

ECONOMIC COMMISSION FOR AFRICA

ANNUAL REPORT 2007

**Economic and Social Council
Official Records, 2007
Supplement No. 18**



UNITED NATIONS

Contents

Abbreviations and Acronyms	iii
Introduction.....	1
CHAPTER I: Issues Calling for Action by The Economic and Social Council or Brought to its Attention	1
CHAPTER II: Follow-Up to Recent Decisions and Resolutions of the Commission and other Relevant Bodies	2
CHAPTER III: Main Achievements and Outcomes of Programmes, Special Events and Meetings.....	7
CHAPTER IV: The Conference of African Ministers of Finance, Planning and Economic Development/ Fortieth session of the Commission	21
Annex I: Resolutions and Ministerial Statement adopted by the Commission at its fortieth session	38
Annex II: Report of the twenty-sixth meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development.....	53
Annex III: List of documents submitted to the Commission at its fortieth session..	76

ABBREVIATIONS AND ACRONYMS

ABSA	Advisory Board on Statistics in Africa
ACARTSOD	African Centre for Applied Research and Training in Social Development
ACBF	African Capacity Building Foundation
ACE/RECIT	Association Construisons Ensemble/Recherche sur les Citoyennetés en Transformation
ADF	African Development Forum
AfDB	African Development Bank
AFRODAD	African Forum and Network on Debt and Development
AfT	Aid for Trade
AGDI	African Gender and Development Index
AGR	African Governance Report
AISI	African Information Society Initiative
APRM	African Peer Review Mechanism
ARIA	Assessing Regional Integration in Africa
ARRF	African Research and Resource Forum
ASSD	African Symposium on Statistical Development
ATPC	African Trade Policy Centre
AU	African Union
AUC	African Union Commission
AWDR	African Water Development Report
BADEA	Arab Bank for Economic Development in Africa
BCEAO	Central Bank of West African States
CAADP	Comprehensive African Agricultural Development Programme
CAMEF	Conference of African Ministers of Finance
CCA	Common Country Assessment
CEMAC	Central African Monetary and Economic Community
CEN-SAD	Community of Sahel and Sahara States
CHGA	Commission on HIV/AIDS and Governance in Africa
CIDA	Canadian International Development Agency
CSD	Committee on Sustainable Development
COMESA	Common Market for Eastern and Southern Africa
DBSA	Development Bank of Southern Africa
EAC	East African Community
ECA	United Nations Economic Commission for Africa
ECE	United Nations Economic Commission for Europe
EC-ESA	Executive Committee of Economic and Social Affairs
ECOWAS	Economic Community of West African States
EPAs	Economic Partnership Agreements
ePoI-Net	Global Electronic Policy Resource Network
ERA	Economic Report on Africa
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
FAO	Food and Agriculture Organization of the United Nations

FASDEV	Forum on African Statistical Development
FDI	Foreign Direct Investment
GCAP	Global Call to Action Against Poverty (GCAP)
G-8	Group of Eight
GDP	Gross Domestic Product
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IAEA	International Atomic Energy Agency
ICE	Intergovernmental Committee of Experts
ICP	International Comparison Programme
ICT	Information and Communication Technology
IDEP	Institute for Economic Development and Planning
ILO	International Labour Organization
ILPES	Latin American Institute for Economic and Social Planning
IMF	International Monetary Fund
IOM	International Organization for Migration
IRP	Integrated Resource Planning
ISI	International Statistics Institute
ITC	International Trade Centre
ITU	International Telecommunication Union
JICA	Japan International Cooperation Agency
LAS	League of Arab States
LDC	Least Developed Country
MAPA	Millennium Agricultural Programme for Africa
MDGs	Millennium Development Goals
MOU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
NEPAD	New Partnership for Africa's Development
NICI	National Information and Communications Infrastructure
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OIF	Organisation internationale de la Francophonie
OIOS	Office of Internal Oversight Services
OPC	Office of Policy and Programme Coordination
OPM	Office of Strategic Planning and Programme Management
PICTA	Partnership of ICTs in Africa
PLWAs	People living with HIV/AIDS
PPPs	Public-Private Partnerships
PRs	Poverty Reduction Strategies
RCM	Regional Consultation Meeting
RCNYO	Regional Commissions New York Office
RECs	Regional Economic Communities
REF	Regional Employment Forum
RIM	Regional Implementation Meeting
RRSF	Regional Reference Strategic Framework
SADC	Southern African Development Community

SDI	Spatial Development Initiative
SROs	Subregional Offices
UEMOA	Union Economique et monétaire ouest africaine
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNGA	United Nations General Assembly
UNCTAD	United Nations Conference on Trade and Development
UN-DESA	United Nations Department of Economic and Social Affairs
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commission for Refugees
UN-HABITAT	United Nations Human Settlements Programme
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNLO-AU	United Nations Liaison Office with the African Union
UNOHCHR	United Nations Office of High Commissioner for Human Rights
UN-OHRLS	UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States
UN-OSAA	United Nations Office of the Special Adviser on Africa
UNSD	United Nations Statistical Division
USAID	United States Agency for International Development
USAU	United States Mission to the African Union
WB	World Bank
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WITS	World Integrated Trade Solution
WMO	World Meteorological Organization
WPAY	World Programme of Action on Youth
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization
WWDR	World Water Development Report

Introduction

The present annual report of the Economic Commission for Africa (ECA) covers the period from 16 May 2006 to 3 April 2007. It has been prepared in accordance with paragraph 18 of the Commission's terms of reference and was unanimously adopted by the Commission on 3 April 2007.

CHAPTER I ISSUES CALLING FOR ACTION BY THE ECONOMIC AND SOCIAL COUNCIL OR BROUGHT TO ITS ATTENTION

At its fortieth session of the Commission/Conference of African Ministers of Finance, Planning and Economic Development held in Addis Ababa, Ethiopia from 2 - 3 April 2007, the Commission adopted a resolution calling for action by the Council: 853 (XL) Review of the Intergovernmental Machinery of the Economic Commission for Africa. The resolution was endorsed by member States with the exception of Morocco, who rejected the resolution based on reservations about the operative paragraph 1, point 1. (The complete text of the resolution is reproduced in annex I of this report.)

The Commission also adopted six resolutions and a Ministerial Statement and decided to submit them to the Economic and Social Council for its attention (for the full text see annex I of this report). The resolutions and the Ministerial Statement are listed below:

Resolutions

847 (XL)	Aid for Trade
848 (XL)	Financing for Development
849 (XL)	Statistics and Statistical Capacity building in Africa
850 (XL)	Proposed Programme of Work and Priorities for the Biennium 2008-2009
851 (XL)	African Institute for Economic Development and Planning
852 (XL)	Climate Change and Development in Africa

Ministerial Statement

XL	Ministerial Statement
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CHAPTER II

FOLLOW-UP TO RECENT DECISIONS AND RESOLUTIONS OF THE COMMISSION AND OTHER RELEVANT BODIES

1. At its thirty-ninth session in May 2006, the Commission adopted a number of resolutions and decisions on repositioning ECA, its role in statistical development in Africa, the Institute for Economic Development and Planning (IDEP), and on facilitating employment policies in Africa. This chapter provides an overview of the concrete measures and actions taken by the secretariat to respond to the relevant provisions of the resolutions and decisions.

Repositioning ECA

2. In the period since May 2006, the Executive Secretary undertook a number of actions and measures in response to the Commission's mandate to reposition ECA, which encompassed three dimensions, namely, programmes and priority setting; institutional and organizational restructuring; and strengthening management and administrative processes. A full discussion of the actions taken are contained in three documents: (i) *Repositioning ECA – Harnessing Regional Resources to meet Africa's Development Priorities*; (ii) *ECA Business Plan 2007-2009*; and (iii) the UN Secretary-General's report on enhancing the role of the subregional offices of the Economic Commission for Africa.

- ***Programme and priority setting***

3. After a careful analysis of Africa's development challenges and opportunities vis-à-vis ECA's comparative assets, the Commission adopted a more streamlined programme structure focusing on a consolidated set of two broad themes and priorities, namely, (a) *Promoting regional integration in support of the AU vision and priorities*, and (b) *Meeting Africa's special needs and the emerging global challenges*.

4. The work programme is carried out through ten subprogrammes: trade, finance and economic development; food security and sustainable development; governance and public administration; information, science and technology for development; economic cooperation and regional integration; gender and women in development; subregional activities for development; development planning and administration; statistics; and social development. The proposed programme budget for the biennium 2008-2009 has been prepared to reflect the new programme orientation.

5. The new programme direction is also underpinned by a commitment to make ECA a knowledge-based organization at the cutting-edge of development thinking in the region. To this end, a knowledge management initiative has been launched to facilitate synergies across subprogrammes and ensure continuous improvement in performance and service standards that will in turn help to maximize the value and impact of knowledge resources on the continent's development in terms of the quality of policies adopted by member States and RECs. In this

context, ECA will deepen its collaboration with African universities, research institutes and research networks such as the African Economic Research Consortium (AERC).

- ***Institutional and organizational restructuring***

6. The new organizational structure of ECA is fully aligned with its programmatic priorities as reflected in the biennial programme plan for 2008-2009. Hence, ECA programme divisions have clear terms of reference, responsibility, authority and accountability. The structural reorganization was completed in August 2006 with the redeployment of staff to the new Divisions and subregional offices (SROs) based on skills mix and within existing budgetary resources. The intergovernmental machinery has similarly been aligned with the new programme orientation, to promote coherence between ECA and the intergovernmental machinery of other regional organizations in Africa, particularly the African Union (AU).

- ***Strengthening ECA's subregional presence – Implementing the SRO Action Plan***

7. Another important facet of the repositioning exercise is strengthening ECA's subregional presence through effective decentralization of activities, particularly advisory services, and redeployment of additional resources (including personnel) to the SROs. Decentralization to the field is necessary to bring ECA's services closer to its clients, and ensure effective programming and delivery of technical assistance to meet the sharpened focus demanded by member States. In this regard, particular attention is being given to implementing the Secretary-General's report on enhancing the role of the SROs of ECA, which was submitted to the General Assembly last September, based on an assessment conducted by the Office of Internal Oversight Services (OIOS) in 2004.

8. Key features of the SRO Action Plan include implementing ECA agenda at the subregional level and providing technical support to the regional economic communities (RECs); promoting and supporting specific subregional priorities and programmes; using the SROs to serve as subregional nodes for knowledge management; and partnering with other relevant actors in support of the AU agenda at the subregional level.

- ***Strengthening management and administrative processes***

9. The new Office of Strategic Planning and Programme Management (OPM), as a wing of the Office of the Executive Secretary, has replaced the existing Office of Policy and Programme Coordination (OPC) with overall responsibility for programme planning, budget, technical cooperation and project management, monitoring and evaluation, within a results-based management framework. The Office of the Executive Secretary also includes a unit dealing with functions related to external relations, quality assurance, knowledge management and peer learning, and coordination of field representation. Other important aspects of the organizational restructuring include introduction of measures to enhance human resource management and other administrative processes.

- ***Leveraging partnerships for greater development impact***

10. Collaboration among continental institutions, UN agencies and development partners is key to harnessing the required resources, ensuring coherence and avoiding duplication of activities. Building and sustaining effective partnerships with other organizations is therefore integral to ECA's strategic orientation. To this end, ECA continued to forge stronger collaboration with its traditional and potential new partners, namely Africa's premier intergovernmental organizations – AU, AfDB, and RECs; other UN agencies, bilateral partners, as well as research institutions and centres of excellence. To underpin these partnerships, the Secretariat has developed a 3-year business plan (2007-2009), which articulates the linkages between its future priorities and activities and those of key partners, notably the AUC, in addition to defining new approaches to resource mobilization appropriate for the anticipated expansion of ECA's reliance on extrabudgetary resources.

11. *Cooperation with AU and AfDB:* ECA's long-standing relationship with the AU and AfDB has been cemented with the recent resuscitation of the AU-ECA-AfDB Joint Secretariat. In addition, ECA has held a series of consultations with the two organizations to define a framework for their collaboration based on complementary activities in various development fields, with particular focus on the following: regional integration and trade; gender and women's empowerment; agriculture, land policy and sustainable development; governance and institution-building, including peace-building, statistics and knowledge management. The three organizations intend to explore the possibility of joint funds mobilization to implement programmes and projects in the areas identified.

12. *Cooperation with UN agencies:* ECA has entered into constructive dialogue with a number of UN agencies with a view to establishing intensive collaboration guided by carefully drafted Memoranda of Understanding, which would further enhance coherence of UN activities in Africa. Some concrete partnership activities have already been agreed with several of the agencies including an MOU on capacity development with UNDP, the World Bank, WTO and UNCTAD.

13. Given its mandate to coordinate UN activities in support of NEPAD, ECA has taken steps to revitalize the regional consultation mechanism, which brings together UN agencies working in Africa to improve coherence and effectiveness in their collective work at the regional and subregional levels. The mechanism, together with its various clusters has been reinvigorated to deliver more effective and efficient support to the NEPAD programme within the framework of the 10-year capacity-building programme of the AU.

14. ECA is also actively participating in the work of the Executive Committee of Economic and Social Affairs (EC-ESA) and its various clusters, and will improve its participation in UN country-level mechanisms and programming exercises (including the resident coordinator system and CCA/UNDAF). This move has been given further impetus by the Secretary-General's initiative to improve UN system-wide coherence.

15. *Cooperation with bilateral partners:* ECA's growing bilateral partnerships was further underscored with the recent convening of the *Big Table* event in Addis Ababa, which brought together senior African policy makers and their counterparts from the Organization for Economic Cooperation and Development (OECD) countries to focus on improved policies for the management of Africa's natural resources for economic growth and poverty reduction. The repositioning has also resulted in deepening cooperation with ECA's core group of bilateral partners and efforts are being intensified to build new partnerships with other potential donors, such as Brazil, China and India.

Strengthening Statistical Capacities for Tracking Progress towards Achieving the Millennium Development Goals in Africa

16. In recognition of the important role of statistics in tracking progress towards the MDGs and other internationally agreed development goals, the ECA Conference of Ministers adopted a resolution at their last session in May 2006 requesting the Secretariat to assist member States in strengthening their capacities for data collection and developing performance measures. In response to this request, the Secretariat launched a number of initiatives. Among them was the establishment of a new division for statistics – the African Centre for Statistics, whose major priority is to undertake research and provide capacity-building support to member States to improve the range and quality of data for policy analysis and informed decision-making on socio-economic issues.

17. The Centre will enhance the institutional capacities of African countries to collect, compile and use quality statistics in accordance with international standards, including indicators for monitoring the MDGs. It will continue to support the MDG monitoring process through its participation in the UN interagency Expert Group on MDG Indicators convened by UN-DESA. Furthermore, it is collaborating with UN-DESA and ESCAP in the implementation of a project under the sixth tranche of the UN Development Account aimed at strengthening capacities of national and regional statistical systems for tracking progress in internationally agreed development goals.

18. The Centre is also charged with the responsibility for the implementation of the new *Reference Regional Strategic Framework for Statistical Capacity-building in Africa* (RRSF) and support to countries in the adoption and implementation of national strategies for the development of statistics. In this regard, it is currently focusing on updating the 1993 System of National Accounts (with a new system planned for 2008), and preparation for the 2010 Round of Population and Housing Censuses in African countries.

Review of the African Institute for Economic Development and Planning (IDEP)

19. Despite its achievements in support of Africa's capacity development and recent efforts by ECA to strengthen IDEP, the Institute has continued to face severe difficulties in its operations due to a steady decline in financial contributions from member States. The decisions and

commitments made by the ECA Conference of Ministers in recent years have done little to alleviate these difficulties. While similar UN institutions such as the Latin American Institute for Economic and Social Planning (ILPES) are provided with substantial resources from the UN regular budget, IDEP only receives a limited grant, which is inadequate for it to carry out its operations. It was to alleviate these difficulties and revitalize the Institute to enable it deliver on its mandate that the 2006 session of the ECA Conference of Ministers adopted a resolution requesting the Executive Secretary to undertake an in-depth review of the Institute's operations and submit a report to the fortieth session of the Commission in 2007.

20. In response to the request, the Executive Secretary commissioned an external panel of reviewers to undertake the exercise. An ultimate objective of the review is to help IDEP overcome its current financial difficulties and enable it meet the challenges and demands placed on it by various stakeholders. Another objective of the review is to define a clear purpose and role for IDEP within the architecture of training institutes in Africa in order to ensure its continued relevance and guarantee political and financial support from member States. In this context, the review would examine modalities for improving cooperation with other organizations, particularly the AU. The report of the review panel would be submitted to the current session of the Commission for its consideration.

Follow-up to Decisions on Employment

21. The thirty-ninth session took note of the need to mainstream employment in national development and macroeconomic policies and to facilitate the implementation of the Ouagadougou Plan of Action (2004) to ensure sustainable human-centred development of the continent. It further encouraged ECA to collaborate with its regional partners, notably, AU and International Labour Organization (ILO) in promoting the development and implementation of employment-focused development agendas through regional employment forums within the context of the Ouagadougou Plan of Action. In this light ECA contributed technical papers at subregional meetings convened by AU with the support of ILO. The purpose of the subregional meetings was to review proposals for a continental framework on integrated employment policies and programmes in Africa. The outcomes of these meetings fed into the Africa Regional Meeting of the ILO held in Addis Ababa in April 2007, an event in which both AU and ECA are participating as partners. A technical task force comprising AU, ECA and ILO has been established to review the draft concept paper on the establishment of the Regional Employment Forum (REF), which would be expanded to include UNDP and AfDB as institutional partners. Launching of the REF initiative is planned to take place by January 2008.

CHAPTER III

MAIN ACHIEVEMENTS AND OUTCOMES OF PROGRAMMES, SPECIAL EVENTS AND MEETINGS

22. This chapter highlights key achievements of ECA under the ten sub-themes that form the main components of its programme of work. It also reports on the outcomes of two special events organized in the year under review, namely, the fifth African Development Forum (ADF-V) and the 2007 Big Table as well as meetings of the subsidiary bodies.

Main Achievements from Programme Activities

- *Trade, finance and economic development*

23. Strengthening development policy and programme formulation through research: Economic Report on Africa: The Economic Report on Africa (ERA), ECA's main flagship publication, aims at disseminating key findings of ECA's research activities. It is based on themes reflecting emerging issues of strategic concern to African development. Following the themes on Unemployment and Poverty in 2005 and Capital Flows in 2006, the 2007 edition is devoted to the theme, Accelerating Africa's Development Prospects through Diversification. The report emphasizes the need for African countries to develop concrete strategies to diversify their economies, so as to accelerate growth and reduce vulnerability to external economic shocks as well as to broaden the base of employment and secure inclusive development, as recognized by the thirty-ninth session. The report was launched at the 2007 session of the Commission.

24. Strengthening national trade negotiations capacity: ECA provided various services to support trade capacity-building in a number of member States. For example, training services were provided to upgrade the analytical skills of national trade policy officials and experts in the application of the World Integrated Trade Solution (WITS) and SMART/WITS partial equilibrium models. These methodologies enable meaningful assessment of the implications of trade agreements for national economies. Through the African Trade Policy Centre (ATPC) and the Geneva Interregional Advisory Services, ECA provided training to the African WTO Geneva Group of trade negotiators on WTO processes and trade-related issues.

25. ATPC was established in 2003 with the support of the Government of Canada in response to new demands for trade-related technical assistance by African governments. The broad objective of ATPC is to strengthen the capacity of African governments to formulate, analyse and implement sound trade policies and programmes, and to participate more effectively in bilateral and multilateral trade negotiations with the active involvement of the private sector and civil society. The efforts of the centre have yielded notable results. The national capacity for trade negotiations has been strengthened in a number of countries as evidenced by their proactive and constructive participation in bilateral and multilateral trade negotiations. More and more African countries are now participating actively in the WTO Doha Round of trade negotiations. Unlike in the Uruguay Round of trade negotiations, many African countries have been very

active in the current Round of trade talks, defending their interests and making several submissions to various WTO Negotiating Committees and organs.

- ***Food security and sustainable development***

26. ECA as a regional commission mandated to facilitate and promote the implementation of the outcomes of the World Summit on Sustainable Development, organized the meeting of the Africa Committee on Sustainable Development, including the Regional Implementation Meeting that reviewed the draft *Africa's Consensus Agenda* for the Fifteenth Policy Session of the Committee on Sustainable Development (CSD-15) that was held in May 2007. ECA is finalizing this draft in consultation with stakeholders.

27. ECA provided substantive technical support in preparing and servicing a Ministerial Conference and two major AU/NEPAD Summits related to the implementation of the NEPAD Comprehensive Africa Agricultural Development Programme (CAADP). As a member of the Technical Committee of the Africa Fertilizer Summit held in Abuja in June 2006, ECA advocated for the adoption of the declaration on a regional cooperation/integration approach to food security, and the creation of a financing facility to improve the availability, accessibility and affordability of fertilizers for African farmers. The Declaration of the Summit further called explicitly on ECA to collaborate closely with the AUC, AfDB and RECs in following up on the implementation of its resolutions on the establishment of regional fertilizer procurement and distribution facilities, the promotion of national/regional fertilizer production and intraregional fertilizer trade, the establishment of an African Fertilizer Development Financing Facility, and the monitoring and evaluation of the implementation of the Declaration.

28. In recognition of the central role of land in Africa's development, peace and security, ECA has continued to play a critical role in the AU-ECA-AfDB Joint Initiative on Land Policy. The initiative in particular seeks to support NEPAD's efforts and programmes related to agricultural development, environmental management, peace-building and post-conflict reconstruction, and the APRM. Among others, the initiative is to provide technical support and mobilize resources to develop and build consensus on a continental framework and guidelines for land policy in Africa. A multi-stakeholder consultative workshop held jointly with AU and AfDB, and hosted by ECA in March 2006 provided a platform for gaining consensus on the main land issues and pillars; roadmap consisting of critical steps that would guide the formulation and implementation of the framework, modalities for building institutional capacity and partnerships necessary for resource mobilization, development and implementation of the framework. It is expected that the continental framework and guidelines with clear benchmarks and indicators of land policy will be completed and adopted by the AU African Heads of State and Government Summit by the end of 2008.

- ***Governance and public administration***

29. ECA intensified its collaboration with African civil society organizations especially through various workshops, to build their technical capacity to play a meaningful role in the African Peer Review Mechanism (APRM) process, as part of the process of strengthening governance and achieving stable development with freedom and accountability in Africa. The

workshops and research undertaken in this regard, underlined the need to promote policy dialogue between and amongst all national stakeholders, effective participation in the evaluation process of the APRM and implementation of the National Action Plan.

30. *APRM*: In line with its role as a Strategic Partner to the APRM and with the mandate given to it by the Heads of State and Government Implementation Committee of NEPAD, ECA continued to contribute to this end by assisting the APR Secretariat and providing support to African countries.

31. *The African Governance Report and related publications*: As a result of the publication of the African Governance Report (AGR-I), ECA's expertise in building institutions for good governance has been widely acknowledged, leading to an increasing number of requests for advisory services from member States, including civil society organizations, most of them relating to APRM. In December 2006 alone, ECA fulfilled four of such requests. As a by-product of its governance studies and APRM support, ECA carried out subregional workshops for parliamentarians, policy makers and civil society organizations on the role of parliaments in the Medium Term Expenditure Framework (MTEF) process. These workshops were aimed at achieving effective participation and management of the MTEF process.

- ***Information and science and technology for development***

32. Following the outcomes of the first African Development Forum (ADF-I) devoted to ICT, ECA has been supporting the implementation of the National Information and Communication Initiative (NICI) in two major ways: formulation of national ICT policies and action plans, and development and utilization of ICT infrastructure. In 2006, ECA provided several technical advisory services that enabled an additional eight member States to initiate, formulate and implement NICI plans.

33. ECA assisted the East African Community (EAC) to develop its Regional e-Government Framework that was approved by its Council of Ministers at its thirteenth meeting. The EAC Regional e-Government Framework was developed with assistance provided under the Global ePolicy Resource Network (ePol-Net), funded by the Government of Canada, and the Cooperation on ICTs with the Government of Finland. The Framework document aims at information sharing and promoting collaboration on cross-border data flow issues to avoid duplication, error, and aggregate resources for the benefit of the community. The framework document includes a short-to-mid-term action plan for the immediate implementation of the framework. Similar regional initiatives are also being undertaken for the ECOWAS, CEMAC and UMA subregions.

34. Information for development-related knowledge resources were produced and widely disseminated during 2006. Two video programmes entitled "Ensuring ICT for All" and "Community-based access: ensuring a multi-stakeholder dialogue" (in French) were finalized in November 2006. Twelve issues of a monthly Partnership on ICTs in Africa (PICTA) Bulletin were produced both in electronic and print format to strengthen information sharing among members of the PICTA and were largely disseminated via online resources and during face to face meetings. In 2006, the AISI website, comprising ICT, Geo-information and library

resources was the second most frequently visited ECA websites next to the main ECA website with 2,273,199 hits (11 per cent of the whole ECA hits), and 405,062 visitor sessions. Two issues of both electronic and print versions of iConnectAfrica, which is a quarterly web, paper and e-mail service that aims to raise awareness in the wider African development community regarding the possibilities offered by ICTs in development were launched. Seven new online D-groups with a total of over 500 members (16 per cent of total AISI D-group members) were created in the reporting period. Four exhibitions, promoting the use of information products were organized and successfully sensitized decision and policy makers on the continent.

35. On science and technology for development, ECA prepared a document “Building Science, Technology and Innovation Systems for Sustainable Development”, which informed deliberations at the AU Summit held in January 2007 that adopted key recommendations for embedding science and technology in national development programmes in Africa.

- ***Economic cooperation and regional integration***

36. *NEPAD*: Since 2002, ECA’s mandate as the coordinator of UN agencies and organizations working in Africa in support of NEPAD has been reaffirmed by various documents and resolutions.¹ Accordingly, ECA has gone beyond its already prominent role in the conceptualization of NEPAD and in promoting intra-UN cooperation in support of NEPAD, to the provision of strong and tangible support for the implementation of NEPAD priorities, notably, coordination of institutional support for Africa’s development, governance (APRM) and infrastructure development.

37. *Coordination of institutional support to NEPAD*: Under ECA repositioning exercise, the existing NEPAD Unit was merged into the subprogramme on Regional Integration to enhance synergies and strengthen ECA’s role of coordinating regional support to NEPAD. The new division (NEPAD and Regional Integration) undertook a review of the Regional Consultations among UN system agencies in support of NEPAD, particularly, the Cluster system in order to improve its effectiveness and impact. The Division collaborated with the NEPAD Secretariat in organizing capacity-building workshops that led to further elaboration of implementation strategies for the NEPAD priorities. In November 2006, ECA convened the seventh regional consultations meeting (RCM) of UN agencies with the AUC, the regional economic communities and AfDB, which adopted recommendations for (a) strengthening coordination and revitalizing the cluster system; (b) fostering subregional coordination; (c) improving coordination between the UN and African regional institutions; (d) monitoring and evaluation of actions and outcomes; and (e) mobilizing resources and enhancing capacity.

38. *Regional infrastructure development*: Lack of infrastructure impedes regional integration in Africa. ECA’s work in this area is to help establish an efficient, integrated and affordable transport and communications system as a basis for the physical integration of Africa. ECA provided assistance to its member States and their institutions in the promotion of energy pools,

¹ For instance, the Second Report of the Secretary-General’s Advisory Panel on International Support to the New Partnership for Africa’s Development (2006) and the report of the Joint Inspection Unit on ECA’s “Assessment of UN System Support to NEPAD: Rethinking the Collective Approach” (2004).

and in the management of shared natural resources such as water. A training workshop was held in December 2006 in collaboration with the International Atomic Energy Agency (IAEA) to raise awareness of African energy planners to the benefits of promoting the application of Integrated Resource Planning (IRP) tools for the sustainable development of least-cost power.

39. *Regional integration and rationalization of RECs:* It is generally acknowledged that integration of African economies is key to sustainable socio-economic development of the continent. ECA intensified its support to this process along three key lines: (a) deepening analytical research aimed at the identification of policy measures and actions necessary for enhancing regional integration; (b) facilitating the development of agreements or conventions on transnational issues; and (c) building consensus for regional integration and regional/trans-border public goods.

40. ECA provided inputs for the preparation of various technical papers for the AU Summit in Banjul in July 2006, which provided the basis for the Summit's decision to suspend the recognition of new RECs. The second edition of *Assessing Regional Integration in Africa* (ARIA II) launched in Banjul in July 2006 had focused on the need to rationalize the RECs, with a view to minimizing overlapping functions and optimizing the use of subregional resources for the promotion of intergovernmental organizations.

41. *Africa Water Report:* Africa needs a strong scientific and technological approach to water resources assessment and development. In response to this, the first comprehensive African Water Development Report (AWDR) was launched in 2006. Prepared on the basis of official data and indicators from various relevant organizations, AWDR is expected to serve as a dynamic system of monitoring progress in the implementation of the African Water Vision and other international challenges such as the Millennium Development Goals. UN agencies active in the water sector, national water-related institutions, scientific bodies and other stakeholders worked together in the preparation of the AWDR, which in its first issue brought to the attention of policy and decision makers the status and perspectives of water resources development in Africa, bearing in mind the modern advances in science and technology. The *UN Inter-Agency Group on Water* created a link between World Water Development Report (WWDR) and AWDR so that Africa can share in the rich stock of scientific and technological knowledge and information bases largely available in the developed world in order to make use of advances in science and technology for water resources development and management in Africa, particularly for the purpose of monitoring key water and environmental parameters such as water quantity and quality, biodiversity and land degradation.

42. *Integrating mining and mineral issues in development:* ECA organized a training workshop on the issue of minerals clusters and economic development strategies, which was attended by eighty-five participants from the private sector, universities, civil society organizations and senior policy makers in the ministries of mining, finance and economic planning. The participants requested that the workshop be held periodically to acquaint policy makers and other stakeholders with the day-to-day issues of mineral exploitation and development in member States, especially within the framework of NEPAD's spatial development initiative (SDI).

- ***Promoting the advancement of women***

43. ECA serviced the fifth session of the Committee on Women and Development, which made recommendations for the implementation of the Follow-up Strategy on Beijing+10 based on a document prepared by ECA on “Operational Guidelines for the Implementation of the Outcome and Way Forward of the Decade Review of the Beijing Platform for Action: The Follow-up on Beijing+10”.

44. In July 2006, a subregional workshop was organized in Tunisia to equip Northern African member States with the necessary tools that will assist them in drawing up national action plans to accelerate their effort in addressing the commitments outlined in the *Outcome and Way forward* document of Beijing +10. Furthermore, ECA, in collaboration with UNDP Regional Gender Programme of Africa Bureau has set up an African Women’s Human Rights Observatory intended to serve as a comprehensive source of data for awareness-raising, analysis and use of data at the national level to inform policy debates and sound policy-making. The compilation of the ‘Quick Win’ document entitled *‘Launching an African Women’s Rights Observatory: Participation of Women in Politics and other Decision Making Arenas’* is the first activity in the process of operationalizing the Observatory. Work is ongoing to produce thematic studies on women’s access to resources such as land and credit. These documents, compiled using the AGDI national reports, will be used as advocacy tools to raise awareness on key gender issues.

45. In 2006, the results of the AGDI country studies conducted in Benin, Burkina Faso, Cameroon, Ghana, Egypt, Ethiopia, Madagascar, Mozambique, South Africa, Tanzania, Tunisia, and Uganda were synthesized for publication in the African Women’s Report. The report, currently being edited, gives the overall gender profile of the pilot African countries and point out to major gaps in the implementation of internationally and regionally agreed gender commitments. The report reveals that the social sector has witnessed critical milestones in gender equality. However, country performances in reaching gender parity are average for the economic sector and very weak for the political area. Based on the lessons learnt, ECA has started the extension process of the AGDI to four countries: Cape Verde, Namibia, Senegal, and the Gambia.

- ***Subregional activities for development***

46. ECA’s subregional effort is two-pronged: (a) activities for enhancing the capacity of member States to harmonize policies in the areas of trade, infrastructure, human capacity and agriculture and food security, and (b) activities for strengthening capacities of the regional economic communities and other intergovernmental organizations to coordinate and monitor the implementation of regional and subregional programmes, including NEPAD. In this light, the SROs serviced various workshops and sessions of the Intergovernmental Committee of Experts. These sessions ended with recommendations for member States to (a) adjust educational systems to better meet the demands of the labour market, (b) take steps that would mitigate the impact of food aid and agricultural subsidies on food security, (c) undertake studies on the effects of non-tariff barriers on intraregional trade, and (d) strengthen financial resource mobilization for development, including the participation of the poor in the financial sector - all aimed at helping member States to achieve the MDGs.

47. The subregional offices compiled and disseminated reports on the economic and social performance of member States, which were endorsed by the respective Intergovernmental Committee of Experts. Special events were also held with the aim of highlighting emerging issues of strategic importance to the development of the subregions. For example, in Central Africa, a special event on investments was held, which was attended by key institutional stakeholders in the subregion. A major outcome of this event was the adoption of a Road Map to boosting investments in the subregion. The establishment of an Observatory for Regional Integration in North Africa has similarly gained the support of the member States and other stakeholders and advanced awareness of regional integration processes in the subregion.

- ***Development planning and administration***

48. Lack of technical and analytical skills is a major constraint to effective policy-making in Africa. In 2006, ECA's African Institute for Economic Development and Planning (IDEP) trained 95 mid-career and senior officials from member States and the regional economic communities. The main challenge facing IDEP is mobilizing extrabudgetary resources to meet the need for accelerated expansion in human capacity within African economic policy institutions.

49. The thirty-ninth session of the Commission decided that to enable IDEP play its role effectively, its structures and capacity be reviewed and strengthened sequentially. The review has been undertaken and the review report was presented at this fortieth session.

- ***Statistics for development***

50. ECA undertook various activities to increase the capacity of national offices to monitor progress towards the MDGs and other internationally agreed development goals. The primary focus of these activities in the collection, processing, analysis and dissemination of statistical data was to develop performance indicators and statistics. As part of the data dissemination process, the main recurrent publication, *African Statistical Yearbook 2006* has been produced in one volume to enhance user-friendliness of the publication. The Commission has also developed and maintained a regional statistical database, following a comprehensive data needs assessment, to provide an authoritative source of statistical data on African countries, directly accessible to users.

51. ECA has also assisted the development of a database for ECOWAS. On data collection, ECA continued its collaboration and information sharing with national statistical offices and regional economic communities, including SADC, ECOWAS, COMESA, and UMA. On statistical coordination, ECA and partners convened the second Forum on African Statistical Development (FASDEV II) in February 2006. The meeting requested ECA and the AfDB to coordinate statistical capacity building in Africa, and to implement the RRSF. Another achievement of the Commission was the organization of the third annual meeting of the Advisory Board on Statistics in Africa (ABSA). The Board urged ECA to re-establish the Statistical Division with adequate resources, reflect in its work programme the recommendations

of ECA's partners, and to coordinate the RRSF in collaboration with AfDB and the AUC. These recommendations have been implemented as part of ECA repositioning.

52. ECA provided support to member States in the preparations towards the 2010 Round of Population and Housing Censuses and contributed to the organization of the African Symposium on Statistical Development (ASSD), through a series of training workshops and experts group meetings in collaboration with UNSD, ECOWAS and SADC.

- ***Social development***

53. As part of the restructuring, ECA has established a subprogramme on Social Development, which is responsible for issues relating to MDGs and Poverty Analysis and Monitoring; population, migration, health and HIV/AIDS; and employment, youth and other social conditions. ECA provided technical support in the preparation of the regional perspective to the UN Secretary-General's report on International Migration and Development 2006, and participated in drafting Africa's inputs for the proposed global policy on International Migration that was adopted by the UN General Assembly in October 2006.

54. ECA co-organized the *African Plenary on Poverty Reduction Strategies (PRSs) and the Implementation of the Millennium Development Goals (MDGs)* with the AU and AfDB in Cairo, March 2006. In a follow-up of the Plenary Session, ECA facilitated knowledge sharing among PRS practitioners. Through knowledge audits in 15 African countries and electronic discussion among practitioners themselves, ECA significantly contributed to an enhanced policy dialogue, and policy formulation and implementation among its member States.

55. ECA continued to implement its activities related to the HIV/AIDS Treatment Acceleration Programme (TAP) covering Burkina Faso, Ghana and Mozambique, as well as activities related to the Commission on HIV/AIDS and Governance in Africa. Through regional advisory panels (RAPs) organized every six months for the TAP countries and partners, knowledge sharing has contributed to: (i) improved management of people living with HIV/AIDS (PLWAs); (ii) greater collaboration among associations and public health institutions; (iii) scaling up access and adherence to anti-retroviral treatment (ART); (iv) increased promotion and strengthening of public-private partnerships (PPPs) in treatment acceleration; and (v) strengthened capacity of entire health care systems.

Main Outcomes of Special Events

- ***The Fifth African Development Forum (ADF-V)***

56. The African Development Forum, an initiative led by ECA, has become an effective multi-stakeholder platform for debating, discussing and initiating concrete strategies for Africa's development since its inception in 1999. ADF-I (1999) was devoted to ICT, ADF-II (2000) to HIV/AIDS, ADF-III (2002) to Regional Integration, and ADF-IV (2004) to Governance. These forums, among other things, contributed markedly to the genesis of national ICT policies across Africa, the establishment of a research agenda on the macro impacts of HIV/AIDS in Africa

under the Secretary-General's Commission on HIV/AIDS and Governance (CHGA), the birth of the strategic framework for the new African Union that came out of the old Organization of African Unity, and the development of the technical framework for the assessment of countries under the APRM.

57. The Fifth African Development Forum (ADF-V) was held from 17 to 19 November 2006 under the theme "*Youth and Leadership in the 21st Century*", and was graced by the presence of Mr. Kofi Annan, then UN Secretary-General, who gave the keynote address. An interactive dialogue session was held between youth and selected political leaders, including the President of Switzerland, the vice-president of the Republic of Tanzania, prime minister of Ethiopia, the prime minister of Equatorial Guinea, and a former prime minister of Canada. Key collaborators included AU, UNICEF, UNESCO, ILO, UNDP, UNFPA, UNV, UNOHCHR, IOM, AfDB, and *Organisation Internationale de la Francophonie (OIF)*, British Council, and Leonard Cheshire Foundation as well as DFID and the Government of the Netherlands. Fifty African States and 35 international organizations were represented.

58. The immediate objective of ADF-V was to fulfill the requirements of UNGA Resolution 60/2 of October 2005, which requested the regional commissions to provide a platform for regional consultations and discussions on key issues affecting youth with member States, UN agencies, civil society as well as African youth, with a view to evaluating progress towards the objectives of the World Programme of Action on Youth (WPAY).

59. Notable outcomes of the forum include: (1) the launch of AU Youth Charter with participants pledging to support its operationalization and implementation at national and regional level; (2) the Draft Consensus Statement, which has now been finalized, reaffirmed the commitments made by the African Union leaders in Banjul in June 2006 to develop and implement national youth policies. The statement recommended among other things: (a) the establishment of an African youth exchange programme; (b) the establishment of a Pan-African Youth in ICT programmes; (c) the strengthening of the role of sports in achieving the MDGs in Africa; (d) the establishment of an African Youth Volunteer Corps; (e) a framework for operationalization of the African Youth Charter; and (f) the development of a joint post-forum (follow-up) Action Plan.

60. To date, seven of the collaborating partners have submitted inputs for the development of the Common Action Plan for Youth and Development in Africa. ECA's proposed African Youth Action Plan reflects the new strategy to work closely with member States and key stakeholders, in particular AU and the youth. The proposed Plan has eight key objectives: 1) to increase representation of youth in all ECA stakeholder meetings and anchoring all post-ADF-V activities in one ECA division; 2) strengthen the capacity of youth organizations to participate effectively in policy-making at national and regional levels; 3) support the adoption of policies to enhance the health and well-being of Africa's youth, with emphasis on young women; 4) support youth employment and entrepreneurship in the area of ICT; 5) support AU and NEPAD in the establishment of a Pan-African ICT Youth programme; 6) connect Africa's youth to employment and entrepreneurship opportunities arising from the 2010 FIFA World Cup tournament; 7) maximize the benefits of internal and international migration for development, and 8) promote the role of Africa's youth in peace-building and conflict resolution.

- ***The Big Table: Managing Africa's Natural Resources for Growth and Poverty Reduction***

61. The Big Table is an initiative designed by ECA to promote, in an informal environment, frank and constructive dialogue between senior African policy makers and their OECD counterparts. This year's Big Table was held in collaboration with AfDB and AU, on February 1, 2007 in Addis Ababa with the objective of advancing discussions on meeting the challenge to make natural resource extraction a cure rather than a curse for African development.

62. The meeting noted that Africa possesses large proportions of the world's reserves of gold, platinum, and other precious minerals yet the continent has the highest incidence of poverty among the regions of the world. The meeting therefore called on African countries to undertake the political and economic reforms needed to place their economies on a path of sustainable and inclusive development, whilst external partners invest in the resources sector through aid, debt relief and market access.

63. In the area of reforms, the meeting stressed the importance of the following: (1) strengthening and expanding the APRM to incorporate natural resource governance including revenue transparency as a key governance performance indicator, and establishing codes of conduct and guidelines on natural resource exploitation, particularly on safety, health and environment; (2) strengthening participation and ownership of local communities in natural resources projects and ensuring intergenerational equity through, among others, the promotion of local beneficiation and value-addition, promoting local inputs industry, and investing natural resources wealth in Future Generation Funds and other sustainable activities; (3) strengthening negotiating capacity and bargaining power of African countries, and designing new generation of natural resource laws and regulations to better accommodate the interest of African countries underpinned by solid geological databases and inventories of mineral resources and viable inter-linkages between mineral projects and local infrastructure development; (4) strengthening multi-stakeholder role in monitoring and enforcing environmental compliance; and (5) strengthening natural resource management capacity through peer learning among policy makers, oversight bodies, legislators and legal drafters; harmonization of laws, standards and regulations across African countries; and development of trans-boundary approaches to dealing with environmental problems.

64. Eleven African countries and high-level representatives from four OECD countries, and regional and international organizations including the World Bank and IMF attended the meeting. They concluded that for Africa's mineral resources to contribute to accelerated growth and poverty reduction, the issues of mineral resources exploitation should be mainstreamed into poverty reduction and infrastructure development programmes.

Main Outcomes of Meetings of Subsidiary bodies of the Commission, including meetings of the ICEs

65. This subsection provides a summary of issues discussed by various meetings of subsidiary bodies, notably Intergovernmental Committee of Experts held or planned meetings since the last session of the Commission.

- ***Tenth Meeting of the Intergovernmental Committee of Experts for East Africa (ICE-EA)***

66. The tenth meeting of the ICE for East Africa took place in Bujumbura, Burundi from 2 to 5 May 2006 under the theme *Enhancing Poverty Reduction and Growth Prospects for Peace and Development: Which way forward for Eastern Africa?*² The meeting reviewed the socio-economic conditions of the subregion and considered a number of specific development issues, including strategies and policies for poverty reduction; challenges of achieving the MDGs and the concept of the Millennium Village; food security with specific focus on Millennium Agricultural Programme for Africa (MAPA); and cooperation in development and energy distribution.

67. Three group-training workshops were also organized covering topics such as the WTO trade negotiations and the prospects of the Doha Round in the aftermath of the Hong Kong meeting; statistical systems and ECA data base; and the use of ECA gender index as a means of introducing gender variables in national accounting and budget systems.

68. On subregional socio-economic conditions, the Committee recommended that the new macroeconomic framework for poverty reduction should be based on the need to achieve the MDGs in the subregion. Member States were encouraged to put particular emphasis on an integrated approach to the development of the rural sector, rural infrastructure and healthcare system.

69. With regards to MAPA, the meeting called on governments to promote community water retention schemes and low cost irrigation programmes and introduce new crop varieties to boost food production. To ease distribution constraints, the meeting also recommended the re-introduction of cooperatives in rural areas and the establishment of modern marketing facilities. The meeting noted with concern the small share of agriculture in national budgets and urged governments to implement the NEPAD action plan on agriculture in order to ensure a substantial increase in budgetary allocations for agriculture and rural development. Participants called on the AfDB and other multilateral institutions as well as bilateral partners to support programmes and projects for agricultural development, food security and integrated rural development in the subregion.

² The report of this meeting was completed after the last session of the Commission in May 2006.

- ***Special meeting of the Intergovernmental Committee of Experts for North Africa (ICE-NA)***

70. A special meeting of the ICE for North Africa was held in Marrakech, Kingdom of Morocco, on 21 February 2007, intermediate to the main ICE meeting, which would be held shortly after this Conference of Ministers. The objective of the special meeting was for the ICE Bureau to consider and decide on some important issues to be brought to the attention of the principal legislative organ.

71. The meeting reviewed the main accomplishments of the Bureau in 2006; the 2007 work programme; the outcomes of the North Africa Development Forum on trade for growth and job creation; the proposed themes and priorities for the 2008-2009 work programme; and progress in the establishment of the observatory on integration. It adopted the 2007 and 2008-2009 programmes, and in particular, the following decisions and recommendations: (a) to present the Marrakech Declaration (2007) issued at the North Africa Development Forum to the fortieth session of the Conference of Ministers of Finance, Planning and Economic Development; (b) to promote innovative policies and programmes in the areas of education and training as well as the development of statistical tools to support social and economic studies on the performance of the subregion; (c) to mobilize support for countries of the subregion in implementing the international development agenda, including the MDGs through relevant follow-up activities; (d) to intensify efforts towards advancing the regional integration agenda and translating the objectives and strategies of NEPAD into actionable programmes and projects in the subregion, in close collaboration with the Arab Maghreb Union; and (e) to elevate ICE thematic experts group meetings to the status of ministerial caucuses, which would be held when necessary.

- ***The Thirteenth ICE Meeting for Southern Africa***

72. The thirteenth ICE Meeting for Southern Africa was held under the theme, *Accelerating Africa's Development to meet the MDGs: Challenges and the Way Forward for Southern Africa*. The choice of the theme reflects the concerns of many about Africa's intractable development challenges as we approach the midpoint from 2000 to the year 2015. The experts' discussion focused on the impact of macroeconomic policies and their linkages to job creation, and the role of the private sector in achieving the MDGs.

73. In recognition of the above challenges, the thirteenth Intergovernmental Committee of Experts made the following recommendations, among others: (a) Since the majority of the population in southern Africa live in rural areas, any effort to tackle poverty must address the imbalance in allocation of resources that continue to marginalize the rural communities by increasing access to productive resources such as financing and agricultural inputs; access to land and improved rural infrastructure; (b) Governments should use improved fiscal space created by higher growth rates to inject more resources to social sectors, particularly quality education and health, improved water sources, sanitation and alternative sources of energy particularly in rural areas; (c) More attention is needed on creating value-addition to raw materials, and the need for economic diversification; and (d) Governments need to provide the

necessary leadership to galvanize all stakeholders to fully play their respective roles to achieve the MDGs.

- ***The Eleventh ICE for East Africa***

74. The eleventh session of the Intergovernmental Committee of Experts for Eastern Africa took place in Bujumbura, Burundi, under the theme “*Financing Development and Poverty Reduction in Eastern Africa*”. The Committee analyzed the macroeconomic situation in the countries of the subregion as well as progress in the productive, social and infrastructure sectors, with focus on development financing constraints and prospects. It noted while GDP growth rates have been relatively high, this has not been translated into improvement in the livelihoods of the people. The Committee also noted that while much effort is expended in attracting foreign direct investments, the need to mobilize domestic investment, which is more sustainable and would enable the continent to be in control of its own development, has not been sufficiently taken into account. The Committee further indicated that more attention should be devoted to issues related to governance and strengthening of public institutions. In addition, the participants took good note of the proposed programme of work and priorities for the 2008-2009 biennium and commended the ECA for the repositioning exercise and the strengthening of the SROs. The theme of the 2008 subregional ministerial conference will be selected in consultation with the Bureau and communicated to member States in due course.

- ***The Twenty-fifth ICE for Central Africa***

75. The twenty-fifth meeting of the ICE for Central Africa was held in April 2007 in Gabon under the theme “*Growth, poverty and income redistribution*”. The objectives of the meeting were to: review the economic and social conditions in countries of the subregion; take stock of progress made towards regional integration; analyse the progress made to meet the MDGs and the goals of NEPAD in the subregion; review the activities undertaken by the SRO-CA during the period 2006-2007; and brief the ICE on the proposed programme of work and priorities for the biennium 2008-2009.

76. In light of the economic and social challenges faced by the subregion, the Committee recommended to strengthen activities aimed at improving transport and communication infrastructure. Based on the experience of Cameroon, Gabon and Chad, it suggested to pay more attention to issues related to inequalities and income redistribution. The Committee also called for rapid implementation of free trade agreements in the subregion. With regard to the programme of work, the Committee noted the good performance of SRO-CA and the successful collaboration arrangements with the RECs and member States in the subregion. It also took note that in 2008, the SRO-CA will organize a subregional ministerial conference in lieu of the ICE and suggested that the theme be “*Role of primary commodities in the development of countries in the subregion*” for this first meeting.

77. During 2007, the following sectoral committees will also hold their statutory meetings: Committee on Sustainable Development; Committee on Human Development and Civil Society; Committee on Development Information; Committee on Trade, Regional Cooperation and

Integration; Committee on Women and Development; and the ICES for North Africa and West Africa.

CHAPTER IV

The Conference of African Ministers of Finance, Planning and Economic Development/Fortieth session of the Commission

A. Attendance

78. The Conference of African Ministers of Finance, Planning and Economic Development was held in Addis Ababa, Ethiopia, from 2 to 3 April 2007. The fortieth session of the Commission was formally opened by His Excellency, Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia. Statements were delivered at the opening ceremony by the Ambassador of the Libyan Arab Jamahiriya, Dean of the African Diplomatic Corp in Addis Ababa, on behalf of the outgoing Chair of the Bureau, Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of ECA, and Dr. Maxwell Mkwezalamba, Commissioner for Economic Affairs of the African Union Commission.

79. The meeting was attended by representatives of the following member States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Chad, Congo, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Egypt, Equatorial Guinea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Senegal, Sierra Leone, Somalia, South Africa, The Sudan, Swaziland, Togo, Tunisia, Uganda, The United Republic of Tanzania, Zambia and Zimbabwe.

80. The African Union Commission (AUC), the African Development Bank (AfDB) and the NEPAD Secretariat also took part in the deliberations of the session.

81. The following United Nations bodies and specialized agencies were also represented: Food and Agriculture Organization of the United Nations (FAO); International Labour Organization (ILO); International Atomic Energy Agency (IAEA); International Monetary Fund (IMF); International Organization for Migration (IOM); International Trade Centre (ITC); International Telecommunication Union (ITU); Regional Commissions New York Office (RCNYO); United Nations Children's Fund (UNICEF); United Nations Conference on Trade and Development (UNCTAD); United Nations Development Fund for Women (UNIFEM); United Nations Development Programme (UNDP); United Nations Economic Commission for Europe (ECE); United Nations Educational, Scientific and Cultural Organization (UNESCO); United Nations Environment Programme (UNEP); United Nations High Commission for Refugees (UNHCR); United Nations Human Settlements Programme (UN-HABITAT); United Nations Industrial Development Organization (UNIDO); United Nations Office of High Commissioner for Human Rights (UNOHCHR); United Nations Liaison Office with the African Union (UNLO-AU); United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States (UN-OHRLS); United Nations Office of the Special Adviser on Africa (UN-OSAA); United Nations Population Fund (UNFPA); World Bank (WB); World Food Programme (WFP); World Health Organization

(WHO); World Intellectual Property Organization (WIPO); World Meteorological Organization (WMO); and the World Trade Organization (WTO).

82. Observers from the following member States of the United Nations were present: Austria; Canada; China; Denmark; Finland; Germany; India; Ireland; Italy; Japan; Netherlands; Russian Federation; United Kingdom; and the United States of America.

83. Palestine, which is maintaining a permanent observer mission at the United Nations Headquarters, was represented.

84. The following African central banks and financial institutions were also represented: Central Bank of Burundi; Central Bank of the Democratic Republic of Congo; Central Bank of Egypt; National Bank of Ethiopia; Central Bank of Kenya; Central Bank of Nigeria; Bank of Sierra Leone; South African Reserve Bank; Central Bank of Swaziland; Bank of Tanzania; Bank of Zambia; Arab Bank for Development in Africa (BADEA); Central Bank of West African States (BCEAO); and Development Bank of Southern Africa (DBSA).

85. The following African and international intergovernmental organizations were present: African Centre for Applied Research and Training in Social Development (ACARTSOD); Arab League Mission to AU/UNECA; Community of Sahel-Saharan States (CEN-SAD); Canadian International Development Agency (CIDA); Common Market for Eastern and Southern Africa (COMESA); Economic Community of West African States (ECOWAS); Italian Development Cooperation; Japan International Cooperation Agency (JICA); League of Arab States (LAS); Organisation internationale de la Francophonie (OIF); Southern African Development Community (SADC); West African Economic and Monetary Union (UEMOA); United States Agency for International Development (USAID); and the United States Mission to the African Union (USAU).

86. Observers were also present from the following non-governmental organizations and private sector entities: Action Aid International; Africa Monitor; African Capacity Building Foundation (ACBF); African Forum and Network on Debt and Development (AFRODAD); African Futures Institute; African Research and Resource Forum (ARRF); AngloGold Ashanti; Femmes Africa Solidarité; Global Call to Action Against Poverty (GCAP); Indira Gandhi Institute of Development Research; Association Construisons Ensemble/Recherche sur les Citoyennetés en Transformation (ACE/RECIT); Tufts University.

B. Adoption of the Agenda and Election of the Bureau

87. The Conference adopted the following agenda:

1. Opening of the session
2. Election of the Bureau
3. Adoption of the draft agenda and programme of work

4. Presentation and high-level panel discussion on the theme of the Conference – *Accelerating Africa's growth and development to meet the MDGs: Emerging challenges and the way forward*
5. Ministerial policy debate on *Accelerating Africa's growth and development to meet the MDGs: Emerging challenges and the way forward*
6. Aid for trade: Challenges and opportunities for Africa
7. Consideration of the report and major recommendations of the twenty-sixth meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development
8. Any other business
9. Consideration and adoption of the draft Ministerial Statement and draft resolutions
10. Closure of the session

Election of the Bureau

88. The following officers were unanimously elected by the Conference to form the new Bureau:

Chair:	Ethiopia
First Vice-Chair:	Swaziland
Second Vice-Chair:	Cameroon
Third Vice-Chair:	Tunisia
Rapporteur:	Liberia

C. Account of Proceedings

Opening Addresses

89. In his opening remarks, His Excellency the Ambassador of the Libyan Arab Jamahiriya, Dean of the African Diplomatic Corp in Addis Ababa, delivered a statement on behalf of the outgoing Chair of the Bureau, Mr. Seydou Bouda, Honourable Minister of Economic and Development, Burkina Faso. He highlighted the attention devoted by the outgoing Bureau to the implementation of the recommendations of the 39th session of the Commission, in particular through its active role in the High-level Meeting of the United Nations Economic and Social Council held in Geneva in July 2006. He observed that the theme of the fortieth session re-echoes the objectives of the last two conferences, which were also closely related to the MDGs.

90. The Ambassador then reviewed Africa's recent economic performance and noted positive outcomes in many countries over the last five years. However, in terms of social development, the picture remains gloomy. In this regard, he underscored the fact that growth alone cannot bring about success in Africa's endeavours unless it is accompanied by a reduction in income inequalities. He indicated that to overcome Africa's development challenges, the deliberations of the Conference should consider the following issues: achieving sustainable growth based on

equity and creating jobs; increasing financing for public sector investment; promoting a conducive decision-making environment; developing the right partnerships; and managing globalization for Africa's benefit. He concluded by indicating that concrete and effective actions to deal with these issues are necessary for Africa to lay the foundations of higher growth and to meet the MDGs.

91. In his opening address, Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of ECA, welcomed all participants and acknowledged their support, close collaboration and commitment to ECA. He paid tribute to His Excellency former President Benjamin Mkapa of Tanzania for his continued dedication to international affairs and Africa's development. He also thanked His Excellency, Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia, for his intellectual leadership and assured him of ECA's support during his chairmanship of the NEPAD Heads of State and Government Implementation Committee and APRM Forum later this year. The Executive Secretary explained that the Conference was held earlier in the year for its outcome to inform major upcoming international gatherings including the meetings of the Bretton Woods institutions, the AfDB and the G8 Summit.

92. On the theme of the Conference, the Executive Secretary recalled the 2005 Abuja Ministerial Statement which highlighted strong political will and decisive actions as preconditions for achieving higher economic growth, poverty reduction and sustainable development in Africa. He stressed that attaining the MDGs will require addressing five interrelated broad challenges facing Africa: economic growth; scaling up development financing and public sector investments; getting the policy environment right; managing the risks of globalization; and ensuring peace and security.

93. On the issue of growth, he invited African countries to formulate and implement policies that would reduce volatility and reach the seven per cent required for halving poverty by 2015. In this regard, he called on African countries to boost their productive capacities, in particular in the private sector, raise agricultural productivity and achieve rural transformation. He also invited African countries to remain vigilant in the Doha Round and ensure that it retains its character of a development round. At the same time, he encouraged countries to seek ways of exploiting the full potential of intra-Africa trade. He also emphasized the centrality of employment for poverty reduction and underscored the importance of redistributive effect of economic growth.

94. The Executive Secretary then underlined the urgent need to scale up domestic and external financing to increase public sector investment in infrastructure and improve social service delivery. In this regard, he called upon Africa's partners to replenish the African Development Fund, a credible and appropriate financing mechanism for supporting the efforts of African LDCs. Mr. Janneh further indicated that appropriate policy framework was also important. For instance, African countries should strengthen their efforts to align the PRSs with the MDGs. Furthermore, he underlined the importance of managing the risks of globalization which could have adverse effects and contribute further to the brain drain. Mr. Janneh also underlined the importance of sustainable peace, human security and good governance as preconditions for achieving Africa's development. In this regard, he recognized the important role played by the African Union, particularly in quelling conflicts.

95. In concluding, the Executive Secretary invited the Ministers to consider the proposal of jointly organizing the Annual Conference of African Ministers of Finance, Planning and Economic Development with the AU and provide ECA with the legislative mandate to do so. He also mentioned that ECA will be celebrating its fiftieth anniversary in 2008 and stressed that it will be a good opportunity to assess the Commission's contribution to Africa's development. To this end, he requested the support and assistance of member States toward organizing various activities to commemorate the event.

96. In his statement, Mr. Donald Kaberuka, President of the AfDB, emphasized the need to rely on good statistical base. He informed the meeting that the AfDB had just completed an intensive data collection exercise in 48 African countries, which results are gradually published. He indicated that these data will be essential to monitor and assess progress made notably with respect to the achievement of the MDGs. He also insisted on the importance of stimulating economic growth and ensuring that it is both inclusive and environmentally sustainable. He also stressed the fact that decisions made today must take into account future perspectives, notably that Africa will become a battleground for natural resources, energy, arable land and water.

97. Mr. Kaberuka further said that two things were clear about the success of Asia, notably China: the ability to reduce poverty is strongly correlated to economic growth; and countries in Asia have not always followed conventional paths to drive their economic and social development. In this regard, he mentioned that these countries have exercised policy space while adhering to key fundamentals essential for a sound economy. He concluded by saying that the AfDB remains resolutely committed to the African development agenda and will continue to seek through its activities and partnerships to move it forward.

98. In his opening remarks, Dr. Maxwell Mkwezalamba, Commissioner for Economic Affairs of the AUC delivered a statement on behalf of the Chairperson, His Excellency Professor Alpha Oumar Konare. He reiterated the keen interest of the AU in the deliberations of the Conference and stressed the fact that this year's theme was appropriate and timely as we are quickly approaching the target date of 2015. He recognized the excellent collaboration between ECA and AU, and congratulated the Executive Secretary for his positive gesture and acknowledgment of the complementarity of the twin institutions.

99. The Commissioner recognized the importance of this platform for sharing lessons learnt and acknowledged resource mobilization and regional integration as crucial in the attainment of the MDGs in Africa. Referring to the commitments of Africa's partners to support the MDGs and the NEPAD priorities through increased ODA, FDI and debt cancellation, the Commissioner called for the establishment of a mechanism to monitor their realization. He further stressed the importance of increased competitiveness of African economies by establishing, through regional integration, larger markets. In this respect, he mentioned the collaboration between AU and ECA to review the Abuja Treaty, establishing the African Economic Community. He also made reference to the efforts of the AU to accelerate the establishment of the African Central Bank, the African Investment Bank and the African Monetary Fund.

100. In his keynote address, His Excellency Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia, welcomed participants to the Conference. His Excellency commended ECA for the choice of the theme as being timely for Africa's economic transformation. He underlined that economic growth was indeed at the centre of Africa's efforts to achieve the MDGs and that it was only by accelerating growth that sustainable progress could be made on poverty reduction and social development. However, he underscored that accelerated economic growth was not enough; it had to be reasonably equitable. The Prime Minister highlighted that structural transformation of African economies away from low value-added products was essential for sustaining the accelerated and pro-poor growth needed to achieve the MDGs.

101. Making reference to the growth of more than five per cent that Africa had achieved in recent years, His Excellency Meles Zenawi, noted that most African economies were on the mend. However, he indicated that assessments made some years back had indicated that African countries needed to grow at more than seven per cent per annum to reach the MDGs. However, given the slow pace of progress, countries may well need to grow at significantly higher rates than seven per cent per annum to achieve the goals. He requested the meeting to come up with ideas that would help African countries reach much higher growth rates and emphasized that the growth should be both pro-poor and transformative. Furthermore, he added that the proposed strategies and policies should take into account country specificities.

102. The Prime Minister concluded by challenging Africans to believe more in their own capacity to be the authors of their own destiny and fate. He then declared open the fortieth session of the Commission.

Presentation and high-level panel discussions on the theme of the Conference – *Accelerating Africa's growth and development to meet the MDGs: Emerging challenges and the way forward* (Agenda item 4)

103. This session featured six presentations on central issues related to the MDGs. In his remarks, the Former President of Tanzania, His Excellency Benjamin Mkapa, observed that sustaining the growth process remains a challenge for African countries. He suggested that it could be achieved through a model that: emphasizes self-reliance; promotes a business environment conducive to private sector development; facilitates increased flows of remittances; ensures a balanced sectoral composition of ODA; stems capital flight; promotes intra-regional trade; encourages peer learning; and is underpinned by credible political commitment and leadership. He concluded by stressing that this was a decisive moment and urged African governments to act now.

104. The Deputy Director General of the WTO, Ms. Valentine Rugwabiza, underscored that the role of Doha Round is to achieving the MDG-8 by reducing and eliminating trade distortions, increasing market access and rebalancing multilateral trade rules in favour of development. However, she emphasized that to stimulate growth, trade rules have to be complemented by a favourable policy environment and called for increased South-South trade as a facilitating mechanism. She urged African countries to reduce trade-related transaction costs to foster competitiveness and boost intra-African trade. Moreover, she emphasized the need for greater

policy coherence at the global and national levels, and improved coordination between the finance and trade ministries.

105. Dr. Kirut S. Parikh of the Planning Commission of the government of India shared lessons based on the experience of his country. He stressed that faster growth is essential to meet the MDGs and indicated that agriculture, which provides livelihood to the bulk of the population in Africa and India, must get the highest priority. He further noted that government policies play a critical role in promoting development and provided the example of his country's development plan and targets for faster and more inclusive growth. He also indicated that proactive industrial policy that promotes domestic industries in a competitive environment is important. To ensure shared growth, farmers must receive competitive prices for their outputs and countries must promote decentralization and participatory democracy. Dr. Parikh also stressed the need to encourage research and development, flexible labour markets, investments in human capital, physical infrastructure, ICT and well-developed financial markets.

106. Mr. Bobby Godsell, Chief Executive Officer of AngloGold Ashanti, insisted on the central role of private-public partnership for meaningful contributions to development. He added that the partnership must be anchored on shared values, including issues related to taxation, and underpinned by effective and ongoing dialogue and consultations.

107. Dr. Jeffrey Sachs emphasized the need for massive scaling up in four critical areas: health; education; agriculture and infrastructure. In the agriculture sector, he called for a green revolution in Africa to reduce the incidence of hunger and malnutrition and promote food security. He underscored the importance of aligning the PRS with the MDGs to accelerate progress and urged the IMF and World Bank to assist countries in this endeavour. He further called on development partners to front-load their aid commitments. Dr. Sachs observed that the Millennium Village projects undertaken in 12 African countries are a holistic and participatory approach to addressing poverty and have been successful in accelerating progress towards the MDGs.

108. A note prepared by Mr. Nicholas Stern on climate change underlined the need for countries to be proactive, particularly in the context of strategic planning, to forestall the potentially damaging impacts of climate change. In this document, Mr. Stern insisted on the importance of pricing policies, which must internalize the negative externalities associated with greenhouse gases.

Ministerial Policy Debate on – *Accelerating Africa's growth and development to meet the MDGs: Emerging challenges and the way forward* (Agenda item 5)

109. The ensuing Ministerial Policy Debate focused on a number of key issues, including resource mobilization, infrastructure, agriculture, trade and regional integration, governance, peace and stability, capacity building and the environment. During the debate, the Ministers stressed the urgency of acting now to addressing these issues for Africa to meet the MDGs.

110. The Ministers took good note of the progress made over the past few years and the increased economic growth rate in many African countries. However, to achieve the MDGs, they underscored the need for urgent actions and redoubled efforts by all stakeholders. The Conference agreed that all countries should build on improvement of macroeconomic management to accelerate and sustain a more inclusive and pro-poor growth. They acknowledged that African countries have to think beyond the targets and timeframe of the MDGs to significantly improve the quality of life of the African populations. Furthermore, they indicated that meeting the MDGs should not only be quantitative but also qualitative stressing the importance for example of access to high quality social services such as education and health.

111. The debate then turned to the question of the resource gap, which remains the major constraint to achieving the MDGs in Africa. The Ministers stressed the need to focus on domestic resource mobilization so as to encourage self-reliance and noted that domestic investment, supported by increased FDI, constitutes the best strategy to promote economic transformation and foster value-added production. In this regard, they called for better management of natural resources to promote sustainable growth, especially given the current commodity price boom.

112. To reach this objective and also facilitate the development of the private sector, the Ministers stressed the importance of an efficient financial sector, including access to microcredit. They also underscored the need to improve the investment climate both in terms of regulatory framework and incentive mechanisms. At the same time, development partners need to scale up aid to Africa and ensure that it is more predictable, over a longer time horizon, to better assist countries in planning and resource allocation. The Conference also underscored the importance of remittances, which are playing an increasing role in the continent's development agenda. The Ministers committed to increase domestic spending on the MDGs and ensure that resources from debt relief, revenues from natural resources are channelled towards meeting the Goals.

113. Acknowledging the special needs of the LDCs and a faster implementation of the Brussels Programme of Action, the Ministers stressed the fact that non-LDCs also need increased assistance and debt relief to support their efforts. In this regard, they noted that non-traditional development partners, from emerging economies for instance, could have a more active role to play in these countries. To follow-up on commitments, in preparation for the Global Mid-Term Review to be held in Qatar in 2008, the Conference called upon the ECA, AUC and AfDB to assess the implementation of the Monterrey Consensus and propose practical ways for African countries to access financing for development.

114. The Ministers deplored the poor and inadequate infrastructure prevailing in African countries, particularly in landlocked LDCs, which constrains efforts to accelerate growth and reduce poverty. In this regard, they committed to scale up public investment in the areas of energy, transport, ICTs and water. The use of public-private partnerships (PPPs) was highlighted as an effective instrument to scale up infrastructure development. The Ministers further recognized that post-conflict countries require special assistance in to help them rebuild their basic infrastructure.

115. Given that the majority of the population is rural based, the Conference recognized the urgency of increasing agricultural productivity, ensuring food security and promoting rural development. To achieve this objective, it was proposed to increased investment and action in areas such as irrigation, water management, land reform and access to inputs and credit. To ensure better results, the meeting also committed to expand ICT networks to rural areas and ensure that farmers have access to information on prices and markets.

116. The Conference reiterated the significant contribution trade can make to economic growth and poverty reduction. In this regard, the Ministers committed to boost intra-Africa trade by taking measures, through the implementation of the NEPAD programme, to foster regional integration, remove all trade barriers and invest in infrastructure. They also committed to broaden consultations, including local communities and civil society organizations, to build a consensus on the benefits of regional integration, strengthen the regional institutions and address more effectively the people's objectives and aspirations. While South-South cooperation was seen as a facilitating mechanism to share experiences and provide new opportunities, the Ministers stressed the importance for developed countries to open up their markets and support capacity building initiatives to help remove supply-side constraints in African countries.

117. To achieve the MDGs, the Conference reiterated the imperative of improving governance by strengthening democracy, fighting corruption, increasing transparency and accountability, adopting participatory approaches, and decentralizing public administration and resources. It also emphasized that the issue of sustained peace and security needs to be given more prominence in discussions on achieving the MDGs. In this regard, the Ministers stressed the fact that post-conflict and fragile states require special assistance to sustain and further their recovery efforts.

118. The Ministers noted that strong political will and leadership are essential to meet the Goals and must be supported by solid technical capacity in the ministries and other institutions. In this regard, they requested that ECA support African countries in their efforts to move away from annual item budgeting to programme budgeting as part of the medium-term expenditure framework (MTEF). They further highlighted the critical importance of enhancing capacity to manage the economy, develop human resources, and plan investments. Reiterating the central of timely and reliable statistics for planning, monitoring and evaluation, they called upon ECA, AUC and AfDB to assist them in building the institutional capacities for statistical development both at the country and regional levels.

119. Another important element that constitutes a major risk to the achievement of the Goals is climate change. The Ministers acknowledged with great concern the challenges it may cause to the sustainability of the capacities of the ecosystems, food production and economic systems. To help them deal with these challenges, they called on ECA, in close partnership with AUC, AfDB and relevant African and international institutions, to assist in developing an expertise in this area.

Aid for Trade: Challenges and opportunities for Africa (Agenda item 6)

120. Under this agenda item, three presentations were made. A representative of the ECA secretariat presented the objective and guiding principles of the Aid for Trade (AfT) initiative

and its potential impact on African countries, highlighting its role in addressing insufficient trade capacity in the region. He reviewed progress made so far in implementing the initiative and identified its major challenges. He also underscored the importance of coordination and called upon African Ministers of Finance, Planning and Economic Development to work in close collaboration with trade ministers, ECA, AfDB and AU for an effective implementation of the AfT.

121. The representative of the WTO overviewed the status of implementation of the AfT initiative and discussed the role of the WTO and other international organizations. She underlined the relevance and importance of this initiative to help African countries build their trade capacity and support the implementation of the Doha Round. She highlighted the fact that the scope of the AfT will, to a large extent, determine its required financing as well as the role of regional institutions in the monitoring and implementation process.

122. A representative of the International Trade Centre (ITC) highlighted the importance of the initiative for trade capacity building and the improvement of the environment for private sector development. This will be achieved through supporting services for business, promoting finance and investment and conducting market analysis, which could lead to diversification and development of productive capacity in Africa. She concluded by emphasizing the key elements of the AfT, including accurate measurement, transparency and coherence as well as ownership and partnership.

123. The Ministers took note of the objective of building trade capacity in African countries to help them deal more effectively with trade policy and regulation as well as complicated trade negotiation issues. They highlighted that the AfT promised to be an important complement to other forms of aid and was expected to help them address such major challenges as trade-related infrastructure, inefficient trade facilitation and weak financing capacity. The Ministers stressed the fact that the AfT initiative should also address supply-side constraints in order to build productive capacity so that countries in the region can diversify and move to higher value-chain of production. In that context, the Ministers underscored the role of AfT as a complement to market access and stressed the need to ensure that its implementation be built on existing trade-related assistance mechanisms.

124. With regard to the effectiveness of the AfT, the Conference emphasized the need to identify promising areas/sectors where AfT could play a dynamic role. To fully materialize the potential benefits of the AfT initiative, the Conference stressed the importance of ownership at both national and regional levels. In addition, it recommended that the guiding principles of the Paris Declaration on aid effectiveness be used to develop a solid and credible monitoring and evaluation mechanism of the AfT. This mechanism would be based on an integrated approach that is transparent, accountable and coherent across the ministries of trade and finance, planning and economic development.

125. While recognizing the importance of sustaining relatively high economic growth rates in the years to come, the Conference stressed the need of accelerating growth through trade promotion so as to transform African economies and achieve the MDGs. In this connection, the Conference emphasized the key role of the private sector as an engine of growth and as an

implementation vehicle of the AfT. The Conference therefore reiterated its call for fostering private sector development through improved business environment and conducive investment. The Conference also committed to a strengthening of SMEs and of the informal sector in order to maximize their contribution to the economy. As a part of the modalities to reach this objective, the Ministers underlined the importance of public-private sector partnership and increased participation in policy-making process.

126. Turning to the implementation framework of the AfT initiative, the Ministers pointed out the crucial role of efficient partnership between the AUC, AfDB and ECA and the RECs. They also called upon relevant international institutions such as the WTO and ITC for further assistance. In this regard, they requested for a clear definition of roles and responsibilities of relevant international institutions and partners as well as mutual accountability from both African countries and development partners.

Consideration and adoption of the report and major recommendations of the twenty-sixth meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development (Agenda item 7)

127. The Chairperson of the twenty-sixth meeting of the Committee of Experts presented the report of the Committee, together with five draft resolutions, as contained in document E/ECA/CM.40/2, for consideration and adoption by the Conference. The Chairperson indicated that the report summarized the major observations and recommendations covering the issues on the agenda of the meeting, including the theme of the Conference. The Committee considered and made recommendations on the following issues: Economic and social developments in Africa; progress made towards regional integration in Africa; follow-up to global and regional conferences and summits; aid for trade initiative; statistics and statistical capacity development; and support to the implementation of NEPAD. The Committee also considered a number of statutory issues related to the effective functioning of the Economic Commission for Africa, including the review of the intergovernmental machinery.

128. With regard to the theme of the Conference, the Chairperson noted that the Committee identified five major challenges that would need to be addressed in order to achieve the MDGs: growth, employment and inequality; scaling up financing for public sector investments; improved policy environment; strengthened partnerships for better development outcomes; and enhanced peace and security. The Committee underscored the need for urgent actions by African countries and their development partners in order to mobilize the resources needed to meet the MDGs. The Committee also emphasized the need to take into consideration country specificities and circumstances in addressing the challenges.

129. Concerning the review of the ECA intergovernmental machinery, the Chairperson stated that the Committee of Experts considered and recommended three major proposals to the Conference of Ministers for its consideration as follows:

- i. Organizing a joint AU and ECA Annual Conference of African Ministers of Finance, Planning and Economic Development;
- ii. Converting the Intergovernmental Committee of Experts into Subregional Ministerial Conferences; and
- iii. Structuring the subsidiary organs of the Commission around seven sectoral committees.

130. The Chairperson said that the Committee also considered and recommended the proposed programme of work and priorities for the biennium 2008-2009 as well as the *ECA Business Plan 2007-2009*, together with relevant draft resolutions for endorsement by the Conference.

131. The Conference of Ministers took note of the presentation and commended the Committee of Experts for the comprehensiveness of the report and the diligence with which it dealt with the issues on the agenda of its meeting. The Conference adopted the report of the Committee, including the draft resolutions contained therein. Following the adoption of the report, several specific and general comments and suggestions were made under some of the agenda items considered by the Committee.

132. In relation to the review of the intergovernmental machinery of the Commission, many delegations, who spoke on the issue, welcomed the proposed changes in the structure and said it was consistent with the mandate on ECA repositioning. In particular, they hoped that the changes would lead to a more streamlined, cost-effective and coherent intergovernmental structure, closely aligned with the AU structure and characterized by well-panned and better-prepared meetings.

133. A few delegations raised questions and sought clarification regarding the operationalization and possible financial implications of the proposed changes for member States. In particular, these delegations questioned how the decisions of the proposed joint AU/ECA Conference would be implemented in view of the different statutory requirements of the two organizations. Furthermore, some delegations said that further clarification was needed on the modalities for implementation. Concerning the conversion of the Intergovernmental Committee of Experts of the SROs into Subregional Ministerial Conferences, some concerns were expressed about the possibility of duplication and overlap with existing ministerial meetings at subregional level.

134. The Executive Secretary provided some explanations on the issues raised. He indicated that a revision of the intergovernmental machinery became necessary in order to align the various sectoral committees with the new programme structure of ECA. On the proposed joint AU/ECA Conference of Ministers, which had already been endorsed by the Conference of African Ministers of Finance (CAMEF) in Yaounde in November 2006, the Executive Secretary explained that this would provide an opportunity for the two organizations to jointly address and take decisions on issues of common concern for the continent, and result in greater coherence and impact. He stressed that the proposed arrangements would in no way affect the consideration of ECA's statutory issues by the ECA Conference of Ministers, which would remain the principal legislative organ of the Commission.

135. Regarding the conversion of the subregional ICEs, the Executive Secretary mentioned that this proposal was intended to raise the political profile of the ICEs to ministerial one in order to take decisions on key priorities at the subregional level that would later feed into the discussion of the annual session of the Conference of Ministers at the regional level. He further explained that the modalities for implementing the proposed conversion would be worked out based on the specific needs and circumstances of each subregion. He also stressed the role of these subregional ministerial meetings would play in ensuring that subregional development priorities of the member States and the RECs are mainstreamed in ECA's programmes and activities.

136. The Executive Secretary assured the Conference that the proposed changes would have no financial implications whatsoever, as the entire repositioning exercise, was being undertaken within existing budgetary resources.

Any other business (Agenda item 8)

Information session on the International Statistics Institute

137. Under this agenda item, the Conference was briefed by Mr. Trevor Manuel, Honourable Minister of Finance of the Republic of South Africa, on recent developments in the area of statistics and statistical development in Africa. This includes the ongoing preparations for the 57th session of the International Statistics Institute (ISI) to be held in Durban, South Africa in August 2009, the first time ever in Africa.

138. Underlining the important role of statistics in national development, Mr. Manuel noted that national development plans and strategies for meeting the MDGs can have veracity only if they are backed by credible and reliable statistics. In this connection, he indicated that the upcoming ISI event provides an opportunity to increase the focus on statistics in Africa and add value to ongoing initiatives on statistical development, spearheaded by South Africa and ECA. In view of the importance of the ISI event for Africa's development, he urged all African Ministers of Finance, Planning and Economic Development as well members of the statistics community in Africa to participate in the Durban meeting in 2009 and other preparatory events leading up to it.

139. Mr. Trevor Manuel commended the Executive Secretary, Mr. Abdoulie Janneh, for his role and leadership in promoting awareness about the importance of statistics and proposed that the ECA secretariat be designated as custodian for all issues and activities related to statistical development in Africa. The Executive Secretary thanked Mr. Manuel for the briefing and welcomed his proposal to have ECA designated as a regional coordination hub for statistical development. He assured the Conference of ECA's readiness and willingness to carry out any mandates given to it in this context, through the work of the African Centre for Statistics.

Financing for Development Conference 2007

140. Mr. K. Baah-Wiredu, Honourable Minister of Finance and Economic Planning, Ghana, informed the meeting about the forthcoming Financing for Development Conference which would take place in Accra from 30 to 31 May 2007. The theme of the Conference is "*Infrastructure for growth – The energy challenge*" and would provide Ministers with an

opportunity to assess the state of financing of infrastructure in Africa, with a particular emphasis on energy. The Conference would bring together Ministers of Finance, Planning and Economic Development, Ministers of Energy as well as other key stakeholders such as the AfDB, AUC, ECA, multilateral and bilateral development partners, and civil society organizations.

Congress of the International Union for Scientific Population Study

141. Morocco's delegation informed participants that for the first time in the continent and the Arab world, Morocco would host the 26th Congress of the International Union for Scientific Population Study (IUSPS) to be held in Marrakech from 26 September to 2 October 2007. Morocco, therefore, seized the opportunity to invite all ECA member States as well as the representatives of institutions and organs attending the Conference of African Ministers of Finance, Planning and Economic Development to take part in the deliberations of this congress devoted to demography and population policy issues in the world.

Eight COMESA Ministers of Finance Meeting

142. His Excellency Mr. Doongoor Premdut, Ambassador of the Republic of Mauritius, informed the Conference about forthcoming 8th COMESA Ministers of Finance Meeting which would be held in Mauritius on 26 April 2007. The Meeting would be preceded by the First Meeting of the COMESA Fiscal Affairs Committee of Experts from 23 to 25 April 2007. The meeting would mainly examine issues related to the COMESA Customs Union and include: the Common External Tariff; free circulation of goods and revenue sharing; treatment of export promotion schemes under the Customs Union; the administrative and legal structure of the Customs Union; a regional community levy; Aid for Trade; and the mobilization of necessary resources to support the COMESA Free Trade Area. A COMESA Fund meeting was also scheduled to take place on 27 April 2007.

Fiftieth anniversary of the Economic Commission for Africa

143. The Executive Secretary, Mr. Abdoulie Janneh, indicated that 2008 would mark the 50th anniversary of the United Nations Economic Commission for Africa, which was established in June 1958. He mentioned that the celebration of the golden jubilee would be a timely event to look backward and take stock of what has been achieved over the past fifty years, and to look forward to face the challenges that lie ahead with greater resolve. He further indicated that consultations would be undertaken to initiate the preparations to commemorate this anniversary.

Consideration and adoption of the draft Ministerial Statement and draft resolutions (Agenda item 9)

144. Under this agenda item, the Conference considered the draft Ministerial Statement as well as two additional draft resolutions.

145. The draft Ministerial Statement was presented by the Rapporteur of the Bureau of the Conference, Dr. Tga Gayewea McIntosh, Honourable Minister of Planning and Economic Affairs, Liberia. In his presentation, he highlighted the key elements of the draft statement,

which calls for immediate actions by African countries and international development partners to achieve the MDGs in the region. These actions range from policies aimed at sustaining high economic growth, formulation and implementation of comprehensive development strategies that take into account the MDGs, to enhanced partnership to meet commitments and scale up financing for development.

146. The Ministers commended the Rapporteur and the secretariat for the clarity and conciseness of the draft statement and considered it in detail. Some delegations made suggestions on a few important issues, which they requested the secretariat to take into account in the final version of the statement. These issues included the need to refer to the key role of (i) generating employment in the fight against poverty; (ii) the diaspora in financing development in Africa; (iii) respect for human rights and promotion of the rule of law; (iv) access to credit for the most vulnerable through promotion of microfinancing; (v) civil society organizations to engage the support of the African people in the regional integration agenda; and (vi) agriculture for development and the implementation of the NEPAD Comprehensive Africa Agriculture Development Plan.

147. The Conference of Ministers adopted unanimously the Ministerial Statement with the proposed amendments. (The final version of the statement is attached to this report as Annex I-B).

148. The Conference of Ministers also considered two additional draft resolutions on *Climate Change and Development in Africa* and on the *Review of the Intergovernmental Machinery of the Economic Commission for Africa*. The Ministers adopted unanimously the resolution on climate change with minor amendments to be incorporated by the secretariat.

149. The Ministers then went on to discuss the draft resolution on the proposed intergovernmental machinery. They took this opportunity to commend the ECA for the repositioning exercise, the better focus on Africa's priorities and the new organizational structure that goes with it. They expressed their general understanding for the need to realign the intergovernmental machinery to the new strategic orientation of the Commission. The majority of member States endorsed the proposal of the secretariat and supported the initiative of a joint AU/ECA Annual Conference of African Ministers of Finance, Planning and Economic Development. Morocco reiterated its reservations about a joint meeting and requested additional clarification from the secretariat on the functioning of the joint meeting. In this regard, the Executive Secretary reaffirmed that such a meeting would provide a common platform to address and debate Africa's main development challenges. However, ECA statutory issues would remain the exclusive mandate of the annual session of the Commission, which ECA would convene with its member States at the same time and venue.

150. In discussing further the proposed machinery, several member States expressed concern about the conversion of the Intergovernmental Committee of Experts of the SROs into Subregional Ministerial Conferences. They agreed with a higher decision-making level but recommend that the new model be adapted to subregional realities. The majority of member States agreed to hold a subregional ministerial conference in 2008 and come up with an assessment.

151. Regarding the proposal to set up seven sectoral committees, the Conference agreed with the need to align them with the approved programme structure of ECA. Some delegations indicated that it would have been useful to have the draft terms of reference for the committees to avoid duplication and ensure maximum synergies. The secretariat indicated that the terms of reference for each committee would be defined during their first meeting.

152. At the end of a lengthy discussion, the majority of member States endorsed the draft resolution. Morocco rejected the resolution indicating that it needed more time to analyse and understand the implications of the proposed machinery. It also added that it did not have enough insurance that the proposed joint AU/ECA conference of ministers would allow ECA member States to adequately discuss their statutory issues.

Closure of the session

153. In his closing remarks, the Commissioner for Economic Affairs of the AUC expressed his gratitude for the opportunity of participating in the meeting and sharing a few thoughts. He stated that sub-Saharan Africa is experiencing an episode of strong economic growth, above five per cent, which deserves celebration. He noted, however, that this regime change remains fragile given the low level of national savings and the enormous challenges facing Africa. He indicated that the participants have advocated for self-reliance and greater policy space to shape the development agenda according to national specificities and promotion of sound economic policies. In that regard, the Commissioner emphasized the leadership role Africa should exercise in shaping its policies, defining its priorities and implementing the required actions, as prescribed policies have not yielded the expected results. He also called for African countries to use their policy space effectively, based on a thorough knowledge of national situations supported by reliable statistics.

154. He expressed appreciation for the rich debate that had taken place during the Conference, commended the Ministers for their dedication to development and congratulated the Chairman on the successful outcome of the meeting. Following the closing remarks by the Commissioner, the Representative of the Government of Burundi pronounced a vote of thanks for the Government of Federal Democratic Republic of Ethiopia, the Chairperson of the meeting and the Secretariat, on behalf of the Honourable Ministers.

155. The Executive Secretary of ECA thanked the Honourable Ministers for coming in large number to deliberate on issues crucial to Africa. He appreciated the openness and transparency of the deliberations, and commended the great work that was accomplished during the Conference. He stated that the Declaration is a blue print for action at national and regional levels. He then said he is energized by the vote of confidence, support and endorsement to carry out the actions set to advance ECA repositioning. He assured the Ministers that ECA will do its utmost to live up to their expectations and work with them to translate these provisions into policy directions at national, subregional and regional levels. He greatly appreciated the collaboration of the AUC and the UNDP for the organization of the Conference. He also expressed appreciation for the active participation of the African Development Bank and other

UN organizations. He then thanked all ECA staff for their contribution to the success of the Conference.

156. In his closing remarks, the Chairperson of the Conference thanked the Ministers for their participation and commended the richness of the discussions, which has led to a successful outcome of the meeting. He thanked the participants for their confidence in electing him as Chairperson of the meeting and thanked the secretariat for its valuable support. He then declared the Fortieth Session of the Commission closed.

ANNEX I

Resolutions and Ministerial Statement adopted by the Commission at its Fortieth session:

A. Resolutions

847 (XL) Aid For Trade

The Conference of Ministers,

Recalling the Hong Kong Mandate of December 2005 to the WTO on Aid for Trade;

Considering the Aid for Trade Task Force recommendations to the General Council of the World Trade Organization (WTO) of July 2006 on how Aid for Trade could be operationalized;

Taking into account the potential contribution that trade can make to Africa's overall development and poverty reduction as well as the importance we attach to mainstreaming trade into our development strategies;

Considering the need to ensure that African countries build their supply-side capacities and trade-related infrastructure to promote their trade and benefit from liberalized trade through effective integration into the multilateral trading system;

Aware of the need for trade capacity building to go beyond soft trade-related technical assistance to the support that would deepen the productive capacities of African economies, finance trade-related infrastructure, and at the same time help them to cope with the adjustment costs of regional and global trade reforms;

Underscoring the importance of regional integration to Africa's effective integration into the global economy;

Noting that substantial work still remains to be done to make Aid for Trade fully operational;

Recognizing that the effectiveness of Aid for Trade depends on the delivery of new and additional resources commensurate with the scope of set objectives;

1. *Requests* development partners to expedite the remaining work on Aid for Trade so that it can start benefiting the African countries;
2. *Further urges* donor agencies and beneficiaries to enhance the effectiveness of Aid for Trade programmes and ensure that they are consistent with and supportive of regional and subregional integration initiatives;

3. *Encourages* the involvement of the African private sector as one of the implementation vehicles for Aid for Trade at national and regional levels;
4. *Requests* the Economic Commission for Africa (ECA), in close collaboration with the African Union (AU), African Development Bank (AfDB) and other international trade institutions to assist member States and regional economic communities in the operationalization and implementation of Aid for Trade;
5. *Reaffirms* its support to the role that ECA is playing in the implementation of Aid for Trade, especially in assisting African countries to define their national and regional Aid for Trade programmes, and also in the monitoring and evaluation of its effectiveness in addressing Africa's trade challenges;
6. *Calls* on development partners to provide, in a predictable and sustained manner, the additional resources required by African countries to build their competitiveness and address supply-side and infrastructure constraints; and
7. *Undertakes* to actively participate in defining priorities and programmes of the Aid for Trade initiative as well as in its implementation in close collaboration with our Ministries of Trade.

848 (XL) Financing for Development

The Conference of Ministers,

Recalling the outcome of the International Conference on Financing for Development held in Monterrey, Mexico, from 18 to 22 March 2002;

Recalling the 2005 World Summit Outcome and the High Level Forum on Aid Effectiveness held in Paris, France, from 28 February to 2 March 2005;

Recognizing the critical role of finance in the development process and in enhancing prospects for achieving the Millennium Development Goals (MDGs) in Africa;

Noting with appreciation, recent commitments by development partners to scale-up official development assistance (ODA), improve aid effectiveness, and reduce the external debt burden facing several African countries;

Deeply concerned about the slow pace of progress by donors in honouring their pledges and commitments to African countries on scaling-up aid, improving the effectiveness of aid, and reducing the debt burden facing several African countries, and the implications for the region's ability to meet the MDGs;

Taking note of the outcome of the Financing for Development Conference held by African Ministers of Finance, Planning and Economic Development, in Abuja, Nigeria, on 21 and 22 May 2006, as reflected in the Abuja Commitment to Action;

Having examined and discussed the progress report on the implementation of the Monterrey Consensus prepared and presented by the Economic Commission for Africa (ECA);

1. *Encourages* African countries to increase the mobilization of domestic resources through the design and adoption of appropriate economic policies to boost domestic savings, increase domestic tax revenue, boost remittances, and stem capital flight;
2. *Invites* African countries to improve the investment climate and to take appropriate measures to ensure that scaled-up of ODA does not have any adverse effects on national economies;
3. *Urges* Africa's development partners to scale-up their efforts to fulfil the commitments and pledges made to African countries, including post-conflict countries, the middle-income countries on increasing the quantity of aid, improving aid effectiveness, and providing debt relief, as reflected in the Monterrey Consensus, the 2005 MDG Review Summit, the G8 Africa Action Plan, the 2005 Paris Declaration and the Declaration of the 2005 G8 Gleneagles Summit, and support innovative financing ideas and follow-up on their commitment to long-term funding plans to deliver universal access to treatment, prevention and care for HIV/AIDS;
4. *Calls* for greater involvement of African countries in the decision-making organs and processes of international organizations such as the World Trade Organization, the World Bank, and the International Monetary Fund;
5. *Requests* ECA, in collaboration with the African Union Commission, to organize a meeting to assess the status of implementation of the Monterrey Consensus in Africa and to prepare the region for the forthcoming Global Mid-Term Review of the Monterrey Consensus to be held in Qatar in the first quarter of 2008; and
6. *Commends* ECA for the fundamental role that it continues to play in providing research and technical support to African countries on development financing issues and encourage the Commission to play an active role in monitoring and evaluating the extent to which Africa's development partners have met their international commitments to the region.

849 (XL) Statistics and Statistical Capacity Building in Africa

The Conference of Ministers,

Noting with appreciation the recent endorsement by African heads of National Statistical Offices (NSOs) and other stakeholders of the Reference Regional Strategic Framework for

statistical capacity building in Africa (RRSF) as the guide for statistical development activities on the continent upon recommendation by the Forum on African Statistical Development (FASDEV) held in February 2006 in Addis Ababa;

Welcoming the African initiative of establishing the Africa Symposia on Statistical Development (ASSD) as a platform for the exchange of best practices and recognizing the progress made by African countries towards ensuring that they conduct a population and housing census in the 2010 Round in this framework;

Taking note of the lack of coordination in statistical activities in Africa as one of the serious impediments to the production of quality statistics needed to, *inter alia*, monitor and track progress towards achieving nationally, regionally, and internationally agreed development targets including the MDGs;

Deeply concerned about the inadequate funding for statistical operations and the slow progress in the implementation of international norms and standards namely the 1993 System of National Accounts, the principles and recommendations on population and housing censuses and the urgent need to implement these international standards for statistical harmonization and comparability;

Noting the implementation of the International Comparison Programme for Africa (ICP Africa) through which African countries have compiled purchasing power parities (PPPs) based on household consumption information under the leadership of the African Development Bank (AfDB) and other partners;

1. *Endorses* the RRSF as the guide for statistical development on the continent and trust that it will increase the capability of African National Statistical Systems to produce quality and reliable statistics;
2. *Invites* host countries of the next symposium with adequate backing of the Economic Commission for Africa (ECA), the Friends of ECA, other African countries as well as partners to ensure its sustainability by financially supporting it and fully backing the recommendations of the 2007 ASSD;
3. *Requests* ECA, in collaboration with the African Union Commission (AUC), to strengthen its coordination efforts in statistical development in Africa, jointly with the AfDB, and calls upon development partners to support statistical development efforts in Africa, including providing required financial resources;
4. *Further requests* that the African Centre for Statistics (ACS) should scale-up its assistance to African countries to strengthen their statistical capabilities for the production of quality statistics in compliance with international standards; and
5. *Recommends* that the International Comparison Programme for Africa should be continued and enhanced in order to facilitate international comparison, including

monitoring and evaluation of the achievement of the MDGs and calls upon the AUC, AfDB and ECA to ensure its sustainability.

850 (XL) Proposed Programme of Work and Priorities for the Biennium 2008 -2009

The Conference of Ministers,

Recalling resolution 844 (XXXIX) of 15 May 2006 adopted by the Conference of African Ministers of Finance, Planning and Economic Development which endorsed the repositioning of the Economic Commission for Africa (ECA) to better respond to Africa's priorities;

Recalling also paragraphs 9 and 12 of General Assembly resolution 60/235 which requests the Secretary-General to ensure that adequate resources are provided to ECA and its subregional offices (SROs) to continue their support for the New Partnership for Africa's Development (NEPAD) and the regional economic communities (RECs) of Africa;

Noting with appreciation the enhanced and close collaboration between the African Union Commission (AUC), the African Development Bank (AfDB) and ECA, which resulted in the endorsement and joint launching of the *ECA Business Plan 2007-2009* by the UN Secretary-General, the Chairperson of AUC and the President of AfDB in November 2006;

Appreciative of the continuing support given by the partners towards the operationalization of the *ECA Business Plan 2007-2009*;

Considering the AU decision (Assembly/AU/Dec.140 (VIII)) of 30 January 2007, which endorsed the *ECA Business Plan 2007-2009*, as a first concrete step towards meeting Africa's development priorities;

Bearing in mind the need to implement fully the recommendations of the report of the United Nations Secretary-General on enhancing the role of the subregional offices of the ECA;

Taking note of the *ECA Business Plan 2007-2009*, which shows how a repositioned ECA intends to scale-up its support for the region's development efforts;

Having examined the Proposed Programme of Work and Priorities for the Biennium 2008-2009, as contained in document E/ECA/COE/26/12;

Convinced that the activities contained in the Proposed Programme of Work and Priorities for the Biennium 2008-2009, which derived from the *ECA Business Plan 2007-2009*, will help ECA address the continent's development challenges and emerging priorities, and to meet the Millennium Development Goals (MDGs);

1. *Endorses* the *ECA Business Plan 2007-2009*, which constitutes a strategic articulation of ECA's programme of work in the coming three years;

2. *Urges* member States and development partners to support the Plan with adequate resources for its operationalization; and
3. *Endorses* the Proposed Programme of Work and Priorities of the Commission for the Biennium 2008-2009, taking into account the discussion and related observations and amendments made at the meeting.

851 (XL) African Institute for Economic Development and Planning

The Conference of Ministers,

Recalling its resolution 846(XXXIX) of 15 May 2006 on the mandate and operations of the African Institute for Economic Development and Planning (IDEP);

Acknowledging the contributions that have already been made by some member States;

Noting with concern the critical financial situation that the Institute continues to face, which is further aggravated by the non-payment of assessed contributions by some member States;

Reaffirming the relevance of IDEP in providing relevant, demand-driven training activities for African Governments, public organizations and the private sector to meet the capacity building needs of member States;

Stressing the need for the Institute to further strengthen its cooperation with other relevant national, regional and international training institutions;

Deeply concerned about the current human and overall management challenges facing the Institute;

Taking note of the Report of the External Review of the IDEP;

1. *Endorses* the recommendations of the panel contained in the report;
2. *Mandates* the Executive Secretary to carry out a thorough needs assessment as well as a management audit to enable IDEP to fulfil its mission;
3. *Further* mandates the Executive Secretary to make the necessary arrangements to finalize the report of the Panel of External Reviewers and submit this to the next session of the Commission; and
4. *Urges* member States who have made pledges to honour their commitments.

852 (XL) Climate Change and Development in Africa

The Conference of Ministers,

Deeply concerned about the daunting challenges that climate change poses for the sustainability of the capacities of ecosystems, food production systems and economic systems, all of which are key to implementing the New Partnership for Africa's Development (NEPAD) sectoral priorities, in particular the NEPAD initiative, and achieving the Millennium Development Goals (MDGs) in Africa;

Recalling the 2005 G8 Gleneagles Summit's pledge to support efforts to help developing countries and regions obtain full benefit from placement of observational systems to fill data gaps, develop in-country and regional capacity for analyzing and interpreting observational data, develop decision-support systems and tools relevant to local needs and, in particular, work to strengthen the existing climate institutions in Africa;

Noting with appreciation that the Economic Commission for Africa (ECA), the African Union Commission (AUC) and the African Development Bank (AfDB), within the framework of their Joint Secretariat and in collaboration with development partners, are currently developing the Climate Information for Development in Africa (ClimDev Africa) adaptation Programme, to be implemented by relevant African national and regional institutions;

Mindful of the Decision of the Eighth Ordinary Session of the Assembly of the African Union on Climate Change and Development in Africa and the Resolutions on the same subject at the 12th Conference of Parties of the United Nations Framework Convention on Climate Change (UNFCCC COP 12) held in Nairobi, Kenya, in November 2006; and

Aware that climate change is a cross-sectoral issue that requires high-level inter-ministerial coordination at the national level as well as full participation of African national, subregional and regional institutions for effective strategies;

1. Requests ECA to take, in close partnership with AUC, AfDB and in collaboration with relevant African and international institutions, appropriate action for the effective development and implementation of the ClimDev-Africa Programme and to report on progress at each Conference of the Commission;
2. Commits to provide full support to the implementation of ClimDev-Africa Programme and to integrate climate change into economic planning and management at the level of our respective countries; and
3. Urges Africa's development partners to support the member States and Regional Economic Communities to integrate climate adaptation and mitigation measures into their development plans and the implementation of the ClimDev Africa Programme.

853 (XL) Review of the Intergovernmental Machinery of the Economic Commission for Africa*

The Conference of Ministers,

Recalling its resolution 844 (XXXIX) of 16 May 2006 on Repositioning the Economic Commission for Africa (ECA) to better respond to Africa's Priorities, in which it endorsed the strategic direction, the guiding principles and proposals for repositioning ECA and requested the Executive Secretary to take the necessary measures to implement these proposals and reflect them in the Commission's Biennial Programme Plan for the period 2008–2009, and realign ECA's intergovernmental, programme and organizational structures in order to enhance the secretariat's management and business processes for greater results;

Taking into account African Union (AU) decision [Assembly/AU/Dec.14 (VII)] of 2 July 2006 on strengthening the AU Commission, ECA and African Development Bank (AfDB) partnership, in which it welcomed the commitment of the Executive Secretary of ECA, to strengthening and repositioning ECA to address Africa's development challenges, and reaffirmed the role of ECA as a key and necessary United Nations institution in Africa to assist and facilitate the work of the AU and the regional economic communities (RECs) in defining, articulating, advocating common positions on development policies and issues and goals, and in promoting and supporting economic and social development in Africa;

Recalling Africa Union decision [Assembly/AU/Dec.140 (VIII)] of 30 January 2007 on enhancing UN-AU cooperation by which the AU Heads of State and Government endorsed the signing by the United Nations and the African Union of a Declaration entitled "Enhancing UN-AU Cooperation: Framework for the Ten-Year Capacity Building Programme for the African Union";

Bearing in mind General Assembly resolution 61/234 of 31 January 2007 on enhancing the role of the subregional offices of the ECA, in which the General Assembly welcomed the efforts being made by ECA to reposition itself to better respond to the challenges facing Africa;

Noting with appreciation the extensive consultations and continuing dialogue that the Executive Secretary of the ECA has been engaged in with the Group of African Ambassadors in Addis Ababa and New York respectively, with a view to keeping them informed on the reforms he has taken to reposition ECA, including the adoption of the new programme and organizational structures of the ECA secretariat;

Mindful that in compliance with the request of the United Nations General Assembly and the provisions of the Programme Planning, Budgeting and Monitoring and Evaluation (PPBME) rules, the intergovernmental structure of the Commission should mirror the newly adopted programme structure resulting from ECA repositioning;

* The resolution was rejected by Morocco based on reservations about the operative paragraph 1, point 1.

Emphasizing the need to further define the composition and objectives of the proposed structures comprising the intergovernmental machinery as well as the rules governing their operations with due account taken of the conditions and regulatory context of each of the subregional economic communities;

Having examined the proposed intergovernmental machinery contained in document E/ECA/COE/26/10;

- *Endorses* the proposed intergovernmental machinery of the Economic Commission for Africa, taking into account the discussion and related observations made at the present meeting, namely:
 1. To organize a joint annual AU/ECA Conference of African Ministers of Finance, Planning and Economic Development;
 2. To replace the current Intergovernmental Committee of Experts by Subregional Ministerial Conferences, whose meetings organized according to intergovernmental arrangements existing at each subregion;
 3. To organize the subsidiary organs of the Economic Commission for Africa into seven sectoral committees, as follows:
 - (i) Committee on Food Security and Sustainable Development;
 - (ii) Committee on Governance and Popular Participation;
 - (iii) Committee on Development Information, Science and Technology;
 - (iv) Committee on Trade, Regional Cooperation and Integration;
 - (v) Committee on Women and Development;
 - (vi) Committee on Statistics; and
 - (vii) Committee on Human and Social Development.

B. Ministerial Statement

1. We, African Ministers of Finance, Planning and Economic Development, meeting in Addis Ababa 2-3 April 2007, under the auspices of the United Nations Economic Commission for Africa (ECA), reaffirm our commitment to the Millennium Development Goals (MDGs), which together with other internationally agreed goals, have become our shared framework for development and global partnership. We reiterate that the MDGs constitute the minimum targets for sustainable economic growth and development, as well as for reducing poverty and inequality.

2. We recall our statement following our conference on the theme “*Achieving the MDGs in Africa*”, held in Abuja in 2005, which critically reviewed progress and obstacles encountered towards meeting the MDGs. We further recall the 2000 Millennium Declaration; the 2002 United Nations Conference on Financing for Development in Monterrey; the 2005 World Summit; the 2005 United Nations High-Level Dialogue on Financing for Development; the 2005 G8 Summit in Gleneagles; the 2006 African Ministers of Finance meeting in Nigeria; the 2006 African Plenary on Poverty Reduction Strategies held in Cairo; and the 2005 African Union (AU) Summit of Heads of State and Government in Sirte, Libya. In this context, we acknowledge that some progress has been made in implementing these commitments and urge that implementation be accelerated.

3. We reaffirm the importance of the New Partnership for Africa’s Development (NEPAD) as the framework for Africa’s development and support the decision made by the Summit of the NEPAD Heads of State and Government Implementation Committee in Algiers, Algeria, in March 2007 to establish a NEPAD Planning and Coordinating Authority and further support its subsequent integration into the AU structure. We commend the role of the Economic Commission for Africa (ECA) in coordinating the efforts of United Nations agencies in support of the implementation of NEPAD and the revitalization of the cluster system.

4. We welcome ECA’s support to African countries to track the progress in implementing the commitments emanating from regional and global conferences and summits, including the World Summit on Sustainable Development (WSSD), the World Summit on the Information Society (WSIS) and the Brussels Programme of Action on the Least Developed Countries (LDCs). On the basis of the reports prepared by ECA, we note with concern that many African countries are not on track towards meeting the agreed goals and targets.

SUSTAINING HIGH ECONOMIC GROWTH AND ACHIEVING THE MDGs

5. We note with satisfaction the strong overall growth performance in Africa, but remain concerned about the high within -region variation, the low impact on employment creation, and the fact that the majority of African countries are off-track to meeting the MDGs by 2015. As we approach the mid-point for the MDGs in 2007, our governments must act urgently to scale up public sector investments in infrastructure, agriculture, health and education, which are the foundation for private-sector-led growth. We urge our countries, in keeping with the commitment made in the Abuja Declaration on HIV/AIDS, Tuberculosis and other related infectious diseases to allocate 15 per cent of their budgets to health. We note the efforts of our

countries to increase domestic resource mobilization but recognize that closing the substantial funding gaps will necessitate external resources.

6. We reaffirm that efforts to end conflicts are necessary to accelerate progress towards achieving development across Africa. In this regard, we urge our governments to sustain and enhance security and stability across the continent in order to enable effective scaling-up of investments to achieve the MDGs. We commend the efforts of the AU in the promotion of peace, security and stability and call upon it to enhance its role in the exercise, particularly through its Peace and Security Council.

7. Recalling the solemn commitment made at the Millennium Summit to respect human rights and promote the rule of law, we consider that juridical safeguards, respect for human rights and enhancement of the foundations of the rule of law and democracy constitute a necessary and even obligatory environment for achieving the MDGs.

8. We further note with concern the effects of climate change across the continent. They increase our countries' vulnerability to natural disasters, threaten future economic growth and development, and pose a major challenge to reducing poverty in Africa. We note with appreciation the outcomes of the 12th Conference of Parties of the United Nations Framework Convention on Climate Change (UNFCCC COP12), held in November 2006 and the January 2007, AU Summit on the theme of science and technology and climate change.

9. We applaud the remarkable progress that some of our countries have made in raising agricultural productivity, increasing primary school enrolment, increasing access to water supply, controlling malaria, and other quick-impact initiatives. We also take note of the results achieved by the Millennium Villages to show how the MDGs can be achieved in poor communities. These successes demonstrate the feasibility of achieving the MDGs. They underscore that the Goals can be met if sound policies and practical strategies for scaling-up investments in agriculture, infrastructure, science and technology, gender equality, education, health, and other vital areas are backed-up with adequate financing.

Planning and framework for action

10. We reiterate our strong commitment to align our comprehensive national development strategies including the Poverty Reduction Strategy Papers (PRSPs) with the MDGs and other internationally agreed goals. We commend the strong partnership between ECA, the African Development Bank (AfDB), and the United Nations Development Programme (UNDP) in supporting the preparation and implementation of strategies to achieve the MDGs across Africa and their effective support for capacity building around MDG-based planning and scaling-up of investments. We also support the collaboration among ECA, AUC, AfDB and UNDP in monitoring and evaluating the attainment of the MDGs.

11. We also commend ECA, AUC, and the regional economic communities (RECs) for their support to Africa's regional integration and economic development. However, we note with concern the slow pace of implementing existing regional integration programmes in Africa and underscore the importance of scaling -up investments in Africa's regional infrastructure and other

regional public goods to increase intra-African trade as an essential component for achieving higher growth, meeting the MDGs, and long-term development.

12. We are concerned by the wide disparity between the growing demand for high-quality statistics on the one hand and the weakness of statistical systems on the other. In particular, inadequate human and financial capacity, coupled with poor compliance with international standards, contribute to unsatisfactory data on the MDGs and other key socio-economic variables in most countries. In this context, we commend ECA for strengthening its focus on statistics and statistical capacity by setting-up the African Centre for Statistics (ACS) and note with satisfaction the tremendous progress made by member States in assembling data under the International Comparison Programme (ICP).

Partnership for development

13. We note with grave concern that, despite promises to double aid by 2010, Official Development Assistance (ODA) to Africa, excluding one-off debt relief, actually fell during 2005. Moreover development partners are yet to provide time frames as to how they will increase ODA in each African country. We emphasize that in the absence of predictable commitments to scale-up aid, African countries are seriously constrained in planning the necessary increases in public investments and drawing-up Medium-Term Expenditure Frameworks (MTEFs) to achieve the MDGs.

14. We welcome the Aid for Trade (AFT) initiative and applaud its focus on strengthening African countries' supply capacities, building trade-related infrastructure, and dealing with adjustment costs related to trade liberalization. We underscore the complementarity of AFT with other sources of development assistance, and note that public private partnerships should play a key role as an implementation vehicle of the AFT initiative at both national and regional levels.

15. Recognizing the role that the diaspora can play in financing the development of African countries, we commit ourselves to use all necessary strategies to mobilize the saving of this diaspora within the framework of public-private partnership.

A CALL FOR ACTION TO SCALE-UP FOR SUCCESS

16. **The need to act now:** With time running out to achieve the MDGs by 2015, we resolve to shift the emphasis from discussing principles to working out the practicalities for enhanced action. We underscore the urgency for us to follow through, in collaboration with the international community, on commitments. The year 2007 must be the year of redoubled effort at national, regional, and global levels.

17. **Ownership and self-belief:** We are determined to ensure that comprehensive national development strategies are country owned with a strong sense of belief in ourselves that the task can be achieved. In particular, we require sufficient policy space to design strategies adapted to the specific needs of our countries with a view to ending aid dependency over time and use that space effectively. We commit to redouble our efforts to share experiences among member States, to promote peer learning, and to build strong African leadership to guide the process.

18. **MDG-based comprehensive national development strategies:** We commit, by the end of 2007, to align our comprehensive national development strategies and medium-term expenditure frameworks with the MDGs and other internationally agreed goals. In particular, these include sound economic policies and clear accountability frameworks in support of sustaining high economic growth. Moreover, we will prepare practical strategies for implementing the Quick Impact Initiatives as agreed at the 2005 World Summit and reaffirmed at the 2006 Conference on Financing for Development held in Nigeria. These immediate steps, which can save and improve millions of lives within the span of only a few years, include the free distribution of mosquito nets and effective antimalarial treatments, the expansion of school meal programmes using home-grown foods, and the elimination of user fees for primary education and health-care services, all of which are made possible by timely and predictable increases in ODA.

19. **Monitoring and evaluation:** We undertake to put in place, by the end of 2008, a mechanism in our member States for monitoring, tracking, and evaluating progress towards the MDGs. In this regard, we commit to promote peer learning and knowledge sharing as one such mechanism and commend ECA for setting-up the Learning Group on PRSs and MDGs. Within the context of peer learning, we recommend that the conference of ministers in 2010 should focus on the progress in the scaling-up effort.

20. **Domestic resource mobilization:** As part of national strategies to achieve the MDGs and other internationally agreed goals, we resolve to increase domestic spending on the MDGs, ensuring that resources from debt relief, revenues from natural resources and other sources are channelled towards meeting the Goals. In addition, we resolve to strengthen and deepen our financial sector, promote microfinancing in order to facilitate access to credit for the most vulnerable groups, harness remittances for development, and further improve the business and investment environment to attract increasing flows of FDI.

21. **Investment in gender equality:** We recognize that improving the position and condition of women in our countries is central to achieving the MDGs. We resolve to increase investments in gender equality and women's empowerment that improve the status of women, including the provision of water, energy, education and health, in particular, reducing maternal mortality and morbidity; improve income-generating opportunities; and strengthen policies to reduce violence against women.

22. **Generating employment:** We recognize the central role of employment in the fight against poverty and the attainment of the MDGs and pledge to integrate employment-creating policies in our national development programmes and to increase investments towards employment creation.

23. **Revitalizing African agriculture:** We take note of recent commitments, in particular the AU Summit on Food Security and the Summit on Fertilizer, and will do our utmost to launch by end 2008 the African Green Revolution to raise agricultural productivity by ensuring the access of smallholder farmers to fertiliser and improved seeds, with the help of targeted subsidies as necessary; investing in water management; strengthening agricultural extension services;

expanding rural infrastructure, especially roads and energy services; and promoting regional cooperation in intra-African trade and investment in agriculture. We reiterate our commitment to the implementation of the NEPAD Comprehensive Africa Agriculture Development Plan (CAADP) and to allocate 10 per cent of our budgets to agriculture as per the Maputo Decision of 2003.

24. **Climate change and development:** We request ECA in collaboration with AUC, AfDB and other international institutions to develop and implement the Climate Information for Development in Africa (ClimDev-Africa) Programme and to report on progress at each Conference of this Commission. We also request our governments to integrate climate adaptation and mitigation measures into their national development strategies with support from our development partners and the RECs.

25. **Statistics and statistical capacity:** We resolve to improve availability, timeliness and quality of data in conformity with international standards. We further commit to harmonize statistics across the continent and endorse the Reference Regional Strategic Framework for statistical capacity building in Africa (RRSF). We call on ECA, AUC and AfDB to continue their coordination and leadership role in statistical development in Africa, and to further strengthen the collaboration with regional bodies and subregional organizations, including the RECs. In this regard we call on the Friends of the ECA to continue their valuable support for this endeavour. Moreover, we resolve to lend our full support to the Africa Symposia on Statistical Development (ASSD) and its recommendations as well as its focus on the 2010 Round of the Population and Housing Censuses. In addition, we recommend that the ICP Africa be continued in order to facilitate intra-country and international comparisons and call upon ECA, AUC, AfDB and other partners to support its sustainability.

26. **Regional Integration:** We commend ECA, AUC, AfDB, and the RECs for preparing detailed infrastructure action plans, which now need to be implemented. In particular, we call on our governments and development partners to finance the implementation of the NEPAD Infrastructure Programme. We also support current efforts by the AUC in collaboration with ECA and AfDB in rationalizing the RECs and developing a minimum integration programme. To that end, AUC will collaborate with civil society organizations in order to engage the support of the African people.

27. **Financing for development:** We request ECA, in collaboration with the AUC, to organize an assessment of the status of implementation of the Monterrey Consensus in Africa and to propose practical ways in which all African countries can effectively access financing for development in preparation for the Global Mid-Term Review of the Monterrey Consensus to be held in Qatar in early 2008. We commit to strengthen south-south cooperation as a complementary source of development finance.

28. **Aid for Trade:** We strongly support the AfT initiative and urge development partners to expedite the ongoing work on AfT to make it operational and ensure adequate funding on a predictable basis. We ask ECA to work with the AUC and the AfDB to support African governments in implementing this initiative. This includes defining new mechanisms through national and regional AfT programmes in addressing Africa's trade-related challenges.

Moreover, it will be necessary to identify the contributions of the three institutions to the follow-up and evaluation mechanisms for these programmes in the countries concerned. Finally, we underscore that funding for the AfT needs to be adequate and predictable.

29. **Economic Partnership Agreements (EPAs):** We acknowledge the challenges that the Economic Partnership Agreements (EPAs) between EU and African countries and the related trade liberalization could present to our member States. In this regard, we request the EU to make available additional resources to meet the adjustment and other associated costs and urge that a new EPAs framework be adopted before the expiration of the current one in December 2007.

30. **Implementation of ODA commitments:** We call on the G-8 Leaders, at their 2008 Summit in Heiligendamm, Germany, to make explicit a clear action plan for the implementation of their Gleneagles commitment to double aid to Africa in order to ensure effective and predictable delivery of aid. We acknowledge the progress made by the European Union (EU) towards meeting their commitments in raising ODA to Africa. We further call on the EU and other development partners to implement the Paris Declaration commitments on aid effectiveness. We request development partners in our countries to share their plans for scaling-up aid with our governments during 2007 and beyond.

31. **Enhanced support from international organizations:** We request the United Nations and international financial institutions to assist our governments in preparing and implementing MDG-based comprehensive national development strategies and quick impact initiatives. In particular, we call on them to support opportunities for scaling-up investments to meet the MDGs and the mobilization of necessary domestic and external resources. We call on them to prepare, in consultation with member States, their plans of support in this regard by end 2007.

Positioning ECA to effectively meet Africa's challenges

32. We recognize ECA's key role in promoting economic and social development in Africa. We note with satisfaction the strengthened collaboration among ECA, AUC, and AfDB. Further, we have taken note of the *ECA Business Plan 2007 – 2009*, which articulates the strategic direction of the Commission and lays out a bold and enhanced programme in support to member States, and commend the Executive Secretary for his vision and leadership. In this regard, we urge our member States and development partners to support the Plan with adequate resources.

33. In conclusion, we thank ECA for successfully convening the Fortieth session of the Conference of African Ministers of Finance, Planning and Economic Development. We are grateful to the Federal Democratic Republic of Ethiopia for the excellent leadership during our deliberations. We wish also to thank the Government and the people of Ethiopia for their generosity and warm hospitality accorded to us during our stay in Addis Ababa.

ANNEX II

Report of the twenty-sixth meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development

A. Attendance

1. The twenty-sixth meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development was held in Addis Ababa, from 29 March to 1 April 2007. Opening remarks were made by His Excellency, Mr. Bruno Nongoma Zidouemba, Ambassador of Burkina Faso, Chairperson of the outgoing Bureau of the Committee of Experts. Opening remarks were also made by Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of the Economic Commission for Africa. The opening statement was made by His Excellency, Mr. Mekonnen Manyazewal, State Minister of Finance and Economic Development, Federal Democratic Republic of Ethiopia.

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2. The meeting was attended by representatives of the following member States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Chad, Congo, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Egypt, Equatorial Guinea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Senegal, Sierra Leone, Somalia, South Africa, The Sudan, Swaziland, Togo, Tunisia, Uganda, The United Republic of Tanzania, Zambia and Zimbabwe.

3. The African Union Commission (AUC) and the African Development Bank (AfDB) took part in the deliberations of the Committee.

4. The following United Nations bodies and specialized agencies were also represented: Food and Agriculture Organization of the United Nations (FAO); International Labour Organisation (ILO); International Telecommunication Union (ITU); United Nations Children's Fund (UNICEF); United Nations Conference on Trade and Development (UNCTAD); United Nations Development Programme (UNDP); United Nations Educational, Scientific and Cultural Organization (UNESCO); United Nations Human Settlements Programme (UN-HABITAT); United Nations Environment Programme (UNEP); United Nations Population Fund (UNFPA); United Nations High Commission for Refugees (UNHCR); The United Nations Office of High Commissioner for Human Rights (UNOHCHR); United Nations Development Fund for Women (UNIFEM); United Nations Liaison Office with the African Union (UNLO-AU); World Food Programme (WFP); World Health Organization (WHO); World Intellectual Property Organization (WIPO); World Meteorological Organization (WMO); and the World Trade Organization (WTO).

5. Observers from the following member States of the United Nations were present: Denmark; Finland; Italy; and the Russian Federation.

6. Observers were present from the following organizations: Action Aid International; African Capacity Building Foundation (ACBF); African Forum and Network on Debt and Development (AFRODAD); African Futures Institute; Africa Monitor; African Research and Resource Forum (ARRF); Arab Bank for Development in Africa (BADEA); Central Bank of West African States (BCEAO); Common Market for Eastern and Southern Africa (COMESA); Community of Sahel-Saharan States (CEN-SAD); Department for International Development (DFID); Economic Community of West African States (ECOWAS); Diplomatic Mission of Palestine; Femmes Africa Solidarité et Information et Communication; International Atomic Energy Agency (IAEA); International Organization for Migration (IOM); Japan International Cooperation Agency (JICA); League of Arab States (LAS); New Partnership for Africa's Development (NEPAD); International Organization of the Francophonie (OIF); African Centre for Applied Research and Training in Social Development (ACARTSOD); Southern African Development Community (SADC); United States Agency for International Development (USAID); United States mission to the African Union; West African Economic and Monetary Union (UEMOA); and the World Bank.

B. Adoption of the Agenda and Election of the Bureau

7. The following agenda was adopted by the Committee:
1. Opening of the Meeting
 2. Election of the Bureau
 3. Adoption of the Draft Agenda and Draft Programme of Work
 4. Overview of recent economic and social developments in Africa
 5. Follow-up to the last session of the Commission: Annual report on the Work of the Commission, 2007
 6. Assessment of progress on regional integration in Africa
 7. Sectoral policy issues
 - Aid for Trade
 - Statistics and statistical capacity
 - Support in the implementation of the New Partnership for Africa's Development (NEPAD)
 8. Progress report on the follow-up to major global and regional conferences and summits
 9. Presentation and discussion on the theme of the Conference – *Accelerating Africa's growth and development to meet the MDGs: emerging challenges and the way forward*
 10. Statutory issues
 - Review of the Intergovernmental Machinery of the Commission
 - Report on the external review of the African Institute for Economic Development and Planning (IDEP)

- Proposed programme of work and priorities for the biennium 2008-2009
11. Any other business
 12. Consideration and adoption of the Draft Report of the Committee of Experts and draft resolutions
 13. Closing of the meeting

Election of the Bureau

8. The following Officers were unanimously elected by the Committee to form the new Bureau:

Chairperson:	Ethiopia
First Vice-Chairperson:	Swaziland
Second Vice-Chairperson:	Cameroon
Third Vice-Chairperson:	Tunisia
Rapporteur:	Liberia

C. Account of Proceedings

Opening addresses

9. In his opening statement, His Excellency Mr. Bruno Nongoma Zidouemba, Ambassador of Burkina Faso, outgoing Chairperson of the Bureau, extended a warm welcome to those attending the session, and expressed his appreciation to the Government and People of the Federal Democratic Republic of Ethiopia for hosting the meeting. On behalf of the Government of Burkina Faso, he thanked Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of ECA, for organizing the Conference on the theme “Accelerating Africa’s growth and development to meet the MDGs: emerging challenges and the way forward”.

10. In his opening remarks, Mr. Abdoulie Janneh, expressed his deepest gratitude and appreciation to the Government and people of the Federal Democratic Republic of Ethiopia for hosting ECA for nearly 50 years. He indicated that the 2007 Conference was taking place earlier in the year so that its outcome would feed into major international meetings to be held in the coming months.

11. The Executive Secretary informed participants of progress made in repositioning ECA so as to meet more effectively the needs of its member States. The structure of ECA had been revised to include two new subprogrammes in order to reflect the increased emphasis placed on statistics and social development. He mentioned the creation of two support units on NEPAD and the African Peer Review Mechanism (APRM) to better assist the African Union with those two initiatives. In addition, the strengthened subregional offices (SROs) would play a key role as operational arms of the Commission. They would become hubs of ECA’s peer learning and

knowledge-sharing initiatives and act as privileged partners of the Regional Economic Communities (RECs) to advance the African development agenda at the subregional level.

12. Also important in the repositioned ECA was the renewed effort to strengthen cooperation with such major regional organizations as the African Union Commission (AUC), AfDB and sister United Nations agencies working in Africa. In keeping with this spirit, the Executive Secretary indicated that ECA had worked closely with the AUC to organize this Conference.

13. The *ECA Business Plan 2007 - 2009* which had been endorsed by African Heads of State at their summit in January 2007 in Addis Ababa, was a strategic articulation of ECA's new vision. Further, since the Business Plan belonged to member States, they should recommend it to partners and leaders for their support.

14. Turning to the theme for the current Conference, he stressed that in spite of improved economic conditions, progress towards the MDGs in Africa remained too slow. The challenge therefore was to deepen the understanding of how Africa could reach the goals and what each stakeholder must do. He noted that the 2005 United Nations World Summit had underscored the need for countries to adopt and implement comprehensive national development strategies for achieving the MDGs. That was an important challenge, which the present meeting would help to address by making concrete recommendations to help African countries to adopt appropriate mix of policies and strategies for achieving the goals.

15. In his opening statement, Mr. Mekonnen Manyazewal, State Minister of Finance and Economic Development of the Federal Democratic Republic of Ethiopia, expressed appreciation for the excellent work done by the outgoing Bureau. He was encouraged by the acceleration of growth in Africa, a necessary condition for achieving the MDGs. However, economic growth had not been evenly distributed across and within countries and there remained much to be done particularly in the social sectors.

16. He went on to elaborate on eight major challenges facing African countries, namely accelerating and sustaining economic growth for poverty reduction by creating a conducive environment for private sector development; addressing gender inequity; enhancing investment in infrastructure; investing in people by increasing opportunities in education, improvement in health care and improved access to water supply; enhancing empowerment, democracy and good governance by strengthening institutions at the local and central levels; scaling up financing for development by mobilizing domestic and external resources; managing globalization; and developing the capacity of the State and private sector. He requested the Committee not only to focus its discussion on those challenges and come up with concrete recommendations but also to propose ways in which those recommendations could be adapted to country-specific situations.

17. Sharing the experiences of Ethiopia in addressing national challenges to achieving the MDGs, he highlighted the country's development agenda formulated in the PRSP 2002/03-2004/05 and the National Development Plan 2005/06-2009/10, all of which had focused on poverty reduction through economic growth. Ethiopia's growth had averaged 11 per cent in real terms in the past three years, fuelled by agricultural development and complemented by industrial development. He reiterated the importance of monitoring and tracking the progress

made in achieving the MDGs and invited the Committee to suggest strategies and policies that could be implemented by member States to accelerate progress. Although problems were broadly similar across the African countries, the proposed strategies and policies should take into account country specificities.

18. He then declared open the twenty-sixth meeting of the Committee of Experts.

Overview of recent economic and social developments in Africa (Agenda item 4)

19. Under this agenda item, the Committee considered document (E/ECA/COE/26/2) entitled “*Overview of Economic and Social Conditions in Africa in 2006*”. The Committee was informed that Africa’s GDP growth had continued to improve, reaching 5.7 per cent in 2006 compared to 5.3 per cent in 2005. Those positive results could be attributed to good macroeconomic management, strong demand for and higher prices of primary commodities, debt relief, increased external capital flows and an improved political climate. However, growth had remained volatile and insufficient. To achieve the MDGs, a number of measures would be required to enhance economic and social development in Africa.

20. The Committee commended the secretariat for the quality of the document and its focus on key issues. However, further analysis on recent growth was needed to better understand and appreciate the impact on the poor. The Committee stressed the need to identify appropriate policies to cope with commodity price shocks, an important factor contributing to volatile economic growth in Africa.

21. The meeting noted that the estimated seven per cent growth rate required to achieve the MDGs was an aggregate figure and that some countries might require higher or lower rates. In that regard, the Committee underscored the need to propose tailored measures that would help underperforming subregions to improve performance and achieve their growth potential.

22. Remedial mechanisms were also needed for oil-importing countries to cope with the detrimental impact of high oil prices. The Committee requested ECA to deepen its analytical work, especially in light of the outcome of the 2006 ECA Conference, on the effect of economic growth on employment in oil-producing and non-oil producing countries. Furthermore, the Committee underscored the challenge of high youth unemployment on the continent and recommended the development of appropriate strategies to address it.

23. Turning to the recommendation that the degree of dependency of oil-importing countries could be reduced through alternative energy sources such as hydropower, the Committee noted that climate change constituted too severe a constraint for some African countries to rely on that source of energy. The need was felt for more elaborate recommendations on sustainable development, as well as recommendations on fighting crime through the use of legislative and judicial interventions.

24. The Committee also underscored the importance of domestic and external resource mobilization for accelerating growth and development in Africa. In addition to improving aid quality and the absorptive capacity of receiving countries, the Committee asked the secretariat to

work closely with member States so as to encourage partners to accelerate debt relief and live up to their commitment of scaling up assistance to Africa. There was an urgent need to increase investment, particularly foreign direct investment (FDI) inflows on the continent to promote growth and to meet the MDGs. Also, increased domestic investment was needed to augment FDI. In the context of globalisation, the importance of development factors such as trade (both international and intra-African) and ICTs was highlighted.

25. In that regard, the Committee noted with concern the pervasive depreciation of the major export currencies relative to the major import settlement currencies, which penalized Africa's exports and imports alike.

26. Besides the role of government, strategies to accelerate and sustain development in Africa should take into account the role that such stakeholders as the private sector, civil society, subregional institutions (including the regional economic communities), and international partners could play in tackling the development challenges facing Africa.

27. The Committee urged the secretariat to conduct further analysis on the link between growth and employment creation, particularly with respect to African oil producers. It noted the proposed initiative of ECA to promote a new approach to macroeconomic policymaking and welcomed the current work it was doing with UNDP on that issue.

Follow-up to the last session of the Commission: Annual report on the work of the Commission, 2007 (Agenda item 5)

28. Under this item, the secretariat outlined the various actions taken by the ECA Executive Secretary to implement the decisions and resolutions adopted by the last session of the Commission held in Ouagadougou in May 2006 and contained in document E/ECA/COE/26/3, entitled *Annual Report 2007*. Those activities related mainly to the implementation of the decisions and resolutions on the repositioning of ECA, the external review of the African Institute for Economic Development and Planning (IDEP), the strengthening of statistical capacities for meeting the MDGs and measures taken to enhance employment generation.

29. The measures taken to reposition ECA had encompassed three broad dimensions, namely programme and priority-setting guided by two major themes: *Promoting regional integration in support of the AU vision and priorities*; and *Meeting Africa's special needs and emerging global challenges*; institutional and organizational restructuring to align the secretariat structure with the new programme priorities, including strengthening ECA's subregional presence through the redeployment of additional human and financial resources to ECA's five subregional offices (SROs); and measures to enhance human resources management and other administrative processes. Those changes were underpinned by a greater commitment to build and sustain partnerships with other organizations such as AU, AfDB, other United Nations agencies and bilateral partners. To that end, ECA had developed a three-year Business Plan (2007-2009), which articulates the linkages between its future priorities and activities and those of key partners, notably the AU. The Business Plan had been jointly launched by the United Nations Secretary-General, the AU Chairperson and the President of the AfDB, and subsequently endorsed by the AU Heads of State and Government.

30. On the steps taken by the secretariat to assist member States in strengthening their statistical capacities for tracking the MDGs, the Committee was informed that a new division on statistics had been established as part of the ECA repositioning - the African Centre for Statistics, whose major priority was to undertake research and provide capacity-building support to member States in improving the range and quality of data for policy analysis and informed decision-making on socio-economic issues, more particularly to collect, analyse and disseminate quality statistics and data for monitoring the MDGs.

31. In the ensuing discussions, the Committee commended the secretariat on the measures taken to reposition ECA, particularly the efforts to strengthen its subregional presence. In that connection, several delegations encouraged the secretariat to continue with its efforts to build up the operational capacity of the SROs through appropriate measures so that they can play a more effective role in providing technical assistance to member States. Some delegations sought more information on the level of resources available to the SROs in order to determine the effectiveness of their work. Clarification was also sought on the funding of IDEP from the United Nations regular budget. Other issues raised by participants included the work of ECA in promoting human rights in Africa.

32. Responding, the Executive Secretary explained that ECA had emerged from the repositioning exercise as a more efficient and capable entity. Happily, the exercise had received the enthusiastic support and endorsement of member States and other stakeholders, including the Assembly of African Heads of State and Government. He welcomed the request to further strengthen the capacity of the SROs, indicating the overall level of resources allocated to them and assured the Committee of the continued support of the United Nations in further strengthening the SROs.

33. On the need for increased resources to IDEP, the Executive Secretary was convinced that the Institute's role and relevance as well as its governance structure needed to be better clarified before the issue of additional funding could be addressed. Hopefully, the present meeting would provide further guidance in that direction. Regarding ECA's work in the area of human rights, the Executive Secretary informed the Committee that although the Commission did not have an explicit mandate in that area, it was working closely with other organizations such as the United Nations High Commission on Human Rights in strengthening the linkages between human rights and development.

34. Regarding employment generation, the Committee reiterated that the lack of full employment and decent work for all posed a threat to the attainment of the MDGs. It called on ECA, AU, ILO, UNDP and AfDB to operationalize the proposed Regional Employment Forum. That forum would support member States to mainstream employment creation into national development plans and poverty reduction strategies more effectively.

Assessment of progress on regional integration in Africa (Agenda item 6)

35. Under this agenda item, two presentations were made by the joint ECA/AUC secretariat. The first presentation by the representative of the ECA secretariat focused on progress made

towards regional integration in Africa. The second presentation by the representative of the AU Commission outlined that Commission's activities to follow up on the decisions taken at the Banjul Summit of African Heads of State and Government in July 2006.

36. Introducing document E/ECA/COE/26/5 entitled, *Assessment of progress on regional integration in Africa*, a representative of the ECA secretariat indicated that regional integration was one of the two pillars of the ECA Work Programme. The report was based on the major decisions taken recently by the RECs to address challenges in achieving regional integration, activities that ECA planned to undertake in the area of regional integration, and the way forward for accelerating the regional integration process in Africa.

37. The Committee was informed by the AUC about decisions adopted at its summit in Banjul concerning the guidelines for accelerating regional integration. In that connection, AUC had conducted studies to quantify the scenarios for rationalizing the RECs and preparing a minimum programme of integration. The findings of those studies would be submitted to the meeting of african Ministers responsible for integration, which will be held late May in Kigali.

38. In the ensuing discussions, the Committee commended the joint secretariat for the quality of both presentations. While recognizing the relevance and importance of the challenges highlighted in the two presentations, the Committee pointed out other equally important challenges that need to be addressed to strengthen the integration process including the promotion of national unity, political stability and social cohesion. Indeed, the consolidation of national cohesion could serve as a solid foundation on which to build successful regional integration. In that connection, ECA could, through its work programme components, contribute to the search for ways and means of strengthening national, political and social cohesion.

39. The issue of implementing regional integration programmes was also addressed. The Committee noted the slow pace of implementation of the resolutions and recommendations adopted at the regional level, and urged countries to demonstrate greater political will in order to meet the challenges of regional integration in Africa. The Committee also noted the fact that the regional integration process in Africa had not been sufficiently inclusive. Accordingly, it recommended that measures should be taken to ensure a greater degree of participation of people at all levels in the process, through wider use of public information systems and other activities to improve outreach and popularize the work of the RECs.

40. The Committee welcomed the launching in 2005 of the Maghreb Initiative aimed at strengthening trade, financial and private sector integration with the establishment of the Maghreb Trade and Investment Bank headquartered in Tunis.

41. Concerning the criteria used to classify regional economic groupings into RECs and intergovernmental organizations, the attention of the Committee was drawn to the fact that this was a policy decision of the Heads of State and Government of the African Union. The Committee also took note of the existence of numerous studies conducted on the assessment of the RECs with the result that there was some degree of duplication and overlap. In that connection, the Committee underscored the need for enhanced collaboration among these

organizations in order to be able to use and share the available information judiciously and optimally.

42. The Committee underlined the importance of the Economic Partnership Agreements (EPAs) with the European Union, and expressed some concern on the challenges that those agreements posed for the RECs. In that connection, the Committee was briefed on the wide array of activities that the ECA secretariat undertook to assist member States and their RECs in coping with the challenges. They included studies undertaken to assess the impact of the EPAs on the economies of ECOWAS, UEMOA, CEMAC and SADC member States, and training seminars for negotiators in different subregions across the continent. The Committee requested that mechanisms should be developed to ensure effective information sharing on EPAs between and among the RECs.

43. The Committee commended ECA for the various studies it had undertaken on the issue of financing regional integration in Africa and the related resource mobilization strategy. It stressed the importance of scaling up investment in infrastructure development, which was widely regarded as an essential component for achieving faster integration on the continent. The studies undertaken by ECA had led to the adoption of self-financing mechanisms, which had largely contributed to boosting the financial base of many of the RECs. To finance infrastructure, the Committee recommended that the possibility of accessing resources from the Infrastructure Financing Consortium established by the G8 should be explored.

Sectoral policy issues (Agenda item 7)

- **Aid for Trade**

44. Under this agenda item, a representative of the ECA secretariat presented document E/ECA/COE/26/7 entitled *Aid for Trade: Emerging Issues and Challenges*. The presentation highlighted the importance and potential contribution of the Aid for Trade (AfT) initiative to Africa's development, identified the major challenges related to its operationalization, and proposed some guiding principles necessary for African countries to benefit from the initiative.

45. In the ensuing discussions, the Committee welcomed the initiative in view of its importance in helping African countries build their supply capacities and trade-related infrastructure, while at the same time dealing with the adjustment costs of trade liberalization. The Committee noted that it was critical to enhance supply-side responses through diversification and facilitating higher value chain in African products and exports, in order to derive the maximum benefits from the AfT initiative. Training, technical assistance and expertise, including strengthening human capacities at the country and regional levels, were identified as key modalities of capacity building.

46. With regard to the implementation of the AfT initiative, the Committee expressed the view that the private sector should play a key role as one of the implementing factors at the national and regional levels. The Committee noted that the implementation of AfT should be effective, consistent with and supportive of regional and subregional integration initiatives in order to foster intra-Africa trade.

47. For African countries, AfT should be an important complement to other forms of aid for development that Africa had been receiving, rather than a substitute for it. The Committee noted that the effectiveness of the AfT depended on the delivery of new and additional resources. The Committee also recognized that predictable and careful design of the AfT funding would be essential to its effectiveness.

48. While recognizing the contribution made by ECA in building Africa's trade capacities including strengthening trade negotiation skills, the Committee underscored the crucial role of ECA as a leading regional institution in the operationalization and implementation of the initiative, working in close collaboration with the AU Commission, AfDB and other international trade institutions. It was further recommended that ECA should play an important role in supporting African countries to define national and regional AfT programmes and both monitor and evaluate the effectiveness of AfT programmes in addressing Africa's trade-related challenges.

49. The representative of UNCTAD suggested that implementing AfT would require capacity building in areas where UNCTAD had the required expertise and renewed his organisation's pledge to continue helping African countries to strengthen their trade institutions.

- **Statistics and statistical capacity**

50. Three presentations were made on: statistics and statistical capacity by the ECA secretariat; the AfDB and the Friends of ECA in Statistics; on the international comparison programme (ICP) for Africa by the AfDB and on measurement prospects, respectively.

51. The Committee was informed of the challenges of increased demand for quality and timely data (including the lack of coordination, collaboration and networking); limited human and financial capacity; and the lack of compliance, due to inadequate capacity and resources, with current international standards such as the 1993 System of National Accounts (SNA). The secretariat also highlighted some recent regional initiatives aimed at addressing those challenges, in particular, the establishment of the African Centre for Statistics (ACS).

52. The first ICP results for Africa presented purchasing power parity (PPP) data based on household consumption information. Forty-eight African countries were participating in the programme and had successfully completed the first round of estimates. The information provided by the PPPs had been instrumental in the measurement of poverty lines (the PPP-adjusted \$US1 a day used for MDG1). The ICP exercise had also provided African countries with the opportunity to collect prices on an unprecedented number of items on a regular basis.

53. The Committee took note of the efforts of the Friends of ECA to formulate a framework to link development goals, policies and strategies to statistics for evidence-based decisions and effective monitoring and evaluation of outcomes. Governments could now better appreciate the role of statistics in the optimal allocation of resources towards achieving regional integration and engage in deeper analysis of data and information to address food security issues.

54. While noting with appreciation the progress made since the creation of ACS, the Committee recommended that the Centre should be provided with adequate human and financial resources to enable it to scale up its assistance to African countries.

55. The Committee also took note of the initiative of the Africa Symposia on Statistical Development (ASSD), the development and endorsement of the Reference Regional Strategic Framework (RRSF) and the African programme on the 2010 round of the Population and Housing Census (RPHC). It emphasized the need to use the RRSF as the guiding framework for statistical development in Africa.

56. The Committee emphasized the need for promoting statistical harmonization and stressed the importance of complying with international statistical standards in order to provide quality and comparable indicators to track the MDGs and better support the regional integration process in Africa. In that regard, the Committee called for increased support from ECA and the AUC to speed up the adoption and implementation of international standards such as the 1993 SNA and the Principles and Recommendations (P&R) for population and housing censuses. Though it was imperative to implement those international standards for statistical harmonization towards regional integration, there was still room for customization of international methodologies to the specificity of African countries.

57. The Committee expressed concern over the insufficient level of collaboration between ECA and such key regional and subregional organizations as AfDB, AUC, the RECs, and AFRISTAT in the implementation of statistical programmes, data management and collection.

58. The experts reiterated their support to ECA and the work it had done with the Friends of ECA in the organization of the ASSD, and stated their willingness to consider the format of collaboration between the Friends of ECA, ECA, AUC and the African countries. In that regard, the Committee reaffirmed ECA's leadership role in the coordination of statistical activities, jointly with the AfDB, in the promotion of collaboration and the institution of best practices at national, subregional and regional levels.

- **Support in the implementation of the New Partnership for Africa's Development (NEPAD)**

59. Under this agenda item, two presentations were made on the NEPAD programme. The first presentation was based on document E/ECA/COE/26/9 entitled, *The New Partnership for Africa's Development (NEPAD): The Way forward*. The presentation highlighted the key achievements in United Nations support to NEPAD undertaken within the broad context of the regional consultation mechanism. It also highlighted the major challenges faced by African countries in implementing NEPAD, including the slow progress in the Doha Development Round and the debt issue.

60. The second presentation by AUC focused on decisions recently taken in Algiers by NEPAD Heads of State and Government Implementation Committee on the integration of NEPAD in AUC structures and processes. Those decisions would be submitted to the forthcoming AU Summit in Accra for consideration and approval.

61. The Committee welcomed the fact that the integration of NEPAD into the AU structures and processes was necessary to add value to the new arrangement, avoid overlapping activities of the AU Commission and the NEPAD Secretariat, and strengthen AU's ability to coordinate and deliver. The Committee was informed that a Coordination Unit at the AU Commission would be created to oversee the integration process. The Committee also noted that a NEPAD Planning and Coordinating Authority would also be created to replace the NEPAD Secretariat, and its structure and profile would be defined through a study to be commissioned at a later stage.

62. The Committee commended ECA for its continued efforts in support of the NEPAD Secretariat following the Memorandum of Understanding signed between the two organizations in September 2006, which was aimed at enhancing strategic collaboration and recognizing each organization's comparative advantage in pursuit of a common African vision through the implementation of the NEPAD agenda. The Committee emphasized that ECA should continue to play a key role in coordinating the efforts of United Nations agencies and programmes in support of the implementation of NEPAD and in the revitalization of the cluster system.

63. The Committee made a number of recommendations aimed at strengthening the regional consultation mechanism. In this regard, it called for the expansion of the regional consultation mechanism to include the AU Commission and the RECs, including a subregional mechanism for coordinating United Nations system-wide support to NEPAD at the subregional level. The subregional mechanism would be anchored on ECA's subregional offices to focus on the needs of the RECs. The Committee also affirmed ECA's role as a strategic coordinator of United Nations support to the AU and NEPAD. In addition, the Committee called on the AU Commission, NEPAD Secretariat and ECA to better coordinate their activities so as to minimize duplication.

64. The Committee noted that some issues such as the need to build capacity are cross-cutting. In this regard, it called for enhanced collaboration between ECA and regional organizations such as AfDB and the African Capacity Building Foundation (ACBF). The Committee also noted that a high-level forum on capacity building in Africa would be organized in Maputo, Mozambique, later in 2007.

Progress report on the follow-up to major global and regional conferences and summits
(Agenda item 8)

65. Under this agenda item, the secretariat made four presentations based on document E/ECA/COE/26/4, entitled, *Progress Report on the Follow-up to Major Conferences and Summits*. The report highlighted progress achieved by African countries in the implementation of the outcomes of the World Summit on Sustainable Development (WSSD); the Monterrey Consensus on Financing for Development; the Brussels Programme of Action on the Least Developed Countries (LDCs); and the Millennium Development Goals (MDGs) in Africa.

66. The Committee welcomed the progress report and commended ECA's efforts in assisting member States to track the implementation of the numerous commitments emanating from the global conferences and summits. Such reports were useful in identifying progress, challenges and

gaps related to the achievement of set goals and targets. The Committee, however, noted with concern that many African countries were not on track to meet most of the set targets and goals within the specified timeframe. A number of binding constraints needed to be urgently addressed not to mention the pursuit of appropriate policies and strategies, as well as the mobilization of additional resources to scale up interventions in various areas. Going by the various country experiences recounted, many participants had had to contend with those issues. A number of other United Nations agencies also took the opportunity to brief the Committee on their work in support of member States in the follow-up to the global conferences.

67. Turning to the individual conference outcomes, the Committee commended ECA's efforts in facilitating, promoting and monitoring the implementation of WSSD commitments through the organization of Regional Implementation Meetings (RIM) aimed at adopting common positions on the key policy issues to be included in the African Consensus Agenda for the global Commission on Sustainable Development (CSD). Recent activities in that context had focused on issues related to energy, industrial development, climate change, and atmospheric pollution, which would be taken up by the global CSD in May 2007. Additional to those sectoral issues were crosscutting concerns that had to do with mobilizing resources, building partnerships and developing policy, legal and institutional frameworks.

68. With regard to policy options on the WSSD, the Committee requested ECA to assist the Africa Group to review the draft CSD document in order to ensure that priority issues of special interest to Africa and related policy options were adequately taken into consideration

69. The Committee noted with concern that Africa was increasingly vulnerable to climate change effects such as recurrent droughts and floods, and underlined the need for measures to be taken to prevent and mitigate such natural disasters.

70. Noting that a sustainable development strategy would require pro-poor approaches to achieving the internationally agreed development goals, the Committee emphasized the need for strategies and policies targeting agriculture, rural development, health, education and social infrastructure in order to protect the most vulnerable in society. Because country ownership of such policies and programmes was essential, the Committee stressed the need for home-grown solutions in meeting developmental objectives.

71. On the Monterrey Consensus, the Committee acknowledged the progress made in scaling up resources for development, particularly in terms of increased official development assistance (ODA), further debt relief and higher foreign direct investment (FDI). However, the Committee noted that wide gaps still remained between commitments and achievements and most African countries needed to do more to mobilize domestic and external resources to meet their financing needs. More FDI was needed in sectors that would have the largest impact on employment, and hence, on poverty reduction. In addition, the Committee recommended that efforts should be made to address the challenges of absorptive capacity, aligning aid with national development objectives and priorities so as to enhance aid effectiveness. Increased resources could be invested in areas such as infrastructure and human capital development and further progress made in monitoring the relevant commitments. In that regard, ECA had designed a survey to assist

member States in tracking progress on the commitments in the Monterrey Consensus and would highlight the obstacles faced in the process.

72. The Committee emphasized the importance of mobilizing more domestic resources and using them more efficiently. In this respect, the Committee was informed by UNCTAD and other organizations of activities to support member States to achieve this goal.

73. On the Brussels Programme of Action for the Least Developed Countries (BPOA), the Committee noted that five years into the decade (2001-2010), progress remained quite limited. The Committee welcomed ECA's capacity-building efforts targeting African LDCs and called on the Commission not only to enhance its support to those countries but also to extend such support to non-LDCs.

74. The Committee noted the importance of translating the recent gains in the economic growth into improvements in the social sectors and infrastructure development, in order to make further progress towards achieving MDGs. The Committee expressed concern that many African countries were unlikely to achieve the goals by the target date of 2015 and underscored the need for urgent action to be taken by African countries as well as their development partners in order to accelerate progress.

75. For faster, sustainable and inclusive growth to happen, care should be taken to improve the environment for investments and private sector activity (including scaled up investments in the agricultural, transport and energy sectors at national and regional levels, health care delivery and education) and to promote diversification in emerging sectors such as ICTs.

76. Since continuous monitoring and evaluation would be essential for making greater progress towards the MDGs, the Committee noted that improved statistics and data for monitoring the MDGs would be of immeasurable value. In that regard, the Committee requested ECA to increase its assistance to member States in improving their national statistical capacities and called for additional resources to be made available to the ECA and African countries for that purpose. The Committee further underlined the need to adapt the indicators and measures to individual country characteristics and specificities and to review the timeframes for meeting the targets and goals.

Presentation and discussion on the theme of the Conference – *Accelerating Africa's growth and development to meet the MDGs: emerging challenges and the way forward* (Agenda item 9)

77. The secretariat presented the document entitled "*Accelerating Africa's growth and development to meet the MDGs: Emerging challenges and the way forward*" (E/ECA/COE/26/6) which highlighted the context, challenges and the way forward for African countries. In order to meet the MDGs, five main challenges needed to be urgently addressed, namely growth, employment and inequality; scaling up financing for public sector investments; improvement of the planning and policy environment; partnerships to benefit from globalization; and peace and security. With only seven years remaining to the target date of 2015, the secretariat emphasized

the urgency of scaling up interventions and made a number of proposals for discussion by the Committee.

78. The secretariat's presentation was discussed by AUC and UNDP. AUC highlighted the limitations of poverty assessments, including failure to take into account different dimensions such as rural poverty and access to services. UNDP informed the Committee of its programme to assist member States, including activities of the Millennium Project. They comprised: reinforcing national commitment and leadership; accelerating and sustaining pro-poor growth; resource and capacity development; and MDG-based planning based on MDG needs assessment.

79. The Committee commended the secretariat for the high quality of the presentations and applauded the efforts of international partners to support Africa in improving MDG-based planning and preparation of second-generation PRSs. It urged the AfDB, AU and ECA to remain engaged in the monitoring and evaluation of Africa's social development on a regular basis. In that regard, the Committee felt that the strengthening of ECA's subregional presence would make for better tracking of progress.

80. While recognizing the importance of the MDG agenda, the Committee noted several economic, historical, and cultural factors in African countries that needed to be taken into consideration if the goals were to be achieved.

81. The Committee recognized the need to better align the PRSs with the MDGs as stated in the 2005 World Summit Outcome document. Noting that many African countries had developed or were designing MDG-based national development plans, it highlighted the need to consider other dimensions of social development. In that regard, the Committee strongly recommended that particular attention should be given to assisting conflict and post-conflict countries. In general, development plans were based on a participatory process and included an assessment of resource requirements as well as capacity development. Through that process, countries recognized the need for better coordination across ministries and among sectors. Given the importance of success stories, the Committee pointed out that the international community should continue to support successful countries, even as they graduated from LDC status. Furthermore, it called on Pan-African development institutions to undertake a study on how to harmonize the PRSs with the MDG framework.

82. On the broader theme of accelerating growth to meet the MDGs, the Committee agreed with the presenters that growth, while increasing, had not been broad-based and high enough to reach the goals. Nonetheless, the Committee also recognized that the equitable distribution of the benefits of growth was essential to accelerating progress towards the MDGs. In that respect, growth must be sustained for a long period of time and employment generated in order to have a significant impact on poverty reduction. At the same time, tackling inequality would pay off in terms of growth promotion and poverty alleviation. The Committee stressed that the multi-dimensional nature of poverty should be reflected in the working definition of development and assessment of progress.

83. The Committee noted the adoption of various economic measures by oil- and mineral-exporting countries to better manage the resource windfall in order to promote sustained socio-

economic development. The representative of the AUC informed the Committee that the AU Assembly of Heads of State had approved the establishment of the African Petroleum Fund with assistance from AfDB. The main objective would be to mobilize resources to assist African oil-importing countries to absorb oil price shocks and facilitate the financing of their oil imports.

84. The Committee called for greater flexibility in setting macroeconomic policies to respond effectively to changes in economic fundamentals. In particular, it recognized that countries needed some policy space to deal with short-run inflationary shocks without jeopardizing long-term development objectives.

85. On resource requirements for meeting the MDGs, the Committee underscored the need to further mobilize domestic and external resources, exploiting all sources including remittances, public-private partnerships and civil society organizations. It would also be necessary to foster public sector capacity to absorb financing and to negotiate and manage public-private partnerships effectively.

86. The Committee stressed that member States needed better and more disaggregated statistics for assessing resource requirements, monitoring and evaluating progress and instituting appropriate policies. It noted that local communities had a role to play in data collection and assessment of progress. The Committee strongly recommended increased financial support to the African Centre for Statistics (ACS) and called upon ECA to closely monitor and evaluate progress in African countries.

87. The Committee underscored the need to address rural poverty through measures aimed at improving agricultural productivity. It urged African countries to increase resource allocation to agriculture in line with the Maputo Imperative. In particular, it was recommended that African governments should promote investment in agriculture and rural infrastructure, improve access to credit for small-scale producers (e.g. through guarantee schemes), and adequately involve farmers' associations in identifying agricultural development priorities. It further recommended that African countries should adopt a "Grassroots Fund" to deal with the problem of poor infrastructure, which hindered private sector investment in rural areas. However, Africa should not underemphasize the role of industry, especially agro-processing and manufacturing to increase the value of exported goods and create jobs. In addition, the meeting stressed the need for countries to undertake actions to adapt to and mitigate the impact of climate change on the exploitation of their natural resources and on the structural transformation of their agricultural systems.

88. On the role of governance and institutions, the Committee emphasized that political will and commitment of national leaders as well as full cooperation between decision-makers and peoples were necessary preconditions for the achievement of the MDGs. Furthermore, the Committee noted that socio-cultural values might have a negative influence on the speed of progress, an important issue for designing effective policies. The Committee also recommended that ECA and political leaders should engage in dialogue to further refine required actions and activities at all levels, to meet the MDGs.

89. To ensure transparency and accountability in the use of resources, the Committee stressed the need to strengthen the role of democratic institutions (including legislative organs that can monitor the executive) and checks and balances in decision-making. In that context, interventions should be identified to reinforce the procedures of public finance management to ensure efficient use of resources. The Committee identified and recommended fiscal decentralization as a means to reach that objective. For decentralization to work, stronger capacities at the level of local governments and communities were necessary. Therefore, ECA and other pan-African institutions should provide training for capacity building to local government officials.

90. On peace and security, the Committee recognized the economic and social costs of war and social unrest and called for renewed efforts to foster stability and peacefully resolve conflicts. The Committee identified two important prerequisites for peace and security: respect for human rights, in full adherence to the UN Charter and the Millennium Declaration, and democratic governance. Accordingly, the meeting called on ECA to provide special technical assistance to conflict and post-conflict countries. Such assistance should be undertaken in collaboration with the United Nations Peace-building Commission, the AUC and AfDB.

91. The Committee also stressed the importance of regional integration as a means to foster trade and increase the bargaining power of African countries against the backdrop of globalization and multilateralism. In view of the impact of technological progress on the growth potential of an economy, it underscored the importance of creating the conditions to facilitate technological transfers and develop research and development (R&D) activities.

92. Observers contributed to the discussion by supporting and reinforcing the comments made by the Committee. They identified issues such as civil society participation, respect of human rights, human-rights-based approach to development, and reproductive health as important components of MDG-based development strategies.

93. The Executive Secretary stressed the importance of the MDGs as internationally-agreed development goals which provided a framework for African countries to focus their development efforts. He added that the major challenge that remains would be to align the PRSs, now widely used as national development plans, with the MDGs.

Statutory issues (Agenda item 10)

- **Review of the Intergovernmental Machinery of the Commission**

94. Under this agenda item, a representative of the secretariat presented document E/ECA/COE/26/10 entitled Review of the Intergovernmental Machinery of the Economic Commission for Africa – Note by the Secretariat.

95. Following the ECA repositioning exercise, its new programme structure was articulated around 10 subprogrammes, namely: Trade, finance and economic development; Food security and sustainable development; Governance and public administration; Information, science and technology; Economic cooperation and regional integration; Gender and women in development;

Subregional activities for development; Development planning and administration; Statistics; and Social development.

96. To complete this phase of the ECA repositioning and comply with ECA Resolution 844(XXXIX) – *Repositioning ECA to better respond of Africa’s priorities* – adopted by the ECA Conference of Ministers in Ouagadougou in May 2006, the intergovernmental machinery of the Commission, including the legislative organs and subsidiary bodies of the Commission would need to be aligned with its new strategic orientation and programme structure.

97. ECA, therefore, is seeking the Conference’s endorsement of the following proposals:

- i. Organizing a joint AU and ECA Annual Conference of African Ministers of Finance, Planning and Economic Development.
- ii. Converting the Intergovernmental Committee of Experts into Subregional Ministerial Conferences.
- iii. Structuring the subsidiary organs of the Commission around seven sectoral committees.

Discussions

98. The Committee commended the reform and repositioning exercise of the ECA to better respond to Africa’s priorities, and expressed general understanding of the necessity for the ongoing reforms and realignments in the Commission. While some members who took the floor endorsed the proposals, others expressed the following concerns:

- Their need to be given more time to sufficiently review the proposals and its legal, financial and other implications.
- Their need to consult their capitals before making pronouncements on such important proposals.

99. More clarifications were also sought on what some delegates saw as duplication of the Conference of Ministers by the proposed Subregional Ministerial Conferences. Other issues included the need to further rationalize the areas covered by the sectoral committees and ensure that youth and employment were given due prominence in the Committee on Human and Social Development.

Clarifications by the secretariat

100. On proposal No.1, the ECA Executive Secretary explained that the joint AU-ECA Conference of African Ministers of Finance, Planning and Economic Development would provide a platform to address and debate Africa’s main development challenges. ECA statutory issues would remain the exclusive mandate of the annual session of the Commission/ Conference of African Ministers of Finance, Planning and Economic Development, which ECA would convene with its member States at the same time and venue.

101. The format of that joint conference would be similar to existing United Nations-AU joint meetings such as the AU-FAO joint conference on agriculture.

102. The proposal to organize a joint meeting of AU-ECA Annual Conference had already been endorsed by the AU Conference of African Ministers of Economy and Finance (CAMEF II) in Yaounde in November 2006 (AU/CAME/Rpt (II)); and was now being presented to the current conference for its concurrence.

103. On Proposal No.2, the Executive Secretary explained that the subregional ministerial meetings would not duplicate ECA's Conference of Ministers, but would ensure that ECA's work programme at the subregions was informed by the issues and the economic and social developments priorities of each subregion. Those meetings would be convened in the subregions in conjunction with the existing annual meetings of the conferences of ministers of the subregions.

104. ECA's proposal was in line with the United Nations Secretary-General's report on "Enhancing the role of the subregional offices of the Economic Commission for Africa" (A/61/471) in response to the United Nations Office of Internal Oversight (OIOS) report, regarding the limited impact of the intergovernmental committees of experts that governed the subregional offices. The report had been championed by the African Permanent Representatives, Ambassadors to the United Nations in New York and has been approved by the General Assembly in its resolution A/RES/61/234.

105. Given those explanations, paragraph 15 of document E/ECA/COE/26/10 on the review of the Intergovernmental Machinery of ECA should read as follows:

"That the Intergovernmental Committee of Experts be converted to Subregional Ministerial Conference, It is further proposed that these meetings be convened in conjunction with and at the same locations as the meetings of the policy organs of the respective Regional Economic Communities of each Subregional Offices. In addition, subregional ministerial caucuses would be held for the five subregions during the annual meetings of the Conference of Ministers to follow through on issues of interest to the different subregions"

106. Proposal No. 3 was meant to align the sectoral committees to the approved programme structure of the Commission. In accordance with **rule 105.5 of the Programme Planning, Budgeting and Monitoring and Evaluation (PPBME)**, it is required that the intergovernmental machinery should be congruent with the biennial programme plan as well as the programme structure of the Commission. Furthermore, UN Departments (including ECA) should comply with the request of the General Assembly and the provisions of the PPBME rules and regulations regarding the need to submit the intergovernmental machinery, which mirrors the programme structure as contained in the proposed programme of work and priorities for the biennium 2008-2009.

107. While there was some convergence on, and majority support of the proposal for a joint AU-ECA Annual Conference of Ministers of Finance, Planning and Economic Development and its Committee of Experts (proposal no.1), some delegates refrained from making recommendations on proposals 2 and 3 because they needed more time to review the proposals. A few delegates

had strong reservations to taking any decision on the proposals before consulting with their capitals.

Recommendation

108. After a lengthy debate, the Committee recommended that the proposals should be presented to the Conference of Ministers in session for their consideration.

- **Report on the external review of the African Institute for Economic Development and Planning (IDEP)**

109. Under this agenda item, a member of the external review panel presented document E/ECA/COE/26/11 entitled, Report on the External Review of the African Institute for Economic Development and Planning (IDEP).

110. The review focused on the relevance, structure, financial, human and overall management of IDEP, in line with the decisions made by the 39th session of the Commission held in Ouagadougou, Burkina Faso in May 2006. The background, findings and major recommendations were submitted to the Committee of Experts for review and consideration. The review addressed, in particular, key issues such as IDEP's comparative advantage and its niche in Africa's institutional architecture, the current structure of its training programmes, its governing structure, and its contribution towards strengthening collaboration between ECA and AU.

111. The Committee welcomed the findings of the panel and discussed some of the challenges facing the Institute. It was observed that since the establishment of IDEP in 1962, it had not been able to sufficiently update its training programmes and services to keep pace with the changing priorities and needs of the continent. The Committee also underscored the need for increased diversification of IDEP's programmes and outreach in all subregions and requested that IDEP's management should disseminate its products more effectively.

112. Turning to the issue of resource constraints, the Committee expressed concern about the huge amounts of arrears due from member States and the lack of adequate human resources, which hampered the capacity of IDEP to fulfill its mandate. In that regard, the Committee encouraged IDEP to explore new ways of increased financing such as the introduction of user fees for some services provided. In addition, the possibility of setting up scholarship schemes for some member States should be explored.

113. Despite those challenges and the fact that member States and African regional institutions were providing similar services, the Committee stressed the continued relevance of IDEP as the only Pan-African institution on the continent, which provided research and training services on development planning.

114. The Committee endorsed the recommendations of the review panel and requested that adequate funds should be made available to the panel to enable it complete its work and submit a final report to the next session of the Commission in 2008.

115. In that connection, a thorough needs assessment as well as a management audit should be conducted to bring new vigour, focus management, skills and commitment to fulfill the vision and mission of the Institute. Member States were also urged to pay their assessed contributions and arrears.

- **Proposed programme of work and priorities for the biennium 2008-2009**

116. Under this agenda item, a representative of the secretariat presented document E/ECA/COE/26/12 entitled, *Proposed Programme of Work and Priorities for the Biennium 2008-2009*.

117. In preparing the proposed programme of work, the secretariat was guided by the ECA repositioning, the Programme Plan for 2008-2009, the *ECA Business Plan 2007-2009* and the Secretary-General's report on enhancing the role of the subregional offices. The Programme was structured around 10 subprogrammes and was in line the results-based management framework which would enable ECA and its member States to monitor and measure results based on predefined performance indicators and baseline targets.

118. The Committee congratulated the secretariat for a well-designed and focused work programme and noted with satisfaction that the programme elements were detailed, clearly articulated and addressed such relevant emerging issues, and cross-cutting issues, as regional, subregional and national development priorities.

119. The Committee also made the following observations:

- The availability of funding was too often identified as an external factor that could constrain ECA's ability to fully implement its proposed work programme;
- Member States of the North African subregion observed that the proposed outputs under paragraph b (iii) for the subprogramme 7 *Subregional Development Activities for North Africa* were not in line with the priorities set at the last session of the Intergovernmental Committee of Experts of the subregion.

120. Taking into account the above observations, the Committee recommended the ECA Proposed Programme of Work and Priorities for the biennium 2008-2009 to the Conference of Ministers for its consideration. The Committee also recommended full support for the operationalization of the *ECA Business Plan 2007-2009* in response to the appeal made by the Executive Secretary.

Any other business (Agenda item 11)

121. Under this agenda item, the Committee noted that given the duration of the meeting, it had been difficult to address thoroughly the many points on the agenda. In that regard, some delegates expressed the need to revisit the format of the meeting of the Committee of experts and consider breakout sessions to enable participants to analyse in detail such specific issues as the Overview of Economic and Social Developments in Africa. In his intervention, the Executive Secretary noted that structuring the meeting into breakout sessions could prove very cumbersome

and might delay discussions and consensus building in plenary, as some experts might not be able to attend some specific sessions.

122. It was agreed that ECA should invite resident ambassadors in Addis Ababa to exchange views on the themes and issues to be addressed in future sessions of the Commission before finalizing the draft agenda. That would allow for a common understanding and a sharper focus during the meetings.

123. The secretariat then informed the meeting that in 2008, ECA would be celebrating its 50th anniversary. In that respect, the Executive Secretary would be consulting with member States on the type of commemoration activities and events to be organized to mark the occasion.

Consideration and adoption of the Report of the Committee of Experts and draft resolutions (Agenda item 12)

124. Under this agenda item, the Committee considered the draft report of its meeting (as contained in document E/ECA/COE/26/L) together with five draft resolutions for consideration and adoption by the Conference of African Ministers of Finance, Planning and Economic Development. Several delegations made comments, observations and proposed amendments to the report. Some delegations also expressed reservations with specific issues in the report. After lengthy discussions and explanations provided by the secretariat, the Committee adopted the draft report, including the draft resolutions as amended, for consideration by the Conference of Ministers.

Closure of the meeting

125. On behalf of Mr. Abdoulie Janneh, Mrs. Josephine Ouédraogo, Acting Deputy Executive Secretary of ECA, expressed her deep appreciation and gratitude to all the participants for their contribution to the discussions. She commended them for the purposeful way in which they addressed the issues on the agenda of the meeting, and expressed satisfaction for the high quality and constructive dialogue throughout the sessions. She then thanked the African Union Commission, the African Development Bank, as well as the United Nations agencies, for their collaboration in organizing the Meeting. She assured participants that the various observations, comments, and suggestions would be fully taken into consideration when finalizing the Report as well as other related documents of the Meeting. She extended her appreciation to the Bureau and to its Chairman for the efficient manner in which he conducted the deliberations. She also thanked the secretariat for its commitment and hard work in making the meeting a success.

126. In his closing remarks, the Economic Affairs Commissioner of the AU Commission thanked the Chairperson and all the distinguished delegates for their active participation and leadership in discussing the issues on the agenda of the Conference, particularly in charting the way forward for the achievement of the MDGs. In that regard, he stressed the need to move from recommendations to actions. His gratitude went to the ECA Executive Secretary for associating the African Union in the organization of the Meeting and he called on the Conference of Ministers to endorse the idea of the AU/ECA Joint Conference of African Ministers of Finance, Planning and Economic Development.

127. The representative of the Government of Mauritius moved a vote of thanks on behalf of the Committee.

128. To conclude, the Chairperson thanked all the distinguished delegates for their support of ECA's work. He then declared closed the twenty-sixth Meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development.

ANNEX III

List of documents submitted to the Commission at its fortieth session

1. E/ECA/COE.26/1/Rev.1 Draft Agenda
2. E/ECA/COE.26/Inf.1/Rev.1 Draft Programme of Work
3. E/ECA/CM.40/1/ Draft Agenda
4. E/ECA/CM.40/Inf.1/Rev.2 Draft Programme of Work
5. E/ECA/COE/26/2 Overview of Economic and Social Developments in Africa 2006
6. E/ECA/COE/26/3 Annual Report 2007
7. E/ECA/COE/26/4 Progress Report on the Follow-up to Major Conferences and Summits
8. E/ECA/COE/26/5 Assessment of Progress on Regional Integration in Africa
9. E/ECA/COE/26/6 Accelerating Africa's Growth and Development to meet the MDGs: *Emerging Challenges and the way forward – An Issues Paper*
10. E/ECA/COE/26/7 Aid for Trade: *Emerging Issues and Challenges*
11. E/ECA/COE/26/8 Statistics and Statistical Capacity in Africa: Key Issues and Emerging Challenges
12. E/ECA/COE/26/9 The New Partnership for Africa's Development (NEPAD): *The way forward*
13. E/ECA/COE/26/10 Review of the Intergovernmental Machinery of the Economic Commission for Africa – *Note by the Secretariat*
14. E/ECA/COE/26/11 Report on the External Review of the African Institute for Economic Development and Planning (IDEP)
15. E/ECA/COE/26/12 Proposed Programme of Work and Priorities for the Biennium 2008 - 2009
16. E/ECA/CM/40/2 Report of the twenty-sixth meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development held in Addis Ababa from 29 March – 1 April 2007
17. E/ECA/CM/40/3 Ministerial Statement
18. E/ECA/COE/26/CRP.1 Eliminating User Fees for Essential Health Services and Basic Education
19. E/ECA/COE/26/CRP.2 Establishing National Systems of Village Health Workers
20. E/ECA/COE/26/CRP.3 Scaling up Regional Infrastructure in Africa
21. E/ECA/COE/26/CRP.4 Fostering Agricultural Transformation for Food Security, Economic Growth and Poverty Reduction in Africa