



Economic Commission for Africa

Eighth Session of the Conference of
African Ministers of Finance

**Statement on the Third UN
Conference for the Least
Developed Countries..**

21-22 November 2000
Addis Ababa, Ethiopia

We, the African Ministers of Finance, met at the 8th Session of our Conference, under the auspices of the United Nations Economic Commission for Africa, from 21 to 22 November 2000 at Addis Ababa, Ethiopia, resolved as follows:

Preamble

1. We recall the Declaration on the Third UN Conference on the Least Developed Countries (LDCs) adopted at the 36th Session of the Heads of State and Government of the Organization of African Unity and at the 4th Ordinary Session of the African Economic Unity both held in Lome, Togo, on 12 July 2000.
2. We also recall the Declaration adopted by the 10th Annual Ministerial Meeting of the LDCs held in New York on 18 September 2000 on the review of the State of the Preparatory Process for the Third UN Conference on LDCs.
3. Our Conference took place against the backdrop of regional preparations for the Third UN Conference on Least Developed Countries (LDCs). Our conference was preceded by the High Level Regional Consultative Meeting on Financing for Development and Preparatory Meeting for the Third UN Conference on Least Developed Countries (15 - 17 November 2000), which brought together experts from our governments, African private sector and civil society organizations to discuss the issues on the agenda for the UN Conference on LDCs to be held in Brussels, Belgium in May 2001. We have taken into account the outcomes of the regional meetings held in Addis Ababa and Niamey in preparation for the Third UN Conference on the LDCs as well as the African High Level Regional Consultative Meeting which preceded our Conference.
4. We have also taken note of the fact that the Intergovernmental Preparatory Committee for the Conference has agreed on a provisional agenda which includes assessment of the results of the Programme of Action during the 1990s at the country level; a review of the implementation of the support measures, particularly in the areas of Official Development Assistance (ODA), debt, investment and trade; and formulation and adoption of appropriate national and international policies and measures for sustainable development of the Least Developed Countries and their progressive integration into the world economy in

Purpose

the form of a Programme of Action. The agreed agenda for the Third UN Conference on LDCs contains issues which are central to the development of Africa –issues on which we have expressed our views in our Ministerial Statement issued on 8 May 1999 at the end of the Joint Conference of Ministers of Economic and Social Development and Planning and Ministers of Finance held in Addis Ababa. The present statement builds on and updates our views in the 1999 Ministerial statement.

5. We attach high importance and expectations to the forthcoming Third UN Conference on Least Developed Countries (LDC III) to provide an opportunity to redress, in an effective and meaningful manner the conditions of the world's most vulnerable peoples. We trust that the Conference will adapt practical and tangible outcomes including commitments for action-oriented programmes and projects that will make a real difference to the development of LDCs, notwithstanding the commitments made by the international community in the two previous United Nations Conferences on the LDCs, which remain largely unfulfilled.
6. We further note that through a number of policy measures the LDCs have embarked on a series of reforms aimed at reducing poverty in their countries; promoting sustainable growth and development; creating an environment conducive to investment, both domestic and foreign; diversifying their production and exports; but in spite of all these efforts, the economic conditions in the LDCs have generally not improved.
7. We also note that the process of globalization, aided in large measure by rapid developments in information and communications technology, has created unparalleled opportunities and challenges. However, the LDCs, the majority of which are in Africa, have barely benefited because they lack the means to tap its potential and minimize its risks. Consequently, we expect that the New Programme of Action emanating from LDC III will contain the measures and actions necessary to facilitate the full integration of LDCs in the world economy. In this regard, the new programme should include quantifiable and measurable targets.

**Development
Challenges of
LDCs**

**Globalization
and
Marginalization
of LDCs**

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8. Concerning LDCs seeking accession to WTO, they should not be compelled to undertake obligations and requirements beyond their level of development and capacity. In this regard, WTO must establish clear, simplified, easily attainable and fast-track accession procedures for LDCs that are not yet members of WTO.
 9. We are particularly concerned about the socio-economic situation of African LDCs, which continues to deteriorate due to their accelerated marginalization and exclusion from the global economy. Therefore, the measures envisaged in the new Programme of Action should take into account the vulnerability of LDCs to environmental, ecological changes, natural disasters and the impact of conflicting situations in the affected countries.
 10. Mobilization of domestic and external financial resources is critical to LDCs in their efforts towards sustained economic growth and development. However, while LDCs are making every effort to create the necessary conditions to increase the level of their domestic resources, we underline that the low levels of income in these countries will not be sufficient to mobilize domestic resources to enable them to meet their development goals. We note that to attain the international development goal of reducing poverty by half by 2015, it is estimated that Africa would need to grow by at least 7 per cent per annum and increase its investment to GDP ratio from the current 19 per cent to 25 per cent. This creates a huge financing gap, which would require concerted efforts at mobilizing both domestic and external resources.
 11. While acknowledging the fact that LDCs have the primary responsibility for their development, we are, nonetheless, of the view that the international community, should complement the efforts of the LDCs, through support measures and effective partnerships. In this respect, we strongly recommend developing a "*New Global Compact with Africa*", in which the developed countries would invest the necessary resources, through aid, debt relief and market access, in order to give African countries the needed impetus to sustained growth. In turn, Africa would intensify its efforts at political and economic reforms.

Resource Mobilization

The Need for a Programme of Action: A New Global Compact

12. This “*New Global Compact with Africa*” should necessarily include a trade component in which access to industrialised countries markets is provided, while in turn, Africa will take strong steps to promote its exports and accelerate regional integration. In this regard, we urge the developed countries to provide:

- ◆ Preferential market access for LDCs, and the elimination of all tariff and non-tariff barriers on all products exported by the LDCs;
- ◆ Assistance in capacity building for development of the economies of the LDCs and address supply-side constraints;
- ◆ Enhanced support to the implementation of Integrated Framework (IF) for trade related technical assistance to LDCs including by contributing to the proposed IF trust fund;
- ◆ Assistance in the development of infrastructure of the LDCs;
- ◆ Support to our efforts at promoting regional cooperation and integration.

13. On debt, the Compact should accelerate agreements and benefits therefrom and work for a lasting exit from debt. In this regard, efforts should be made so that future grant financing be increased. We urge the Economic Commission for Africa to commence consultations on the Compact proposals and further develop the approach for operationalizing it. We pledge our cooperation in this effort.

14. We express serious concern with much-reduced level of ODA and call for sustained efforts to increase ODA in line with agreed commitments and for a sufficiently long period in order to bridge the financing gap. This is most urgent given that the majority of LDCs are not able to attract private capital flows. Increasing ODA should be accompanied by swift and effective cancellation of the debt burden of LDCs and we express great appreciation to those development partners who have taken concrete actions for debt cancellation for LDCs and strongly urge other creditors to do the same before the occasion of LDC III. At the same time, we commend recent initiatives to reduce the debt of HIPC, the majority of whom are LDCs. However, we call on our development partners for further restructuring of the HIPIC initiatives to

provide deeper, broader and faster relief with greatly relaxed and eligibility criteria.

**Debt and
Official
Development
Assistance**

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15. We are aware that among other constraints, supply constraints represent critical bottlenecks in taking advantage of trade liberalization and market access. In this regard, it is necessary to unlock the potential embedded in the natural resource base including traditional and non-traditional commodities. The forthcoming Conference should adopt specific measures that will assist LDCs to build their productive capacities through stimulating investment and raising overall factor productivity in order to diversify their export base and attain adequate levels of competitiveness. Such measures should include infrastructure, institution building, technological capacity, information and communication technology (ICT) and human resource development.
 16. We underscore that improved and predictable market access remains an important requirement for expanding supply capacity as it also creates incentives for attracting FDI. In this regard, we welcome the actions initiated by EU to provide LDCs with duty free and quota free market access to all products, except arms and we appeal to other developed countries to take similar initiatives. We further appeal to our developed trading partners to take the necessary steps to bind these market access conditions.
 17. We also stress that any efforts to improve human development must take into account social aspects as well. In this regard, health and education are essential components of human capital development. We, therefore, emphasize that the Conference should recognize the important linkages between health and development in LDCs including the impact of HIV/AIDS, malaria and other communicable diseases on the social and economic well-being of LDCs, and adopt concrete remedial measures.
 18. We acknowledge that good governance makes good economic sense and, in this connection, stability,

rule of law and predictable macroeconomic policy, in conjunction with the necessary structural reforms, are essential for fostering a climate conducive to equitable social and economic growth. This requires increased resource flows and general improvement of the external economic environment, which the Conference should address as well as policy coherence for the international trade and financial system.

The Importance of Human Resource Development

Good Governance, Peace and Stability

19. We endorse the agreed conclusions adopted by the 47th Session of the Trade and Development Board of UNCTAD on the need for effective monitoring and follow-up to the implementation of the new Programme of Action. We call for the full and effective implementation and regular review of the new Programme of Action to be undertaken with the active involvement of all stakeholders, including all relevant subregional, regional and international organizations and agencies within a clearly defined framework.
20. We recognize that the Third UN Conference on LDCs is a special opportunity for renewed partnership for Africa's Development. In this regard, we pledge the

commitment of our Governments to serious dialogue at the Conference and to mobilize the energies of all concerned in our countries to make the Conference a success. This will include enhanced cooperation and coordination among LDCs. We also call on our development partners to seize this opportunity to rededicate themselves to make creative and bold commitments in support of the LDCs, in the interest of the common advancement of humanity.

Done at Addis Ababa, Ethiopia, on 22 November 2000

A Call for Strengthened Partnership