

**Economic and Social Council**Distr.: General  
15 May 2018

Original: English

**Economic Commission for Africa  
Conference of African Ministers of Finance,  
Planning and Economic Development**  
Fifty-first session

Addis Ababa, 14 and 15 May 2018

**Report of the Conference of Ministers on the work of  
its fifty-first session****I. Opening of the session [agenda item 1]****A. Attendance**

1. The meeting was attended by representatives of the following States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Libya, Madagascar, Malawi, Mali, Mauritania, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, Somalia, South Africa, South Sudan, Sudan, Swaziland, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia, Zimbabwe.

2. The following regional economic communities were represented: Central Africa Economic and Monetary Community, Common Market for Eastern and Southern Africa, East Africa Community, Intergovernmental Authority on Development, Economic Community of West African States.

3. The following United Nations bodies and specialized agencies were represented: United Nations Secretariat, Food and Agriculture Organization of the United Nations, International Labour Organization, International Maritime Organization, International Monetary Fund, International Telecommunication Union, International Organization for Migration, Joint United Nations Programme on HIV/AIDS, Office for the Coordination of Humanitarian Affairs, Office of the United Nations High Commissioner for Human Rights, United Nations Conference on Trade and Development, United Nations Human Settlements Programme (UN-Habitat), United Nations Children's Fund, United Nations Development Group, United Nations Development Programme, United Nations Educational, Scientific and Cultural Organization, United Nations Entity for Gender Equality and the Empowerment of Women, United Nations Industrial Development Organization, United Nations Integrated Strategy for the Sahel, United Nations International Strategy for Disaster Reduction, United Nations Office for Project Services, United Nations Office on Drugs and Crime, United Nations Office to the African Union, United Nations Population Fund, World Bank, World Food Programme, World Health Organization.

4. Observers from the following States Members of the United Nations were present: Cuba, Finland, Hungary, Ireland, Netherlands, Norway, Qatar, Russian

Federation, United Arab Emirates, United States of America.

5. Representatives of the following intergovernmental and regional organizations were also present: African Development Bank, African Union Commission, Banque des États de l'Afrique Centrale, League of Arab States, NEPAD Planning and Coordinating Agency.

6. Observers were present from the following organizations: Addis Ababa University, African Capacity-Building Foundation, African Centre for Economic Transformation, African Humanitarian Action, African Peer Review Mechanism, Africa Policy Research Institute Limited, African Risk Capacity Agency, African Tax Administration Forum, AKLDP/USAID Tufts University, AMC Overseas FZE, Ethics and Anti-Corruption Commission, Crisis Action, Ethiogreen Production and Industry PLC, Ethiopian Agricultural Transformation Agency, Ethiopian Teachers Association, Femmes Africa Solidarity, Geneva Global Inc., German Society for International Cooperation, International Council of Voluntary Agencies, Igbinedion University, Jijjiga University, Mams (BHM Ventures), Mercy Corps, National Planning Commission, National Youth Council, Norwegian Agency for Development Cooperation, One Campaign, RAND Corporation, Rail Road Association, Rail Working Group, SDG Centre for Africa, Seychelles Institute of Teacher Education, University of Dschang, University of Sheffield, University of South Africa, University of Yaounde.

## **B. Opening statements**

7. The opening session was moderated by the chief executive officer of Mark Eddo Media, Mark Eddo. Opening statements were made by the Champion of the African Continental Free Trade Area, President of the Niger, Mahamadou Issoufou; the Minister of Economics, Finance and Planning of Senegal, Amadou Ba; the Executive Secretary of the Economic Commission for Africa (ECA), Vera Songwe; the Deputy Chairperson of the African Union Commission, Thomas Kwesi Quartey; the Governor of the Central Bank of Ireland, Philip Lane; and the Prime Minister of Ethiopia, Abiy Ahmed.

8. In his statement, delivered by video link, Mr. Issoufou recalled that a second phase of negotiations of the African Continental Free Trade Area had begun, leading to the adoption of legal instruments on intellectual property rights, investment and competition policy. He highlighted the need to focus on awareness-raising campaigns targeting citizens, political leaders and public administrators, which would result in a better understanding of the advantages of a continental free trade zone. He stressed that the full implementation of the African Continental Free Trade Area and the free movement of goods and services could create an enabling environment in favour of employment and economic diversification and would be highly beneficial for African member States, citizens, companies and financial markets.

9. Speaking in his capacity as Chair of the outgoing Bureau, Mr. Ba noted the important role of ECA and other partners in supporting African member States in negotiations to establish the African Continental Free Trade Area and in capacity development, the reinforcement of economic integration and the adaptation of national development plans under the frameworks of the 2030 Agenda for Sustainable Development and Agenda 2063. He stressed that growth in Africa would remain fragile if there were no diversification or structural transformation of the economies of member States. The ministers of finance, planning and economic development had an essential role to play in ensuring that the promise of the African Continental Free Trade Area would become a reality through continuous improvements in the mobilization of domestic resources, the strengthening of public expenditure efficiency and efforts to combat corruption and illicit financial flows, to ensure the budgetary margins necessary to finance the 2030 Agenda and Agenda 2063.

10. Ms. Songwe underlined the need for a different kind of pan-Africanism that was economic in nature and would place Africa on par with the rest of the world, ensuring that, in accordance with the 2030 Agenda, “no one is left behind”, while also ensuring that gains were fairly distributed. Efforts to combat corruption had to succeed in order to advance global economic development. She noted the need for a strong service sector supported by increased growth in manufacturing. ECA was restructuring its work programme to focus on governance, introduce private sector economics and promote five strategic directions, namely, reorienting staff and their work, maintaining macroeconomic activities and ensuring resilience, promoting innovative infrastructure for innovative financing, focusing on transboundary issues such as the Sahel and strengthening its position on the global stage.

11. Mr. Kwesi Quartey said that the March 2018 launch and signing of the agreement to establish the African Continental Free Trade Area would assist Africa in its work to implement the 2030 Agenda and Agenda 2063. He noted that, while intra-African trade would be a game-changer, Africa must also produce. To do so, it must industrialize and add value to its agricultural, extractive and manufacturing sectors. In addition, African countries must educate their people and invest in science and technology to realize the immense gains provided by the African Continental Free Trade Area. African integration would increase consumer spending and spur structural transformation.

12. Mr. Lane noted that free trade on its own was not sufficient to promote economic development, but should be accompanied by strong institutions and complementary financial and business policies. In that context, maintaining macroeconomic stability for growth and investment was essential for all countries. Critical elements for enhanced trade and development included a strong industrial policy to underpin the transformation of economies; fiscal policy and financial space; training and retraining to move countries towards a digital economy; and innovative financing, including access to trade finance and the role of debt financing. He cautioned on the need to manage risks associated with debt financing and foreign financing in general. Free trade should be underpinned by macroeconomic stability, infrastructure development, good domestic policies and strong institutions in order to unleash the potential for trade and growth among countries.

13. Mr. Ahmed highlighted recent advances in economic integration, including the African Union reform process and the single African air transport market. The signing of the agreement establishing the African Continental Free Trade Area was another achievement in that regard, but he reminded delegates that trade was not an end in itself but rather a tool for the advancement of the well-being of the Africans, including women and young people. With the African Continental Free Trade Area in place, opportunities for investment would increase, making its prompt implementation essential.

## **II. Election of the Bureau and adoption of the agenda and programme [agenda item 2]**

14. The following countries were unanimously elected to form the new Bureau:

Chair: Sudan (North Africa)

First Vice-Chair: Equatorial Guinea (Central Africa)

Second Vice-Chair: Ethiopia (East Africa)

Third Vice-Chair: Lesotho (Southern Africa)

Rapporteur: Senegal (West Africa)

15. The newly elected Chair, Magdi Hassan Yassen, Minister of State for Finance of the Sudan, introduced the theme of the current session of the Conference of Ministers. The agenda was adopted, as follows:

1. Opening of the session.
2. Election of the Bureau and adoption of the agenda and programme of work.
3. High-level ministerial policy dialogue on the theme of the fifty-first session: “African Continental Free Trade Area: creating fiscal space for jobs and economic diversification”.
4. High-level round-table discussions:
  - (a) Round table 1: Africa Continental Free Trade Area: transforming Africa;
  - (b) Round table 2: Africa Continental Free Trade Area: fiscal space and financial sustainability for Africa;
  - (c) Round table 3: Private sector and the implementation of the Africa Continental Free Trade Area.
5. Presentation of the revised strategic framework 2018–2019.
6. Consideration of recommendations and adoption of draft resolutions.
7. Consideration and adoption of the draft ministerial statement.
8. Other matters.
9. Closing of the session.

### **III. High-level ministerial policy dialogue on the theme of the fifty-first session: “African Continental Free Trade Area: creating fiscal space for jobs and economic diversification” [agenda item 3]**

16. The Executive Secretary chaired the policy dialogue. The keynote speaker was Cornell University Professor and Senior Fellow at the Brookings Institution, Eswar Prasad. The panellists included the Minister of Finance of Ghana, Ken Ofori-Atta; the Governor of the Central Bank of Ireland, Philip Lane; the Secretary of State for Budget of Angola, Aia-Eza Nacilla Gomes da Silva; and the Commissioner of Trade and Industry of the African Union Commission, Albert Muchanga.

17. Mr. Prasad focused on the role of fiscal and structural policies in expanding regional trade. The success of the African Continental Free Trade Area required an adequate support framework, the harmonization of trade regimes, the elimination of trade barriers, greater financial integration, the mobility of labour and capital, the uniformity of current and capital account regulations, the integration and efficiency of regional payment and settlement systems, and macroeconomic stability. While a currency union had potential benefits such as positive effects on trade and investment, it also had potential costs including constraints on countercyclical fiscal policy. As had happened in India, Africa’s structural transformation would likely entail moving directly from an agriculture-based to a service-led economy, bypassing the traditional industrial expansion stage, which require the quality infrastructure and flexible labour markets that African countries lacked.

18. Mr. Ofori-Atta underscored the importance of the African Continental Free Trade Area to the development of Africa by promoting industrial integration and greater value addition to African products, allowing Africans to be price setters as opposed to price takers. The fact that Africa would host 25 per cent of the world's population by 2050, with women playing increasingly important roles in economic development, called for good leadership to promote inclusive growth and sustainable development. It was important for African countries to work together to promote prosperity for all and to reduce the need for development assistance. Ministers of finance across the continent should form a core group to push for the entry into force and implementation of the African Continental Free Trade Area.

19. Mr. Lane noted that the opening of markets through free trade was more beneficial to small countries and increased the access of small exporting companies to foreign currency. Larger countries must show leadership on free trade. For all countries to benefit, additional policies and stronger coordination were needed in the areas of macroeconomic and fiscal policy management, regulatory convergence, common industry standards, exchange rate regimes, the management of foreign exchange risks and cross border payment systems, and cooperation among central banks. The larger export platform offered by free trade could help economies to rebound from crises and to gain access to foreign currency to reduce the impact of a recession. To maximize the benefits of free trade, it was critical for countries to diversify their exports. The tourism sector in Africa had great potential to benefit from free trade. Although free trade and openness created some vulnerabilities, countries could build their resilience through the diversification and strengthening of their services sectors.

20. Ms. Gomes da Silva indicated that the Government of Angola was strongly committed to deep reforms to open up in order to prepare for the implementation of the African Continental Free Trade Area. It was imperative that the country break away from its dependence on oil through economic diversification, first by harnessing the potential offered by the free trade zones of its subregion and later expanding elsewhere in the African Continental Free Trade Area. Doing so would require harmonization and changes in policies, institutions and processes, including reforms to put in place a strong financial system.

21. Mr. Muchanga highlighted challenges in the implementation of the African Continental Free Trade Area and the next steps in that process. It was vital to change the mindset of Africans who did not believe that the African Continental Free Trade Area could deliver and to ensure that member States ratified the agreement within the next 9–12 months. He commended Ghana and Kenya for ratifying the agreement and noted that the Niger and Rwanda were in an advanced stage of the ratification process. The African Union Commission was working with all 11 countries that had not signed the agreement to ensure that they did so as soon as possible. The Commission was also supporting the implementation of the African Continental Free Trade Area in respect of the removal of trade barriers, the harmonization of payment systems, the creation of a single African air transport market, and the organization of intra-African trade fairs.

22. In her closing remarks, the Executive Secretary of ECA commended the keynote speaker and panellists for shedding light on key issues that could affect the implementation of the African Continental Free Trade Area and for sharing lessons learned.

## **IV. High-level round-table discussions [agenda item 4]**

### **A. Round table 1: African Continental Free Trade Area: transforming Africa**

23. The round table was chaired by the Minister of Finance of Senegal, Amadou Ba. The lead speaker was the Vice-President and Treasurer of the International Finance Corporation (IFC), Jindong Hua. The panel comprised the Minister of Finance of Ethiopia, Abraham Tekeste; the Secretary-General of the Common Market for Eastern and Southern Africa, Sindiso Ngwenya; and the Executive Director of UN-Habitat, Maimunah Mohd Sharif.

24. Opening the discussion, Mr. Ba said that the African Continental Free Trade Area would command a market of \$300 billion and that its full realization would require targeted investment to facilitate the movement of people and goods. It would be important to support small economies and the least developed countries and address the needs of the vulnerable.

#### **1. Presentations**

25. Mr. Hua focused on harnessing local capital markets for development. African countries needed to develop vibrant, deep, liquid and large domestic and regional capital markets to mobilize savings. Such markets included large and strong inclusive equity, bond markets, derivatives and commodities. Apart from South Africa, whose capital markets were already strong, Africa needed to build its capital markets. For the markets to be transparent, capacity-building was essential. In particular, local currency capital markets were a necessity.

26. Mr. Tekeste drew attention to the pace of structural economic transformation, following the signing of the agreement establishing the African Continental Free Trade Area, including the need to enhance productive capacity and diversify economies. Such transformation required technological upgrades and skills enhancement. Political and long-term commitments were needed, as was a stable macroeconomic environment. He added that a stable policy and legal framework was crucial to support the development of a vibrant private sector, inclusive of both small and large enterprises. Investing in people was also required for them to have the skills necessary to support industrialization.

27. Ms. Mohd Sharif recapped the importance of the African Continental Free Trade Area in boosting employment, increasing the competitiveness of African industrial products and increasing the rate of diversification of Africa's economies. She highlighted the importance of investment in urban infrastructure and services needed to boost the productive capacities of African economies and industrialization. Urbanization and integrated development planning and policies were essential to sustained economic growth and rapid social development.

28. Mr. Ngwenya noted that the current discussion on the African Continental Free Trade Area recalled similar discussions that had led to the formation of the Organization of African Unity and the adoption of the Abuja Treaty, among others. Africa was a continent in transition in terms of political, institutional and economic development. It needed to determine whether it had the right set of institutions that were fit for purpose and able to deliver on their mandates. He said that the system of economic governance on the continent was not conducive to structural transformation, given that it required a resource shift from low to high productivity sectors at the same time. There remained no adequate depth for the capital markets to perform efficiently.

## 2. Discussion

29. Participants noted that business as usual could not be an option if Africa were to make a difference with the African Continental Free Trade Area. Bold decisions and diligence were needed. On the other hand, possible disadvantages of the African Continental Free Trade Area might make those countries that had not yet signed the agreement reluctant to do so.

30. Participants agreed that one of the major development problems in Africa was the lack of resources, including the weak mobilization of savings. The development of capital markets and regional integration were indeed important. Capacity development was crucial to effective implementation of the African Continental Free Trade Area. Consequently, there was a need to audit the technical and institutional capacity for implementation. In addition, government-led development was needed, as were coordinated and, integrated planning and taking into account the ecological footprint.

31. Debt in sub-Saharan Africa was of concern. The dynamics had changed because cyclical domestic debt was an emerging challenge. The depth of the financial sector determined the ability to finance projects from domestic savings.

32. It was noted that even small countries could succeed in developing vibrant capital markets because the regulatory framework and rule of law were more important in attracting domestic and international players. Governments had to play a central role in that regard.

33. Participants highlighted that the issue of security was important for the implementation of the African Continental Free Trade Area. It was also noted that there was increased fragmentation due to conflict, which could hinder trade and regional integration.

## 3. Recommendations

34. In the light of the discussion, the following recommendations were made:

(a) African countries should ensure the timely and effective implementation of the agreement establishing the African Continental Free Trade Area. There is need to mobilize and allocate adequate resources to support structural transformation. Long-term commitments, underpinned by political leadership, instructional development and private sector champions, are therefore needed;

(b) Member States should pursue and strengthen capacity for the development of domestic and regional capital markets as an important strategy for mobilizing domestic resources to stimulate free trade and finance development. In this regard, countries could take advantage of capacity development opportunities offered by IFC to develop capital markets;

(c) Lessons should be drawn from the experience of regional economic communities, which have made achievements in defining rules of origin and trade facilitation, among others;

(d) Member States should strengthen the governance systems and institutional arrangements to promote structural transformation and diversification and the implementation of the African Continental Free Trade Area;

(e) Member States should identify and develop effective complementary policies and strategies to support attainment of the goals of the African Continental Free Trade Area. Strong macroeconomic policies are therefore essential. Policies in key areas such as security, industrialization, and urban and infrastructure development are also crucial to attainment of the goals;

(f) Countries should increase investment to expand the existing national and regional infrastructure to address bottlenecks to intra-African trade and achieve the goals of the African Continental Free Trade Area.

## **B. Round table 2: African Continental Free Trade Area: fiscal space and financial sustainability for Africa**

35. The second round-table discussion was moderated by Mr. Eddo, who noted that, even with the creation of the African Continental Free Trade Area, there remained a need to diversify, bolster infrastructure and allocate optimum fiscal space for public and private investment. In particular, the multiplicity of currencies in Africa was one of the factors hampering trade on the continent.

36. The lead presentation was delivered by the Special Envoy of the African Union Peace Fund and former President of the African Development Bank, Donald Kaberuka, followed by presentations from the Minister of Planning of the Niger, Aichatou Boulana Kane; the Minister of Economy and Finance of Morocco, Mohamed Boussaid; the Executive Secretary of the African Capacity-Building Foundation, Emmanuel Nnadozie; and University of Warwick professor and former Economic Adviser to the Minister of Finance of Greece, Herakles Polemarchikis.

### **1. Presentations**

37. Mr. Kaberuka called upon participants to ensure that the recommendations arising from the meeting were implemented. Beyond tariff reduction, it was necessary to allay fears regarding the loss of revenue and jobs in the wake of the African Continental Free Trade Area. With reference to the impact on regional economic communities, he noted that the rules of the regional economic communities would prevail in the event that they conflicted with those of the African Continental Free Trade Area. He invoked the experience of the Common Market for Eastern and Southern Africa (COMESA), where tariffs had been reduced with no adverse impact on revenues. The formation of the African Continental Free Trade Area was a gradual process that addressed not only merchandise but also services such as trade finance and insurance. He called upon member States to seek ECA assistance in developing strategies for accessing capital markets. He also called upon member States to consider linking the African Continental Free Trade Area with the reforms of the African Union, which aimed to address the overreliance on financing from foreign donors and a small number of African member States that was limiting the organization's ability to fulfil its mandate.

38. Ms. Kane stressed the important role of ECA in negotiations in connection with the African Continental Free Trade Area. For example, ECA was helping the Niger to formulate an industrial strategy to add value to its production and was supporting the country in integrating Agenda 2063 and the 2030 Agenda for Sustainable Development into its next five-year development plan.

39. Mr. Boussaid drew attention to such advantages of the African Continental Free Trade Area as increased exports and export revenue and reduced dependency on external currencies, which would help to shield African countries from exchange rate shocks and stressed that it would be misguided to focus on losses arising from the African Continental Free Trade Area. African countries would need to involve the private sector and maintain macroeconomic balance to ensure the success of the African Continental Free Trade Area.

40. Mr. Nnadozie focused on the importance of fiscal space and financial sustainability. There was a reciprocal relationship between domestic resource

mobilization and the African Continental Free Trade Area: higher revenue mobilization would provide resources for implementing the African Continental Free Trade Area, with the latter in turn promoting the sustainable mobilization of resources. It would assist in the creation of a sustainable fiscal base and in economic diversification and industrialization.

41. Mr. Polemarchikis shared insights from the experience of Greece, arguing against austerity measures in the midst of a debt crisis. In such a context, neither austerity nor deregulation were appropriate, as they could deepen inequality and lead to the exclusion of large segments of the populations. He recommended that African countries place inequality on the agenda of discussions relating to the African Continental Free Trade Area.

## **2. Discussion**

42. In response to a question on how the African Continental Free Trade Area could comfortably co-exist with other trade arrangements, Mr. Bousaid observed that such coexistence would actually encourage the signing of bilateral and multilateral agreements with other trading blocks.

43. In response to a question regarding financial reforms that would not hurt growth, Mr. Kaberuka noted that it was not debt stock but the speed of debt accumulation that should be of concern. States should consider instituting independent debt management offices and be cautious about overreliance on domestic debt, as doing so tended to crowd out private-sector borrowing, raise interest rates and kill jobs.

## **3. Recommendations**

44. In the light of the discussion, the following recommendations were made:

(a) Member States should link the African Continental Free Trade Area with the reforms of the African Union;

(b) Member States must settle outstanding arrears with the African Union and support its new funding formula in order for the Union to fulfil its mandate;

(c) Member States must focus on growing their economies and reducing dependence on foreign aid, and focus on proper governance of commodities and complex products and greater reliance on mobilizing domestic resources;

(d) Member States should turn to ECA for technical support in formulating strategies and reforms with a view to the ratification of the African Continental Free Trade Area;

(e) Member States should devote time and resources to putting in place the reforms that are necessary for and conducive to the successful implementation of the African Continental Free Trade Area;

(f) Member States should actively involve the private sector in their implementation of the African Continental Free Trade Area;

(g) Member States should mobilize resources, improve tax administration and tackle illicit financial flows;

(h) Member States should not be discouraged from accessing debt finance through capital markets, but rather to do so in a smart way that avoids debt traps, and direct that financing towards productive investments that will attract additional investment;

(i) Member States should ensure that inequality is addressed as part of their discussions on the African Continental Free Trade Area;

(j) Member States should ensure debt transparency, debt governance and sufficient debt management capacity, the last preferably through an independent body.

### **C. Round table 3: Private sector and the implementation of the African Continental Free Trade Area**

45. The third round-table discussion was chaired by the Minister of Economy and Finance of Mauritania, Moctar Ould Djay. The session discussions were led by the Chair of the Rail Working Group, Howard Rosen, and the panel comprised the Chief Economist of the Afreximbank, Hippolyte Fofack; the Ambassador of Rwanda, Hope Tumukunde Gasatura; the President and Chief Executive Officer of the Trade and Development Bank, Admassu Tadesse; and the Under-Secretary-General and Special Adviser on Africa, Bience Philomena Gawanas.

#### **1. Presentations**

46. Mr. Rosen highlighted the importance of efficient distribution networks to the success of the African Continental Free Trade Area. There was a need to invest in railways infrastructure, including rolling stock, and also to encourage private sector investment in railways, which generally had lower unit costs than roads. To encourage such investment, transactions should be standardized, in line with the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Railway Rolling Stock (Luxembourg Protocol), which was aimed at establishing enforceable rights in railway rolling stock for creditors, lessors and equipment vendors.

47. Mr. Fofack emphasized the need for Africa to develop infrastructure. Supporting private sector development would lead to an increase in exports, thereby increasing the revenue and external reserves of countries and leading to more fiscal space and infrastructure investment and development. The development of industrial parks and vibrant value chains was needed. The African Continental Free Trade Area would provide an opportunity for Africa's private sector to participate in trade both within and outside Africa.

48. Mr. Tadesse highlighted the need for Governments to develop measures that would encourage linkages between the operations of large foreign enterprises with those of domestic operators. Procurement policies of large enterprises should be geared towards developing local communities and local enterprises. Dual and multiple listings of foreign companies could be used to promote ownership by local communities without creating complications for foreign companies. The latter should develop training programmes targeted at local employees and upwards and downward linkages with local operators in the context of regional value chains. Institutional issues, including access to finance, needed to be addressed. The African diaspora should be leveraged as a source of skills and capital.

49. Ms. Gasatura stressed that the engagement of the private sector was of paramount importance in the negotiations and necessary for the effective implementation of the African Continental Free Trade Area. It was critical that, in working towards ratification of the African Continental Free Trade Area and its two protocols, Governments should ensure that the private sector had a comprehensive understanding of the initiative. Using the example of Rwanda, she noted that a negotiation team had been put in place to increase awareness of the public and private sector on the African Continental Free Trade Area and its relevance.

50. Ms. Gawanas stressed that the focus needed to be shifted to the major beneficiaries of the African Continental Free Trade Area, namely, the most

vulnerable and marginalized sectors of the population. With regard to the private sector, while it was a given that major firms should be involved in debates on the African Continental Free Trade Area, it was more difficult to listen to the informal sector or smallholder farmers, which required more attention. Governments should therefore develop tailored packages to ensure effective support for the diverse private sector. Continuous debates should also be conducted on access to finance, information and regulation under the African Continental Free Trade Area framework for those in the informal sector so that they were not overwhelmed by bigger markets. Such efforts should also be aimed at encouraging an entrepreneurial mindset, in particular among young people. She underscored the need for strong leadership and strong governance of natural resources, which could involve cross-sectoral dialogues among African ministries.

## 2. Discussion

51. Participants expressed support for the Luxembourg Protocol as a means of remedying the lack of funding for railway rolling stock. In addition, they highlighted the need to specifically consider the plight of vulnerable population groups and those working in the informal sector, including women involved in informal cross-border trade, during the implementation of the African Continental Free Trade Area.

52. Participants also stressed the need to increase and enhance the capacity of the private sector to ensure its investment in and benefit from the potential that came with the implementation of the African Continental Free Trade Area. The domestic private sector needed to be supported so that it could compete with large foreign-owned firms on the basis of the opportunities that would come with the implementation of the African Continental Free Trade Area.

53. Central banks could focus not only on the stability component of macroeconomic policy but also on developmental aspects, such as increasing access to credit for small firms and lines of credit to large African banks that were able to provide funds for the development of small and medium-sized enterprises in Africa and start-ups. Attention was also drawn to the need to establish effective public-private partnerships in the development of national infrastructure.

## 3. Recommendations

54. In the light of the discussion, the following recommendations were made:

(a) Member States should sign, ratify and, if applicable, initiate legislation to implement the provisions of the Luxembourg Protocol;

(b) Central banks should focus not only on the stability component of macroeconomic policy, but also on developmental aspects aimed at promoting structural transformation by boosting access to credit for small and medium-sized enterprises and start-ups in Africa;

(c) Attention should be paid to the inclusion of the informal sector in the implementation of the African Continental Free Trade Area, aimed in particular at fostering innovation and developing the capacity of young people and women entrepreneurs.

## V. Presentation of the revised strategic framework 2018-2019 [agenda item 5]

55. The Executive Secretary presented the revised strategic framework of ECA for the period 2018–2019, which encapsulated the outcome of the recent

ECA reform process and articulated the Commission's vision, overall objectives and programmatic focus. Pursuant to the framework, ECA would advance its position as a premier knowledge institution; help to accelerate economic diversification in Africa; devise innovative methods to finance sustainable infrastructure; assist in developing solutions to transboundary social issues; and support African member States in formulating regional responses to governance challenges.

56. The Chair noted that extensive deliberations had taken place on the strategic framework during the meeting of the Committee of Experts, as set out in the report of the Committee (E/ECA/CM/51/2). The Conference of Ministers took note of those deliberations and endorsed the revised strategic framework.

## **VI. Consideration of recommendations and adoption of draft resolutions [agenda item 6]**

57. Following a discussion on the recommendations and draft resolutions, participants endorsed the resolutions with some amendments (see annex II).

58. The Conference also discussed the offer by Morocco to host the fifty-second session of the Conference of African Ministers of Finance, Planning and Economic Development. Although representatives welcomed the offer, several were of the view that more time should be given to allow for the submission of additional offers. After further discussion, the offer by Morocco was accepted.

59. Representatives stressed the need to respect and apply the rules of procedure of the Conference in a consistent manner in all sessions of the Conference

## **VII. Consideration and adoption of the draft ministerial statement [agenda item 7]**

60. The Conference considered the draft ministerial statement, made general observations and proposed amendments, after which the ministerial statement was unanimously adopted (see annex I).

## **VIII. Other matters [agenda item 8]**

61. No matters were raised under the agenda item.

## **IX. Closing of the session [agenda item 9]**

62. Closing remarks were made by the Executive Secretary, who thanked the Government of Ethiopia for its contribution to the success of the session and all participants for their active and committed participation. She looked forward to meeting them all again in Morocco at the fifty-second session of the Conference.

63. Noting the challenge posed by the need to reconcile different views and interests, the Chair commended all participants on their engagement at the current session. In closing, he too expressed thanks to the Government of Ethiopia and then declared the meeting closed.

## Annex I

### Ministerial statement<sup>1</sup>

*We, African ministers of finance, planning and economic development,*

Meeting in Addis Ababa on 14 and 15 May 2018 for the fifty-first session of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development,

Honoured by the video address of the Champion of the African Continental Free Trade Area, the President of the Niger, Mahamadou Issoufou, in which he called upon all African countries to expedite the ratification of the African Continental Free Trade Area,

Honoured by the presence of the Prime Minister of Ethiopia, Abiy Ahmed; the Deputy Chairperson of the African Union Commission, Thomas Kwesi Quartey; and other high-level dignitaries and special guests,

Inspired by the opening statements of Mr. Kwesi Quartey; the Minister of Economics, Finance, and Planning of the Republic of Senegal, Amadou Ba; the Executive Secretary of the Economic Commission for Africa, Vera Songwe; and the Governor of the Central Bank of Ireland, Phillip Lane,

Having deliberated on the theme “African Continental Free Trade Area: fiscal space for jobs and economic diversification” and cognizant that, with the signing of the Agreement Establishing the African Continental Free Trade Area by 44 member States of the African Union, the continent has laid the foundation for a new phase of African integration,

*Do hereby state that:*

1. We note that the gross domestic product of Africa grew at a rate of 3.1 per cent in 2017, up from 1.6 per cent in 2016, registering the second-fastest growth rate of any region in the world, after East and South Asia. This economic performance was due mainly to continued improvement in macroeconomic management, increased public and private investment, growth in private consumption and a rebound in trade. Africa is expected to continue its recovery, growing at 3.6 per cent in 2018 and 3.8 per cent in 2019. Potential risks to growth in Africa could, however, include a slow recovery in advanced and emerging economies, the tightening of financial markets in developed economies, weather-related shocks and security concerns in some countries;

2. We recognize that Africa has made significant progress in achieving desired economic and social outcomes, with poverty rates declining in the various subregions, albeit at a slow pace. Notwithstanding these improvements, a number of challenges remain. Poverty and unemployment, in particular among young people, persist, together with increasing income and gender inequalities;

3. We acknowledge that promoting peace and security as well as stability, along with combating violent extremism and terrorism, are critical undertakings for Africa in its endeavour to achieve inclusive and sustainable development. We therefore call upon member States to continue collaborative efforts to ensure that peace and security are upheld in Africa and throughout the world;

4. We recognize that African countries have made progress on the various dimensions of regional integration, such as trade, regional infrastructure, financial and productive integration, including regional payment

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<sup>1</sup> The draft ministerial statement was issued as E/ECA/CM/51/3.

systems, the free movement of persons and the right of establishment. Numerous obstacles still need to be surmounted in this regard, however;

5. We reaffirm our commitment to regional integration as a major driving force behind inclusive economic development in Africa, and welcome the new milestone reached in African integration through the signing of the Agreement Establishing the African Continental Free Trade Area in Kigali on 21 March 2018 by 44 member States of the African Union;

6. We welcome the launch of the single African air transport market in January 2018, which has the potential to improve the efficiency of continental air transport and to contribute to the growth of the continent's global share of the aviation and tourism industry, and encourage all member States to join this initiative;

7. We recognize the potential of the African Continental Free Trade Area to advance African industrialization, economic diversification and development that sustain the creation of decent jobs on the continent and foster prosperity for all Africans, consistent with Agenda 2063 of the African Union and the 2030 Agenda for Sustainable Development. Accordingly, we note the importance of promptly ratifying and implementing the legal instruments of the African Continental Free Trade Area;

8. We acknowledge the importance of national plans and strategies to seize the opportunities presented by the African Continental Free Trade Area. These national plans and strategies should be designed to complement the broader trade policy of each State and identify the key trade opportunities, current constraints and steps required to take full advantage of the African market, including the empowerment of women and young people;

9. We note the need to pursue policies and investment to make the most of the opportunities presented by the African Continental Free Trade Area, as outlined in the Action Plan for Boosting Intra-African Trade. This will include supporting trade facilitation measures, including simplified trade regimes for informal cross-border traders, upgrading infrastructure and improving the business environment to attract the private sector, which will help African firms to take advantage of the opportunities presented by the African Continental Free Trade Area;

10. We are mindful that the current infrastructure bottlenecks in Africa remain a serious impediment to the continent's integration, and commit ourselves to pursuing efforts to modernize and expand our infrastructure assets, in particular the railways, which remain the most efficient and environmentally sustainable way of moving people and goods. In this regard, we note the importance of international instruments on matters specific to railway rolling stock;

11. We note that the short-term impact of the African Continental Free Trade Area on tariff revenue is likely to be minimal and will be outweighed in the medium and long term by positive impacts of revenue from other sources of taxes as a result of expected increases in growth and economic diversification;

12. In this regard, we recognize the importance of enhancing fiscal space and sustainability in our countries and maintaining investment in the social sector, in particular in health and in education. In particular, we will strengthen efforts to increase our tax revenue by boosting our tax-to-gross domestic product ratios to achieve a minimum level of 20 per cent over the next three years in each of our economies. Efforts will also include action to pursue new sources of tax revenue, including levies on financial transactions, royalties, income taxes, land taxes and leases, and by encouraging private sector growth and moving informal businesses into the formal sector;

13. We also acknowledge the importance of increasing the efficiency of tax administration in our countries by modernizing tax systems, further improving economic and corporate governance in the extractive sector and mobilizing additional revenue from natural resource rents;

14. We note the significant losses of tax revenue that result from base erosion and profit shifting by multinational corporations and are cognizant of the need to take measures to tackle these problems. We encourage the investment chapter that will be negotiated under the second phase of the African Continental Free Trade Area to address loopholes that encourage treaty shopping and enable multinational corporations to reduce their tax liabilities using existing intra-African international investment agreements;

15. We also underscore the need to take steps to tackle harmful competition among African countries, including by using the second phase of the African Continental Free Trade Area negotiations on competition policy;

16. We note the need to improve the quality and efficiency of public spending. In this regard, we encourage African countries to implement integrated resource mobilization, budgeting and development planning processes and decentralized public financial management; to intensify efforts to combat corruption; and to simplify subsidy and procurement regimes and approval processes for investment;

17. We note that private finance presents a large potential source of capital to fund public projects. Accordingly, we are cognizant of the need to develop and deepen domestic capital markets and leverage private capital for development projects, while ensuring that such projects provide balanced risk-sharing and accountability within a coherent overall development strategy;

18. We recognize the need to make use of government borrowing as a source of financing for development, while ensuring that borrowing remains within sustainable limits. We also recognize that decisions to implement the African Continental Free Trade Area can assist us in gaining access to additional international financial resources;

19. We acknowledge the continued efforts of the Economic Commission for Africa and other United Nations agencies, working closely with the African Union Commission, the African Development Bank, the Planning and Coordinating Agency of the New Partnership for Africa's Development, the African Capacity- Building Foundation and the regional economic communities, to make African integration a reality. This effort will be enhanced by the African Union-United Nations framework for the implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development;

20. We also underscore the benefits of migration for economic and human development in Africa. We therefore stress the importance of cooperation at the national, regional and international levels to ensure safe, orderly and regular migration with respect for the human rights and dignity of migrants, regardless of their origins or status;

21. We call upon the Economic Commission for Africa to continue its close collaboration with the African Union Commission and other regional, continental and international institutions such as the regional economic communities, the African Development Bank and the United Nations Conference on Trade and Development to provide technical support to facilitate the ratification process and implementation of the African Continental Free Trade Area;

22. We also call upon the Economic Commission for Africa to support member States in enhancing their fiscal space and mobilizing additional domestic resources through strengthening tax administration, improving the

efficiency and effectiveness of public spending, developing and strengthening capital markets and leveraging private financing, and improving debt sustainability;

23. We are cognizant of the significant and preeminent role of human and institutional capacity development in the achievement of the aspirations of Agenda 2063, the Sustainable Development Goals and the African Continental Free Trade Area. We appreciate the commendable work that the African Institute for Economic Development and Planning is undertaking in this respect. We call upon the United Nations to continue and to increase its support to the African Institute for Economic Development and Planning in support of the structural transformation of Africa;

24. We welcome the offer by Morocco to host the fifty-second session of the Conference of African Ministers of Finance, Planning and Economic Development.

### **Vote of thanks**

25. We thank the Government and people of Ethiopia for the hospitality that they have continued to afford the Economic Commission for Africa and for the courtesies extended to us, which have ensured the success of our meetings;

26. Lastly, we wish to extend our gratitude to the Economic Commission for Africa for successfully convening the fifty-first session of the Conference of African Ministers of Finance, Planning and Economic Development.

## Annex II

### Resolutions and decision adopted by the Conference of Ministers at its fifty-first session

#### A. Resolutions

##### 956 (LI) African Institute for Economic Development and Planning

*The Conference of Ministers,*

*Recalling* Economic and Social Council resolution 2013/2 of 5 July 2013, by which the Council endorsed the updated statute of the African Institute for Economic Development and Planning, on the recommendation of the Conference of African Ministers of Finance, Planning and Economic Development, as set out in its resolution 908 (XLVI) of 26 March 2013,

*Recalling also* its recommendation set out in resolution 942 (XLIX) of 5 April 2016 for the Governing Council of the African Institute for Economic Development and Planning to further consider the revised statutes based on amendments to them approved by the Council at its fifty-fourth meeting, held in Addis Ababa in February 2016,

*Taking note* of the decision of the Governing Council of the African Institute for Economic Development and Planning at its fifty-fifth meeting, held in Addis Ababa in March 2017, approving in full the amendments to the statute of the Institute presented to the Conference of African Ministers of Finance, Planning and Economic Development at the ninth Joint Annual Meetings of the African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration and the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development, in 2016,

*Recalling* article IV, paragraph 3, of the updated statute of the African Institute for Economic Development and Planning, by which the Conference of Ministers of Finance, Planning and Economic Development is required to appoint the 10 members of the Governing Council of the Institute who will serve as representatives of African Governments,

*Recognizing* the central role of planning in meeting the development priorities of Africa, in particular in support of the implementation of the 2030 Agenda for Sustainable Development<sup>1</sup> and Agenda 2063: The Africa We Want,

*Acknowledging* the critical role that an adequate capacity-building programme will play in the achievement of the development objectives of member States, in particular those of the 2030 Agenda and Agenda 2063,

*Taking note* of the achievements of the African Institute for Economic Development and Planning in 2017, as presented in the progress report on the work of the Institute,<sup>2</sup>

*Taking note also* of the decision of the Governing Council of the African Institute for Economic Development and Planning at its fifty-sixth meeting, held in Dakar in March 2018, recommending an increase in the regular United Nations grant to the Institute, from 2.6 million to 5 million United States dollars per biennium,

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<sup>1</sup> General Assembly resolution 70/1.

<sup>2</sup> E/ECA/COE/37/8.

*Commending* the Economic Commission for Africa on its continued provision of support to the African Institute for Economic Development and Planning,

*Cognizant of* and concerned by the uneven and unpredictable nature of the assessed annual contributions of member States to the African Institute for Economic Development and Planning, a situation that limits its ability to sustain its provision of much-needed capacity-building support to member States,

*Recognizing with appreciation* the effort made by a number of countries to pay all or part of the arrears in their contributions to the African Institute for Economic Development and Planning,

*Aware* of the increasing demand for the training courses of the African Institute for Economic Development and Planning, as evidenced by the doubling of the number of applications between 2014 and 2017 to the Institute for skills development training courses, and appreciative of the strategic initiatives being implemented by the Institute to meet the rising and varying capacity development needs of member States,

1. *Endorses* the updated statutes of the African Institute for Economic Development and Planning and requests the Executive Secretary of the Economic Commission for Africa to transmit the statutes to the Economic and Social Council for consideration and adoption and for the subsequent issuance of the appropriate directive to ensure their implementation;

2. *Also endorses* the reconstituted membership of the Governing Council of the African Institute for Economic Development and Planning;

3. *Requests* the Economic Commission for Africa, in collaboration with the African Institute for Economic Development and Planning, to take all steps necessary to request the General Assembly to increase the regular grant to the Institute in support of the Institute's programme;

4. *Also requests* the Economic Commission for Africa to adopt a more systematic gender sensitive programme-based approach to the provision of financial support to the African Institute for Economic Development and Planning to enable the Institute to adequately support the capacity development needs of member States;

5. *Reiterates* its call to member States for the more regular payment of assessed annual contributions and the settlement of arrears to the African Institute for Economic Development and Planning, and calls upon the Institute to redouble its recovery efforts as part of a more comprehensive resource mobilization strategy.

*Sixth meeting of the plenary, 15 May 2018*

## 957 (LI) Review of the intergovernmental structure of the Economic Commission for Africa

*The Conference of Ministers,*

*Recalling* its resolution 908 (XLVI) of 26 March 2013 on refocusing and recalibrating the Economic Commission for Africa to support Africa's structural transformation, in which it mandated the Executive Secretary to realign the programmes and priorities of the Commission with its new strategic orientation, with a view to supporting the transformative development agenda of the African Union,

*Recalling also* its resolution 943 (XLIX) of 5 April 2016 on the proposed strategic framework and biennial programme plan of the Economic Commission for Africa for the biennium 2018–2019, in which it requested the Executive Secretary to undertake an independent, comprehensive and thorough review of the intergovernmental structure of the Commission, including its intergovernmental committees of experts,

*Noting* the ongoing reforms of the United Nations development system,

*Noting also* the unique role of the Economic Commission for Africa and its comprehensive mandate as the main economic and social development centre of the United Nations system for the African region,

*Taking note of* the report on the implementation of resolution 943 (XLIX)<sup>1</sup> and the request therein for additional time to carry out a more comprehensive review,

*Considering* that the effectiveness and efficiency of the intergovernmental structure of the Economic Commission for Africa benefits from engagement and communication between the secretariat, member States, major groups and other stakeholders,

1. *Commends* the efforts of the Executive Secretary to facilitate an effective process of consultation on the comprehensive review exercise;
2. *Decides* to grant additional time to the secretariat to conduct further review and analysis of the intergovernmental structure of the Economic Commission for Africa;
3. *Requests* the Executive Secretary to report to the Conference of Ministers at its next session on restructuring the conference structure and subsidiary bodies of the Economic Commission for Africa, including the intergovernmental committees of experts.

*Sixth meeting of the plenary, 15 May 2018*

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<sup>1</sup> E/ECA/COE/36/8.

## **958 (LI) Implementation of international migration programmes in Africa**

*The Conference of Ministers,*

*Recognizing* the substantial benefits of and opportunities afforded by safe, orderly and regular migration and the key role of migration in promoting development in Africa, and the critical role of international migration within, from and to Africa in the global migration discourse,

*Reaffirming* its resolution 940 (XLIX) on international migration in Africa, in which it called for the establishment of a high-level panel on international migration in Africa,

*Noting* the important contribution of the High-level Panel on International Migration in Africa, supported by the Economic Commission for Africa and the African Union Commission, and the urgent need to support member States in achieving the Sustainable Development Goals on migration,

*Noting also* the need to implement and monitor the outcomes of the global compact for safe, orderly and regular migration, currently under negotiation,

*Noting with appreciation* the continued efforts of the Economic Commission for Africa, in partnership with the African Union Commission and other development partners, to undertake regional and subregional consultations and to initiate studies that have informed migration discourse on the continent,

*Recognizing* the urgent need for African member States to implement migration commitments, including the Migration Policy Framework for Africa<sup>1</sup> and its plan of action for the period 2018–2027, the African Continental Free Trade Area and the Protocol to the Treaty Establishing the African Economic Community on Free Movement of Persons, Right of Residence and Right of Establishment,

*Recognizing also* that the primary role of regional economic commissions, in accordance with the report of the Secretary-General on repositioning the United Nations development system to deliver on the 2030 Agenda for Sustainable Development,<sup>2</sup> is to engage as policy think tanks and provide data and analytical services and policy advice, including on migration issues,

*Recognizing further* that the regional economic commissions continue to serve as platforms for engagement with regional intergovernmental institutions for intraregional and interregional exchanges, thereby extending and expanding new forms of development cooperation and regional partnerships,

*Noting* that the Economic Commission for Africa is a fundamental institution for generating innovative thinking and forging regional policy consensus on the continent,

*Mindful* of the importance of cooperation at the national, regional and international levels to ensure the implementation of migration commitments involving the full respect for human rights and the humane treatment of migrants, regardless of migration status,

1. *Requests* the Economic Commission for Africa to continue to work with the African Union, regional economic communities, member States and other stakeholders on policy research, regional dialogue and capacity development on migration issues, in particular on creating a positive narrative and developing strategies to harness it for regional development;

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<sup>1</sup> A/61/345, annex.

<sup>2</sup> A/72/124-E/2018/3.

2. *Also requests* the Economic Commission for Africa, in partnership with the African Union, to continue to provide support and advice to member States on mainstreaming migration policies into their national development plans and strategies;

3. *Further requests* the Economic Commission for Africa, in partnership with the African Union and in close consultation with other relevant regional organizations, to track and monitor the progress made in implementing migration programmes in Africa through various means, including by convening periodic conferences;

4. *Calls upon* the Economic Commission for Africa, through its regional and subregional offices, to address the critical areas concerning migration, including sustainable development, thereby providing frameworks for action by member States, the private sector and civil society.

*Sixth meeting of the plenary, 15 May 2018*

## 959 (LI) Revised strategic framework and biennial programme plan of the Economic Commission for Africa for the biennium 2018–2019

*The Conference of Ministers,*

*Recalling* its resolution 908 (XLVI) of 26 March 2013, in which it mandated the Economic Commission for Africa to establish its new strategic direction and programmes to support the structural transformation of Africa,

*Recalling also* General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system,

*Recognizing with appreciation* the report of the Executive Secretary on the work of the Economic Commission for Africa for the period April 2017–March 2018,<sup>1</sup> which highlights the significant results that the Commission achieved in all its programme areas,

*Recognizing* the continuing efforts of the Economic Commission for Africa to reposition itself and its programmatic orientation with enhancements to be able to effectively support the implementation of and follow-up to the 2030 Agenda for Sustainable Development,<sup>2</sup> the Addis Ababa Action Agenda of the Third International Conference on Financing for Development<sup>3</sup> and Agenda 2063: The Africa We Want of the African Union,

*Noting with appreciation* the strategic objectives of the Economic Commission for Africa to deliver ideas and actions for an empowered, inclusive and transformed Africa in the framework of the 2030 Agenda and Agenda 2063 through its three core functions, namely, its function as a think tank, its convening function and its operational function,

*Acknowledging with appreciation* the new strategic focus of the Economic Commission for Africa on supporting the sustainable development of Africa through a growth-enabling macroeconomic and microeconomic environment with, as its key priorities, eradicating poverty and addressing inequality; achieving gender equality and the empowerment of women; accelerating economic integration and trade through increased diversification, stronger institutions, better governance, and creating an enabling environment for the private sector; supporting the infrastructure, energy and service sector developments, and strengthening the finance and capital markets sector including through innovative finance; promoting green and blue economic development paths through energy, natural resources and climate change adaptation and mitigation; expanding domestic resource mobilization as a long-term path to sustainable development finance; and forging a data-informed policy architecture,

*Having examined* the revised strategic framework and biennial programme plan for the biennium 2018–2019,<sup>4</sup>

*Having considered* the note by the secretariat on the new strategic directions for the Economic Commission for Africa: putting ideas into action for an empowered and transformed Africa,<sup>5</sup>

1. *Takes note* of the exchange of views among member States on the strategic objectives of the Economic Commission for Africa contained in the report

<sup>1</sup> E/ECA/COE/37/5.

<sup>2</sup> General Assembly resolution 70/1.

<sup>3</sup> General Assembly resolution 69/313, annex.

<sup>4</sup> E/ECA/COE/37/4.

<sup>5</sup> E/ECA/COE/37/14.

on the follow-up by the Commission to the resolutions of the special meeting of the Permanent Representatives of the member States to the Commission;<sup>1</sup>

2. *Adopts* the revised strategic framework and biennial programme plan for the biennium 2018–2019.

*Sixth meeting of the plenary, 15 May 2018*

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<sup>1</sup> E/ECA/COE/37/6.

## **960 (LI) Harnessing the potential of the African Continental Free Trade Area and creating fiscal space for jobs and economic diversification**

*The Conference of Ministers,*

*Reaffirming* its commitment to regional integration as a major factor behind inclusive economic development in Africa,

*Noting with deep appreciation* the efforts of the Economic Commission for Africa, in collaboration with the African Union Commission and other development partners, to promote regional integration in support of broad-based and inclusive development in Africa,

*Welcoming* the milestone reached in economic integration in Africa through the signing of the agreement establishing the African Continental Free Trade Area in Kigali on 21 March 2018 and the call for its ratification and effective implementation,

*Acknowledging* the potential of the African Continental Free Trade Area to advance African industrialization, value addition, economic diversification and development to promote businesses, trade and job creation on the continent, consonant with the 2030 Agenda for Sustainable Development<sup>1</sup> and Agenda 2063: The Africa We Want of the African Union,

*Reaffirming* its commitment to supporting the African Continental Free Trade Area to the greatest extent possible, in accordance with the agreed road map to its establishment,

*Recognizing* that potential tariff losses emanating from the African Continental Free Trade Area in the short term could be offset in part in the medium and the long term by other taxes, such as value added taxes, as a result of economic diversification brought about by the African Continental Free Trade Area,

*Mindful* that current levels of tax revenue are not sustainable, and that enhancing fiscal space, including through mobilizing additional domestic resources, therefore remains critical,

*Recognizing* the importance of securing policy space for the operationalization of the African Continental Free Trade Area,

*Noting* the need to strengthen knowledge and capacity on issues relating to the African Continental Free Trade Area,

*Committed* to pursuing integrated policies, including through targeted efforts to implement the Action Plan for Boosting Intra-African Trade and to undertake the action necessary to make the most of the opportunities presented by the African Continental Free Trade Area,

*Noting* that the realization of the full benefits of the African Continental Free Trade Area requires the mobilization of massive resources and investment to address boundary constraints,

*Noting also* the importance of regularly tracking progress on the state of implementation of the African Continental Free Trade Area,

*Resolved* to improve the efficiency and effectiveness of public expenditure and to tackle corruption,

1. *Calls upon* the Economic Commission for Africa to continue to provide technical support to the African Union Commission and the member

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<sup>1</sup> General Assembly resolution 70/1.

States of the African Union to conclude the negotiations of the agreement to establish the African Continental Free Trade Area;

2. *Also calls upon* the Economic Commission for Africa to work closely with the African Union Commission and other regional, continental and international institutions, such as the regional economic communities, the African Development Bank and the United Nations Conference on Trade and Development, to provide technical support to facilitate the ratification process and implementation of the African Continental Free Trade Area;

3. *Further calls upon* the Economic Commission for Africa to continue to support member States in their efforts to enhance their structural transformation through industrialization, economic diversification and value addition;

4. *Requests* the Economic Commission for Africa to work, in collaboration with the United Nations Conference on Trade and Development, the African Capacity-Building Foundation, the African Development Bank, and the regional economic communities, and other continental institutions, to support the member States of the African Union in developing national strategies to benefit from the African Continental Free Trade Area that complement the broader trade policy of each State party to the agreement to establish the African Continental Free Trade Area and in identifying the key trade opportunities, current constraints and steps required to take full advantage of the African market;

5. *Also requests* the Economic Commission for Africa to support the member States of the African Union in enhancing their fiscal space and mobilizing additional domestic resources through strengthening tax administration, improving the efficiency and effectiveness of public spending, tapping into private financing and improving the sustainability of borrowing;

6. *Calls upon* the Economic Commission for Africa, in collaboration with the African Union Specialized Agency for Capacity Development, the African Development Bank, the regional economic communities, and other continental institutions, to formulate a comprehensive capacity development and training programme on issues relating to the African Continental Free Trade Area for the benefit of its member States;

7. *Urges* member States to maintain the policy space and coherence necessary while negotiating international trade and investment agreements, with a view to realizing the full potential of the African Continental Free Trade Area and attaining the continental structural transformation goals;

8. *Requests* the member States of the African Union that have signed the legal instruments of the African Continental Free Trade Area to ensure their rapid ratification and effective implementation, and calls upon the member States that have not yet signed the instruments to take the action necessary to do so;

9. *Requests* the Economic Commission for Africa and other development partners to support the mobilization of resources and promote investment to facilitate the harnessing of the full benefits of the African Continental Free Trade Area;

10. *Calls upon* the Economic Commission for Africa to monitor progress and report regularly on the implementation of the African Continental Free Trade Area, and to measure its impact on structural transformation through industrialization, economic diversification and value addition.

*Sixth meeting of the plenary, 15 May 2018*

## 961 (LI) Africa Regional Forum on Sustainable Development

*The Conference of Ministers,*

*Recalling* the outcome document of the United Nations Conference on Sustainable Development, entitled “The future we want”,<sup>1</sup> in particular paragraph 84 on establishing a high-level political forum on sustainable development and paragraph 97, in which the General Assembly acknowledged the importance of the regional dimension of sustainable development and the ability of regional frameworks to complement and facilitate the effective translation of sustainable development policies into concrete action at the national level,

*Recalling also* General Assembly resolution 67/290 on the format and organizational aspects of the high-level political forum on sustainable development, in which the Assembly acknowledged the importance of the regional dimension of sustainable development and invited the regional commissions to contribute to the work of the forum, including through annual regional meetings, with the involvement of other relevant regional entities, major groups and other relevant stakeholders as appropriate,

*Recalling further* the Addis Ababa Action Agenda of the Third International Conference on Financing for Development,<sup>2</sup> which highlights the central role of technological cooperation for the achievement of sustainable development,

*Reaffirming* the commitments entered into by African countries at United Nations conferences and at the summits, review conferences and meetings of the Assembly of the African Union, convened with a view to working towards achieving sustainable development,

*Recalling* General Assembly resolution 61/16, in which the Assembly urged the regional commissions to contribute, within their mandates, to the review of progress made in the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields,

*Reaffirming* that the 2030 Agenda for Sustainable Development<sup>3</sup> and Agenda 2063: The Africa We Want of the African Union are mutually reinforcing and relevant to structural transformation and sustainable development in Africa, and also reaffirming its unwavering commitment to the effective and integrated implementation of, follow-up to and monitoring of the 2030 Agenda and Agenda 2063,

*Recalling* its resolutions 930 (XLVIII) and 939 (XLIX), in which the secretariat was requested, in collaboration with the African Union Commission and other partners, to convene the Africa Regional Forum on Sustainable Development on an annual basis for follow-up to and review of the Addis Ababa Action Agenda, the 2030 Agenda and Agenda 2063,

*Recognizing* the importance of formalizing the Africa Regional Forum on Sustainable Development as an intergovernmental forum under the auspices of the Economic Commission for Africa to follow up on and review progress made in the implementation of the 2030 Agenda,

1. *Decides* formally to establish the Africa Regional Forum on Sustainable Development under the auspices of the Economic Commission for Africa to follow up on and review the implementation of the 2030 Agenda for Sustainable Development<sup>3</sup> and to act as a multi-stakeholder forum at which matters relating to sustainable development and the structural transformation priorities of Africa can be discussed;

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<sup>1</sup> General Assembly resolution 66/288.

<sup>2</sup> General Assembly resolution 69/313, annex.

<sup>3</sup> General Assembly resolution 70/1.

2. *Also decides* that the Africa Regional Forum on Sustainable Development will be convened annually by the Chair of the Bureau of the Forum, with the support of the secretariat of the Economic Commission for Africa, and that its meetings will be aligned with the schedules, programmes of work and themes of the Economic and Social Council forum on financing for development follow-up and the high-level political forum on sustainable development;

3. *Further decides* that the Africa Regional Forum on Sustainable Development will take into consideration decisions relating to sustainable development taken by the African Union, including in connection with Agenda 2063;

4. *Encourages* member States to volunteer for national reviews and calls upon the Africa Regional Forum on Sustainable Development to develop modalities for holding such reviews, in accordance with the principles and guidelines of the 2030 Agenda;

5. *Underscores* the need for secure, stable, adequate and predictable financial resources to enable the Africa Regional Forum on Sustainable Development to hold annual meetings and carry out its mandate effectively;

6. *Calls upon* the Economic Commission for Africa, in collaboration with the African Union Commission and other partners, to take all steps necessary to organize on a regular basis a multi-stakeholder forum on science, technology and innovation as an input into the work of the Africa Regional Forum on Sustainable Development;

7. *Requests* the Economic Commission for Africa, the African Union Commission, the African Development Bank and other partners to continue to support the work of the Africa Regional Forum on Sustainable Development, including by ensuring the full and effective participation of representatives of member States, major groups and other stakeholders in the Forum;

8. *Calls upon* Governments, intergovernmental and non-governmental organizations, major groups and other donors to provide technical support and financial resources for the work of the Africa Regional Forum on Sustainable Development, with a view to enhancing integrated follow-up and review and promoting the timely, effective, full and coherent implementation of the 2030 Agenda and Agenda 2063.

*Sixth meeting of the plenary, 15 May 2018*

## **B. Decision**

### **A (LI) Date, venue and theme for the fifty-second session**

At its sixth plenary meeting, on 15 May 2018, the Conference of African Ministers of Finance, Planning and Economic Development decided that its fifty-second session would be held in Morocco in 2019 on a date in the month of March or April selected after consultations with the African Union, and that the theme of the fifty-second session would be: “Fiscal policy, trade and the private sector in the digital era: a strategy for Africa”.

*Sixth meeting of the plenary, 15 May 2018*

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