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Sessional Committee II

Economic Development in Africa: Reclaiming Policy Space – Domestic Resource Mobilization and Developmental States

Agreed conclusions (...)

The Trade and Development Board

1. *Welcomes* the 2007 report by the UNCTAD secretariat entitled *Economic Development in Africa: Reclaiming Policy Space – Domestic Resource Mobilization and Developmental States*;

2. *Notes with concern* the late delivery of the report and urges the UNCTAD secretariat to give member States sufficient time to study the report before they go into deliberations in the Trade and Development Board;

3. *Agrees* with the report's conclusion that, while the support of their development partners is important and very much appreciated, African countries need to take steps to mobilize their domestic financial resources in order to reduce their dependence on external resources in the medium to long term;

4. *Agrees* that sustaining and improving upon current levels of economic growth require the promotion of an enabling environment to facilitate entrepreneurship, improved market access and greater economic diversification into higher value added exports, as buffers against long-term declining terms of trade and volatility in commodity prices;

5. *Notes* that, while the report is useful in identifying possible sources of additional domestic financial resources, leadership at the national level is critical in mobilizing such resources, and the assistance of development partners in strengthening institutions and developing programmes that help African countries to draw effectively on those sources is also important;

6. *Encourages* UNCTAD to undertake further work, including technical assistance programmes, to assist African countries in their efforts to promote the effective mobilization of domestic resources and the effective collection and optimal use of tax revenues to support equitable growth;

7. *Emphasizes*, in the context of the enhanced mobilization of domestic resources and increased ownership of development programmes, the importance for African countries to enhance their ability to use their policy space and to design and implement policies that address their genuine development challenges and priorities;

8. *Underscores* the need for effective use of financial resources raised both domestically and from development partners as a means of creating more employment opportunities in the formal sector, in order to reduce poverty;

9. *Stresses* the need to learn from the experiences of the successful developing economies which have pursued economic growth, development and poverty reduction, bearing in mind the specific needs and circumstances of African countries;

10. *Reaffirms* that each country must take primary responsibility for its own development and that the role of national policies and development strategies cannot be overemphasized in the achievement of sustainable development, and stresses that development must be based on a global partnership, and that this spirit must also be fully harnessed for African development through, among other things, enhanced economic cooperation

among developing countries, in order to exchange experiences to more effectively achieve economic growth, development and poverty reduction, within the framework of a State that seriously attempts to deploy its administrative and political resources for the task of economic development;

11. *Underscores* that State involvement in development should improve efficiency in the use of scarce financial and human resources and provide an enabling environment in which the private sector can operate optimally;

12. *Notes* that improvements in governance in many countries and the New Partnership for Africa's Development (NEPAD) peer review process, in supporting good governance, should act as catalysts for greater democratic participation to enable the State to respond to the needs of its citizens as a whole, and encourages further progress in this area;

13. *Emphasizes* that multilateral institutions such as UNCTAD, the World Trade Organization, the World Bank and the International Monetary Fund have a critical role to play in helping African countries to promote their internal economic integration so as to complement external integration consonant with their national development strategies and priorities and their international commitments;

14. *Agrees* that UNCTAD should, within its mandate, continue to undertake insightful and critical analysis and provide policy advice on African development, including attaining sustainable growth and development with the objective of achieving the Millennium Development Goals.
