



UNITED NATIONS

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**Eighth Session of the  
ECA Conference of Ministers of Finance**

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**Annotated Agenda**

Addis Ababa, Ethiopia  
21-22 November 2000

## **Background**

The main objective of the ECA Conference of Ministers of Finance is to prepare African countries for the two major events that have been mandated by the UN General Assembly to be convened during 2001: the UN High-Level Meeting on “*Financing for Development*” and the “*Third United Nations Conference on Least Developed Countries (LDCs)*”. Both events are of critical importance to Africa. They focus on some of the major development challenges facing Africa as well as the need to accelerate Africa’s growth and development through better integration into the global economy, particularly in relation to the least developed countries.

African policymakers and their development partners have addressed these issues in previous ECA Conferences; the conclusions of which have helped to influence international policy and opinion. This is particularly so in the case of debt, trade, and Official Development Assistance (ODA). At the forthcoming Conference, Ministers will review recent developments in the context of their previous positions and recommendations, and of the forthcoming global conferences. The Conference will issue two Ministerial Statements on Financing for Development and the Least Developed Countries articulating Africa’s position on the issues on the agenda of these two major events. In so doing, the Conference aims to ensure that the African perspective is taken into account in the preparatory processes as well as the outcomes of these international events.

## **Opening of the Conference**

The Conference of African Ministers of Finance will be held at the United Nations Conference Centre (UNCC) in Addis Ababa, Ethiopia from 21 to 22 November 2000. The Conference will be formally opened at 9:30 a.m. by Ato Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia; Mr. Salim Ahmed Salim, Secretary-General, Organization of African Unity, Mr. K.Y. Amoako, Executive Secretary, ECA.

**21 November 2000**

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**Opening session: 9:30 to 10:30 hours**

**Plenary Session I: 11:00 to 13:00 hours**

**Panel on Debt, ODA and links to Poverty Reduction**

There is international consensus around the principles underlying the introduction of the PRSP – that of country ownership of development programs, the focus on poverty reduction, and genuine and broad-based participation in the design and monitoring of such programs. Similarly, the search for debt sustainability through the enhanced HIPC is a major commitment by the international community towards a lasting solution to Africa’s debt problem. In this context, the panel will examine the mutual obligations of Africans and their external partners in the effective implementation of these initiatives.

The panel will raise and discuss the following questions: How can ownership best be fostered in the preparation of PRSPs? Is there a tension between true country ownership and the conditionalities associated with the lending operations of the Bretton Woods Institutions? To make the participatory process effective, sufficient time must be allowed for participation or consultation. Is there a potential conflict between the establishment of genuine participatory processes on the one hand and time constraint on the other? What difficulties, if any, are inherent in the role of civil society organizations in the PRSP process? In particular, could these pose problems for legitimate functioning of state institutions? What is the extent and nature of the national capacity building requirements for the preparation of PRSPs and how can these best be met?

Under the assumption that faster and deeper debt relief will provide additional resources for poverty programs, an additional burden of proof is being placed on Africans governments on the use of these funds. How are these expenditures to be monitored and outcomes measured? What are the real savings from HIPC, and do they justify the additional burden placed on the strained development management capacities of African countries by the PRSP/HIPC linkage? What are the obligations on the part of donors to ensure timely and adequate debt relief? In this regard, are bilaterals, under the Paris Club, making sufficient adjustments in their procedures to make faster and deeper debt relief a reality? Have non-Paris Club countries been participating? How are the Bretton Woods Institutions and other multilateral institutions adjusting their decision-making processes to ensure quicker disbursement of funds? For good performing countries facing severe terms of trade shocks or suffering from natural calamities (such as the floods in Mozambique), is there a case for “contingency” debt relief and/or 100% grant lending?

What measures can donors and their African partners take to reverse declining ODA flows and ensure greater aid effectiveness? Is there a case for Africa's major external partners specializing in or taking the lead in a given sector – for example in infrastructure, regional integration, and the social sectors in a given country or even across the board? What are the implications for aid coordination in particular and aid modalities more generally?

**Moderator:** \* **Ms. Ellen Johnson-Sirleaf**, Senior Advisor  
Modern Africa Fund Managers

**Panelists:** \* **Mr. Gerald Sendawula**, Minister of Finance,  
Uganda

\* **Ms. Clare Short**, Secretary of State, Department  
for International Development, United Kingdom

\* **Callisto Madavo**, Vice President, Africa Region,  
World Bank

## **General Discussion**

### **Plenary Session II: 14:30 to 16:30 hours**

#### **Panel on Trade and Investment**

One of the biggest problems confronting Africa in this era of globalisation remains how to expand significantly its current shares in world merchandise trade of less than 2% and also diversify extensively the composition of its exports. While the participation of Africa has shrunk, that of other developing regions, particularly East Asia and Latin America has risen. Africa has also lost significant market shares to other regions. It has lost shares even in the area of primary commodity exports and failed to move into manufactures. Aside from having been far less open to the rest of the world than other regions, intra-African trade has also shown no growth in two decades, while regional co-operation has faced enormous challenges.

The panel will consider global trends, and isolate what best practices can be drawn from other regions. Against this background it will discuss various possibilities for enhancing the growth of exports both in terms of volume and price. The panel will consider the significance of current WTO institutional arrangements and provisions for African trade expansion. In this context, what should be the framework for negotiating African interests in multilateral arrangements in future? How can African countries best create opportunities for reaching into other world markets and create significant returns from export growth in order to enable them to finance the growing development requirements of the region.

There is also the emerging view that regionalism under the umbrella of globalisation will offer African economies greater opportunities for achieving the goals of expanded trade than on an individual country basis. In this regard, what do the

experiences of open regionalism in Latin America and the Asia Pacific regions offer Africa as opposed to the northern models of deep regionalism?

In thinking about how to expand trade with the rest of the world and open up Africa's economies, the panel will discuss the issues of optimal financing methods for the expansion of exports, the prospects for expanding FDI flows to Africa and examine the likely impact of such an expansion on export growth, in general, and the sectors in which such investment will have the most impact. In particular, the panel will discuss the conditions under which adequate FDI can be attracted to the region and the possibility of creating a more diversified portfolio of investments, by sector and by country, than is currently the case.

The panel will also examine the possibility of enhancing other private capital flows (such as portfolio flows, bank flows and bonds), with a focus on the conditions under which African countries should manage their capital accounts and exchange rate regimes. Considering the importance attached to domestic resources for long-term investments, the panel will examine how to increase domestic savings rate, mitigate the outflow of domestic savings, and the conditions under which domestic private savings can translate into domestic investment.

**Moderator:** \* **Mr. Delphin Rwegassira**, Executive Director, African Economic Research Consortium (AERC)

**Panelists:** \* **Mr. Ablassé Ouedraogo**, Deputy Director-General, World Trade Organization (WTO)

\* **Ms Eveline Herfkens**, Minister for Development Cooperation, Ministry for Development Cooperation, Netherlands

\* **Mr. Ennio Rodriguez**, Senior Economist, the Integration and Regional Programs Department, Inter-American Development Bank (IADB)

## **General Discussion**

**Plenary Session III: 17:00 to 19:00 hours**

### **Panel on International Financial Architecture**

Following the East Asian crises of 1997-98, proposals for a new financial architecture have been pinned on strengthening the surveillance of financial markets through requirements for greater transparency and the flow of information; strengthening financial regulation and supervision; assisting countries to overcome the difficulties in the implementation of international standards and regulations through capacity-building; improving liability management on the part of borrowers; encouraging the avoidance of dogma in exchange rate determination; sharing responsibility between private creditors, the international community and debtor

authorities in crises resolution; and finally a number of measures for dealing with emergencies, including imposing reserve requirements on short-term capital flows, withholding taxes on such short-term inflows and expansion of country reserves. The new architecture also involves the need for greater transparency in the functions of the international financial institutions.

Against this background, the panel will discuss the relevance of current attempts and proposals in the light of African development requirements. While discussing the feasibility and efficacy of these measures in general, the panel will in particular determine whether such measures will necessarily lead to an improvement in the financial environment of Africa in a manner that will attract and sustain private capital. Noting that the responses of other developing regions, (i.e., Latin America and East Asia) to financial crises have differed, it is important to consider the relevance of those experiences to potential crisis solution in Africa, and how these contribute to the fashioning of a new financial architecture. Important questions that the panel needs to consider will include the following: which aspects of the current initiatives and proposals need greater emphasis in the case of Africa? How is the problem of fragmented financial markets in Africa obviated by the current initiatives? What scope is there for African countries to ensure that in such a rule-based system, the leverage that all parties have in the enforcement of rules will be even? What are some of the best practices in the developing world for avoiding financial crisis?

**Moderator:** \* **Mr. Kwesi Botchwey**, Director, Africa Research and Programs, Center for International Development at Harvard University

**Panelists:** \* **Ms. Anne Kristin Sydnes**, Minister of International Development, Norway

\* **Mr. Jose Antonio Ocampo**, Executive Secretary, Economic Commission for Latin America and the Caribbean (ECLAC)

\* **Mr. G.E. Gondwe**, Director, African Department, International Monetary Fund (IMF)

## **General Discussion**

**Plenary Session IV: 9:30 to 13:00 hours**

**Preparations for the 2001 LDC Conference**

As African countries prepare for the Third UN Conference for the Least Developed Countries (LDCs) there is a broad acknowledgement that past efforts to address the development problems facing these countries, and in particular African LDCs, have failed to yield the expected results. Despite concerted efforts by African governments and their development partners aimed at improving the well being of their people, most economies remain weak with high widespread, and in some cases, deeper incidences of poverty. As a result, African countries are increasingly becoming marginalized, as the process of globalization intensifies. Exploring the reasons why past programmes and policies for the development of Africa have failed will, therefore, be high on the agenda. According to the United Nations Conference on Trade and Development (UNCTAD), one of the key explanations is the weak productive and competitive capacity of many African economies resulting from structural and other supply side constraints. African governments and their development-partners must therefore address and articulate measures to strengthen and sustaining the competitiveness and productive capacities of their economies.

To address these challenges, the UN Preparatory Committee identified the following seven thematic issues around which the discussions at the Conference will be focused: financing growth and development; international trade, commodities and services; enhancing productive capacities of LDCs; food security and sustainable natural resource management; human resource development and employment; social services delivery; and governance, peace and stability. These issues have previously been examined in various fora. For this reason, value added by the Conference of Ministers will be to impart new momentum by highlighting the current concerns of African countries on these issues. It will also be important to determine if the proposals sufficiently address the limitations of past national and international efforts and if not what the missing links are.

In addressing these questions, Ministers will deliberate on the recommendations of the High-Level Regional Consultative Meeting and agree on a common position, which they will put forward at the LDCs Conference in Brussels in May 2001.

**Moderator:** \* **Mr. Rubens Ricupero**, Secretary-General, UNCTAD

**Panelists:** \* **Mr. Charles Gore**, Senior Economic Affairs Officer, UNCTAD

\* **M. Karl Harbo**, Head, European Commission, Addis Ababa  
Brussels, Belgium

- \* **Mr. Lawrence Agubuzu**, Assistant Secretary-General, Organization of African Unity (OAU), Community Affairs Department
- \* **Mr. Andrew MacMillan**, Principal Adviser, Investment Centre Division, Food and Agriculture Organization of the United Nations (FAO)

**Up-Date on Preparations for the Third UN Conference on LDCs:**

- \* **Mr. Jean-Nicholas Marchal**, Deputy-Coordinator for LDCs, (UNCTAD)

**General Discussion**

**Plenary Session V: 15:00 to 18:00 hours**

**Review and adoption of Ministerial Statements on:**

- 1. Financing for Development**
- 2. 2001 Conference on LDCs.**