Twelfth session
Accra, Ghana
20–25 April 2008

Summary of the High-level Segment
Trade and development for Africa’s prosperity: Action and direction

1. The High-level Segment of Heads of State and Government was opened by the Secretary-General of the United Nations, Mr. Ban Ki-moon, and moderated by the Secretary-General of UNCTAD, Mr. Supachai Panitchpakdi. Statements were made by the Presidents of Ghana, Brazil, Finland, Rwanda and Sierra Leone, and the vice-president of El Salvador and the former president of the United Republic of Tanzania, followed by interventions by delegations. The UNCTAD Secretary-General summarized the discussion, and the meeting was closed by the Secretary-General of the United Nations.

2. The central message of the presentations and the discussion was that it was necessary to translate rhetoric into concrete action for African development on the basis of a results-oriented approach. With regard to the Millennium Development Goals (MDGs), the Secretary-General of the United Nations warned that Africa was at the epicentre of the development emergency. He added that there was a window for decisive action but that it was closing fast.

3. Actions should consolidate and build on the success of the last few years, a success reflected by historically high GDP growth rates in the developing countries. Africa’s development potential was the highest for years. Realizing that potential had to involve a mix of national, regional, inter-regional and global activities.

4. At the national level, there was a strong consensus on the need for nationally owned strategies tailored to fit specific circumstances. Those strategies should seize the opportunities of international trade, investment and technology flows. Yet national vision and ownership of the growth process were seen as vital. African leaders were urged to be brave and bold. They should embrace the courage to lead and the courage to persevere, in the words of the former president of the United Republic of Tanzania, Mr. Mkapa.

5. There could be no standard prescriptions. There was, however, a consensus on the importance of sound macroeconomic policies, a vibrant private sector, human resource development, increased investment, improved physical infrastructure for transport, energy and ICT, good governance and better institutions.
6. In view of the current food crisis, increased agricultural and in particular food productivity was mentioned as a priority by a number of speakers. The United Nations Secretary-General once again stressed the need for an African Green Revolution. However, other speakers also pointed to the need for industrial development and diversification away from commodity dependence as an essential part of Africa’s future.

7. With regard to governance and institutions, the emphasis was placed on institutional and regulatory reforms which improved the business climate and promoted investment and innovation. Yet the institutional agenda also included better institutions for infrastructure development and management; institutions that turned land into a central asset for growth and poverty reduction; financial institutions that catered for domestic enterprises; and institutions for regional integration and cooperation. It was vital to ensure that regulatory reforms did not cripple innovation.

8. Foreign direct investment (FDI) should be regarded as a legitimate and supportive contributor to national development, and had played a catalytic role in some developing countries. Yet the aim of FDI promotion should be increased FDI on terms and conditions which fostered the growth of domestic enterprises. Countries were advised to look for investors who could make a difference for development. They were also urged to integrate the African diaspora into resource mobilization plans.

9. Many speakers emphasized the increasing role of knowledge and innovation in the development process. The President of Finland said that the three keys to development were education, education, and education. That was the foundation for access to knowledge and innovation, and should provide the basis for a more knowledge-based and innovative economy.

10. It was also clear from the discussion that there was no need for development pessimism, even in African countries which had experienced serious civil strife in recent years. El Salvador demonstrated what was possible.

11. At the regional level, speakers noted the reinvigoration of African institutions promoting regional integration and cooperation, emphasizing that that was a key ingredient for African development success. Recorded intra-regional African trade was estimated to be only 10 per cent of total African trade. That suggested serious underutilization of regional trading opportunities. Regulatory convergence at the subregional and regional level should be a key element of measures to improve the business climate in Africa.

12. With regard to the inter-regional level, it was clear that one of the most important new features of the circumstances of African development was the emergence of developing countries of the South as new trade partners, new aid partners, and new technology partners for Africa. That was resulting in the diversification of African integration into the global economy. South–South cooperation, in various forms, was now complementing and enhancing North–South cooperation. That presaged a new era for Africa, which would have far-reaching consequences for the continent.

13. One important practical example of the new situation was the cooperation between Brazil and Africa on biofuels. That involved both South–South technology transfer as well as commitments by Sweden in the North to provide a market (triangular partnership). Another example of those new emerging South–South relations was India’s new Duty Free Tariff Preference Scheme for least developed countries (LDCs), as well as the establishment of US$ 5.5 billion EXIM bank credit lines for development projects. Turkey was also an emerging donor to Africa, and
had been providing duty-free and quota-free market access to all industrial goods
originating from LDCs since January 2006. Indonesia had supported the
development of a South–South industrial centre to promote Asian–African
cooperation in the development of industrial capacity.

14. The Global System of Trade Preferences (GSTP) was identified as an
important mechanism for promoting South–South trade. Renewed efforts to
complete the São Paulo Round of the GSTP were strongly encouraged.

15. With regard to the global level, the President of Ghana, Mr. Kufuor, called for
a “new deal” on aid, trade, investment and technology relations, based on the
principle of development solidarity. That was relevant for the Africa–G8 link,
mentioned inter alia by the former president of the United Republic of Tanzania,
Mr. Mkapa, and the principle of development solidarity could be extended to the
issue of climate change, which the United Nations Secretary-General identified as a
clear threat to African development, even though the African population had only
contributed marginally to the problem in the first place.

16. There was a clear consensus on the need for a successful completion of the
Doha Development Round, in a way that would support African development.
Numerous speakers highlighted the negative effects of agricultural subsidies, tariff
peaks and non-tariff barriers on Africa’s development potential. The Director-
General of the World Trade Organization, Mr. Pascal Lamy, stressed that while there
were both domestic solutions and global solutions to the problems of development,
it was clear that the rules of the game in trade needed to be changed and rebalanced
in a way that favoured developing countries.

17. There was also a need to abide by international commitments on increased and
more effective aid for Africa. Aid for improving physical infrastructure, developing
human resources and building institutional capacities was identified as a key
priority. Also important were renewed political momentum and a focus on achieving
the MDGs. Aid effectiveness depended on not imposing preconceptions of what was
best from outside.

18. Innovative financing mechanisms also needed to be explored further. The
European Investment Bank’s new trust fund for African infrastructure development
was one example, as well as Action Against Hunger.

19. Through historical ties, the European Union was a key partner for Africa. With
the expansion to 27 members, however, the current situation was one in which a
new Europe was facing a new Africa, and the new member countries often did not
have the historical ties of the old member countries. That should be made into a
win–win situation for development, including through such mechanisms as
economic partnership agreements.

20. Finally, there was strong support for UNCTAD continuing to focus on Africa
in its research and policy analysis as well as its capacity-building work.