

Twenty-third meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development

Opening Statement

by
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Mr. Chairman,
Honourable Gerald Ssendaula, Minister of Finance of the Republic of Uganda,
Excellencies,
Distinguished experts and observers,
Friends and colleagues

I am very pleased to welcome you all to Kampala for this meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development. I am particularly delighted to welcome Honourable Ssendaula, a close colleague for so many years.

Minister, you are a great and consistent friend of ECA. You have attended many of our meetings, particularly the Big Table and through your active engagement with us, you have stimulated our discussions on many of the key issues in African development. Your stewardship of the Ugandan economy is also to be lauded.

Through you Minister, and on our behalf, I wish to express my deepest appreciation to the Government and people of Uganda for their generous offer to host this year's conference of the Commission, and for the hospitality since our arrival in Kampala.

Mr. Chairman may I also, through you, thank Mr. Lestja Kganyago for brilliantly chairing last year's session of the Committee of Experts. Mr. Kganyago has been promoted to Director General of the Treasury. I am sure you will all join me in wishing him well in his new and challenging task, and also in welcoming our new chairman.

As was the case last year, this meeting will be held consecutively with the 2004 Annual Meetings of the African Development Bank Group and the Joint ADB/ECA symposium in the same venue, here in Kampala. Allow me – in that regard – to thank the President of the ADB and his staff for their determined contribution to this second back-to-back meetings. I am certain that we will all benefit from the productive environment that this special arrangement creates.

I look forward to this meeting, not only because of the prospect of working with respected colleagues, but also because of the substance, which we shall discuss. We have been building towards this meeting for some time now.

Over the past five years, the various meetings of Ministers of Finance, Planning and Economic Development have covered major development challenges affecting our continent. These included financial sector reforms, debt management and the challenge of financing development in Africa. Last year we considered the interrelated issues of mutual accountability, policy coherence, development effectiveness, the IMF and its role in Africa, as well as the devastating impact of HIV/AIDS on Africa's development. These meetings also provided our member States the opportunity to prepare positions for global gatherings organized by the UN General Assembly, such as the Monterrey meeting on financing for development and the Cancun WTO Ministerial Meeting.

Mr. Chairman,
Mr. Minister,
Distinguished colleagues

This year, the theme of the conference is *mainstreaming trade in national development strategies*

The choice of this theme for the conference is timely. As you are well aware, a major preoccupation in Africa over the past year has been the issue of trade policy and negotiation capacities. This reflects largely the realization by African countries that they have to be more active in trade negotiations in order to protect their interests and maximize their gains from the global trading system. Although Trade Ministers failed to reach agreement at the last WTO Ministerial Meeting in Cancun, there is now the recognition that more effort, and urgency, needs to be injected into the negotiations in order to increase the likelihood of realizing the laudable objectives of the Doha Round. In this regard, the recent offer by the EU Trade and Agriculture Commissioners to eliminate EU export subsidies if there is parallel movement by the US, has added momentum to the negotiation process. At a recent meeting of the OECD, Ministers expressed their determination to reach agreements on the frameworks for the negotiations by the end of July. While welcome, it is clear that more work needs to be done to give a decisive push to the Doha negotiations. In particular, Africa's concerns must be taken more seriously in the negotiations if the round is to have any significant impact on poverty in the region.

ECA has embarked on a number of initiatives aimed at increasing support to African countries on trade issues. For example, a new Trade and Regional Integration Division was created in 2003 to increase our capacity to respond to requests from member States; and an Interregional Advisory Services Office was established in Geneva in the same year to provide on-demand technical assistance to the WTO Geneva African Group.

We have further enhanced technical support to member States by recently establishing the African Trade Policy Centre (ATPC), with the financial support of the Canadian government. It provides independent and Africa-specific research, training, tools, and advisory services on trade policy and negotiations. Its recent activities include: the organization of a Post-Cancun Expert group meeting for African trade negotiators in Accra, Ghana; an Expert Group meeting on how to maintain the governments' fiscal base in the context of a trade liberalization regime; and a study on the Impact of OECD Subsidies on Africa. The first stakeholders' meeting of this centre was held last month in Tunisia to review its work program as well as discuss ways in which it could collaborate with other executing agencies in order to serve the continent better.

At this point, I must stress that in all these trade-related capacity-building efforts, our major aim is to assist African countries to purposefully meet the challenges presented by the new global multilateral trading framework.

Mr. Chairman,
Mr. Minister,
Distinguished Experts

The theme of our Conference, more than stresses the role of trade in Africa's development. It aims to provide an opportunity for African Ministers and experts to share best practices and review the mix of policy actions – both on the domestic and international fronts – necessary to mainstream trade in national development strategies. Mainstreaming trade should be understood in the broad context of trade reform and the appropriate complementary policies, including growth-promoting macroeconomic frameworks.

In the Economic Report on Africa (ERA) 2004, we have fundamentally questioned whether trade liberalization always promotes economic growth. Emerging evidence suggests that although Africa has liberalized extensively, this openness has not translated into growth. We have therefore argued that Africa should learn from Asia and not liberalize blindly but should adopt dynamic trade policies that go beyond protection and revenue maximization and that are driven by strategic development objectives.

Your secretariat has prepared an issues paper to serve as background for your discussions. The paper highlights the severe challenges of developing a coherent trade policy strategy that is supportive of broad-based development. It is clear to us that although actions at the multilateral level are critical to bringing about better trade performance by Africa, there are also domestic bottlenecks that need to be addressed, including securing appropriate and predictable sources of trade finance, strengthening trade capacity, and addressing the fiscal implications of trade liberalization. Strengthened regional integration is also catalytic to the growth of intra-African trade, and to stimulate export diversification and successful integration into global markets.

It is therefore my strong belief that our Ministers would particularly benefit from clear and concise thoughts on effective policies to increase the competitiveness of African economies, and create coherence in national and sub

regional trade development strategies.

Mr. Chairman,
Mr. Minister,
Distinguished Experts

We have undertaken many activities during the year, which will be presented to you in the annual report of the secretariat. Allow me, however, to touch upon some of the major activities carried out by your secretariat since the Addis Ababa meeting last year.

In 2001, we created the African Learning Group on the Poverty Reduction Strategy Papers (PRSP-LG). The Group has met annually to facilitate systematic sharing of information among African countries on their experiences with PRSP, identify best practices and outstanding challenges to implementation, and promote peer learning and African ownership of the poverty reduction strategies. At each meeting, the experts review studies commissioned on the processes in specific countries and discuss lessons identified and agree on future policy actions. So far, 24 country studies have served as background for these meetings.

Another key consensus building forum is the ECA/OECD Ministerial Consultation known as "The Big Table". The Fourth meeting of the Big Table took place in Washington, D.C. in 2003. Sitting with the heads of the IMF and the World Bank, the African Ministers discussed, with development Ministers from OECD countries, how the policies and practices of the Bretton Woods Institutions can best contribute to Africa's efforts to realize the objectives of the MDGs. The discussion focused on the vulnerability of low-income African countries to exogenous shocks and the inadequacy of existing mechanisms for addressing them. It also addressed the alignment of the macroeconomic framework under the Fund programmes supported by the Poverty Reduction and Growth Facility (PRGF) with the growth assumptions and priorities articulated in PRSPs. The discussions further covered Africa's financing needs for achieving the MDGs, the forms and terms of assistance, and, in this context, the role of debt relief in the broader context of meeting the continent's financing of development towards reaching the MDGs.

Another area of our work was in response to the request from the NEPAD Heads of State and Implementation Committee for ECA to deepen work on mutual accountability and policy coherence. Together with OECD/DAC, we have developed path-breaking tools for mutually monitoring development effectiveness, drawing on the conceptual framework already prepared by the two institutions and submitted to the NEPAD Steering Committee. The fundamental aim of the mutual review consultation process is to generate a constructive, ongoing dialogue between African leaders and policy-makers and their OECD counterparts on development progress in Africa. We aim to complete the first review in 2005. The secretariat will provide further information on this under the appropriate item of the agenda of this meeting.

Mr. Chairman,
Mr. Minister

In response to decisions of the last session of the Commission in 2003, the Secretariat, with the support of the government of Senegal, convened a meeting of experts to discuss strategies for reducing Africa's debt. This was held in Dakar and was attended by about 80 participants representing African ministries of finance and Central Banks, World Bank, IMF as well as experts from African and international civil society.

Another notable event over the period was the Pan-African Implementation and Partnership Conference on Water (PANAFCON) in December 2003. Attended by about 1000 delegates, including Ministers in charge of water from 45 African countries, PANAFCON is an excellent example of the effectiveness of collaboration among UN agencies working in Africa. As a result, ECA is collaborating with the African Development Bank to initiate the African Water Facility, which aims to raise over US\$600 million to finance medium-term water projects in Africa in the context of NEPAD.

Additionally, the UN Secretary-General's Commission on HIV/AIDS and Governance in Africa (CHGA) took some very significant steps. Under my chairmanship, the first meeting of CHGA took place in September 2003 at the ECA headquarters in Addis Ababa. Eleven Commissioners, including two distinguished patrons, attended the meeting. These were H.E. Dr. Kenneth Kaunda, former President of Zambia, and H.E. Dr. Pascal Mocumbi, former Prime Minister of Mozambique. The Commissioners identified advocacy related issues to be taken up and mapped the way forward for the Commission's Work Programme.

The Commission held its second meeting in Maputo, Mozambique this past March. It reviewed progress and

crystallized its role in a key area of the Commission's work - Advocacy. As an activist Commission, CHGA will bring to the attention of policy makers, both at the African and donor community levels, the need to review current fiscal and macroeconomic frameworks to ensure effective responses to the pandemic.

Mr. Chairman,
Mr. Minister,
Dear Colleagues

As you can see, we have had an extremely very busy year at ECA. You will get the opportunity to review in more detail some of these issues, which are included in your agenda. While discussion of the theme of this year's Conference will clearly be the heart of this meeting, I would like to turn to yet another important issue on the agenda of your meeting. That is the review of the work of ECA.

In response to the request made by the last Conference of Ministers for an external review of ECA's work, your Secretariat took various initiatives to consult member States on how best to carry out the review, including consultations with the Addis Ababa based Ambassadors of the Bureau of the Conference of Ministers, and with the current Chair of the Bureau of the Conference of Ministers. Consensus was reached on the process issues.

The process itself was undertaken in three parts: a staff assessment to provide the backdrop and hence contextualize the review; an external assessment by an international group of Consultants and finally an external review by a Panel of Experts. I take this opportunity to thank my staff, the Consultants and the Panel for their dedication and frank approach to this serious assignment. The input of all three will significantly inform the work going forward.

I want to here single out the expert panel chaired by Dr. Simba Makoni, for thanks. They had the least time to make good of their task, but I am pleased to note that, despite this constraint, they were able to identify many areas for the future which we share.

Please allow me now to share with you some of my own thoughts about this crucial assignment.

When I took over as Executive Secretary in 1995, ECA as an organization was at a critical crossroads. Its outputs were being questioned, as was its strategic usefulness to Africa's development needs.

We had no choice but to embark on very urgent reform. Working with the member States and many other partners, we formulated together one of the organization's most comprehensive strategic plans ever. This won significant support not only from member States and the Secretary General of the UN, but also from the wider development community.

ECA like all organizations however must continuously realign itself to the needs of its clients and constituencies – otherwise it risks becoming completely irrelevant to Africa. Thus it is always important to pause, reflect on the fruits of our efforts, and take stock of our achievements.

It is in this vein that we welcomed the decision of the Johannesburg Conference of Ministers in 2002 to assess the impact of the reform process this far.

Mr. Chairman,
Mr. Minister,
Distinguished colleagues

As your Secretariat, we have found the outcome of the review process not only insightful but stimulating. The review has been able to reflect to us those areas in which the reform has clearly made progress – and those in which we have not done as well. We have prepared for you a summary of the review outcome and, based on that, the way in which we can, working with the member States, deepen the reform process for greater relevance and effectiveness of ECA's programmes on their countries. We have provided conference copies of the reports of the review process as well as a detailed compendium on the accomplishments of your Secretariat over the latter part of the reform period.

Please allow me to sketch the important ways in which a closer relationship with the member States will deepen the reform process. A key area in this respect is the priority setting activities of the Commission. Over the years, much progress has been made in involving the member States in the priority setting work of the Commission. I now

want to propose that this relationship is significantly deepened. Given the magnitude of our work and the range of issues we cover, the technical Committees of experts are best positioned to help us carry this work forward.

In that context, the adoption of the biennial strategic planning framework and the programme plan clearly provides an excellent opportunity to place the member States at the centre of programme planning beginning in the biennium 2006 – 2007. For the latter part of the year, we therefore need to give attention to the meeting of the Committees so that we can translate this opportunity into concrete action.

Last week's meeting of the Committee responsible for overseeing ECA's work on statistics, the Advisory Board on Statistics in Africa (ABSA) provides an excellent model for how the Secretariat should be working with member States to advance our mutual agenda.

Within the framework of resolutions of the Committee on Development Information, ABSA brought together leading stakeholders in the area of statistical development in Africa, including several directors of national statistical offices, and representatives of statistical divisions of sub-regional organizations. During a two day meeting in Addis Ababa, the board was able to examine a strategic framework for statistical development in Africa and draft proposals for action for the medium term programme of ECA in statistics. The meeting was followed by a larger dialogue on the issues related to statistical development in Africa that included our development partners and the multilateral institutions.

I was most pleased by the involvement of so many member States and regional stakeholders in this process and would therefore now like to see this emulated in other areas of the Commission's work.

Other areas in which we believe there is scope to deepen the reform process include better knowledge sharing and improving our outreach activities. We need to explore together with the member States opportunities for enriching the policy dialogue including succinct policy briefs for our senior policy makers who do not have time to digest lengthy research reports. We plan to enhance our networking activities, particularly with research and academic institutions, which are at the core of the knowledge value chain. We clearly stated in our strategic plan that we would not seek to be the self contained knowledge generating institution that we have once been perceived to be!

An important aspect of placing our member States in our programming process involves feedback, monitoring and evaluation. Our relevance and effectiveness can only be demonstrated through a continuing process of involving our clients in the programme management life cycle within an effective framework of feedback measurement. In this respect we are committed to broadening our performance benchmarks and tools in order to remain relevant to the needs of our member States.

In our report, we have also outlined the next steps that are required to achieve these bold reforms. Central to these is NEPAD which we see as the main vehicle for systematically addressing the continent's problems. In this respect we will continue to deepen our work with the APRM for which we gained a lot respect from diverse constituencies, particularly the international community. The APRM will give us a platform for designing effective programme support on a number of key fronts, such as debt mismanagement.

Mr. Chairman,
Mr. Minister,
Dear Colleagues

Let me reiterate that these plans can only be realized if the member States play their part. The review process so far, including the work of the independent consultants and the expert panel has cost the Secretariat a great deal, nearly US \$200,000. It is therefore now important that member States participate more in the process by nominating and sending officials to contribute directly to meetings of the ECA's technical Committees. This will give them full ownership and also help the Secretariat with costs constraints.

It is in this context that we have proposed to this Conference that we explore all avenues of the members States funding their participation in the activities of the Commission. We believe that the re-launch of the United Nations Trust Fund for African Development, UNTFAD, would provide an excellent opportunity to demonstrate our member States commitment to widening the programmes we implement in line with the myriad of the challenges that confront our continent. The previous trend where we have struggled with increasing responsibilities and a diminishing resource envelope cannot be a viable way of deepening the reform programme.

In my view, therefore, your Committee faces the challenge of matching your recommendations with the means to achieve them. The revival of UNTFAD is also on your agenda today.

Mr. Chairman,
Distinguished colleagues

There are many other issues, no less important, on your agenda. These include the Proposed Biennial Programme Plan for the period 2006-2007, which sets out the strategic objectives that ECA intends to pursue within the two-year period. The biennial Plan forms an integral part of the Secretary-General's overall strategic framework for the Organization which will be considered by the United Nations General Assembly through the Committee for Programme and Coordination (CPC) next June. As I just noted above, this is an excellent opportunity for you to chart the course of the work of your organization.

The Annual Report 2004 on the work of the Economic Commission for Africa, including the outcome of the meetings held by the subsidiary bodies of the Commission during the past year, is also submitted for your consideration.

As I move to end my address to you, let me take advantage of this gathering to invite you to a series of key conferences that we plan to host in the latter part of the year. The first of these is the ADF IV whose theme will be "Good Governance for a Progressing Africa". This will represent the culmination of governance work we have done in twenty eight African countries using a set of eighty four indicators to measure good governance. The results will be summarized in the Africa Governance Report, which we hope will turn into a regular flagship publication. The second of the regional conferences will be the Beijing + 10 conference, which will review progress achieved since the Beijing and Dakar Platforms were articulated. Again, we have held a series of workshops at the sub regional level to ensure that we capture the progress being made by our individual member States. While there will be many activities that bring to Addis Ababa, and to ECA in particular, please be sure not to miss these important forums.

Mr. Chairman,
Distinguished colleagues

I have just provided a mountain of work for you! I am confident that your collective talents will clear this mountain in the next days. What I hope I have achieved is set you off on some of the key issues that need serious answers in the coming couple of days. I am looking forward to the outcome of your in-depth discussions which I am confident will provide further guidance to the work of the Commission.

Thank you for your kind attention.
