

ACTION ON SUB-SAHARAN AFRICA:

**Statement of the Committee for Development Planning
at the conclusion of its Twenty-first Session¹,
Geneva 19-21 November 1984**

Famine in Africa is arousing the conscience of the world. In most of Africa today the economic situation is literally a matter of life and death. In 1984-85 food assistance of over 5 million tons of grain will be required to avert severe malnutrition and starvation for 27 countries almost all of which are severely affected by drought. Already, tens of thousands are dying in the hardest hit countries, especially in Ethiopia, Chad and Mozambique.

Emergency food and associated supplies, essential as they now are, can have little impact upon the deeper sources of the current crisis in Africa. Effective African and international action ten years ago could have averted today's disasters. Unless the roots of Africa's problems are more effectively addressed today, a succession of similar calamities is certain over the coming decades. It is absolutely critical that more vigorous efforts begin now towards the saving of Africa's future.

Structural Causes

African countries have been devastated by a combination of domestic policy shortcomings, extremely rapid population growth, civil strife, external destabilization and, most recently, savage blows from the world economy and natural disasters. Africa's uniquely fragile economies, struck by severe shocks - relatively much more severe than those suffered by others - have been less able either to develop appropriate policy response or to draw on flexible courses of external supportive credit. Massive retrenchment, the breakdown of institutions, suffering and, now, starvation, were the inevitable outcome.

The shocking circumstances of today's Africa can and must be overcome. There is a growing professional consensus as to what needs to be done and the relatively small external support - less than 1/10 of a per cent of OECD GNP - required for the purpose. The World Bank, the Economic Commission for Africa, the African Development Bank, and the overwhelming majority of African governments agree on how sustained development can begin to be built again over the next 3 to 5 years. There is technical agreement that domestic policy reform and improved external support make up an inseparable package. Increased support for agriculture, through restructured institutions and incentives, is the crux of the required domestic policy change. Restored levels, and more appropriate and more flexible forms of official assistance constitute the essential external requirements. Domestic or external policies alone are each unlikely to avert the recurrence of future disasters. There is, therefore, a joint responsibility for securing a better future in Africa.

Urgent Requirements

To invest in necessary restructuring while preserving even reduced current levels of living requires considerable time and foreign exchange. Insufficient foreign exchange is being made available and the prospect is for even lower levels in the future. African economies are badly debilitated from the deferral of necessary maintenance activities. Their productive units are working far below capacity for lack of imported inputs for farms, factories and transport. Assistance for these rehabilitative and operational purposes, rather than for large new projects is, after food, Africa's most urgent current requirement. Without it, African productive potential will further deteriorate and its downward spiral will continue. In present African circumstances, the returns from the provision of even modestly increased amounts of foreign exchange for rehabilitative and operational use will be extraordinarily high.

Many African governments have begun to implement major structural reforms. Others would be ready to begin if they were assured of the necessary extra resources and technical support. We urge the governments of the industrialized countries to commit themselves now to their share of the responsibility for assuring at least a minimally tolerable future for Africa over the next decade. The failure of external support to materialize will seriously prejudice the prospects of success for existing efforts at domestic policy reform and discourage others. It also risks long-term erosion of the credibility of multilateral institutions' advice within Africa.

Assistance for Africa and formulation of its economic policies must take a longer view than that which typically characterizes discussion of its current drought and famine. Public support for African emergency relief can and must

be transformed, through governmental leadership, into support for efforts to avert such disasters in the future. We urge governments not only to respond as we have suggested to the widespread professional consensus as to the needs, but also to join in a major effort to explain these development issues to a wider public. Such measures would, we believe, constitute an effective, if overdue, response to the UN Secretary-General's call earlier in 1984 for "concerted and coordinated action" to deal with the critical economic situation in Africa.

Action Recommendations

We recommend that the international community agree at the earliest possible time, and certainly no later than at the special session of the Development Committee in April 1985, on a special joint financing plan for Africa along the lines recommended recently by the World Bank. This must involve total new net commitments, above those already in place, of at least \$6 billion per year over the next 3 years. This much is required merely to maintain net flows at the levels of recent years. Of this, at least \$2 billion should be channelled into a Special Financing Facility to be administered by the World Bank/IDA for use in low-income Africa. This would constitute a minimum indispensable starting point for the longer-run programme that Africa requires. We recommend effective surveillance both for bilateral aid performance and for evaluation of government economic policies in Africa. Surveillance of donor government performance is no less important than that which parts of the international community now propose, and to some degree already exercise, with respect to African governments. Since relative to the obviously increasing needs, African access to international liquidity and bridging finance has fallen in recent years, we also recommend an urgent review of the adequacy and

conditions of IMF, World Bank and other sources of finance for the future stabilization of the economies of low-income Africa.

Note

1. The session was chaired by Mr. Shridath S. Ramphal (Guyana), and was attended by the following: Ismail-Sabri Abdalla (Egypt), Abdlatif Y. Al-Hamad (Kuwait), Gerasimos D. Arsenis (Greece), Kenneth Berrill (United Kingdom), Bernard Chidzero (Zimbabwe), Armin Gutowski (Federal Republic of Germany), Gerald K. Helleiner (Canada), Shinichi Ichimura (Japan), V. N. Kirichenko (USSR), Jozef Pajestka (Poland), Luis Rojo, (Spain), Rehman Sobhan (Bangladesh), Janez Stanovnic (Yugoslavia), Albert Bressand (France), Reinaldo Figueredo (Venezuela), Vijay Joshi (India), Stanley Please (United Kingdom).