



Economic Commission for Africa

Distr.:
General
10 August
2006

Resolution 01 (2006)

Presented to the General Assembly at its 12th meeting, on 10 August 2006

The Economic Commission for Africa,

Recalling the Millennium Development Goals, in particular addressing the goal stated as “Develop a global partnership for development” and all its sub-statements,

Noting with concern the negative impact of agricultural subsidies in developed countries on the African farming communities and the African society at large,

Considering that trade facilitation is one of the key elements for the further development of the African continent,

Bearing in mind that country-specific preconditions need to be safeguarded,

Reaffirming, in this regard, that the overall responsibility of trade facilitation lies with the governments of the African countries themselves,

Welcoming the generous support by the international community,

Calling for an effective cooperation within the African continent,

1. *Emphasizes* the importance of good governance and welcomes the initiative of creating an Action Plan on Good Governance, consisting of naming main obstacles for good governance, setting criteria for its accomplishment and monitoring the process by an independent and neutral authority, the United Nations, which will monitor the specific aims that must be established per proposed project which the EU, IMF and World Bank are willing to fund when the criteria are met, attention hereby should be given to related topics such as fiscal policy, trade regulation, infrastructure and education by 2015;

2. *Appreciates* as part of the Action Plan on Good Governance the willingness of participating African governments to guarantee democratic values, to establish rule of law complying with the Convention on Human Rights and to build a civil society by 2011;

3. *Encourages* African governments to propose new infrastructure projects for energy, utilities and transport, as well as technology and communication facilities and expressing its

thanks to the governments of Botswana, Egypt, Nigeria, Rwanda, Uganda and South Africa who have pledged support in terms of technical expertise for these projects by 2013;

4. *Reminds* of the importance of improving macroeconomic policies and emphasises the importance of the autonomy of central banks, since they are a precondition for a stable financial system;

5. *Urges* the African governments to streamline the investment procedures, such as, benchmarking to international standards of investment procedures, in particular by reducing red tape and overcoming obstacles currently present during business establishment by the end of 2015;

6. *Strongly supports* the establishment of worker training programs, higher education initiatives, and to initiate entrepreneurship-oriented educational programs in order to increase the skills of the labour pool that should be implemented by African governments with support from international financial institutions, such as the IMF and the World Bank and the international community, such as the EU, in terms of financing and expertise, to have been established by the end of 2015;

7. *Emphasizes* the utmost importance of private sector development in Africa accompanied by development of microfinance in particular, also, African governments are to take necessary steps in order to create a stable private sector, and invites international organizations and communities, such as the EU and the World Bank to support those steps by its expertise, experience and, when concrete projects are available, by financial means;

8. Welcomes the accession of Central African Republic, Somalia and Morocco to the regional trade association COMESA Regional Economic Community;

9. *Calls upon* regional support, such as by opening borders, to landlocked countries, in order to enhance their competitiveness and economic growth;

10. *Reiterates* the importance of duty and quota free access to international markets, and reaffirms its belief in reduction of trade barriers by African countries and their international partners;

11. *Calls upon* the creation of a continental agency that sets standards for microfinance institutions and monitors competitiveness in the market; the pre-mentioned agency would act in an advisory capacity to African governments and will be supported by the IMF and the World Bank in terms of expertise by 2010;

12. *Recommends* the establishment of an independent African Trade Committee
- a) consisting of official representatives of every African country meeting quarterly,
 - b) providing of cooperation by all countries,
 - c) the EU is willing to act as an advisory body,
 - d) Regional Economic Communities will have an observing function,
 - e) the ATC's duties include:
 1. harmonizing and strengthening trade on the whole African continent,
 2. increasing cooperation between existing REC,
 3. improving custom procedures performance,

4. implementing the simplification of cross-border trade;

13. Recognizes the fact that harmonizing the Trade Agreements and introducing new standards will require investments, a committee fund for the ATC will be set up, countries are eligible to funding on agreed upon projects in line with the stated goals of the committee;

14. Notes with concern the fact that there are many trade agreements existing in Africa with overlapping functions;

15. Urges the African governments to set up pilot trade cooperatives within their countries for fragmented sectors in order to

- a) gain bargaining power in business to business relations, for instance in the issue of price determination,
- b) set an example for producers in other sectors to initiate similar cooperatives or organizations,
- c) provide incentives for producers to join such cooperatives,
- d) establish technical training programs for the members of the cooperatives sponsored by the World Bank, such as, marketing and HR skills seminars and sector specific technical expertise programs, the technical training program also includes informational training on the procedures and standards of target countries for export;

16. Recommends the setting up of trade agencies representing African products in international markets;

17. Emphasizes the importance of improving the attraction of FDI within the African market and therefore suggests: Attracting FDI through the promotion of comparative advantage of African countries, the establishment of stable macroeconomic environment through monetary policies by the individual central banks with the help of international macroeconomic experts in order to reduce high inflation rates;

18. Requests the building of functional high quality service sectors in order to improve the attraction of African markets to FDI, the further liberalization of public sectors and ongoing privatization of industrial sectors;

19. Notes the need to actively participate in the world's economy, the ECA agrees to promote the development of the service sector specified on individual countries, focusing for least developed countries on key infrastructure services, such as financial services, telecommunications and transport; it agrees to significantly increase trade opportunities by eliminating high tariffs and tariff peaks by 2010.