

Press Releases

Press Release No. 01/1997

ECA Gears up for Sixth Session of the Conference of African Ministers of Finance, 31 March - 2 April 1997

Addis Ababa, 21 March 1997: Some 30 African Ministers of Finance and 20 Governors of African Central Banks are to meet top-level policy makers from the world's major financial institutions in Addis Ababa, Headquarters of the Economic Commission for Africa (ECA) from 31 March to 2 April 1997, in a ground-breaking conference designed to enable Africa's financial sector play a more dynamic role in the mobilization of domestic and external resources to support the region's development process.

The participants' list is a roll-call of senior officials from the World Bank, IMF, and the African Development Bank and Africa's own Stock Exchanges. Senior representatives from the European Union will also be on hand. A first for ECA, representatives of some of the world's leading banks will attend the Conference, among them: the Bank for International Settlements (BIS), the Nordic Investment Bank (NIB), the Arab Bank for Economic Development (BADEA).

The Organization for Economic Cooperation and Development (COED), the World Trade Center (WTC), and the World Trade Organization (WTO) are particularly visible in the participants' list. UNCTAD and UNDP join African sub-regional economic groupings to complete it.

Within the theme of "Financial Sector Preforms and Debt Management" perhaps one of the most important items on the agenda is the role of multilateral institutions in African development for the remainder of the millennium and beyond. They have come to assume pivotal positions as suppliers of development finance, advisors to African Governments and reference points for donor funding for Africa.

The Conference will take stock and examine the future role of those institutions as regards Africa's effort to achieve sustainable development, reduce poverty and participate fully in a globalized and liberalized economy.

But in the absence of those critical capacities needed to sustain a vibrant financial sector, the Conference will afford an opportunity for African States to discern what support they can expect from these institutions in the face of the range of financial advances that the international financial system has recently made. Given the range of financial instruments that have emerged, and the institutional framework needed for effective intermediation, Africa will need all the help it can get.

The centre-piece of the Conference is financial reform. Many countries have embarked on reforms that focus on reducing financial repression, restoring bank solvency and improving financial structures. These were meant to improve the overall process of financial intermediation and allocation of financial resources, increase competition, and to enhance the range of financial instruments to both savers and investors through expanded financial infrastructure. Positive though they were, the implementation of those reforms has created problems in some countries. To enable African countries to share best practices, the Conference will discuss country experiences in detail.

A perennial on all African Ministers of Finance meetings, the debt problem will be revisited, this time within the framework of "Debt Initiative for Heavily Indebted Poor Countries (HIPC)s). Warmly welcomed by African countries (they constitute the majority of the target group) since its introduction in September 1996, the Initiative is a serious commitment by the international community, specially in so far as it puts focus on multilateral debt which was previously excluded from external debt renegotiation and reduction processes.

The Conference will clarify some issues. Among them: the working of the Initiative; its practical benefits; and, most important of all, whether it would lead to expanded capital flows to Africa. A number of technical questions will also be addressed, such as the definition of debt sustainability, criteria used to vet countries, and the issue of cut-off dates for multilateral debt. Some African countries have come to acknowledge the importance of private investment to support the development process, and accordingly have been putting significant amounts of effort into promoting the development of capital markets.

The Conference will treat issues relating to the strengthening of these capital markets where they exist, to their establishment where they do not, and to their utility as instruments for resource mobilization and allocation.

The legal, regulatory and supervisory framework for the effective functioning of African capital markets will also be examined.

To foster a frank and productive interaction between Ministers and Central Bank Governors on the one hand, and investment bankers and representatives of capital markets on the other, two break-out sessions will be organized on "Capacity Building in African Capital Markets" and "Making African Capital Markets Attractive through Regional Stock Exchanges and Information Technology" as an integral part of the Conference.

The Conference -- preceded by a meeting of experts -- is expected to adopt a Declaration and set of resolutions.

NB: This press release, as well as detailed background documents, other briefings for journalists, the experts meeting and conference agendas, country profiles and updates of information, can also be read at the following Web Site: <http://www.un.org/depts/eca>

Documents can be faxed or e-mailed on request

<< **Back to: [Press Releases for 1997](#)**