.9	45.9	15.4	58.0	0.6	18.1	92.1
Lesotho	31.7				31.7	33.6	27.6			61.2
Malawi	78.2	66.7			144.9	1.6	175.6			177.2
Mozambique	161.0	140.0	179.0	20.0	500.0	450.0	390.0	500.0	60.0	1 400.0
Swaziland	0.3	0.1			0.4	0.5	1.4			1.9
Zambia						127.1	324.3			451.4
Zimbabwe	502.7	1 196.1		83.7	1 782.5	323.8	770.7		53.6	1 148.1
Sub-total	774.2	1 438.6	179.0	113.6	2 505.4	952.0	1 747.6	500.6	131.7	3 331.9
CENTRAL AFRICA										
Cameroon	126.0	155.0		8.0	289.0	135.0	166.0		9.0	310.0
Central African Republic	130.2	160.3		38.0	328.5	0.2	266.8		8.6	275.6
Congo	42.9	21.8			64.7		1 137.3		115.1	1 252.4
Equatorial Guinea	36.7	5.8		7.0	49.5	8.5	27.3		22.1	57.9
Gabon						52.7	323.2		84.0	459.9
Sao Tome and Principe	11.3	9.1	0.2	4.4	25.0	8.0	19.3	19.5	38.8	85.6
Zaire	168.0	1 170.0		77.0	1 415.0	132.0	627.0			759.0
Sub-total	515.1	1 522.0	0.2	134.4	2 171.7	336.4	2 566.9	19.5	277.6	3 200.4

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Table 2. Cost of APPER by sector, source of funding, country and subregion

Million US$

	External resources already available or pledged					Gap to be filled by additional external assistance				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
SAHEL										
Burkina Faso	422.1		18.6		440.7	203.1	109.0	18.2	68.1	398.4
Cape Verde						103.0	144.0	46.0	41.0	334.0
Chad						72.0	265.5	7.1	48.3	392.9
Gambia	15.2				15.2	41.9	85.3	1.5	5.7	134.4
Guinea-Bissau	19.5	21.4		3.3	44.2	34.9	31.3		28.4	94.6
Mali	166.3	101.4	11.0	29.7	308.4	92.3	56.3	6.2	16.5	171.3
Mauritania	183.5	600.3	12.6	12.6	809.0	82.4	268.9	5.6	6.1	363.0
Niger	202.1	229.9	10.6	39.6	482.2	222.6	386.4	6.4	76.0	691.4
Senegal	280.0	137.0	32.0		449.0	160.0	70.0	30.0		260.0
Sub-total	1 288.7	1 090.0	84.8	85.2	2 548.7	1 012.2	1 416.7	121.0	290.1	2 840.0
NON-SAHEL WEST AFRICA										
Benin						338.6	247.1		73.2	658.9
Côte d'Ivoire						638.5	363.4		48.0	1 049.9
Ghana	435.0	2 559.0	167.0	68.0	3 229.0	147.0	167.0	167.0	68.0	549.0
Guinea						264.0	367.0	36.0	71.0	738.0
Liberia						158.0	185.0		17.0	360.0
Nigeria	943.0	598.0		172.0	1 713.0	672.9	804.2	88.1	434.8	2 000.0
Sierra Leone						51.2	116.6	1.2	8.1	177.1
Togo	49.8	59.6		77.2	186.6	369.5	33.6		288.7	691.8
Sub-total	1 427.8	3 216.6	167.0	317.2	5 128.6	2 639.7	2 283.9	292.3	1 008.8	6 224.7
NORTH AFRICA										
Algeria										
Egypt	400.0	271.0		29.0	700.0	2 200.0	1 300.0	4.0	57.0	3 561.0
Libyan Arab Jamahiriya										
Tunisia	47.9	98.1	6.2		152.2	191.4	392.6	24.7		608.7
Sub-total	447.9	369.1	6.2	29.0	852.2	2 391.4	1 692.6	28.7	57.0	4 169.7
TOTAL	7 003.9	9 974.5	633.0	1 045.0	18 656.4	10 141.8	13 460.6	1 270.4	2 087.9	26 960.7

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Table 3. Cost of APPER by sector, source of funding, country and subregion

(Percentage by sector)

	Total cost of priority programme					Domestic resources already available or planned				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Grand total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
INDIAN OCEAN ISLAND COUNTRIES										
Comoros	35.04	49.93	1.68	13.34	100.0	20.15	71.31	0.77	7.75	100.0
Madagascar	46.02	46.60	7.37		100.0	49.22	42.60	8.17		100.0
Mauritius	56.46	37.57	3.23	2.72	100.0	53.28	39.05	5.83	1.82	100.0
Seychelles	50.57	15.27	20.70	13.44	100.0	45.09	23.52	23.52	7.84	100.0
Sub-total	46.02	43.00	7.76	3.20	100.0	48.33	43.00	7.43	1.23	100.0
EAST AFRICA										
Burundi	45.00	35.99		19.00	100.0	45.02	35.97		18.99	100.0
Djibouti	36.56	33.00	30.43		100.0	20.87	39.56	39.56		100.0
Ethiopia	34.96	59.37	3.60	2.04	100.0	35.86	58.46	3.76	1.89	100.0
Kenya	29.23	40.18	22.38	8.18	100.0	7.08	60.08	27.68	5.15	100.0
Rwanda	48.[illegible]3	33.70		17.30	100.0	49.01	33.69		17.28	100.0
Somalia	74.67	16.47	2.81	6.04	100.0	56.73	32.58	6.73	3.94	100.0
Sudan	37.17	55.20	3.77	3.84	100.0	33.86	60.38	2.63	3.11	100.0
Uganda	29.79	67.19	1.59	1.40	100.0	26.35	70.41	1.80	1.42	100.0
United Republic of Tanzania	29.78	67.19	1.59	1.42	100.0	26.42	70.37	1.76	1.43	100.0
Sub-total	36.92	55.07	3.70	4.28	100.0	30.63	62.89	3.79	2.67	100.0
SOUTHERN AFRICAN STATES										
Angola										
Botswana	13.99	65.89	0.42	19.69	100.0	100.00				100.0
Lesotho	74.49	25.50			100.0	89.13	10.86			100.0
Malawi	20.71	79.28			100.0	3.65	96.34			100.0
Mozambique	32.13	27.89	35.72	4.23	100.0	32.08	27.91	35.68	4.31	100.0
Swaziland	31.25	68.75			100.0	22.22	77.77			100.0
Zambia	31.70	68.29			100.0	46.83	53.16			100.0
Zimbabwe	28.19	67.10		4.70	100.0	28.19	67.09		4.70	100.0
Sub-total	29.54	56.33	9.84	4.26	100.0	29.51	59.21	6.92	4.34	100.0
CENTRAL AFRICA										
Cameroon	43.60	53.66		2.73	100.0	43.60	53.67		2.71	100.00
Central African Republic	22.87	69.71		7.40	100.0	33.84	61.37		4.77	100.00
Congo	3.25	88.00		8.73	100.0					
Equatorial Guinea	42.08	30.81		27.09	100.0					
Gabon	11.46	70.27		18.26	100.0	11.46	70.27		18.26	100.00
Sao Tome and Principe	17.45	25.67	17.81	39.05	100.0					
Zaire	18.77	76.25		4.97	100.0	22.31	71.67		6.00	100.00
Sub-total	23.56	69.09	0.15	7.18	100.0	29.11	64.04		6.83	100.00

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Table 3. Cost of APPER by sector, source of funding, country and subregion

(Percentage by sector)

	Total cost of priority programme					Domestic resources already available or planned				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Grand total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
SAHEL										
Burkina Faso	74.50	12.99	4.38	8.11	100.0					
Cape Verde	30.83	43.11	13.77	12.27	100.0					
Chad	18.32	67.57	1.80	12.29	100.0					
Gambia	38.11	57.05	1.01	3.81	100.0	37.17	57.69	1.28	3.84	100.0
Guinea-Bissau	40.71	36.22		23.06	100.0	50.00	25.46		24.53	100.0
Mali	53.92	32.86	3.58	9.62	100.0	54.04	32.82	3.53	9.59	100.0
Mauritania	22.68	74.20	1.55	1.55	100.0	22.65	75.10	1.63	0.61	100.0
Niger	35.65	52.08	2.32	9.93	100.0	15.43	36.01	35.36	13.18	100.0
Senegal	61.36	30.61	8.01		100.0	54.17	45.38	0.43		100.0
Sub-total	42.65	46.48	3.91	6.94	100.0	41.61	45.74	6.02	6.61	100.0
NON-SAHEL WEST AFRICA										
Benin	39.11	48.51		12.37	100.0	8.62	75.84		15.52	100.0
Côte d'Ivoire	60.81	34.61		4.57	100.0	60.79	34.62		4.58	100.0
Ghana	16.59	72.01	7.07	4.31	100.0	21.35	71.45		7.18	100.0
Guinea	35.71	49.76	4.88	9.64	100.0	35.29	50.00	4.90	9.80	100.0
Liberia	44.38	50.53		5.08	100.0	57.14	28.57		14.28	100.0
Nigeria	24.69	43.29	7.10	24.89	100.0	16.68	45.65	9.11	28.54	100.0
Sierra Leone	29.84	62.02	1.00	7.12	100.0	33.80	45.95	2.38	17.85	100.0
Togo	43.70	9.65		46.64	100.0	15.06	2.83		82.10	100.0
Sub-total	27.51	48.18	5.75	18.54	100.0	18.57	47.90	7.59	25.93	100.0
NORTH AFRICA										
Algeria	57.24	42.75			100.0	57.24	42.75			100.0
Egypt	61.22	36.60	0.17	1.99	100.0	61.27	36.53	0.19	1.99	100.0
Libyan Arab Jamahiriya	99.72	0.27			100.0	99.72	0.27			100.0
Tunisia	28.48	66.96	4.54		100.0	24.81	70.04	5.14		100.0
Sub-total	62.24	36.80	0.17	0.76	100.0	62.80	36.39	0.12	0.67	100.0
TOTAL	44.83	46.92	2.66	5.58	100.0	48.84	44.46	1.82	4.87	100.0

Table 3. Cost of APPER by sector, source of funding, country and subregion

(Percentage by sector)

	External resources already available or pledged					Gap to be filled by additional external assistance				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
INDIAN OCEAN ISLAND COUNTRIES										
Comoros	52.88	23.55		23.55	100.00	12.92	82.76	4.30		100.00
Madagascar	39.47	59.06	1.45		100.00	47.18	43.94	8.86		100.00
Mauritius	60.43	32.17		7.39	100.00	60.37	39.62			100.00
Seychelles	61.53	20.36	12.66	5.42	100.00	48.50	13.78	22.27	15.42	100.00
Sub-total	46.52	44.17	1.79	7.50	100.00	45.24	42.56	10.10	2.08	100.00
EAST AFRICA										
Burundi	44.99	36.00		19.00	100.00	45.00	35.98		19.01	100.00
Djibouti	21.80	39.81	38.38		100.00	39.54	31.67	28.78		100.00
Ethiopia						33.64	60.71	3.36	2.26	100.00
Kenya	52.85	24.89	20.20	2.04	100.00	24.06	32.78	16.59	26.55	100.00
Rwanda	48.99	33.70		17.30	100.00	48.97	33.70		17.31	100.00
Somalia	73.04	15.22	3.03	8.69	100.00	80.54	14.08	1.66	3.70	100.00
Sudan	39.62	51.37	4.61	4.39	100.00	39.73	51.20	4.66	4.40	100.00
Uganda	39.19	58.29	1.10	1.40	100.00	22.35	74.25	1.99	1.40	100.00
United Republic of Tanzania	39.28	58.25	1.10	1.35	100.00	39.27	58.20	1.12	1.40	100.00
Sub-total	46.80	42.83	3.69	6.66	100.00	38.32	53.31	3.59	4.77	100.00
SOUTHERN AFRICAN STATES										
Angola										
Botswana	0.65	77.77		21.56	100.00	16.72	62.97	0.65	19.65	100.00
Lesotho	100.00				100.00	54.90	45.09			100.00
Malawi	53.96	46.03			100.00	0.90	99.09			100.00
Mozambique	32.20	28.00	35.80	4.00	100.00	32.14	27.85	35.71	4.28	100.00
Swaziland	75.00	25.00			100.00	26.31	73.68			100.00
Zambia						28.15	71.84			100.00
Zimbabwe	28.20	67.10		4.69	100.00	28.20	67.12		4.66	100.00
Sub-total	30.90	57.41	7.14	4.53	100.00	28.57	52.45	15.02	3.95	100.00
CENTRAL AFRICA										
Cameroon	43.59	53.63		2.76	100.00	43.54	53.54		2.90	100.00
Central African Republic	39.63	48.79		11.56	100.00	0.07	96.80		3.12	100.00
Congo	66.30	33.69			100.00		90.80		9.19	100.00
Equatorial Guinea	74.14	11.71		14.14	100.00	14.68	47.15		38.16	100.00
Gabon						11.45	70.27		18.26	100.00
Sao Tome and Principe	45.20	36.40	0.80	17.60	100.00	9.34	22.54	22.78	45.32	100.00
Zaire	11.87	82.68		5.44	100.00	17.39	82.60			100.00
Sub-total	23.71	70.08		6.18	100.00	10.51	80.20	0.60	8.67	100.00

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Table 3. Cost of APPER by sector, source of funding, country and subregion

(Percentage by sector)

	External resources already available or pledged					Gap to be filled by additional external assistance				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
SAHEL										
Burkina Faso	95.77		4.22		100.00	50.97	27.35	4.56	17.09	100.00
Cape Verde						30.83	43.11	13.77	12.27	100.00
Chad						18.32	67.57	1.80	12.29	100.00
Gambia	100.00				100.00	31.17	63.46	1.11	4.24	100.00
Guinea-Bissau	44.11	48.41		7.46	100.00	36.89	33.08		30.02	100.00
Mali	53.92	32.87	3.56	9.63	100.00	53.88	32.86	3.61	9.63	100.00
Mauritania	22.68	74.20	1.55	1.55	100.00	22.69	74.07	1.54	1.68	100.00
Niger	41.91	47.67	2.19	8.21	100.00	32.19	55.88	0.92	10.99	100.00
Senegal	62.36	30.51	7.12		100.00	61.53	26.92	11.53		100.00
Sub-total	50.56	42.76	3.32	3.34	100.00	35.64	49.88	4.26	10.21	100.00
NON-SAHEL WEST AFRICA										
Benin						51.38	37.50		11.10	100.00
Côte d'Ivoire						60.81	34.61		4.57	100.00
Ghana	13.47	79.25	5.17	2.10	100.00	26.77	30.41	30.41	12.38	100.00
Guinea						35.77	49.72	4.87	9.62	100.00
Liberia						43.88	51.38		4.72	100.00
Nigeria	55.04	34.90		10.04	100.00	33.64	40.21	4.40	21.74	100.00
Sierra Leone						28.91	65.83	0.67	4.57	100.00
Togo	26.68	31.93		41.37	100.00	53.41	4.85		41.73	100.00
Sub-total	27.83	62.71	3.25	6.18	100.00	42.40	36.69	4.69	16.20	100.00
NORTH AFRICA										
Algeria										
Egypt	57.14	38.71		4.14	100.00	61.78	36.50	0.11	1.60	100.00
Libyan Arab Jamahiriya										
Tunisia	31.47	64.45	4.07		100.00	31.44	64.49	4.05		100.00
Sub-total	52.55	43.31	0.72	3.40	100.00	57.35	40.59	0.68	1.36	100.00
Total	37.54	53.46	3.39	5.60	100.00	37.61	49.92	4.71	7.74	100.00

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Table 4. Cost of APPER by sector, source of funding, country and subregion

(Percentage of cost of each sector calculated out of grand total)

	Total cost of priority programme					Domestic resources already available or planned				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Grand total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
INDIAN OCEAN ISLAND COUNTRIES										
Comoros	35.04	49.93	1.68	13.34	100.00	1.75	6.19	0.06	0.67	8.69
Madagascar	46.02	46.60	7.37		100.00	6.90	5.97	1.14		14.02
Mauritius	56.46	37.57	3.23	2.72	100.00	29.49	21.61	3.23	1.01	55.35
Seychelles	50.57	15.27	20.70	13.44	100.00	1.75	0.91	0.91	0.30	3.89
Sub-total	46.02	43.00	7.76	3.20	100.00	7.54	6.71	1.15	0.19	15.60
EAST AFRICA										
Burundi	45.00	35.99		19.00	100.00	7.09	5.66		2.99	15.74
Djibouti	36.56	33.00	30.43		100.00	1.03	1.97	1.97		4.98
Ethiopia	34.96	59.37	3.60	2.04	100.00	21.29	34.71	2.23	1.12	59.37
Kenya	29.23	40.18	22.38	8.18	100.00	2.75	23.39	10.77	2.00	38.93
Rwanda	48.99	33.70		17.30	100.00	9.35	6.43		3.30	19.09
Somalia	74.67	16.47	2.81	6.04	100.00	5.71	3.28	0.67	0.39	10.07
Sudan	37.17	55.20	3.77	3.84	100.00	14.55	25.95	1.13	1.33	42.97
Uganda	29.79	67.19	1.59	1.40	100.00	0.81	2.17	0.05	0.04	3.09
United Republic of Tanzania	29.78	67.19	1.59	1.42	100.00	19.51	51.97	1.30	1.06	73.85
Sub-total	36.92	55.07	3.70	4.28	100.00	13.82	28.39	1.71	1.20	45.14
SOUTHERN AFRICAN STATES										
Angola										
Botswana	13.99	65.89	0.42	19.69	100.00	2.95				2.95
Lesotho	74.49	25.50			100.00	19.89	2.42			22.32
Malawi	20.71	79.28			100.00	0.70	18.53			19.23
Mozambique	32.13	27.89	35.72	4.23	100.00	8.59	7.47	9.55	1.15	26.78
Swaziland	31.25	68.75			100.00	6.25	21.87			28.12
Zambia	31.70	68.29			100.00	8.90	10.10			19.00
Zimbabwe	28.19	67.10		4.70	100.00	13.44	31.99		2.24	47.68
Sub-total	29.54	56.33	9.84	4.26	100.00	11.22	22.51	2.63	1.65	38.01
CENTRAL AFRICA										
Cameroon	43.60	53.66		2.73	100.00	36.39	44.79		2.26	83.44
Central African Republic	22.87	69.71		7.40	100.00	3.56	6.47		0.50	10.54
Congo	3.25	88.00		8.73	100.00					
Equatorial Guinea	42.08	30.81		27.09	100.00					
Gabon	11.46	70.27		18.26	100.00	8.50	52.15		13.55	74.22
Sao Tome and Principe	17.45	25.67	17.81	39.05	100.00					
Zaire	18.77	76.25		4.97	100.00	13.02	41.83		3.50	58.35
Sub-total	23.56	69.09	0.15	7.18	100.00	16.93	37.23		3.97	58.14

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Table 4. Cost of APPER by sector, source of funding, country and subregion

(Percentage of cost of each sector calculated out of grand total)

	Total cost of priority programme					Domestic resources already available or planned				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Grand total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
SAHEL										
Burkina Faso	74.50	12.99	4.38	8.11	100.00					
Cape Verde	30.83	43.11	13.77	12.27	100.00					
Chad	18.32	67.57	1.80	12.29	100.00					
Gambia	38.11	57.05	1.01	3.81	100.00	1.84	2.85	0.06	0.19	4.95
Guinea-Bissau	40.71	36.22		23.06	100.00	6.73	3.42		3.30	13.46
Mali	53.92	32.86	3.58	9.62	100.00	5.95	3.61	0.38	1.05	11.01
Mauritania	22.68	74.20	1.55	1.55	100.00	0.90	3.01	0.06	0.02	4.01
Niger	35.65	52.08	2.32	9.93	100.00	0.39	0.92	0.91	0.34	2.58
Senegal	61.36	30.61	8.01		100.00	4.76	3.98	0.03		8.78
Sub-total	42.65	46.48	3.91	6.94	100.00	1.75	1.92	0.25	0.27	4.21
NON-SAHEL WEST AFRICA										
Benin	39.11	48.51		12.37	100.00	2.47	21.77		4.45	28.71
Côte d'Ivoire	60.81	34.61		4.57	100.00	14.59	8.30		1.10	24.00
Ghana	16.59	72.01	7.07	4.31	100.00	4.27	14.30		1.43	20.02
Guinea	35.71	49.76	4.88	9.64	100.00	4.28	6.07	0.59	1.19	12.14
Liberia	44.38	50.53		5.08	100.00	2.13	1.06		0.53	3.74
Nigeria	24.69	43.29	7.10	24.89	100.00	11.70	32.02	6.39	20.02	70.14
Sierra Leone	29.84	62.02	1.00	7.12	100.00	6.48	8.80	0.45	3.42	19.16
Togo	43.70	9.65		46.64	100.00	1.85	0.34		10.12	12.32
Sub-total	27.51	48.18	5.75	18.54	100.00	8.94	23.07	3.65	12.48	48.16
NORTH AFRICA										
Algeria	57.24	42.75			100.00	57.24	42.75			100.00
Egypt	61.22	36.60	0.17	1.99	100.00	49.11	29.28	0.15	1.59	80.15
Libyan Arab Jamahiriya	99.72	0.27			100.00	99.72	0.27			100.00
Tunisia	28.48	66.96	4.54		100.00	11.08	31.28	2.29		44.66
Sub-total	62.24	36.80	0.17	0.76	100.00	57.16	33.12	0.11	0.61	91.02
Total	44.83	46.92	2.66	5.58	100.00	31.44	28.62	1.17	3.13	64.39

Table 4. Cost of APPER by sector, source of funding, country and subregion

(Percentage of cost of each sector calculated out of grand total)

	External resources already available or pledged					Gap to be filled by additional external assistance				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
INDIAN OCEAN ISLAND COUNTRIES										
Comoros	28.43	12.66		12.66	53.77	4.85	31.06	1.61		37.53
Madagascar	7.44	11.13	0.27		18.85	31.67	29.49	5.95		67.12
Mauritius	14.04	7.47		1.71	23.23	12.92	8.48			21.41
Seychelles	10.38	3.43	2.13	0.91	16.88	38.42	10.92	17.64	12.22	79.22
Sub-total	10.76	10.22	0.41	1.73	23.13	27.71	26.07	6.19	1.27	61.25
EAST AFRICA										
Burundi	21.72	17.38		9.17	48.27	16.18	12.94		6.83	35.97
Djibouti	2.51	4.59	4.43		11.54	33.00	26.43	24.02		83.47
Ethiopia						13.66	24.66	1.36	0.92	40.62
Kenya	21.63	10.19	8.27	0.83	40.93	4.84	6.59	3.34	5.34	20.13
Rwanda	28.33	19.49		10.00	57.83	11.30	7.77		3.99	23.07
Somalia	33.82	7.04	1.40	4.02	46.29	35.13	6.14	0.72	1.61	43.62
Sudan	12.39	16.06	1.44	1.37	31.27	10.23	13.18	1.20	1.13	25.74
Uganda	17.03	25.34	0.47	0.61	43.47	11.94	39.67	1.06	0.74	53.42
United Republic of Tanzania	5.46	8.11	0.15	0.18	13.92	4.80	7.11	0.13	0.17	12.22
Sub-total	11.43	10.46	0.90	1.62	24.42	11.66	16.22	1.09	1.45	30.42
SOUTHERN AFRICAN STATES										
Angola										
Botswana	0.21	25.10		6.96	32.27	10.82	40.78	0.42	12.72	64.76
Lesotho	26.50				26.50	28.09	23.07			51.17
Malawi	19.60	16.72			36.33	0.40	44.03			44.43
Mozambique	6.20	5.39	6.89	0.77	19.26	17.34	15.02	19.26	2.31	53.94
Swaziland	9.37	3.12			12.50	15.62	43.75			59.37
Zambia						22.80	58.19			80.99
Zimbabwe	8.97	21.35		1.49	31.81	5.78	13.75		0.95	20.49
Sub-total	8.22	15.27	1.90	1.20	26.60	10.10	18.55	5.31	1.39	35.37
CENTRAL AFRICA										
Cameroon	3.48	4.28		0.22	7.98	3.73	4.58		0.24	8.56
Central African Republic	19.28	23.73		5.62	48.64	0.02	39.50		1.27	40.81
Congo	3.25	1.65			4.91		86.34		8.73	95.08
Equatorial Guinea	34.17	5.40		6.51	46.08	7.91	25.41		20.57	53.91
Gabon						2.95	18.11		4.70	25.77
Sao Tome and Principe	10.21	8.22	0.18	3.97	22.60	7.23	17.45	17.63	35.08	77.39
Zaire	3.21	22.40		1.47	27.10	2.52	12.00			14.53
Sub-total	4.01	11.85		1.04	16.92	2.62	20.00	0.15	2.16	24.93

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Table 4. Cost of APPER by sector, source of funding, country and subregion

(Percentage of cost of each sector calculated out of grand total)

	External resources already available or pledged					Gap to be filled by additional external assistance				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
SAHEL										
Burkina Faso	50.30		2.21		52.52	24.20	12.99	2.16	8.11	47.47
Cape Verde						30.83	43.11	13.77	12.27	100.00
Chad						18.32	67.57	1.80	12.29	100.00
Gambia	9.65				9.65	26.62	54.19	0.95	3.62	85.38
Guinea-Bissau	12.15	13.34		2.05	27.55	21.75	19.51		17.70	58.97
Mali	30.84	18.80	2.04	5.50	57.20	17.12	10.44	1.15	3.06	31.77
Mauritania	15.02	49.16	1.03	1.03	66.25	6.74	22.02	0.45	0.49	29.72
Niger	16.77	19.08	0.87	3.28	40.02	18.47	32.07	0.53	6.30	57.39
Senegal	36.02	17.62	4.11		57.76	20.58	9.00	3.85		33.44
Sub-total	22.90	19.37	1.50	1.51	45.30	17.99	25.18	2.15	5.15	50.48
NON-SAHEL WEST AFRICA										
Benin						36.63	26.73		7.91	71.28
Côte d'Ivoire						46.21	26.30		3.47	75.99
Ghana	9.20	54.17	3.53	1.43	68.35	3.11	3.53	3.53	1.43	11.62
Guinea						31.42	43.69	4.28	8.45	87.85
Liberia						42.24	49.46		4.54	96.25
Nigeria	7.58	4.80		1.38	13.77	5.41	6.46	0.70	3.49	16.08
Sierra Leone						23.36	53.21	0.54	3.69	80.83
Togo	4.97	5.94		7.70	18.62	36.87	3.35		28.81	69.04
Sub-total	6.51	14.68	0.76	1.44	23.41	12.05	10.42	1.33	4.60	28.42
NORTH AFRICA										
Algeria										
Egypt	1.86	1.26		0.13	3.26	10.24	6.05	0.01	0.26	16.56
Libyan Arab Jamahiriya										
Tunisia	3.48	7.13	0.45		11.06	13.91	28.55	1.79		44.26
Sub-total	0.80	0.65	0.01	0.05	1.52	4.27	3.02	0.05	0.10	7.45
Total	5.46	7.78	0.49	0.81	14.56	7.91	10.50	0.99	1.62	21.04

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AFRICA'S PRIORITY PROGRAMME FOR ECONOMIC RECOVERY 1986-1990

Table 5. Cost of APPER by sector, source of funding, country and subregion

(Percentage of cost of each sector calculated out of corresponding total sector cost)

	Total cost of priority programme					Domestic resources already available or planned				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Grand total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
INDIAN OCEAN ISLAND COUNTRIES										
Comoros	100.0	100.0	100.0	100.0	100.0	5.00	12.41	4.00	5.05	8.69
Madagascar	100.0	100.0	100.0		100.0	15.00	12.81	15.55		14.02
Mauritius	100.0	100.0	100.0	100.0	100.0	52.23	57.52	100.00	37.03	55.35
Seychelles	100.0	100.0	100.0	100.0	100.0	3.47	6.00	4.42	2.27	3.89
Sub-total	100.0	100.0	100.0	100.0	100.0	16.38	15.60	14.93	5.98	15.60
EAST AFRICA										
Burundi	100.0	100.0		100.0	100.0	15.75	15.74		15.74	15.74
Djibouti	100.0	100.0	100.0		100.0	2.84	5.97	6.47		4.98
Ethiopia	100.0	100.0	100.0	100.0	100.0	60.90	58.46	62.04	55.00	59.37
Kenya	100.0	100.0	100.0	100.0	100.0	9.42	58.21	48.13	24.48	38.93
Rwanda	100.0	100.0		100.0	100.0	19.10	19.08		19.07	19.09
Somalia	100.0	100.0	100.0	100.0	100.0	7.65	19.93	24.14	6.58	10.07
Sudan	100.0	100.0	100.0	100.0	100.0	39.15	47.01	30.00	34.82	42.97
Uganda	100.0	100.0	100.0	100.0	100.0	2.73	3.24	3.50	3.13	3.09
United Republic of Tanzania	100.0	100.0	100.0	100.0	100.0	65.51	77.34	81.72	74.69	73.85
Sub-total	100.0	100.0	100.0	100.0	100.0	37.45	51.55	46.20	28.19	45.14
SOUTHERN AFRICAN STATES										
Angola										
Botswana	100.0	100.0	100.0	100.0	100.0	21.10				2.95
Lesotho	100.0	100.0			100.0	26.71	9.50			22.32
Malawi	100.0	100.0			100.0	3.38	23.37			19.23
Mozambique	100.0	100.0	100.0	100.0	100.0	26.73	26.79	26.75	27.27	26.78
Swaziland	100.0	100.0			100.0	20.00	31.81			28.12
Zambia	100.0	100.0			100.0	28.07	14.79			19.00
Zimbabwe	100.0	100.0		100.00	100.0	47.68	47.68		47.70	47.68
Sub-total	100.0	100.0	100.0	100.0	100.0	37.97	39.95	26.73	38.77	38.01
CENTRAL AFRICA										
Cameroon	100.0	100.0		100.0	100.0	83.46	83.47		82.82	83.44
Central African Republic	100.0	100.0		100.0	100.0	15.59	9.28		6.80	10.54
Congo	100.0	100.0		100.0	100.0					
Equatorial Guinea	100.0	100.0		100.0	100.0					
Gabon	100.0	100.0		100.0	100.0	74.22	74.22		74.22	74.22
Sao Tome and Principe	100.0	100.0	100.0	100.0	100.0					
Zaire	100.0	100.0		100.0	100.0	69.38	54.86		70.37	58.35
Sub-total	100.0	100.0	100.0	100.0	100.0	71.84	53.89		55.32	58.14

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Table 5. Cost of APPER by sector, source of funding, country and subregion

(Percentage of cost of each sector calculated out of corresponding total sector cost)

	Total cost of priority programme					Domestic resources already available or planned				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Grand total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
SAHEL										
Burkina Faso	100.0	100.0	100.0	100.0	100.0					
Cape Verde	100.0	100.0	100.0	100.0	100.0					
Chad	100.0	100.0	100.0	100.0	100.0			---		
Gambia	100.0	100.0	100.0	100.0	100.0	4.83	5.01	6.25	5.00	4.95
Guinea-Bissau	100.0	100.0		100.0	100.0	16.53	9.46		14.32	13.46
Mali	100.0	100.0	100.0	100.0	100.0	11.04	11.00	10.88	10.98	11.01
Mauritania	100.0	100.0	100.0	100.0	100.0	4.00	4.06	4.21	1.57	4.01
Niger	100.0	100.0	100.0	100.0	100.0	1.11	1.78	39.28	3.42	2.58
Senegal	100.0	100.0	100.0		100.0	7.75	13.02	0.48		8.78
Sub-total	100.0	100.0	100.0	100.0	100.0	4.11	4.14	6.49	4.01	4.21
NON-SAHEL WEST AFRICA										
Benin	100.0	100.0		100.0	100.0	6.33	44.89		36.01	28.71
Côte d'Ivoire	100.0	100.0		100.0	100.0	23.99	24.00		24.05	24.00
Ghana	100.0	100.0	100.0	100.0	100.0	25.76	19.87		33.33	20.02
Guinea	100.0	100.0	100.0	100.0	100.0	12.00	12.20	12.19	12.34	12.14
Liberia	100.0	100.0		100.0	100.0	4.81	2.11		10.52	3.74
Nigeria	100.0	100.0	100.0	100.0	100.0	47.39	73.96	90.02	80.40	70.14
Sierra Leone	100.0	100.0	100.0	100.0	100.0	21.71	14.20	45.45	48.07	19.16
Togo	100.0	100.0		100.0	100.0	4.24	3.61		21.69	12.32
Sub-total	100.0	100.0	100.0	100.0	100.0	32.50	47.87	63.55	67.35	48.16
NORTH AFRICA										
Algeria	100.0	100.0			100.0	100.0	100.0			100.0
Egypt	100.0	100.0	100.0	100.0	100.0	80.21	80.00	89.47	79.95	80.15
Libyan Arab Jamahiriya	100.0	100.0			100.0	100.0	100.0			100.0
Tunisia	100.0	100.0	100.0		100.0	38.90	46.71	50.56		44.66
Sub-total	100.0	100.0	100.0	100.0	100.0	91.85	89.98	65.27	79.95	91.02
TOTAL	100.0	100.0	100.0	100.0	100.0	70.14	61.01	44.16	56.18	64.39

Table 5. Cost of APPER by sector, source of funding, country and subregion

(Percentage of cost of each sector calculated out of corresponding total sector cost)

	External resources already available or pledged					Gap to be filled by additional external assistance				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
INDIAN OCEAN ISLAND COUNTRIES										
Comoros	81.15	25.37		94.94	53.77	13.84	62.21	96.00		37.53
Madagascar	16.17	23.89	3.73		18.85	68.82	63.28	80.71		67.12
Mauritius	24.86	19.89		62.96	23.23	22.89	22.58			21.41
Seychelles	20.54	22.50	10.33	6.81	16.88	75.98	71.50	85.23	90.90	79.22
Sub-total	23.39	23.76	5.35	54.11	23.13	60.21	60.62	79.71	39.90	61.25
EAST AFRICA										
Burundi	48.27	48.29		48.26	48.27	35.97	35.96		35.98	35.97
Djibouti	6.88	13.93	14.56		11.54	90.26	80.09	78.95		83.47
Ethiopia						39.09	41.53	37.95	45.00	40.62
Kenya	74.00	25.36	36.94	10.20	40.93	16.57	16.42	14.92	65.30	20.13
Rwanda	57.83	57.83		57.82	57.83	23.06	23.07		23.09	23.07
Somalia	45.29	42.77	50.00	66.62	46.29	47.05	37.28	25.85	26.78	43.62
Sudan	33.33	29.10	38.18	35.71	31.27	27.51	23.88	31.81	29.46	25.74
Uganda	57.18	37.72	30.00	43.58	43.47	40.08	59.03	66.50	53.27	53.42
United Republic of Tanzania	18.36	12.06	9.67	13.25	13.92	16.11	10.58	8.60	12.04	12.22
Sub-total	30.96	18.99	24.32	37.95	24.42	31.58	29.44	29.46	33.84	30.42
SOUTHERN AFRICAN STATES										
Angola										
Botswana	1.50	38.10		35.35	32.27	77.38	61.89	100.00	64.64	64.76
Lesotho	35.57				26.50	37.71	90.49			51.17
Malawi	94.67	21.09			36.33	1.93	55.53			44.43
Mozambique	19.30	19.33	19.30	18.18	19.26	53.95	53.86	53.93	54.54	53.94
Swaziland	30.00	4.54			12.50	50.00	63.63			59.37
Zambia						71.92	85.20			80.99
Zimbabwe	31.82	31.82		31.78	31.81	20.49	20.50		20.35	20.49
Sub-total	27.81	27.11	19.29	28.30	26.60	34.20	32.93	53.96	32.81	35.37
CENTRAL AFRICA										
Cameroon	7.98	7.98		8.08	7.98	8.55	8.54		9.09	8.56
Central African Republic	84.27	34.04		76.00	48.64	0.12	56.66		17.20	40.81
Congo	100.00	1.88			4.91		98.11		100.00	95.08
Equatorial Guinea	81.19	17.52		24.05	46.08	18.80	82.47		75.94	53.91
Gabon						25.77	25.77		25.77	25.77
Sao Tome and Principe	58.54	32.04	1.01	10.18	22.60	41.45	67.95	98.98	89.81	77.39
Zaire	17.14	29.38		29.62	27.10	13.46	15.74			14.53
Sub-total	17.03	17.16	1.01	14.57	16.92	11.12	28.94	98.98	30.10	24.93

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Table 5. Cost of APPER by sector, source of funding, country and subregion

(Percentage of cost of each sector calculated out of corresponding total sector cost)

	External resources already available or pledged					Gap to be filled by additional external assistance				
	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total	Agriculture	Other sect. (agric.)	Drought/ desert'n	Human res. dvpt.	Total
SAHEL										
Burkina Faso	67.51		50.54		52.52	32.48	100.00	49.45	100.00	47.47
Cape Verde						100.00	100.00	100.00	100.00	100.00
Chad						100.00	100.00	100.00	100.00	100.00
Gambia	25.33				9.65	69.83	94.98	93.75	95.00	85.38
Guinea-Bissau	29.86	36.83		8.91	27.55	53.44	53.87		76.75	58.97
Mali	57.20	57.22	56.99	57.22	57.20	31.75	31.77	32.12	31.79	31.77
Mauritania	66.24	66.25	66.31	66.31	66.25	29.74	29.67	29.47	32.10	29.72
Niger	47.05	36.63	37.85	33.08	40.02	51.82	61.57	22.85	63.49	57.39
Senegal	58.70	57.56	51.36		57.76	33.54	29.41	48.15		33.44
Sub-total	53.70	41.68	38.52	21.79	45.30	42.18	54.17	54.97	74.19	50.48
NON-SAHEL WEST AFRICA										
Benin						93.66	55.10		63.98	71.28
Côte d'Ivoire						76.00	75.99		75.94	75.99
Ghana	55.48	75.22	50.00	33.33	68.35	18.75	4.90	50.00	33.33	11.62
Guinea						88.00	87.79	87.80	87.65	87.85
Liberia						95.18	97.88		89.47	96.25
Nigeria	30.69	11.10		5.55	13.77	21.90	14.93	9.97	14.04	16.08
Sierra Leone						78.28	85.79	54.54	51.92	80.83
Togo	11.37	61.63		16.52	18.62	84.37	34.74		61.78	69.04
Sub-total	23.69	30.47	13.25	7.81	23.41	43.79	21.64	23.19	24.83	28.42
NORTH AFRICA										
Algeria										
Egypt	3.04	3.44		6.75	3.26	16.73	16.54	10.52	13.28	16.58
Libyan Arab Jamahiriya										
Tunisia	12.22	10.65	9.92		11.06	48.86	42.63	39.52		44.26
Sub-total	1.28	1.79	6.16	6.75	1.52	6.86	8.21	28.55	13.28	7.45
TOTAL	12.19	16.59	18.56	14.61	14.56	17.65	22.39	37.26	29.19	21.04

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Table 6. Estimates of debt-servicing requirements 1986-1990
(Million US$)

	Total debt service			Official creditors			Private creditors		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
INDIAN OCEAN ISLAND COUNTRIES									
Comoros	29.7	12.7	42.4	29.6	12.7	42.3	0.1	0.0	0.1
Madagascar	818.7	305.0	1 123.7	544.8	221.7	766.5	273.9	83.3	357.2
Mauritius	215.5	122.2	337.7	141.6	90.8	232.4	73.9	31.4	105.3
Seychelles	25.7	8.9	34.6	16.3	6.1	22.4	9.4	2.8	12.2
Sub-total	1 089.6	448.8	1 538.4	732.3	331.3	1 063.6	357.3	117.5	474.8
EAST AFRICA									
Burundi	121.3	70.4	191.7	97.5	66.8	164.3	23.8	3.6	27.4
Djibouti	35.4	13.9	49.3	32.1	13.1	45.2	3.3	0.8	4.1
Ethiopia	472.1	172.8	644.9	356.3	124.5	480.8	115.8	48.3	164.1
Kenya	1 083.4	672.4	1 755.8	709.2	552.7	1 261.9	374.2	119.7	493.9
Rwanda	54.1	20.3	74.4	54.1	20.3	74.4	0.0	0.0	0.0
Somalia	478.0	185.7	583.7	452.0	96.2	548.2	26.0	9.5	35.5
Sudan	2 265.3	1 040.1	3 305.4	1 499.5	847.6	2 347.1	765.8	192.5	958.3
Uganda	330.9	90.1	422.0	284.0	81.1	365.1	46.9	9.8	55.9
United Republic of Tanzania	922.6	282.8	1 205.4	714.4	229.5	943.9	288.2	53.3	261.5
Sub-total	5 763.1	2 468.5	8 231.6	4 199.1	2 031.8	6 230.9	1 564.0	436.7	2 000.7
SOUTHERN AFRICAN STATES									
Angola*	1 275.0	520.0	1 795.0	1 275.0	520.0	1 795.0	0.0	0.0	0.0
Botswana	151.7	126.5	278.2	140.8	112.5	253.3	10.9	14.0	24.9
Lesotho	33.3	16.7	50.0	30.0	16.1	46.1	3.3	0.6	3.9
Malawi	210.0	110.0	320.0	122.4	90.4	212.0	87.6	19.6	187.2
Mozambique*	1 326.0	273.0	1 599.0	1 326.0	273.0	1 599.0	0.0	0.0	0.0
Swaziland	70.6	49.6	120.2	62.7	47.9	110.6	7.9	1.7	9.6
Zambia	1 214.3	549.2	1 763.5	808.2	444.6	1 252.0	486.1	104.6	918.7
Zimbabwe	921.3	485.7	1 407.0	201.0	263.1	464.1	720.3	222.6	942.9
Sub-total	5 202.2	2 130.7	7 332.9	3 966.1	1 767.6	5 733.7	1 236.1	363.1	1 599.2
CENTRAL AFRICA									
Cameroon	836.5	424.8	1 261.3	574.4	364.2	938.6	262.1	60.6	322.7
Central African Republic	83.2	33.9	117.1	70.2	29.8	100.0	13.8	4.1	17.1
Congo	951.9	284.0	1 235.9	348.9	144.8	493.7	603.0	139.2	742.2
Equatorial Guinea	44.8	9.2	54.0	36.0	7.4	43.4	8.8	1.8	10.6
Gabon	550.5	219.0	769.5	139.1	71.1	210.2	411.4	147.9	559.3
Sao Tome and Principe*	10.9	2.9	13.8	10.9	2.9	13.8	0.0	0.0	0.0
Zaire	1 925.0	1 043.4	2 968.4	1 378.3	914.9	2 293.2	546.7	128.5	675.2
Sub-total	4 402.8	2 017.2	6 420.0	2 557.8	1 535.1	4 092.9	1 845.8	482.1	2 327.1

* ECA estimates.

Table 6. Estimates of debt-servicing requirements 1986-1990
(Million US$)

	Total debt service			Official creditors			Private creditors		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
SAHEL									
Burkina Faso	133.3	50.8	184.1	115.7	47.3	163.0	17.6	3.5	21.1
Cape Verde	28.7	15.5	44.2	27.7	15.0	42.7	1.0	0.5	1.5
Chad	16.9	6.3	23.2	16.5	6.3	22.8	0.4	0.0	0.4
Gambia	63.1	22.6	85.7	42.4	15.4	57.8	20.7	7.2	27.9
Guinea-Bissau	54.7	13.3	68.0	46.0	12.4	58.4	8.7	0.9	9.6
Mali	358.8	81.7	440.5	340.3	74.5	414.8	18.5	7.2	25.7
Mauritania	596.7	153.8	750.5	527.0	132.8	659.8	69.7	21.0	90.7
Niger	311.8	141.1	452.9	171.8	100.9	272.7	140.0	40.2	180.2
Senegal	781.4	366.9	1 148.3	577.0	311.2	888.2	204.4	55.7	260.1
Sub-total	2 345.4	852.0	3 197.4	1 864.4	715.8	2 580.2	481.0	136.2	617.2
NON-SAHEL WEST AFRICA									
Benin	293.7	83.7	377.4	94.8	39.9	134.7	198.9	43.8	242.7
Côte d'Ivoire	3 112.2	1 591.9	4 704.1	997.9	808.4	1 806.3	2 114.3	783.5	2 897.8
Ghana	351.3	135.1	486.4	307.8	122.7	430.5	43.5	12.4	55.9
Guinea	559.2	105.2	664.4	494.6	94.3	588.9	64.6	10.9	75.5
Liberia	373.1	164.0	537.1	229.9	133.3	363.2	143.2	30.7	173.9
Nigeria	10 593.1	3 111.7	13 704.8	1 276.4	904.4	2 180.8	9 316.7	2 207.3	11 524.0
Sierra Leone	120.6	35.1	155.7	83.8	25.0	108.8	36.8	10.1	46.9
Togo	319.2	126.8	446.0	243.0	108.4	351.4	76.2	18.4	94.6
Sub-total	15 722.4	5 353.5	21 075.9	3 728.2	2 236.4	5 964.6	11 994.2	3 117.1	15 111.3
NORTH AFRICA									
Algeria	10 798.7	2 846.7	13 645.4	2 363.1	762.8	3 125.9	8 435.6	2 083.9	10 519.5
Egypt	5 100.0	3 200.0	8 300.0	3 700.0	2 500.0	6 200.0	1 400.0	700.0	2 100.0
Libyan Arab Jamahiriya									
Tunisia	2 348.4	1 077.0	3 425.4	1 581.6	792.8	2 374.4	766.8	284.2	1 051.0
Sub-total	18 247.1	7 123.7	25 370.8	7 644.7	4 055.6	11 700.3	10 602.4	3 068.3	13 670.7
TOTAL	52 772.6	20 394.6	73 167.2	24 692.6	12 673.6	37 366.2	28 080.0	7 721.0	35 801.0

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Africa's submission to the special session of the United Nations general assembly on Africa’s economic and social crisis

Organization of African Unity

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