

# **ECONOMIC COMMISSION FOR AFRICA**

## **ANNUAL REPORT, 2005**

**Economic and Social Council  
Official Records, 2005  
Supplement No. 18**



**UNITED NATIONS**

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## Abbreviations and Acronyms

ABSA	Advisory Board on Statistics in Africa
ACP/EU	African, Caribbean and Pacific Countries/European Union
ACSIS	African Civil Society Network in the Information Society
AFDB	African Development Bank
ADF	African Development Forum
AG	Africa Group
AGDI	African Gender and Development Index
AGOA	African Growth Opportunity Act
AGR	African Governance Report
AMCOW	African Ministerial Council on Water
AMP	Africa Mining Partnership
AMU	Arab Maghreb Union
ANSTI	African Network of Scientific and Technological Institutions
APR	African Peer Review
APRM	African Peer Review Mechanism
ARIA	Assessment of Regional Integration in Africa
ARN	African Research Network
ATC	Agreement on Textiles and Clothing
AU	African Union
AVLIN	African Virtual Library Information Network
AWDR	African Water Development Report
AWICH	African Water Information Clearing House
BPoA	Brussels Programme of Action
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
CEMA	Central African Economic and Monetary Community
CEPGL	Economic Community of Great Lakes Countries
CHDCS	Committee on Human Development and Civil Society
CODI	Committee on Development Information
COMESA	Common Market for Eastern and Southern Africa
CRCI	Committee of Regional Cooperation and Integration
CSD	Committee on Sustainable Development
CSO	Civil Society Organization
CUTS	Consumer Unity and Trust Society
CWD	Committee on Women in Development
DAC	Development Assistance Committee
DAW	Division for the Advancement of Women
EAC	East African Community
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOSOC	Economic and Social Council
ECOWAS	Economic Community of West African States
EPA	Economic Partnership Agreement
ePol-Net	Global Electronic Policy Resource Network
ERA	Economic Report on Africa

EU	European Union
FASDEV	Forum on African Statistical Development
GIAS	Geneva Inter Regional Advisory Services
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Cooperation Ltd.)
ICE	Intergovernmental Committee of Experts
ICPD-PoA	International Conference on Population and Development – Programme of Action
ICT	Information and Communication Technology
ICTDAR	ICTs for Development of the Arab Region
IDEP	Institute for Economic Development and Planning
IGAD	Intergovernmental Authority on Development
IHSN	International Household Survey Network
ITCA	Information Technology Centre for Africa
ITU	International Telecommunication Union
JPA	Joint Parliamentary Assembly
LDC	Least Developed Country
LG	Learning Group
MDG	Millennium Development Goals
MRU	Mano River Union
NAMA	Non-agricultural Market Access
NCSD	National Councils for Sustainable Development
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental Organization
NICI	National Information and Communication Infrastructure
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PANAFCON	Pan-African Conference on Water
Paris21	Partnership in Statistics for Development in the 21st Century
PICTA	Partnership for ICTs in Africa
PoA	Programme of Action
PRS	Poverty Reduction Strategy
PRSP-LG	Poverty Reduction Strategy Paper Learning Group
REC	Regional Economic Community
S&T	Science and Technology
SADC	Southern African Development Community
SDD	Sustainable Development Division
SEAMIC	Southern and Eastern Africa Mineral Centre
SRO	Subregional Office
SSATP	Sub-Saharan Africa Transport Policy Programme
SWDR	Subregional Water Development Report
TRID	Trade and Regional Integration Division
UNCSTD	United Nations Commission on Science and Technology for Development
UNCTAD	United Nations Conference on Trade and Development
UN-DESA	United Nations Department of Social and Economic Affairs
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNGIWG	United Nations Geographic Information Working Group
UNHQ	United Nations Headquarters
VICI	Village Information and Communication Infrastructure
WAMU	West Africa Monetary Union
WSIS	World Summit on the Information Society
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization

## Introduction

The present annual report of the Economic Commission for Africa covers the period from May 2004 and May 2005. It has been prepared in accordance with paragraph 18 of the Commission's terms of reference and was unanimously adopted by the Commission at its thirty-eighth session on 15 May 2005.

# CHAPTER I

## Resolutions Brought to the Attention of the Economic and Social Council

### **843 (XXXVIII) Proposed Programme of Work and Priorities for the Biennium 2006-2007**

The Conference of Ministers,

Recalling resolution 842 (XXXVII) of 22 May 2004 adopted by the Conference of African Ministers of Finance, Planning and Economic Development by which the Conference endorsed the ECA Biennial Programme Plan for the period 2006-2007;

Taking note of the programme structure endorsed by the Conference of Ministers, which includes a new subprogramme entitled "*Development planning and administration*", which is implemented by the UN African Institute for Economic Development and Planning (IDEP);

Noting with appreciation, the ongoing work by ECA through the activities and outputs undertaken by its various organizational units in general and IDEP in particular, to strengthen capacities of member States and their intergovernmental organizations as well as civil society organizations;

Having examined the Proposed Programme of Work and Priorities for the Biennium 2006-2007, as contained in document E/ECA/CM.38/3,

Convinced that the activities contained in the proposed programme of work for the biennium 2006-2007 will help to foster accelerated and sustained growth for poverty reduction in Africa, as they are in line with priorities identified by member States;

1. Endorses the Proposed Programme of Work and Priorities of the Commission for the biennium 2006-2007, taking into account the discussion and related observations and amendments made at the meeting.

2. Calls upon the Advisory Committee on Administrative and Budgetary Questions (ACABQ), ECOSOC, the Fifth Committee and the General Assembly of the United Nations to:

(i) Ensure that adequate resources are made available to the Commission for the implementation of the work programme; and

(ii) Provide the UN African Institute for Economic Development and Planning (IDEP) with the necessary resources by transforming its current grant into post and non-post regular budget resources in order to enable the Institute to implement effectively its new subprogramme on development planning and administration.

## CHAPTER II

# Major Activities Undertaken by the Secretariat Since June 2004

### A. Implementation of the regular programme of work

#### 1. Facilitating economic and social policy analysis

1. The activities carried out under this subprogramme during the period under review were aimed at strengthening the capacity of member States to design and implement appropriate economic and social policies and strategies for achieving sustained economic growth for poverty reduction in line with the priorities of the Millennium Declaration and NEPAD. In this regard, particular emphasis was placed on economic policy analysis, development issues related to social policy and poverty analysis, issues related to financing for development and to statistical development.

2. With millions of Africans unemployed or underemployed, including many of the continent's youths, pro-poor policies targeted at employment generation need to be mainstreamed into national PRSs in order to achieve the MDGs. Addressing the critical employment-poverty nexus was the focus of the Economic Report on Africa (ERA) 2005 on the theme Meeting the Challenges of Employment and Poverty in Africa. The report identifies priority policy issues and practical initiatives in support of Africa's efforts to make employment creation a strategic objective for poverty reduction.

3. Among the policy challenges addressed in the report to ensure the provision of decent employment in Africa were the need for deeper reforms in several areas including agriculture, trade, enhancing market access and technological advancements, education, creating incentives for private sector development including development of small and medium enterprises, removing gender barriers to employment and acknowledging the impact of HIV/AIDS on the workforce.

4. ERA 2005 also reviewed economic and social developments in the region in 2004 including the out-

look for the near-term, taking into account developments in the global economy. The report notes that the economic performance of African countries in 2004 had shown improvement over 2003. Africa's GDP grew at an average rate of 4.6 per cent, compared with the growth rate of 4.3 per cent recorded in 2003. More significantly, this is the highest GDP growth rate recorded for the continent since 1996, and considerably higher than the average of 3.4 per cent of the previous five years. The improved growth performance was driven by both internal and external factors.

5. At the domestic level, most governments continued to implement sound macro-economic policies as evidenced by a lower average fiscal deficit, which stood at 0.8 per cent of GDP in 2004, compared with 1.5 per cent in 2003. Similarly, the average inflation rate continued its declining trend, reaching a 20-year low of 8.8 per cent, from 11 per cent in 2003. Africa's improved economic performance is also partly explained by the resolution of some long-standing conflicts on the continent, a strong global recovery resulting in improvements in the prices of major primary commodities, higher oil production and prices, improved performance in agriculture, and improved donor support in the form of aid and debt relief.

6. However, the report concludes that despite the impressive growth performance achieved by many African countries in 2004, the growth rate falls considerably short of that required to attain the poverty reduction targets of the Millennium Development Goals (MDGs). The report emphasized the need for African countries to accelerate their growth rates to increase incomes and reduce poverty, with the assistance of the international community. It highlighted three areas of support that are particularly important for Africa, namely, increased official development assistance (ODA), enhanced debt relief and greater market access as envisaged in the Doha Development Round of the WTO negotiations. ERA 2005 was extensively peer reviewed by various expert groups from within and outside Africa, and is scheduled for release in mid-June 2005.

7. As an input to the comprehensive global review of progress in the implementation of the MDGs scheduled to take place in September 2005 during the 60th Session of the United Nations General Assembly, ECA prepared a report *Progress and Challenges of Achieving the MDGs in Africa*. The report reviewed progress towards reaching the MDGs in Africa and highlighted key policy and operational challenges and how these can be addressed. The report notes that Africa is not likely to meet most of the MDGs by the target date of 2015 on current trajectories unless urgent actions are taken by both sides, African countries and their development partners alike, to accelerate progress.

8. On the part of African countries, this will require continued progress in deepening the structural reforms that are already underway, including developing long-term poverty reduction strategies (PRSs) in the context of NEPAD. These efforts must, however, be matched by increased support from developed countries in the form of increased market access and more aid, which is predictable, timely and effective. The report will also inform discussions at the 2005 ECA Conference of African Ministers to be held in Abuja in May 2005 on the theme *Achieving the MDGs in Africa*, and will also serve as an input to the Secretary-General's report to the high-level segment of the Economic and Social Council (ECOSOC).

9. Another important report produced by ECA during the period under review is the progress report on the implementation of the Brussels Programme of Action (BPoA) for the Least Developed Countries (LDCs), which highlighted the major challenges and constraints to economic development of African LDCs as well as the required policy interventions for achieving progress. Among the recommendations contained in the report is the urgent need to improve national statistical capacities for tracking progress by African LDCs towards achieving both the MDGs and PoA targets. The report will serve as an input to the global five-year review of progress of the BPoA scheduled to take place in May 2006.

10. As a follow-up to the implementation of the Monterrey Consensus on financing for development, an ad hoc experts group meeting on Financial systems and resource mobilization for economic development in Africa was held in Nairobi in November 2004 to identify the challenges constraining the emergence of well-functioning capital markets in the continent. Among the recommendations made by the meeting were the call for the establishment of an African Monetary Fund, improving and streamlining of regulatory and supervisory infrastructure, improving transpar-

ency, regional harmonization of laws and regulations, and adoption of policies for attracting remittances and mobilizing foreign resources through capital markets.

11. ECA also continued to support the implementation of the New Partnership for Africa's Development (NEPAD) during the period under review. The African Peer Review Mechanism (APRM) process got underway in 2004 with the roll-out of Country Support Missions to six participating countries: Ghana (May 2004), Rwanda (June 2004), Kenya (2004), Mauritius (June 2004), Uganda (March 2005) and Nigeria (March 2005). The main objective of the missions was to assess the processes and mechanisms put in place by the respective countries to undertake their self-assessment and draft their Programme of Action, which will subsequently be reviewed by the APR Panel. The country self-assessment is the first of the five stages of the peer review process. It is followed by a country review visit by the panel, which then prepares a country review report. The overall aim of the country review, and more generally of the peer review itself is to help countries identify institutional, policy and capacity weaknesses, suggest remedial measures to such shortcomings and seek support in addressing them.

12. ECA participated in all six country missions along with the other NEPAD strategic partner institutions, namely ADB and UNDP, and its work in the areas of governance, gender as well as the Economic Report on Africa (ERA) will continue to underpin the process. It is envisaged that missions will be fielded to all the 23 acceding States to the APRM within the next few years.

13. In line with its mandate of promoting the development of statistics in support of the economic, social and environmental development of Africa, ECA organized the first annual meeting of the Advisory Board on Statistics in Africa (ABSA) in Addis Ababa in May 2004. The meeting brought together 15 experts drawn from national statistical offices, subregional organizations, statistical training institutes and other agencies to review the objectives, scope, institutional arrangements and governance structure, including the future direction of ECA work in the area of statistics. To this end, the Advisory Board reviewed a document prepared by the ECA secretariat entitled, *Statistical Development in Africa: A Strategic Framework*, which was also discussed during the Forum on African Statistical Development (FASDEV), jointly convened by ECA, the African Development Bank (AfDB), the Partnership in Statistics for Development in the 21<sup>st</sup> Century Consortium (Paris<sub>21</sub>), and the World Bank. FASDEV was established to help advocate for national

statistical programmes, consider financing needs and suggest modalities for creating more synergies in the area of statistical development. ECA provides the Secretariat for both ABSA and FASDEV.

## 2. Fostering sustainable development

14. The activities implemented under this subprogramme during the period under review were aimed at: (a) promoting awareness of the environmental foundations of sustainable development with particular focus on strengthening national capacities for better integrating the nexus of food security, population growth, environmental sustainability and sustainable natural resources management into national development plans and poverty reduction strategies; and (b) improving stewardship of the natural resource base by strengthening capacities for sustainable exploitation, management and effective utilization of mineral, energy and water resources.

15. As a contribution to the 10-year review of the Dakar/Ngor Declaration and the Programme of Action of the International Conference on Population and Development (ICPD-PoA), ECA prepared a regional review report whose findings were presented and discussed at a regional Ministerial review conference held in Dakar in June 2004. A major outcome of the conference was adoption of a Ministerial Declaration reaffirming the commitment of member States to the further implementation of ICPD goals as well as those contained in the Millennium Declaration and NEPAD.

16. As part of efforts to ensure integrated follow-up and implementation of World Summit on Sustainable Development (WSSD) outcomes at the regional level, the Commission also undertook a regional study on the role of National Councils for Sustainable Development (NCSD) in achieving sustainable development in Africa. The study reviewed best practices, policies and strategies for effective establishment and functioning of NCSDs.

17. The Commission also prepared a number of studies to create awareness of the potential contribution of S & T in achieving food security and sustainable development. These include a study entitled, *Emerging Issues in Science and Technology: Principles, Methodology and Strategy for Promoting the African Green Revolution*, which was reviewed and adopted at an Ad Hoc Expert Group meeting in November 2004. As a direct follow-up to this, ECA is currently working on the development of an Afri-

can Green Revolution Design and Training Manual, as a contribution to the African Green Revolution. It could also provide a tool for achieving the sustainable development targets of the MDGs in Africa.

18. ECA continued to provide support to member States in promoting an integrated approach to national policymaking that includes issues related to mineral resources development. For example, Tanzania received assistance in integrating mining development into its second generation of PRSP through a project jointly implemented by ECA, UN-DESA, UNCTAD and UNDP. Assistance was also given to several regional organizations such as the Southern and Eastern Africa Mineral Centre (SEAMIC), and the Africa Mining Partnership (AMP) in the elaboration of their programmes on mineral resources development. In addition, the secretariat rendered assistance to the Government Sierra Leone in the formulation of a national energy policy.

19. During the period under review, ECA remained actively involved in the work of the S & T cluster of the Regional Consultation of United Nations Agencies, in the framework of United Nations support for NEPAD at the regional level. Activities undertaken in this regard included: participation in an engineering education workshop in Lagos, Nigeria in September 2004, which was jointly convened with UNESCO and other agencies; the ANSTI Governing Council meeting in November 2004 and a meeting on the restructuring of the Nigerian Science and Technology Initiative in October 2004. ECA also participated in the 7<sup>th</sup> Session of United Nations Commission on Science and Technology for Development (UNCSTD), the highest policymaking body within the United Nations on S & T issues.

20. Also within the context of the regional consultations of UN agencies, the secretariat participated actively in the work of two subclusters of the infrastructure development cluster, namely water and sanitation; and energy. Under the water sub-cluster, the secretariat organized three regional training workshops for decision makers and technical personnel in Geo-Water Information Development and Management - in Yaounde, Cameroun in June 2004 for Central African countries; in Accra, Ghana in September 2004 for West Africa; and in Mombassa, Kenya in October 2004 for East Africa. The objective of the training is to facilitate the development of an African Regional Water Clearinghouse that will provide the basis for strengthening cooperation in the area of integrated water resources management. Similar meetings are planned for Southern Africa in Pretoria in March 2005 and North Africa in Cairo, Egypt in April 2005.

ECA also launched the African Water Journal during the period under review to disseminate information and knowledge and facilitate documentation and sharing of experiences on water-related issues.

21. The sub-cluster on energy held two meetings during the period under review to adopt a work programme for the United Nations Energy Africa (UNEA) which brings together all UN entities working in the field of energy in Africa to concert their efforts in support of the NEPAD priority on energy development. The meetings agreed that UNEA would actively engage other organizations outside the UN, AU/NEPAD and United Nations Energy Global (UNE Global) to enhance linkages between global and regional energy issues. As part of the UNEA work programme, ECA and UNEP jointly planned and started implementing the project Making African Power Sector Sustainable, which aims to facilitate integration of socioeconomic and environmental concerns into the Power Sector Reform (PSR) programmes in sub-Saharan Africa.

### 3. Strengthening development management

22. The central role of good governance in building a capable State and achieving sustainable development and poverty reduction is now widely recognized. A system of good governance is also required for all sectors of society to participate and contribute to the development process, as well as for the implementation of NEPAD and achieving the MDGs. Addressing the challenge of establishing good governance was the focus of ECA's work under the subprogramme, Strengthening development management. ECA's work in this area is aimed at improving and sustaining good governance practices for broad stakeholder participation in the development process in order to strengthen the foundations for sustainable development in Africa.

23. ECA organized the Fourth African Development Forum (ADF IV) during the period under review on the theme, Governance for a Progressing Africa. The Forum, which was held in Addis Ababa from 11 to 15 October 2004, was organized in collaboration with AfDB and the African Union (AU). It brought together over 1000 participants representing governments of member States, international organizations, intergovernmental organizations, civil society organizations (CSOs), research and academic institutions, and the private sector, to address key issues related to the challenges of achieving good governance in Africa. Daily plenary sessions focused on issues such as: con-

flict prevention and sustainable economic development; strategies for fighting corruption; strengthening the judiciary; ensuring effective political parties and a strong civil society.

24. An issue that received considerable attention was the role of traditional systems of governance in the modern State, and some traditional rulers were invited to share their perspectives on it. The Consensus Statement adopted at the end of the Forum contains a number of major policy recommendations and time-bound actions for follow-up at the country level. Among the many recommendations contained in the Consensus Statement is the need to enhance the role and participation of the youth and civil society in the governance process in Africa.

25. ADF IV also provided an opportunity for the secretariat to present the findings of its project on the development of indicators for measuring and monitoring progress towards good governance in Africa. The findings were summarized and presented as an overview of the first African Governance Report (AGR) entitled, *Striving for Good Governance in Africa*, due to be released in mid-2005. The overview, which served as a background paper for the Forum, highlighted 10 priority areas for action in building capable and accountable States in Africa, and identified capacity deficits at the regional, subregional and country levels that need to be addressed. The findings of AGR 1, which covered an initial 28 survey countries, are already being used to inform the APRM process, and the results are expected to stimulate more action on key issues.

26. The second edition of the report to be published in 2006 will present analyses on the state of governance in 12 additional countries. Other important outcomes of the study are the country profiles that are drawn from the National Country Reports on governance. These profiles provide analysis of the prevailing situation encompassing the political, social and economic dimensions of governance to facilitate better understanding and provide guidance in assessing the specific features of governance in each of the countries where the survey was administered.

27. ECA organized and serviced the third meeting of the Committee on Human Development and Civil Society (CHDCS) in May 2005 under the theme, Participation and Partnerships for Improving Development and Governance in Africa. The meeting underlined the importance of participation and partnerships among civil society, government and private sector with a view to enhancing transparency, strengthen checks and balances in govern-

ment and improve efficiency and accountability in the national budgeting process and in the delivery of basic social services. The Committee reviewed three policy research papers prepared by the Commission, which highlighted best practices and challenges in broadening participation and partnerships for development: (a) Participatory approach to national budgeting, (b) Public-private partnerships to social service delivery: water and sanitation, and (c) Strategies for promoting effective stakeholder participation in the APRM.

#### 4. Harnessing information for development

28. The main objective of this subprogramme is to strengthen national capacities for the utilization of ICTs, including strengthening capacities in the development and use of information and knowledge systems (bibliographic, referral and spatial database) as decision-support tools for socio-economic development. Key to the attainment of this objective is the promotion of national policies and programmes geared towards building efficient information and communications infrastructure and creating an enabling regulatory environment for public and private sector participation in the delivery and application of ICTs.

29. Assisting member States to achieve the above objectives continued to be the focus of ECA's work under its subprogramme, Harnessing information for development in the period under review. To this end, a wide range of activities were undertaken aimed at promoting the growth of the information society in Africa and harnessing ICTs to achieve broad development goals including the MDGs.

30. A major achievement under the subprogramme is the increase in the number of African countries that have developed National Information and Communication Infrastructure (NICI) plans and policies since May 2004. Four countries: Comoros, Ghana, Mali and Niger, received assistance from ECA in developing strategies for the adoption and use of ICTs. Other countries such as The Gambia and Malawi received support in integrating their policies on ICTs with Poverty Reduction Strategies (PRSs) and MDGs, and in building capacity for sectoral application in social sectors such as health (telemedicine) and education (e-learning).

31. The Commission also commenced implementation of a pilot project on the development of e-strategy at the village level with the development of

Village Information and Communication Infrastructure (VICI) policies and plans for Ghana in late 2004. VICIs are aimed at making ICTs accessible to rural communities across the continent.

32. In February 2005, ECA organized a regional preparatory meeting to the World Summit on the Information Society (WSIS) in Accra, Ghana to prepare African countries for their participation in the second phase of the WSIS scheduled to take place in Tunis, Tunisia in November 2005. (The first phase was held in Geneva in December 2003). The meeting also addressed the challenges of achieving the information society in Africa and bridging the digital divide, capacity building for Internet governance, and operationalization of the Digital Solidarity Fund established at the Geneva Summit.

33. The conference was an excellent example of collaboration among stakeholders in the development of an information society in Africa. Hosted by the Government of Ghana, the event was organized with support from the Governments of Finland, Switzerland, Canada and OECD. Other partnership initiatives strengthened during the period under review include the Global Electronic Policy Resource Network (ePol-Net) project, designed to mobilize international support for African countries and their intergovernmental organizations (IGOs) in national and regional e-strategy policy formulation and implementation; the Global Knowledge Partnership (GKP) and the Partnership for ICTs in Africa (PICTA), an informal group of partners, with ECA as secretariat, which assists in mobilizing resources in support of the African Information Society Initiative (AISII).

34. In response to the need for measuring the impact of ICTs in various sectors, ECA continued to implement its benchmarking initiative, SCAN-ICT, to provide assistance to member States in the development of indicators and benchmarks for monitoring and assessing progress in the development of the information society. In this context, the Commission will continue to work closely with other UN regional commissions, international agencies and national statistical offices in developing harmonized and standardized information society indicators at the global, regional and national levels.

35. An important aspect of ECA's national policy formulation is the development of national geoinformation policies, as well as their integration into national e-strategies. A major policy document on this was produced during the period under review. Another policy initiative in this area is on the implementa-

tion of a functional address system in Africa for both urban and rural areas. The Commission plans to convene an Ad Hoc Experts Group meeting during 2005 to produce guidelines on geoinformation support for implementing and maintaining a functional address system tailored to Africa's needs. This will improve the situation in many African cities and towns that do not have proper address systems for navigating and locating places.

36. ECA has also continued to play its vital role as a major geoinformation knowledge hub, by maintaining a clearinghouse system for researchers and decision makers, providing the space for member States to publicize their metadata holdings. The system is currently made up of the Ethiopian Natural Resources and Environmental Metadatabase (ENRAEMED), the African Water Information Clearinghouse metadata system and the ECA cartographic inventory on African countries.

37. During the period under review, the Commission continued to provide capacity-building support to member States to promote awareness of the importance of ICTs for socioeconomic development. To date, a significant number of countries have benefited from training provided by the Information Technology Centre for Africa (ITCA), an ICT-focused exhibition and learning centre at ECA. During 2004, 80 members of the Ethiopian parliament received training from ITCA, and a training workshop is planned for May 2005 in Tanzania, which will bring together more than 100 parliamentarians from several African countries.

38. In the area of information and knowledge development, the ECA library launched the African Virtual Library Information Network (AVLIN) portal in January 2005 as a platform for sharing development information and knowledge on Africa. Other AVLIN outputs include CD-ROMs, e-mail alert services and other materials on economic development.

39. As part of efforts to enhance outreach and communications services to raise public awareness on ICTs for development, ECA produced radio and video documentary programmes with support from GTZ. The programmes were distributed to 5 radio and TV stations in the Democratic Republic of Congo, Benin and Niger. Other information outputs produced and distributed include the African Development Topics and Journal Contents and the establishment of an information kiosk managed by ITCA using the Ethiopian Amharic language, which currently provides land management information to the public in Ethiopia. ITCA is also developing the ITCA Virtual Learning

Academy, which will provide online capacity-building training to policy and decision makers.

## 5. Promoting trade and regional integration

40. The period under review was marked by an intensification of activities under this subprogramme in support of strengthening of the regional integration process in Africa. The Trade and Regional Integration Division (TRID) continued its work as a catalyst for promoting the effective integration and participation of African countries in the global economy. Its work programme also aims at strengthening the process of regional integration in Africa through promoting intra-regional and international trade, and physical integration, with particular emphasis on the transport and communication sectors.

41. The activities undertaken towards realizing the above objectives can be grouped into three broad areas, namely, trade promotion and multilateral trade negotiations; facilitating and enhancing the process of regional economic integration; and transportation infrastructure development. The efforts under each of the three areas were underpinned by enhanced support to RECs as the essential building blocks for the regional integration process in Africa.

42. As the agenda of the multilateral trade negotiations expanded in recent years, most African countries have found their capacities inadequate to deal with the complex issues that have emerged in the WTO processes. The heavy workload imposed by the agenda does not match with the small size of many of the Permanent Missions of African countries in Geneva. This concern led ECA to establish an office in Geneva in 2003 to provide support to the African WTO Geneva Group in dealing with the complex issues on the WTO agenda.

43. During the period under review, the Geneva Office continued to provide assistance and technical support to the Geneva Africa Group in the preparation of their negotiating positions within the framework of the Doha Development Agenda (DDA) and in the preparation of their proposals and submissions on various WTO issues under negotiation. In addition, the Office, working in collaboration with AU and other partners, provided support and participated in three separate retreats for the African WTO Geneva Group to brainstorm on WTO issues. Because of the activities of the Office, African countries are now in a better position to synchronize negotiating positions than in the past.

44. ECA's work of building sustainable trade capacities of African countries was further enhanced with the operationalization in 2004 of the Africa Trade Policy Centre (ATPC), which was established with initial funding from the Government of Canada to strengthen Africa's trading capacity in line with the trade-related objectives of NEPAD. ECA has already conducted some training courses in collaboration with UNCTAD and the WTO for African trade officials and others with trade-policy responsibilities.

45. The Centre will continue to support the capacity-building efforts of African countries through its policy research and training activities, focusing on such areas as: accession to WTO and negotiations on the trade protocol of the ACP/EU Agreement; promoting intra-African trade; mainstreaming trade into national development policies and programmes; assessing the revenue implications of trade liberalization; assessing the impact of OECD agricultural subsidies for Africa's growth; and giving support to the African WTO Geneva Group.

46. Despite the failure of the 2003 WTO Ministerial Conference in Cancun to reach agreement on issues of interest to African countries, the spirit of compromise and engagement evident in the negotiations showed that the continent has not lost the commitment to work together in addressing these issues. ECA responded by organizing a number of meetings during the period under review, which highlighted the importance of the issues, and sought to assist countries of the region in developing and refining their strategies for further negotiations. In this regard, the Commission organized a high-level brainstorming meeting of African trade negotiators under the theme, WTO Post-Framework Meeting in Addis Ababa, in November 2004 to undertake a comprehensive evaluation of the outcome and implications for African countries, of the so-called July Framework Agreements at the WTO. These set out certain modalities for negotiations in key areas such as agricultural, and non-agricultural market access (NAMA), and for an accord that better defines the framework for negotiations on cotton subsidies and the so-called Singapore issues – the most problematic areas in the negotiations at Cancun. The meeting mapped out a strategy for future negotiations in those areas, based on policy research by ECA and other partner institutions.

47. As the Economic Partnership Agreements (EPAs) negotiations between ACP/EU countries entered a crucial new phase in 2004, ECA increased its support to member States in building a coherent strategy for the negotiations. Although the EPAs are expected to generate enormous benefits to ACP

countries, their implementation will also pose enormous challenges such as: managing the expected losses of fiscal revenue; coping with more competition expected as a result of the reciprocity entailed; ascertaining net benefits from the EPAs, especially for LDCs; and enhancing the limited capacity for negotiations in most African countries.

48. In response to these challenges, ECA undertook a comprehensive impact assessment of EPAs, on which Africa can build an effective strategy for negotiations with the EU. ECA also organized four subregional Expert Group Meetings during the period review to examine the main challenges of the on-going negotiations and the potential implications of the EPAs on the respective subregional economies. A regional meeting to agree on Africa's positions for future negotiations is planned for late 2005.

49. A major accomplishment in the area of promoting regional integration was the launch in July 2004 of a new flagship publication, Assessment of Regional Integration in Africa (ARIA 1), which provides the first comprehensive assessment of progress towards regional integration in Africa. The publication, produced in collaboration with AU and ADB, and with support from EU and the World Bank, was initiated about four years ago to fill an apparent void in the lack of credible statistical data on the status of regional integration in Africa.

50. The report aims to support policymaking and priority-setting through integrated and comprehensive assessments of the status of regional integration in Africa, assessing trends, and analyzing the content and impact of policies, plans and interventions. In addition to institutional aspects, the assessment covers integration performance in major sectors such as trade, money and finance, infrastructure, natural resources, industry, commodity production, agriculture and human resources development, labour mobility and other emerging issues.

51. An important component of ECA's work in strengthening the regional integration process is focused on building the technical institutional capacities of (RECs, as the main building blocks for achieving subregional and regional integration in Africa. ECA and its subregional offices (SROs) have been providing support to the main RECs in such areas as the preparation of feasibility studies on the establishment of self-financing mechanisms, analysis of alternative financing mechanisms, and technical studies to address the issue of trade policies and the establishment of free trade areas. In further support of the inte-

gration process, the second edition of Assessment of Regional Integration in Africa (ARIA II) will focus on the challenges of achieving effective integration in Africa with particular emphasis on rationalization of the RECs.

52. In this context, the report is expected to examine the long-standing issue of proliferation of RECs and their overlapping mandates and memberships and the challenge that this poses for Africa's integration. The report will propose policy recommendations for streamlining the RECs towards achieving effective integration. Work is currently underway on preparation of the report, which will be ready for publication by the end of 2005.

53. An important objective of ECA's work in the area of infrastructure development is to help establish an efficient, integrated and affordable transport and communications system as a basis for the physical integration of Africa and to facilitate national and international traffic. In this context, the Commission has continued to assist member States and RECs in the implementation of the Yamoussoukro Decision on air transport liberalization, particularly in strengthening their capacity to implement the Decision and incorporate it into national policies.

54. ECA and the sub-Saharan Africa Transport Programme (SSATP), in collaboration with the Government of Ethiopia, organised the annual general meetings of SSATP, which took place in September 2004. The meeting highlighted improvements in the level of collaboration between the regional economic communities (RECs) and SSATP; increased participation of countries in the programme (33 countries joined the SSATP in 2004); increase in the number of partners; and the inclusion of road safety in SSATP action plan. The meeting has also identified priority activities to be implemented as part of corridor development and the increased movement of people and goods.

55. Other notable activities in the area of transport included a study on the development of multi-modal transport in Africa, endorsed by an Expert Group Meeting on the same subject, and a study on best practices for commercialization and privatization of rail, air, road and maritime transport. The study highlights the importance of private sector involvement in the development of transport infrastructure and transport services. ECA also contributed to preparation of the NEPAD Short-term Action Plan on infrastructure. In addition, it organized and serviced the fourth meeting of the Committee on Trade, Regional Cooperation and Integration in

Addis Ababa in March 2005, to review ECA's current and future work priorities in support of trade promotion and economic integration in Africa.

## **6. Promoting the advancement of women**

56. Promoting the advancement of women in Africa continued to be a major priority of ECA's work programmes during the period under review. ECA conceives and perceives its role in this area as threefold: as an advocate, promoting the mainstreaming of gender issues into development activities of member states; as a catalyst, monitoring and reporting on progress in the implementation of globally and regionally agreed plans and strategies for the advancement of women; and, as a facilitator, assisting member States to implement policy measures and actions for the advancement of women.

57. Work continued during the period under review in the elaboration of appropriate tools and mechanisms for monitoring progress towards the goal of gender equality set in the global and regional platforms for action, and for mainstreaming gender into national planning instruments. A key tool for achieving these objectives is the African Gender and Development Index (AGDI), which the African Centre for Gender and Development launched in 2002. AGDI entered an expanded new phase in 2004 with field trials in 12 countries: Benin, Burkina Faso, Cameroon, Ethiopia, Egypt, Ghana, Madagascar, Mozambique, South Africa, Tanzania, Tunisia and Uganda. The initial phase of the project in 2002-2003 covered 13 countries. The index will provide a tool for measuring the performance of member States in addressing gender equality, promote political awareness of gender issues and help streamline reporting on various human rights issues as they relate to gender, the MDGs and NEPAD. An in-depth analysis of the results using this index will be reported in the forthcoming edition of the African Women's Report to be published in mid-2005.

58. African Ministers in charge of Gender and Women Affairs and their experts endorsed the Index during the seventh African Regional Conference on Women held in Addis Ababa, in October 2004. The conference, which was organized as the regional decade review of the Beijing Platform for Action (Beijing + 10), adopted an outcome document on the way forward. The outcome document reviewed progress achieved and major constraints still hindering the advancement of women in Africa. It also highlighted further actions required to accelerate progress in the implementation of the Beijing Platform for Action,

especially in such critical areas as poverty reduction, HIV/AIDS, human rights of women, health, education, the girl-child and women's participation in peace-building and reconstruction. In January 2005, the Assembly of African Heads of State and Government endorsed the outcome document as Africa's contribution to the global review process of the Beijing Platform of Action.

59. In support of promoting the collection of gender-disaggregated data, the Commission produced 53 country gender profiles based on secondary data collection in the following thematic areas: women in decision-making; education - school dropouts; health - maternal mortality; HIV/AIDS; women's participation in the labour market; women's access to credit; and, the human rights of women and girls. Dissemination of the country profiles is underway and inputs are expected from member States and other users.

60. In response to the lack of gender-disaggregated data, particularly at the household level, ECA developed and produced a guidebook, *Mainstreaming Gender Perspectives and Household Production in National Accounts, Budgets and Policies in Africa*, to improve the skills of statisticians, national accountants and policy analysis experts in collecting, analyzing and integrating gender-disaggregated micro- and macro-economic statistics into national planning instruments. These activities will assist member States in preparing regular National Satellite Accounts of Household Production (NSAHP) as part of the System of National Accounts (SNA). The guidebook was endorsed by an experts group meeting in September 2004.

61. The Commission also prepared the first National Satellite Accounts (Input-Output Tables) of Household Production for South Africa and developed a gender-aware macro-economic model to evaluate the impact of policies on poverty reduction and welfare using the South African economy as a pilot case. These tools will assist member States to strengthen their statistical systems for collecting gender-disaggregated data and defining macro- and micro-economic policies that take household production into account and women's contribution to the economy.

62. To ensure effective outreach and information dissemination, ECA utilized a combination of its annual newsletter *GenderNet*, the divisional website, its special Beijing +10 website and its Regional Network of Gender Focal Points to facilitate knowledge and information sharing among government officials,

NGOs, partners and other stakeholders. The information focused on advocacy, technical activities and best practices.

## 7. Supporting subregional activities for development

63. The activities under this subprogramme were implemented by ECA's five SROs, located in Kigali (East Africa), Lusaka (Southern Africa), Niamey (West Africa), Tangiers (North Africa), and Yaounde (Central Africa). The activities were primarily aimed at providing support to member States and RECs in identifying and addressing development priorities and challenges specific to each subregion, with particular emphasis on harmonizing national policies in various sectors, in support of integration efforts at the sub-regional level. In this context, the SROs provide a subregional dimension to ECA's work of providing support to member States in the articulation of development strategies and policies and in the implementation of regionally and globally agreed initiatives. They also serve as vital hubs for the dissemination of ECA's policy analytical work, through workshops, training, data collection and knowledge sharing to strengthen outreach.

64. The period under review saw the strengthening of policy dialogue by sharing information with African experts through Ad Hoc Experts Group meetings, Intergovernmental Committee of Experts meetings including participation in the meetings of the policy organs of the major RECs, production of advocacy papers and reports, and provision of advisory services. The SROs also actively participated in meetings, seminars and workshops organized at ECA Headquarters, to enhance collaboration and strengthen the link between the work at Headquarters and field-level operations in the subregions. In addition, the SROs continued to collaborate with the UN system through the United Nations Resident Coordinator System and CCA/UNDAF. A major outcome of this collaboration is the joint report on the assessment of progress towards meeting the MDGs, which was undertaken in some subregions during the period under review.

65. Across the board, the SROs organized ad hoc experts group meetings to facilitate better understanding of trade issues in the context of the Doha work programme and the current negotiations of Economic Partnership Agreements between Africa and Europe, with particular emphasis on issues related to agriculture, non-agricultural market access and services. Similarly, the SROs continued to assist the RECs in the implementation of the sub-

Saharan Transport Policy Programme (sSATP) and the Yamoussoukro Decision on air transport liberalization, including the development of appropriate action plans for implementation.

66. A major priority in the work of the SROs related to providing support to member States and RECs in translating the priorities and objectives of NEPAD into concrete projects and programmes at the country level, including formulation of subregional strategies for infrastructure development and the assessment of progress in implementation. The major accomplishments of each SROs during the period under review are highlighted in the section below:

#### **SRO-CA**

67. During the period under review, the SRO for Central Africa organized two ad hoc experts group meetings. The first meeting, held in Pointe Noire, Republic of Congo in December 2004, under the theme Trade and Development and the WTO issues for Central Africa outlined the urgency of strengthening capacities of the existing national committees set up by member States of the sub region to deal with trade negotiations within the framework of EPAS and the WTO. The second meeting which was held in Douala, Cameroon in April 2005 under the theme Role of employment in the national strategies to reduce poverty in Central Africa examined the constraints imposed by unemployment on poverty reduction efforts within the sub region and underlined the need for employment issues to be integrated into national poverty reduction strategies (PRSs).

68. The Office focused its policy interventions on strengthening regional integration and enhancing policy dialogue on development issues in the sub region. In this regard, the Office continued to provide advisory services to the two major RECs in the sub region, namely CEMAC and ECCAS in support of their work programmes. Notably, the Office undertook and completed a study on informal trade within the CEMAC zone and also provided assistance to ECCAS in the preparation of the its work programme in the area of transport infrastructure development to be submitted to the forthcoming statutory meeting of ECCAS for adoption. Furthermore, the Office contributed substantively to the preparation of the sub Saharan Africa Transport Policy Programme (SSATP) for the sub region as well as in the harmonization of the programmes of ECCAS and CEMAC.

69. The Office is currently developing a project, together with the "Banque des Etats de l'Afrique Centrale (BDEAC), aimed at setting up a Fonds de

Garantie in Central Africa so as to attract and boost investments in Central Africa.

70. Within the context of the UN Resident Coordinator system, the Office was actively involved in the activities of the UN thematic group on NEPAD. The Office has been assigned the lead role in the thematic group on economic growth, which is a recognition of its analytical work on the socio-economic performance in the sub region.

#### **SRO-EA**

71. The SRO for East Africa focused its policy support to its member States on infrastructure development; support to NEPAD; food security; strengthening the regional integration process; gender mainstreaming and poverty reduction. Several activities were carried out by the office in support of these strategic issues during the period under review.

72. In the context of NEPAD, the Office continued its activities as part of the Great Lakes Initiative by launching a sub-regional Standing Group of Experts on Infrastructure Development with membership extending to all Great Lakes countries. The Office prepared analytical documents and a compendium of programme activities for transport and communications, energy and water infrastructure, which will be part of the working documents for the forthcoming UN/AU sponsored International Conference on the Great Lakes (phase II, Nov.2004 – May 2005).

73. The Office also continued to provide support to the Northern Corridor Transit Transport Agreement by proposing a re-structuring plan for the Secretariat and the revision of its Treaty. The Office also completed a feasibility study for a Cargo Tracking System with a Backbone Information System (BIS) linking Rwanda to the existing system (ACIS Kenya-Uganda).

74. The Office also provided assistance to COMESA, by promoting the Southern Corridor Multi modal project (rail and inland waterways) by linking Eastern and Southern Africa through Zambia with Burundi, Rwanda and Uganda. This project stems from the old Kagera Basin Organization (KBO)-ECA railways project for which the Office provided the pre-feasibility study. The Office also promoted ICT related projects including coordinating the COMESA Business Summit related workshop and the COMESA ICT high level policy meeting. In a similar vein, the Office contributed to the promotion of the East African Submarine Cable System project (E.A.S.S.Y.). The Office also undertook a technical study on Lake

Victoria ports for re-structuring them and upgrading their navigation safety systems.

75. In the area of human resources development, a standing Group of Experts in Education was established in collaboration with UNESCO and WHO which met in Kampala in June 2004 to review country case studies prepared by ECA that identified various programmes and recommendations for strengthening the health and education systems of countries of the Great Lakes region. The Office also provided assistance to the Great Lakes Initiative on HIV/AIDS (GLIA) and its launching phase and formulated a subregional programme for Eastern Africa with focus on institutional development, capacity building and cooperation.

76. In the area of Food Security, the Office prepared reports and organized brief sessions at the ninth meeting of its intergovernmental committee of experts in cooperation with International Center for Research in Agro-forestry (ICRAF) to promote awareness on soil fertility losses in Eastern Africa and the need to promote alternative approaches including agro-forestry to arrest it and mitigate the need for chemical fertilizers. The Office also contributed to the formulation of a proposal for a food security programme for the Great Lakes International Conference in collaboration with ICRAF and FAO.

77. The Office worked closely with COMESA, EAC, IGAD and CEPGL and their specialized agencies in furthering the regional integration processes. To this end, reports have been prepared and assistance provided in areas such as policy harmonization, regional integration financing proposals and strengthening of institutions/programmes, which included contributions of the Office to on-going initiatives for the re-launching of CEPGL and its bank, the "Banque de Développement des Grands Lacs".

78. In addition, the Office organized a number of Expert Group Meeting on a wide range of development issues of concern to member States, and prepared country case studies and other technical publications which were discussed at such meetings. A notable example was the ad hoc experts group meeting on trade liberalization schemes and harmonization, which involved all RECs within the Eastern Africa subregion. The meeting provided the opportunity to deepen the understanding of East African trade experts of the issues at stake in the ongoing negotiations and define policies and strategies for the future negotiations.

#### **SRO-NA**

79. In addition to strengthening its partnerships with the Secretariat of the Arab Magreb Union (AMU),

the programme focus of the Office during the period under review was aimed at enhancing policy dialogue on a wide range of development issues. The following issues were addressed during the period under review include: telecommunication infrastructure development, New Information Technologies and development of e-commerce, post WTO agreement on textile and clothing and its impact on the economies of North Africa countries, and gender, employment and entrepreneurship.

80. During the period under review, the SRO for North Africa organized an ad hoc expert group meeting in Casablanca, Morocco, under the theme Long-term perspectives in the development of telecommunication infrastructure in North Africa. The meeting brought together telecommunications experts from the member States to share experiences and agree on strategies for strengthening the role of telecommunications in regional integration. The major conclusions of the meeting pointed to the need to: (i) establish a common platform for cooperation (ii) strengthen human capacity in the telecommunications sector and (iii) harmonize telecommunications policies in the sub region.

81. In collaboration with the AMU and United Nations Development Programme (UNDP) Regional Programme for ICTs for development in Arab Region (ICTDAR), the Office organized a seminar on New Information Technologies and Development of e-commerce among Magreb Union Countries held in Tangiers, Morocco. The seminar provided a forum for participants to exchange experiences with a view to inform policy making in the use of ICTs for trade and commerce with special focus on the tourism sector.

82. The office also organized, in collaboration with the AMU Secretariat a seminar on Post WTO Agreement on Textiles and Clothing (ATC) and its impact on Magreb Union Countries held in Tunis, Tunisia in February 2005. Prior to the seminar, the Office undertook fact-finding missions to Algeria, Morocco and Tunisia and the outcome analysis served as a background document to the seminar.

83. In preparation for the 20<sup>th</sup> meeting of its ICE, the Office organized a workshop in April 2005 under the theme Women: source of wealth and job opportunities, which brought together experts on women entrepreneurship promotion in North Africa, including in innovative sectors such as indigenous/traditional knowledge, social services and ICTs. The participants shared experiences and agreed on strategies for empowering women in the dual context of gender equality and poverty reduction strategies. The

outcome recommendations were submitted to the ICE meeting.

84. The Office and UN-Water Africa Cluster for which ECA serves as the Secretariat, produced a Sub regional Water Development Report (SWDR), which addresses the linkages between water resources, competing water needs and environmental degradation. It is expected that the report will contribute to better knowledge about the need for effective policies and strategies in support of integrated water resources management in countries of the sub region.

### **SRO-SA**

85. During the period under review, the SRO for Southern Africa organized an ad hoc experts group meeting on Harmonisation of Mining Policies, Standards, Legislative and Regulatory Frameworks in the SADC Region in Lusaka. The meeting, which was organized in collaboration with the Southern Africa Development Community (SADC), reviewed a draft framework for harmonizing mining policies in the sub-region through standardization of technical issues. The framework for such a harmonization would be the regional indicative strategic development plan (RISDP), NEPAD and the African Mining Partnership programme. The meeting reviewed a technical publication prepared by the office on the theme of the meeting.

86. The SRO-SA participated in a number of meetings organized by RECs, member States and other intergovernmental bodies. These included the SADC extra-ordinary summit on agriculture and food security; the SADC Summit; the SADC Ministerial Workshop on NEPAD; the 14<sup>th</sup> Meeting of the Trade and Customs Committee of COMESA; the 17<sup>th</sup> Meeting of the Council of Ministers of COMESA; the 9<sup>th</sup> Summit of the COMESA Heads of State and Government, the 5<sup>th</sup> COMESA Meeting of the Technical Committee on Agricultural Co-operation and the 2<sup>nd</sup> COMESA Ministers of Agriculture Meeting; 7<sup>th</sup> Meeting of Ministers of Finance of COMESA; EPA-ESA Regional Negotiating Forum; a Stakeholder Workshop on Formulating the Medium Term Investment Plan in Zambia's Agricultural Sector; and a Regional Workshop on Ageing organized by Help Age International Africa.

87. The Office collaborated with a number of ECA headquarters Divisions in organizing joint activities including providing advisory services to countries of the subregion. A notable example in this regard is the collaboration with TRID in organizing a workshop on the EPAs and WTO Negotiations held in Maputo,

Mozambique. The workshop made recommendations covered issues related to WTO negotiations, market access, content of EPAs and the results of the EPAs impact studies, with particular focus mining, agriculture and fisheries and mineral development in Southern Africa.

88. Consistent with its mandate, the Office rendered assistance to several member States and their intergovernmental organizations, on request, to help them address specific policy and technical challenges that they confront. These included SADC, EAC and COMESA, in the development of the Terms of Reference on implementing a regional Overload Control Programme in the framework of the SSATP programme; COMESA, in the formulation of its Gender Action Plan that was adopted by the COMESA Ministers of Gender/Women's Affairs; the Government of Zambia, in the organization of a NEPAD National Sensitization Workshop; the Centre for Land, Economy and Rights of Women, in standardization of land profile indicators in Eastern and Southern Africa, and Women's Land and Water Rights in Southern Africa, in the development of an operational plan for the network organization.

### **SRO-WA**

89. During the period under review, the SRO for West Africa focused its support to its member States and their intergovernmental organizations on the following priorities: (i) Advocacy for peace building and strengthening capacities of civil society participation in national and sub- regional processes, giving emphasis to countries emerging from conflict; (ii) strengthen the operational capacities of the ECOWAS secretariat; (iii) support to the implementation of trade liberalization schemes; (iii) support in monitoring macro-economic policy harmonization in the framework of the monetary cooperation programme; and (iv) review of implementation of internationally agreed goals, including those contained in the Millennium Declaration, the Beijing Platform for the advancement of women and the implementation of the New Partnership for Africa's Development (NEPAD).

90. The Office organized an ad hoc experts group meeting on WTO and Economic Partnership Agreements (EPAs) issues. Furthermore, the Office also organized the annual session of the Intergovernmental Committee of Experts (ICE) to assess the socio-economic performance of the sub-region. The Eighth Session of the ICE also discussed a major report on progress towards the achievement of the Millennium Development Goals (MDGs) by West African countries, a related report on Employment, and a public

lecture on the Challenges and Benefits of Creating a Viable Middle Class as a follow-up to the conclusions and recommendations of the Extraordinary Summit of the African Union (AU) on Employment and Poverty Reduction.

91. In support of the integration process, the Office provided assistance to ECOWAS in the preparation of background documents, containing comprehensive action plans for each of the four priority areas identified in the ECOWAS Medium-Term Strategic Plan (MTSP). These include: (i) Maintenance of peace, security and stability; (ii) Promotion and facilitation of intra-sub-regional trade, including e-commerce and economic partnership arrangements with other regional blocks; (iii) Migration management; and (iv) Institutional rationalization.

92. The Office also continued to collaborate with other UN agencies in the context of the UN Resident Coordinator system in harmonizing programmes and activities. A good example of this collaboration was the joint work carried out in monitoring progress towards achieving the MDGs in the countries of the sub region.

93. In collaboration with ECA headquarters, the ADB and UNDP, the Office participated in the first APRM country support advisory services to Nigeria in March 2005 to assess the country's preparedness for the self-assessment, and to provide support to the national institutions and stakeholders engaged in the review process. The mission interacted with a broad range of stakeholders and provided substantive inputs to the process.

94. The Office is currently preparing to organize the West African Investment Forum in Bamako in collaboration with ECOWAS, UEMOA and CEN-SAD.

## **B. Regular programme of technical cooperation**

95. In addition to the core work programme described above, ECA is mandated to assist its member States and their institutions in developing and strengthening capacities to design and implement development policies and programmes through technical cooperation activities, of which the regular programme of technical cooperation is a major component. In this respect, ECA's technical cooperation activities are a useful complement to activities carried out under the regular programme of work. Technical cooperation which takes the form of on-demand regional advisory services, training workshops and

seminars, fellowships and field projects are geared towards supporting national capacity in addressing critical development challenges. The ECA team of regional advisers, deployed in the various programme Divisions, undertake advisory missions and provide technical assistance to requesting member States in addressing clearly defined policy and technical challenges in different sectors. While implementing the programme of assistance, ECA pursues stronger collaboration and cooperation with other providers of technical assistance at national, subregional and regional levels. Most of the resources made available to the secretariat for funding technical cooperation activities come from the UN Regular Budget – section 23, the UN Development Account as well as from UN partner organizations.

96. In recent years and as part of its revitalization process, the secretariat has made efforts to sharpen the focus of its technical cooperation programme towards longer-term, integrated, multidisciplinary activities in niche areas where it enjoys a comparative advantage. These efforts continued in the period under review with a focus on building the capacity of member States in the implementation of the internationally agreed development goals, including those contained in the Millennium Declaration as well as the outcomes of other major global conferences; and the goals and priorities of NEPAD. Accordingly, the current focus of technical cooperation is on the following areas: statistics; water resources management and sustainable development; promoting good governance practices for achieving sustainable development; integrating gender concerns in development with emphasis on promoting women's human and legal rights and the economic empowerment of women; harnessing information and communications technology for development; and capacity-building for trade negotiations within the WTO multilateral framework.

97. Technical assistance in the area of statistics is aimed at building national capacities for data collection and indicators required for planning, monitoring and evaluation of development programmes including progress towards the MDGs. To meet the growing demand for robust, reliable and comprehensive data from member States, much effort was devoted during the period under review to revitalizing the statistics functions in the ECA programme of work. As part of these efforts, ECA, in close collaboration with the ADB, PARIS 21 and the World Bank established the Advisory Board on Statistics in Africa (ABSA) in May 2004 to provide a forum for consensus-building on relevant and emerging issues in the field of statistics. The first meeting of ABSA, which was held in Addis Ababa in May 2004, brought together statisti-

cal experts from within and outside Africa to review the strategic framework and work plan including the governance arrangements of the board. Preparations are currently underway for the second meeting of the board, scheduled to take place in April 2005. Other technical cooperation activities in the area of statistics included participation in the second meeting of the International Household Survey Network (IHSN) held in Geneva in September 2004, which formally established the network; and a group training workshop on the management of statistical systems organized for students of Ecole National d'Economie Applique – Departement de Statistiques et de Demographie scheduled to take place in Dakar, Senegal in April 2005.

98. ECA focused its technical assistance in the area of water development and management on the river basin organizations and RECs to strengthen their capacities to develop integrated water management strategies and plans with particular emphasis on irrigation, domestic water supply and sanitation, and innovative financing mechanisms. To translate the policy commitments of the Pan African Conference on Water into practical action, ECA continued to provide capacity building support to African countries to help them develop and implement treaties and protocols on shared water resources, which will address such issues as water quality and utilization, hydropower generation, flood management, and conflict resolution.

99. ECA published the interim African Water Development Report (AWDR) to serve as a monitoring tool for measuring progress made in achieving the targets of the African Water Vision 2025 and global targets such as the MDGs. The report was based on a small sample of 10 Country Reports. Since March 2004, an additional 20 Country Reports have been commissioned that will provide the basis for developing sub regional Water Development Reports. An ECA capacity building program has been launched at the sub regional level to facilitate the operationalisation of the African Water Information Clearing House (AWICH). The purpose of this programme is to introduce the Clearing House, develop subregional Networks of stakeholders who will not only use the information provided but also contribute country information on a regular basis. A major achievement of the capacity building component was the organization of five regional training workshops with over 200 participants in the water sector across Africa who will serve as focal points in extending the reach of the AWICH at national levels in the next phase to start from 2006 to 2008.

100. On policy development, ECA developed the National Water and Energy policy for Sierra Leone and based on its success, similar requests have been received from the Republic of Congo and will become one distinct component of future work at national level. As part of the efforts to support Networks who represented the African Scientists and Academics at PANAFCON, the UN Water/Africa Group launched the African Water Journal based on the main challenges identified in the African Water Vision 2025, in order to stimulate indigenous research into issues related to Africa's water resources in the broadest sense and not only limited to technical but also social, economic and environmental. ECA organized the 11<sup>th</sup> Annual Session of UN Water/Africa in Addis Ababa in March 2005 to define an implementation plan for the International Decade for Action: Water for Life 2005-2015.

101. In the area of promoting good governance, technical assistance was focused on implementing some of the key recommendations of ADF IV which was held in October 2004 on the theme, Governance for a progressing Africa. Capacity development was identified as a key element in reviewing governance and its challenges in Africa in the ADF Consensus Statement. In this context, strengthening Africa's governance institutions has been a major activity of ECA, with particular focus on enhancing the technical quality of the APRM instruments; background documentation and analysis of concept papers as part of ECA's contribution to the technical assessments currently underway. As part of the efforts to strengthen institutional capacities of parliaments, technical assistance was focused on improving and adapting indicators for global and thematic evaluation of governance at the national, sub regional and regional levels. ECA also rendered assistance in strengthening the capacities of institutions (state and non-state) to monitor and evaluate the state of good governance in Africa, while examining the relevance and appropriateness of current governance indicators (quantitative and qualitative analysis) on measuring the state of governance in Africa.

102. The year under review saw an intensification of activities aimed at sustaining progress towards the development of the information society in Africa with assistance in the design and finalization of National Information and Communication Infrastructure (NICI) plans and strategies in Cameroon, Comoros, Democratic Republic of Congo, Ghana, Mali, Niger, Nigeria, Rwanda, Lesotho, Swaziland, The Gambia and Uganda. As a complement to these activities, assistance was provided to several RECs (COMESA, EAC, ECOWAS and WAMU) in the development

and implementation of regional information and communication infrastructure (RICI) plans and in the harmonization of policies and plans. In addition, several member States received assistance in strengthening their capacities for negotiations on ICT-related issues in preparation for the second phase of the WSIS to be held in Tunis, Tunisia in November 2005.

103. In the area of promoting the advancement of women, technical assistance was focused on two main areas –promoting women’s human and legal rights and strengthening economic empowerment of women. In the context of promoting women’s rights and gender equality, ECA provided assistance to the government of Djibouti in the implementation of its national strategy for the promotion of women and a programme was developed to strengthen the capacity of the members of the Committee responsible for drafting Djibouti’s first national report on the implementation of the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW). In addition, a sensitization program to mainstream women’s human rights in the formal and informal education systems was conceptualized in order to enhance the country’s capacity to implement the CEDAW Convention and attain gender-related MDGs. Assistance was also provided to the Ministers of Women, Family and Children Affairs of ECOWAS in organizing two Inter-Ministerial Consultative Meetings (Lomé, July 2004 and Burkina-Faso, December 2004). which led to the establishment of the Ministerial Consultative Mechanism on Gender in ECOWAS and a sub-regional Council of Women for Peace in West Africa. These decisions were reviewed and adopted by the ECOWAS Ministers of Women and Family Affairs at a consultative meeting held in Ouagadougou, in December 2004. ECA provided technical support during this meeting, which passed a Resolution urging the ECOWAS Heads of State and Government to implement the Declaration of the AU Heads of State on Gender Equality adopted in July 2004 in Addis Ababa.

104. In the area of promoting the socio-economic empowerment of women, ECA provided technical assistance to the governments of Liberia and Uganda in developing gender-mainstreaming strategies for achieving the gender-related targets of the MDGs. Several government officials as well as officials of NGOs received training on gender sensitization. During the period under review, two sub-regional development centres known as the Enterprise Development Facilities were established (in East Africa and West Africa) to enhance market access of women through information sharing and networking.

105. In the area of enhancing trade and regional integration, assistance focused on trade negotiations and the impact of trade liberalization under the EPAs currently under negotiation between Africa and the EU; as well as the challenges and opportunities, for Africa, of special initiatives like the EU’s Everything But Arms initiative and the African Growth Opportunity Act (AGOA). For example, Ethiopia received assistance on issues related to the assessment and negotiations of EPAs. ECA also provided an active input to the third COMESA regional negotiating forum on the impact assessment of EPAs held in Antananarivo, Madagascar in October 2004, which resulted in a common negotiating position for the region. Prior to the sixth Joint Parliamentary Assembly (JPA) of COMESA members of the ACP-EU, a seminar was organized to sensitize the representatives of JPA of the challenges EPAs pose for COMESA. ECA also participated substantively in a workshop organized in October 2004 by Consumer Unity and Trust Society (CUTS), a regional NGO based in Nairobi, Kenya on conceptualization of linkages between trade and poverty.

## C. Other programmes: United Nations support for NEPAD

106. As the implementation of NEPAD gathers momentum, the UN system has emerged as one of the major pillars of international support for the initiative. The nature and scope of that support has broadened in the past year. The support of the UN system encompasses a variety of activities, including technical assistance for institutional development, capacity building, project development, resource mobilization and advocacy. The regional consultation meeting of UN agencies working in Africa, convened by ECA, is the mechanism for providing support at the regional level. The regional consultation has established seven thematic clusters around which UN support for NEPAD is organized. These clusters, which broadly correspond to the policy priorities and strategies of NEPAD are: infrastructure development; governance, peace and security; agriculture, trade and market access; environment, population and urbanization; human resources development, employment and human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS); science and technology; and communication, advocacy and outreach.

107. In July 2004, ECA convened the Sixth Regional Consultations in Addis Ababa to review progress made by the clusters and consider immediate UN assistance needed to advance progress further, as well as address some of the challenges and concerns, and

chart the way forward. The meeting that significant progress had been made by all seven thematic clusters, ranging from identifying areas of common concern in their work, to drawing up plans of action, mobilizing resources, working with African regional and sub-regional organizations as well as the NEPAD Secretariat, and actual implementation of projects and activities.

108. In spite of the progress made, the United Nations system faces a number of challenges and constraints in supporting NEPAD at the regional level. First, increased financial commitment by the United Nations system for NEPAD programmes will much depend on whether the agencies receive additional resources for these programmes. A closely related problem is that, while the organizations of the UN system are currently working together in many areas, the lack of additional financial resources limits the scope and flexibility in undertaking any additional joint activities. Thirdly, if further progress is to be made, the entities of the UN would need to deepen their collaboration to achieve greater operational coherence in their various programmes in support of NEPAD using existing coordination mechanisms at the regional level.

109. In addition to the collective activities undertaken by the UN system in support of NEPAD, specific assistance was offered by various entities of the UN, within their individual mandates to complement the work undertaken in the relevant thematic clusters. For example, ECA actively supports the implementation of the African Peer Review Mechanism. It helped develop some of the Mechanism codes and standards, provides country economic and governance data to the Mechanism secretariat and has participated in the support missions fielded by the Mechanism secretariat to six countries. ECA has also collaborated closely with United Nations system agencies and other part-

ners, in particular ADB and the regional economic communities, in supporting NEPAD infrastructure development.

110. ECA has supported NEPAD in a number of other ways. In response to NEPAD's emphasis on partnerships, ECA is working with the OECD Secretariat in developing a framework for mutual accountability and policy coherence, which will form the basis for a new relationship between African countries and their development partners. This effort will potentially yield dividend in the form of increased aid effectiveness.

111. To address the various governance challenges posed by HIV/AIDS, the UN Secretary-General established a high-level Commission on HIV/AIDS and Governance in February 2003 under the chairmanship of the ECA Executive Secretary. The Commission, which has its secretariat at ECA, will complement the policy analytical work and advocacy activities of the Global Fund for AIDS, Tuberculosis and Malaria, as well as other ongoing initiatives. Since its establishment, the secretariat has consulted extensively with a wide range of experts to arrive at a research framework that will examine the impact of the pandemic on key areas of governance and economic development and advocate for measures to reverse the epidemic. To ensure that the Commission's research findings are buttressed by empirical work on the ground, five interactive forums were organized during 2004 in Botswana, Cameroon, Ethiopia, Ghana and Mozambique, with plans for more in 2005. The outcomes of these forums will feed into the final report of the Commission, due at the end of 2005. In addition, ECA supports the implementation of NEPAD priorities, most of which are at the core of its mandate, through its analytical work and technical assistance in several important areas.

## CHAPTER III

# Meetings of Subsidiary Bodies, Including the Intergovernmental Committees of Experts (ICEs) of ECA's Offices in the Subregions

112. This chapter contains the summary of discussions, including decisions, resolutions and recommendations adopted by the subsidiary organs which have held meetings since the last session of the Commission in May 2004. During the period under review, the following subsidiary bodies of the Commission held meetings: Committee on Human Development and Civil Society (CHDS); **Committee on Development Information (CODI)**; Intergovernmental Committee of Experts for North Africa; Intergovernmental Committee of Experts for Central Africa; Intergovernmental Committee of Experts for Southern Africa; Committee on Regional Cooperation and Integration (CRCI); Intergovernmental Committee of Experts for East Africa; Intergovernmental Committee of Experts for West Africa; and Bureau of the Committee on Sustainable Development (CSD).

113. Generally, these meetings brought together policymakers and other stakeholders including development experts to inform and guide ECA's work in various sectoral areas. Across the board, the meetings of the ICEs provided a forum for reviewing the economic and social conditions prevailing in each of the subregions and recommend policies, strategies and programmes aimed at accelerating economic growth towards attaining the MDGs.

### 1. The Committee on Human Development and Civil Society (CHDC), 4-6 May 2005

114. The third meeting of the Committee on Human Development and Civil Society (CHDS) was held in May 2005 under the theme, Participation and Partnerships for Improving Development and Governance in Africa. The meeting underlined the importance of participation and partnerships among civil society, government and private sector with a view to enhancing public transparency, strengthen-

ing checks and balances in government and improving efficiency and accountability in the national budgeting process and in the sustainable delivery of water and sanitation services.

115. ECA prepared and submitted three policy research documents that served as background documentation to the discussions. These documents focused on issues related to the participatory approach to national budgeting, public-private partnerships for social service delivery of water and sanitation, and strategies for promoting effective stakeholder participation in the APRM. The documents highlighted valuable lessons and experiences as best practices, including approaches, strategies and mechanisms to address the many challenges associated with stakeholder participation and partnership in the development and governance processes in Africa.

### 2. The Committee on Development Information (CODI), 23-28 April 2005

**116. The fourth meeting of the Committee on Development Information (CODI IV) was held in Addis Ababa in April 2005** under the theme "Information as an Economic Resource". Building on the successful outcome of CODI III, the meeting sought to address key issues on Africa's development agenda as set out in the ECA work plan, as they relate to information and knowledge economy.

117. The Committee adopted a Plan of Action (PoA) aimed at accelerating progress in building an effective information and knowledge economy that could enhance economic growth and sustainable development. The PoA also contained recommendations on harnessing information resources for achieving growth in several key areas such as statistics, geoinformation and library development.

### 3. The Twentieth Meeting of the Intergovernmental Committee of Experts (ICE) for North Africa, 13-15 April 2005

118. The twentieth ICE meeting for North Africa was held from 13 to 15 April 2005 in Tangiers, Morocco. The meeting examined the economic and social conditions in the subregion with particular focus on improved macro-economic policies and diversification, women's economic participation, progress towards attaining the MDGs and NEPAD objectives, water resource development and the utilization of information technologies in achieving development objectives. A sub-regional workshop on the theme, "*Women: Source of Wealth and Job opportunities*", was organized as a pre-ICE event, and its recommendations informed discussions at the ICE meeting.

119. In reviewing the economic and social conditions in North Africa, the Committee underscored the need for policy makers to pay particular attention to addressing the issue of employment and entrepreneurship development in the subregion. The Committee also underlined the need for better integration of the gender dimension in national and regional development policies and programmes.

120. With regard to progress in the implementation of NEPAD and the attainment of the MDGs in the sub-region, the Committee welcomed the biennial progress report prepared by the SRO-NA as an important tool for monitoring the progress in the implementation of the MDGs in the sub-region. The discussions also highlighted key challenges faced by the countries of the subregion in their efforts towards attaining the MDGs. In this regard, the Committee called on the developed countries to increase their support to the countries of the subregion towards meeting the MDGs and the objectives of NEPAD.

121. On water resources management and development, the Committee emphasized the need for information sharing and strategies to ensure long-term water and environmental sustainability. With regard to information and communication technologies (ICTs), the Committee called for greater utilization of (ICTs) in addressing the development challenges in North African countries and for the development of a sub-regional cooperation programme in the area of ICTs.

122. In support of the integration process in the sub-region, the Committee welcomed the proposal by the SRO-NA to establish a Regional Integration Observatory. To this end, the Office was encouraged to set up a consultative process with member States, strengthen the sub-regional aspect of the analyses in order to lend more support to sub-regional development, encourage meetings among member States, set up economic data bases relevant for integration.

### 4. The Twenty-Third Meeting of the Intergovernmental Committee of Experts (ICE) for Central Africa, 13-15 April 2005

123. The twenty-third ICE meeting for the sub-regional Office in Central Africa (SRO-CA) was held in Douala, Cameroon in April 2005. The meeting discussed issues related to economic and social development in Central Africa, challenges and prospects of regional integration, especially from the viewpoint of sectoral development, the future orientation of the work programme of the SRO, and progress made in implementing NEPAD and attaining the MDGs. As the ICE meeting was immediately preceded by the Ad Hoc Expert Group meeting on employment and poverty reduction strategies in Central Africa, the outcomes of that technical gathering were also considered. The ICE meeting was also an opportunity to disseminate the outcomes of ECA major meetings, such as the Fourth African Development Forum and the 7<sup>th</sup> Regional Conference on Women.

124. Participants at the meeting shared experiences on key issues of development such as economic growth, trade, employment, and implementation of regional initiatives, including for infrastructure development and improved governance. With regard to reinforcement of the integration process in the Central Africa sub region, participants called for the expansion of economic convergence tools that can allow effective implementation of such efforts as the "Central Africa Regional Economic Programme". To this effect, SRO-CA has been requested to pursue its technical assistance to two RECs, namely, the Economic and Monetary Union of Central Africa (CEMAC) and the Economic Community of Central African States (ECCAS), for helping to harmonize their programmes and activities. In this regard, it was agreed that SRO-CA would focus its support on furthering regional integration, pursuing the development of infrastructure and trade and implementing the MDGs and NEPAD.

125. In conjunction with the main guidelines of the recent Summit of African Heads of State and Government on the role of employment in poverty reduction in Africa, participants aligned their position with the conclusions of the studies carried out by SRO-CA and other UN agencies, particularly with regard to the shortcomings of macro-economic reforms vis-à-vis social issues. They recommended that SRO-CA should pursue its analytical work on PRSs, with emphasis on employment as a catalytic means to poverty in the subregion.

126. The recommendations made by the participants will help SRO-CA to improve alignment of its activities to the needs of the subregion. It will also help address issues of capacity for economic development, regional integration and sectoral development in Central Africa.

## **5. The Eleventh Meeting of the Intergovernmental Committee of Experts (ICE) for Southern Africa, 6-8 April 2005**

127. The eleventh meeting of the ICE for Southern Africa was held in Maputo, Mozambique in April 2005. The Committee reviewed economic and social conditions in the subregion, with particular focus on progress and prospects in implementing NEPAD and attaining the MDGs. It also received a report from ECA Headquarters and development partners on the EPA negotiations workshop. The following recommendations were made:

- (a) On the economic and social conditions, the Committee requested ECA to assist member States to build subregional capacity in the area of statistics. It further requested that a strategy to overcome food insecurity in the subregion should be developed, supported by subsidies and other credit facilities that boost production.
- (b) On NEPAD, the Committee underscored the need to ensure complementarities of objectives and activities in the implementation of NEPAD, MDGs and PRSs. Emphasis must be placed on diversifying productive capacities as a way of reducing poverty levels in the sub-region. Member States were requested to mainstream NEPAD priorities into existing programmes and policies. A request was made for another report on NEPAD at the next ICE

meeting, to be prepared in consultation with the NEPAD Secretariat.

- (c) On achieving MDGs, the Committee called for a matrix, for purposes of comparison, to be prepared to reflect progress made on each MDG for all countries. It also identified a need to quantify existing gaps in achievement of the goals. The Committee further requested that an analysis of the effects of the brain drain in the social sector be undertaken. It also requested improved data collection, and monitoring and evaluation, particularly at the household level where the impact of the HIV/AIDS epidemic is greatest. The Committee also called for the participation of UNAIDS at the next ICE meeting, due to the gravity of the pandemic in the subregion.

## **6. Committee on Regional Cooperation and Integration (CRCI), 23-25 March, 2005**

128. The fourth session of the Committee on Regional Cooperation and Integration was held in Addis Ababa in March 2005.

129. The Committee reviewed the current work programme and future activities of ECA in the area of trade promotion and economic integration in Africa, as well as the work priorities of the Commission for the next biennium of 2006-2007. The Committee also addressed policies and modalities for implementing regional integration at the national level, reviewed progress and prospects for greater inter-African trade, and assessed the status of international WTO trade negotiations and the EPAs with EU.

130. To guide the discussions, ECA prepared three reports addressing the issues of regional cooperation and integration, as a means of overcoming major obstacles to intra-African trade and implementation of regional integration programmes at the national level. To improve intra-African trade, the Committee recommended that African countries reinforce and accelerate the implementation of Free Trade Areas (FTAs) in the subregions. To this end, they should intensify efforts to diversify their economies. They should also strengthen intra-regional and inter-regional infrastructure, and adopt policies that ensure the stability of macro-economic frameworks that are supportive to trade development. The recommendations of the Committee will be submitted to the African Ministers

of Trade at their next meeting, to be held in Cairo, Egypt in May 2005.

## **7. The Ninth Meeting of the Intergovernmental Committee of Experts (ICE) for East Africa, 14-18 March 2005**

131. The ninth meeting of the ICE for East Africa took place in Kigali, Rwanda in March 2005 under the theme "Accelerating poverty reduction and creating better socio-economic conditions in Eastern Africa". The meeting reviewed the social and economic conditions in the subregion, with special reference to issues related to agriculture, food security and youth employment. The Committee also discussed crosscutting issues such as gender, HIV/AIDS, outcomes of international conferences on the Great Lakes, and linkages between the various development cooperation programmes.

132. The Committee made the following recommendations:

- (a) On socio-economic conditions, the Committee recommended that the macroeconomic definition of PRSs be brought in line with the MDGs, and that the preparation of PRSs should continue to be participatory and inclusive of all the different sections of the population. The Committee expressed concern on the negative impact of conflicts and the resulting population displacement. It further recommended that issues relating to good governance and conflict prevention be integrated into the PRSs.
- (b) With respect to agricultural development and food security, the Committee stressed the need to integrate science and indigenous knowledge into the African Green Revolution. In this regard, ECA was requested to assist member States to acquire technical skills and resources to prepare the MDG business plans for scaling up existing agricultural and agro-processing technologies. ECA was further requested to establish a forum for sharing information and knowledge on natural resource management and food security, best practices in extension services and technologies that reduce post-harvest losses.
- (c) On youth employment, the Committee noted that ECA should formally convene a working

group on youth employment and poverty alleviation alongside the next ICE meeting of the SRO-EA.

## **8. The Eighth Meeting of the Intergovernmental Committee of Experts (ICE) for West Africa, 3-5 March 2005**

133. The eighth ICE meeting for West Africa was held in Ouagadougou, Burkina Faso in March 2005 under the theme, Progress and Prospects in the Achievement of the Millennium Development Goals (MDGs) and Implementation of the New Partnership for Africa's Development (NEPAD) in West Africa. The theme was examined from the viewpoint of the social and economic conditions prevailing within the subregion, with special reference to employment issues and possible harmonization of national accounts for facilitating macroeconomic convergence through the ECOWAS monetary cooperation programme.

- (a) On socioeconomic conditions, the Committee noted that since the adoption of the Millennium Declaration, West Africa had been recording mixed results. In that regard, the Committee adopted a set of recommendations, which included, inter-alia: continued structural and sectoral reforms; enhanced mobilization of domestic savings; promotion of private sector investment and agro industries; export diversification; more efficient allocation of public expenditure; and improved conflict prevention and management.
- (b) On employment promotion and generation, the Committee was of the view that on-going efforts should be reflected in macroeconomic frameworks and PRSs, as is already the case in some West African countries. It further recommended that PRSs, which tend to be short term in nature, should be aligned to attainment of the MDG objectives, which are of a longer-term perspective.
- (c) In terms of statistical data production, the Committee also discussed challenges confronting sub-regional economic policy harmonization and convergence towards monetary integration. It encouraged ECA to continue with efforts to consolidate economic integration, as it was key to the development of the subregion. In this

regard, the Committee also welcomed the recent elaboration of the ECOWAS medium-term strategic plan, which will determine the institution's future development agenda.

## **9. The Bureau of the Committee on Sustainable Development (CSD), 24 November 2004**

134. The Bureau of the third meeting of the Committee (CSD 3) met on 24 November 2004 to discuss progress made in the implementation of recommendations of CSD 3 as well as define the scope of work

for CSD 4, which is due to meet in October 2005. The October meeting will be held under the theme "Fostering sound land-based resources management in Africa". Topics scheduled for discussion include enhancing land policy formulation and implementation in Africa; developing water resources for sustainable development; improving public/private partnership in the sustainable development of mineral resources in Africa; and making Africa's power sector sustainable. As Africa's regional arm of the UN Commission on Sustainable Development, these issues are in line with the thematic cluster of issues to be discussed by the 14th session of the global CSD to be held in April 2006, which will focus on energy, industrial development, pollution and climate change.

## CHAPTER IV

# Thirty-Eight Session of the Commission/Conference of African Ministers of Finance, Planning and Economic Development

### A. Attendance

135. The thirty-eighth session of the Commission/Conference of African Ministers of Finance, Planning and Economic Development was held in Abuja, Nigeria, from 14 to 15 May 2005. The meeting was formally opened by His Excellency, Senator Ken Nnamani, President of the Senate of the Federal Republic of Nigeria. Statements were delivered at the opening session by Mr. K.Y. Amoako, Executive Secretary of the United Nations Economic Commission for Africa (ECA) and Mr. Maxwell Mkwelalamba, Commissioner for Economic Affairs at the African Union Commission. His Excellency, Dr. Ezra Suruma, Minister of Finance, Planning and Economic Development of the Republic of Uganda and Chairman of the outgoing Bureau of the Commission also made some opening remarks.

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

137. Observers from the following member States of the United Nations were present: Austria, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Japan, Netherlands, Portugal, Spain, Sweden, Switzerland, United Kingdom, and United States of America.

138. The following United Nations bodies and specialized agencies were represented: Department of Economic and Social Affairs (DESA), International Fund for Agricultural Development (IFAD), International Labour Organization (ILO), International Monetary Fund (IMF), Least Development Countries (LDCs),

LLDCs and SIDSs), Office of the Special Adviser on Africa (OSAA), Regional Commissions New York Office (RCNYO), Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Fund for Population Activities (UNFPA), United Nations Industrial Development Organization (UNIDO), United Nations Children's Fund (UNICEF), United Nations High Commission for Refugees (UNHCR), Universal Postal Union (UPU), The World Bank (WB), World Meteorological Organization (WMO), World Food Programme (WFP), World Health Organization (WHO), World Intellectual Property Organization (WIPO), and World Trade Organization (WTO).

139. The African Union (AU), the African Development Bank (ADB), and the NEPAD Secretariat were also represented.

140. The following African Central Banks and Financial Institutions were represented: Banque de Développement des États de l'Afrique Centrale (BDEAC), African Export Import Bank (AEIB), Bank of Sierra Leone (BSL), Bank of Uganda (BU), Bank of Zambia (BZ), Banque Centrale de Mauritanie (BCM), Banque Centrale de Comoros (BCC), Banque d'Algérie (BA), Banque des États de l'Afrique Centrale (BEAC), Banque Nationale du Rwanda (BNR), Banque Centrale des États de l'Afrique de l'Ouest (BCEAO), Banque des États de l'Afrique Centrale (BEAC), Banque Ouest Africain de Développement (BOAD), Central Bank of Nigeria (CBN), and Central Bank of Swaziland (CBS).

141. Observers were present from the following intergovernmental organizations: Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), Economic Community of West African States (ECOWAS), Southern African Development Community (SADC), Union économique et monétaire ouest africaine (UEMOA),

Communauté des Etats Sahelo-Sahariens (CEN-SAD), Economic Community of Central African States (ECCAS), Organization internationale de la francophonie (OIF), European Commission Delegation (ECD), and Organization for Economic Cooperation and Development (OECD).

142. Observers were present from the following non-governmental organizations: African Capacity Building Foundation (ACBF), African Economic Research Consortium (AERC), Ghana Institute of Management and Public Administration (GIMPA), Institute for Democracy in South Africa (IDASA), Macroeconomic and Financial Management Institute (MEFMI), All Africa Conference of Churches (AACC), All African Students Union (AASU), Commission for Africa (CA), Structured Credit International Corporation (SCIC), Transparency International (TI), Centre for Environmental Resources and Sustainable Ecosystems (CERASE), Earth in Balance (EB), Initiative for Community Development (ICD), Inter-African Committee (IAC), LEAP Africa (LEAPA), National Youth Council (NYCN), African Center for Applied Research and Training in Social Development (ACARTSOD), Curry Limited Zambia (CL), Lagos State University (LSU), Shonga Steel Limited Zambia (SSL), Uganda Civil Society (UCS), Uganda Consult House (UCH), Université de Kinshasa (UNIKIN), and Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA).

## B. Adoption of the Agenda and Election of the Bureau

The Conference adopted the following agenda.

1. Opening Session
2. Election of the Bureau
3. Adoption of the agenda and programme of work
4. Consideration of the report and major recommendations of the twenty-fourth meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development
5. Policy Dialogue on Achieving the Millennium Development Goals in Africa
6. African/OECD Ministerial dialogue on the Mutual Review of Development Effectiveness in the context of NEPAD

7. Briefing on the report of the Commission for Africa
8. Consideration and adoption of the Ministerial Statement
9. Any other business
10. Closure of the Session

## Election of the Bureau

143. The following Officers were unanimously elected by the Conference to form the new Bureau:

Chair:	Nigeria
First Vice-Chair:	Egypt
Second Vice-Chair:	Equatorial Guinea
Third Vice-Chair:	Lesotho
Rapporteur:	Ethiopia

## C. Account of Proceedings

### Opening Addresses

144. In his opening remarks, the outgoing Chair of the Conference, Mr. Ezra Suruma, Minister of Finance, Planning and Economic Development of the Republic of Uganda, briefly outlined the actions being taken in follow-up to the outcomes of the 2004 session of the Conference on mainstreaming trade in national development strategies. He reported that with the policy guidance provided by ECA to improve understanding of the impact of agricultural subsidies and the erosion of trade preferences and tariff barriers, African countries had begun to address the unfair global trade practices decried by the Kampala Conference. He also commended ECA for its efforts in organizing various meetings and workshops in support of strengthening capacity and promoting consensus on WTO-related issues, and the negotiations of Economic Partnership Agreements (EPAs) which are currently underway.

145. Concluding, he stressed that ECA's 2004 Economic Report on Africa which addressed trade facilitation, transport and ICT issues, as well as the AU/ECA Ministerial meeting on transport issues and the MDGs have contributed to sharpening Africa's focus on a comprehensive agenda for development.

146. In his opening remarks to the Conference, Mr. K.Y. Amoako, Executive Secretary of ECA, pointed to the increasing importance and impact of the Con-

ference, and noted that it had become more issues-oriented and substantive over the past 10 years. He further noted that the Conference had become a forum for articulating Africa's position and sometimes setting the agenda on major development policy issues. In the recent past, the outcomes of the Conference have informed the discourse on such issues as financing for development, aid effectiveness, debt, trade, Africa's relations with its development partners and the continent's ownership of the development process.

147. Mr. Amoako observed that the theme of the Conference provided a unique opportunity for African policy makers to take stock of its progress, agree on what to do to meet the MDGs and examine the role of the international community in this endeavour in preparation for the forthcoming General Assembly review of progress in achieving the MDGs in September 2005. This would require a review of the outcomes of earlier sessions of the Conference and the progress already made in establishing the new partnerships called for in the Monterrey Consensus.

148. On the issue of mobilizing additional resources Africa's development, Mr Amoako underscored the need for substantial, additional aid which is both predictable and timely in support of the MDGs. He called for steps to be taken to set up a monitoring system, build capacity, mobilize domestic resources and stimulate private investment. All these should aim at national poverty reduction, growth, improved governance and accountability.

149. In his opening remarks, Mr. Maxwell Mkwezalamba, AU Commissioner for Economic Affairs, noted that the adoption of the Millennium Declaration and the MDGs by the UN General Assembly reflected the international community's determination and commitment to fight poverty and speed up progress towards achieving human development. In this connection, he informed the meeting that the African Heads of State and Government at their Summit in Abuja in January 2005, had requested the AU Commission to prepare, in cooperation with the NEPAD Secretariat, ECA, ADB and the RECs, an African Common Position (ACP) on the review of the MDGs for their consideration in Sirte, Libya in July 2005. The ACP would also be presented at the United Nations Conference on the MDGs in September 2005. He therefore welcomed the ECA Conference as an opportunity for senior policy makers to contribute to the ACP.

150. On the continent's prospects of meeting the MDGs by 2015, Mr. Mkwezalamba noted that Afri-

can countries could still meet the MDGs if bold actions were taken by African countries and development partners to accelerate progress. He added that debt relief, peace and security, good governance, combating HIV/AIDS, reducing poverty and empowering women were necessary for achieving the MDGs. Before concluding his remarks, Mr. Mkwezalamba emphasized the need for rationalizing and coordinating of meetings of Ministers of Finance and Economic Planning, noting that they had been in at least four major meetings within the preceding two and half months.

151. Speaking on behalf of the Government and people of Nigeria, Senator Ken Nnamani, President of Senate of the Federal Republic of Nigeria extended a warm welcome to all the delegates attending the session. He thanked ECA for organizing the Conference and commended Mr. K. Y. Amoako for his excellent work in support of Africa during his 10 years as ECA Executive Secretary.

152. Senator Nnamani observed that while the MDGs provided a common framework for actions against poverty, disease and illiteracy, they were reminders of the disastrous consequences of the economic development programmes of the past that created the "Axis of prosperity" in the North vis-à-vis the "Axis of poverty" in the South. He, however, noted that a number of African countries had made progress towards attaining the MDGs by achieving growth rates of more than 5 per cent a year as a result of sound macroeconomic policies. He commended progress being made at the national and regional levels to halt the spread of HIV/AIDS and improve governance.

153. He noted, however, that these advances had not yet translated into increased incomes and improved health conditions for the majority of Africans. In this regard, he underscored the need for development policies and programmes that are pro-poor and human-centred. In addition to capacity building, Mr. Nnamani underscored the need for a vibrant rural economy and a strong private sector to facilitate progress towards meeting the MDGs.

154. He also emphasized the need to explore innovative ways of mobilizing more domestic resources through improvements in national tax systems and improved management of public finances in order to reduce dependence on external aid. In concluding his remarks, he requested the Conference to add its voice in support of debt cancellation for African countries.

**Consideration of the report and major recommendations of the twenty-fourth meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development [agenda item 4]**

155. The Chairman of the twenty-fourth meeting of the Committee of Experts presented the report of the Committee, including the draft resolution on the proposed programme of work and priorities for the biennium 2006-2007 as contained in document E/ECA/CM.38/8 for endorsement by the Conference.

156. The Chairman indicated that the report was divided into three main parts. The first two parts of the report dealt with issues of attendance, adoption of the agenda and election of the Bureau, while the third part provided a detailed account of proceedings including the opening statements delivered by the Minister of Finance of Nigeria and the Executive Secretary of ECA. He further indicated that the report contained the Committee's observations and recommendations covering the following issues on the agenda of the meeting: Survey of economic and social conditions in Africa 2004-2005; the theme and sub-themes of the Conference; the 2005 annual report on the work of ECA which described the major activities undertaken by the secretariat over the past one year; and the proposed programme of work and priorities for the biennium 2006-2007.

157. The Chairman acknowledged the valuable contributions made by all the members of the Committee of Experts as well as UN agencies to the discussions. He also expressed his appreciation to the ECA secretariat and the Executive Secretary for the guidance he received in chairing the meeting.

158. The Conference took note of the presentation and commended the Committee for the comprehensiveness of the report. The Conference made a number of specific and general observations on the discussions and recommendations contained in the report.

159. The Conference observed that the African Governance Report (AGR) referred to in paragraph 52 of the report was not made available to it. In response, the Executive Secretary of ECA assured the Conference that the full report would be made available when it is completed in July 2005. He said the presentation on good governance and capacity building made during the Committee meeting was based on a summary report of the AGR presented to ADF IV.

160. The Conference agreed to amend the report to include specific issues highlighted by the Minister of Finance of Nigeria, Dr. Ngozi Okonjo-Iweala in her opening statement to the Committee. The Minister had called on the Committee to re-examine some of the underlying assumptions of the MDGs and what they mean for African countries, including defining an appropriate methodology for measuring progress. In particular, she noted that the Committee of Experts had a responsibility in defining an appropriate methodology for assessing debt sustainability in African countries as this could be an important determinant of the quantum of resources available for development.

161. The Conference endorsed the report of the Committee and the resolution contained therein in the light of its own comments, observations and amendments. The full report as amended by the Conference is attached to this report as annex II.

**Policy Dialogue on the theme of the Conference: Achieving the Millennium Development Goals in Africa [agenda item 5]**

162. In her introductory remarks, the Chairperson of the Conference, Dr. Ngozi Okonjo-Iweala called upon the Conference to reflect on some key aspects of the MDGs. She indicated that no one could argue or disagree with the MDGs, as they constitute what every responsible government should be doing for its people. She indicated that among all the MDGs, the first goal, on reducing poverty by half is the one that was the subject of most debates in Africa because of its potential impact on achieving the other goals. She observed that while many countries were currently growing at over 5 per cent per annum, this growth rate is still short of the 7 per cent required to halve extreme poverty by the year 2015. Moreover, even where some countries had registered growth rates above 7 per cent, such growth had not been sustained long enough or inclusive enough to lead to long-term poverty reduction.

163. Dr. Okonjo-Iweala underscored the importance of good governance as a critical element for achieving the MDGs as it will reduce corruption and lead to an appropriate allocation of scarce resources to the most productive sectors. In addition, she drew the attention of the Conference to the issues of gender equity, the fight against HIV/AIDS and the need for strong global partnerships as other major MDGs to which the meeting needed to pay particular attention. The Chairperson concluded her remarks by noting that there was broad

consensus between Africa and its development partners on what needs to be done to reach the MDGs, and emphasized that the challenge is how to move forward with implementation, an area where political will as well as resources are crucial.

164. Following the above remarks, two presentations were made focusing on the theme of the conference. The first presentation was by Mr. Jomo Kwame Sundaran, Assistant Secretary-General for Economic Development, Department of Economic and Social Affairs, United Nations Headquarters. The second presentation was made by Mr. Maxwell Mkwezalamba, Commissioner for Economic Affairs, Commission of the African Union (AU).

165. The first presenter informed the Conference that the MDGs are part of the UN global development agenda, which derived from several landmark international conferences and General Assembly meetings held in the 1990s. The presenter noted that some fundamental misconceptions in thinking about African development had led in the past to misguided policymaking and the so-called Afro-pessimism.

166. Mr. Sundaran observed that since the mid-1970s, Africa's economic indicators, unlike those of Asia and Latin America, have been slowing down owing to a number of factors. First, the 1980s saw the adoption by many African countries of economic liberalization policies which emphasized liberalization of trade, finance, investment but not the free movement of people. These policies were more focused on domestic determinants of economic performance, rather than the impact of external factors on economic growth. Second, the national and international policy environments were not conducive for growth and they were further constrained by the requirements and/or policy conditionalities imposed by the World Bank and IMF as well as the WTO and bilateral donors. Third, there was continued increase in capital flight from the continent, in particular from sub-Saharan Africa, which made Africa a net exporter of capital. Fourth, exposure of most infant industries to stiff competition and globalization resulted in Africa's de-industrialization. Finally, Africa's share of foreign direct investment (FDI) flows continued to decline despite efforts at providing a conducive environment for investment.

167. Mr. Sundaran highlighted some of the key actions that needed to be taken for consideration by the Conference. These include the need to improve the policy space in support of Africa-led and owned development strategies; support for complete and unconditional debt relief for all African countries; a substantial increase in

ODA flows to help sustain high levels of economic growth; and the need to increase social expenditures and target such spending at the poor and other disadvantaged groups to ensure that the benefits of economic growth are fairly distributed.

168. The second presentation, by Mr. Maxwell Mkwezalamba of the AU Commission provided an update on the ongoing work of the AU Commission in the context of the mandate of the AU Summit of Heads of State and Government for a report assessing progress in achieving the MDGs in Africa. Mr. Mkwezalamba indicated that the first draft of the report was presented to the African Ministers of Finance and Economic Development at their meeting in Dakar, Senegal from 4 to 5 May 2005. The draft document identified four major challenges facing Africa in achieving the MDGs, namely peace and security; good governance; HIV/AIDS; and MDGs financing requirements; and proposed policy recommendations for addressing them.

169. The Commissioner further informed the Conference that peace and security was one of the most critical areas of concern in Africa. The Report's recommendations on this issue contain actions required of the AU, the Regional Economic Communities (RECs) and the member States. The section on good governance calls for greater involvement of civil society organizations (CSOs) in the development and governance process, enhancing institutional effectiveness and improving macroeconomic, gender and employment policies. HIV/AIDS is considered as a crosscutting issue in the report, and underscored the need for additional financial resources for addressing it. On the issue of financing of the MDGs, the report called on Africa's development partners to increase official development assistance (ODA), consider total debt cancellation for the poorest African countries, and provide greater market access to African countries' exports by dismantling trade-distorting barriers.

170. The Conference was also informed that in addition to the report, two other documents would be submitted to the Summit of Heads of State and Government in Sirte, Libya in July 2005. These were the African Common Position on MDGs and the Declaration of Heads of State on the MDGs. Mr. Mkwezalamba indicated that the outcomes of the ECA Conference and the Dakar meeting would be reflected in the final document to be presented to the Summit in July. Before then, the AU would organize three sub-regional workshops in Algiers, Abuja and Johannesburg to review the draft report and seek additional views on how best the AU could address issues related to meeting the MDGs.

171. The presentations were followed by general discussions on a wide range of issues related to the theme of the Conference. The Conference noted that MDGs provided a better approach to development because of their emphasis on human-centered development. MDGs are also part of a global development agenda which encompassed security, human rights, rule of law and environment sustainability among others. In this regard, the Conference noted that achieving MDGs was a shared responsibility between Africa and its development partners as set out in the Monterrey Consensus. However, despite efforts by many African countries in deepening structural reforms and improving governance towards meeting the MDGs, the international community had not lived up to its commitment to deliver on additional financial aid. In this regard, the Conference called for a significant increase in aid flows to Africa as agreed in the Monterrey Consensus and ensure that sound policies and efforts by African countries are supported by adequate and appropriate financing. As well as calling for an increase in aid volume, the Conference also underscored the need for better aid coordination and management at country level including strengthening country capacity to manage for results.

172. Recognizing that each country had responsibility for its own development and based on the principle of shared responsibility, the Conference emphasized the need for African countries to put in place appropriate national policies and investments to drive economic growth and maximize domestic resources available to fund national development strategies, including measures to limit human and financial capital flight, develop regional stock markets and improve tax administrations.

173. The Conference noted that while additional financial resources was a necessary condition for meeting the MDGs, it was not sufficient on its own. Given the magnitude of the challenges the continent faces in meeting the MDGs, the Conference underscored the need for a comprehensive approach which emphasizes better access to financial and non-financial resources, increased investments in education and healthcare, empowerment of women, improved governance based on solid democratic institutions and accountability, employment creation, environmental sustainability, enhanced participation of all stakeholders and more effective partnerships between Governments, civil society and the private sector. To this end, the Conference welcomed the emphasis on anchoring actions to achieve the MDGs in country-led development strategies, noting that ownership signals the seriousness of a country's development vision, which helps stimulate public and private investment flows.

174. The Conference underscored the potential contribution of regional integration in helping to achieve the MDGs. It was noted that some of the goals would be difficult to achieve if countries approached them individually. Regional integration would enable countries to pool their limited resources and confront better the challenges they are faced with. Regional integration also creates economies of scale which could result in higher productivity and enhanced competitiveness. For example, transport, telecommunications and energy infrastructure created more benefits when designed, constructed and operated within a regional framework. This is particularly important for landlocked countries which are dependent on their neighbours' infrastructure. Moreover, certain shared resources such as river basins are more productive if exploited collectively. Investments on a regional basis will enable countries to confront more challenging problems they cannot tackle individually. In this context, the Conference welcomed the NEPAD infrastructure programme which provides a step in this direction.

175. The Conference also noted that the fight against HIV/AIDS could benefit from increased regional cooperation since the spread of the disease transcended national boundaries. The Conference pointed out that successful regional integration required political will and good coordination. In this regard, the Conference called for a rationalization of the Regional Economic Communities (RECs) to reduce overlaps and duplication and ensure more cost-effectiveness in the integration process.

176. The Conference also debated at some length the effects of trade liberalization on African economies. It noted that trade liberalization could have deleterious short-term and long-term effects which tended to vary among countries as well as among regions. With respect to intra-African trade, the Conference observed that this represented a huge potential that was barely tapped partly due to high transport and communication costs, inefficient payment mechanisms, cumbersome customs and administrative procedures, etc. In this regard, the Conference stressed the need to put in place appropriate measures to address these bottlenecks. Given the large amounts of resources spent every year to import food products from outside the continent, the Conference recognized the need to encourage intra-African trade in these products as it could unleash African farmers' production potential, which is crucial to agriculture and rural development and hence the achievement of the MDGs.

177. The Conference highlighted the crucial role of improved statistics both in monitoring progress

towards achieving the MDGs as well as in measuring the effectiveness of donor assistance. Sound and reliable statistics are also necessary to determine the implementation cost of the MDGs. Yet most African countries do not have the capacity to produce and analyze statistics. To this end, the Conference endorsed the recommendations of the Committee of Experts on the need for ECA and other international organizations to provide assistance to African countries in strengthening capacities for data collection and statistical analyses.

178. In concluding this item of the agenda, the Chair of the Conference highlighted the following points of agreement:

- African countries bore initial and final responsibility for their own development. However, the developed countries had a responsibility to help create an international enabling environment through increased ODA and by opening their domestic markets to African exports.
- ODA is only a small part of the picture, when it comes to considering development finance in all its dimensions. Achieving the MDGs would require pro-poor growth and creating an enabling environment in which private sector and investment – both local and foreign – can flourish, as the engines for growth, enhanced income and employment creation. It was emphasized in this connection that African countries and their development partners had key roles to play in ensuring that growth is pro-poor, i.e. involving the poor in generating growth and in benefiting from it.
- The Conference also emphasized the importance of country ownership and urged that MDGs be operationalized in country-owned and led poverty reduction strategies.

#### **African/OECD Ministerial Dialogue on the Mutual review of Development Effectiveness in the context of NEPAD [agenda item 6]**

179. Under this agenda item, there was a dialogue between the Ministers and representatives of OECD countries on the mutual review report prepared jointly by the OECD and ECA secretariats. In introducing the agenda item the Executive Secretary of ECA, Mr. K.Y. Amoako noted that the mutual review was intended to serve as a consultation mechanism between Africa and OECD countries to assess and monitor progress in delivering on commitments and achieve development goals. He emphasized the importance of the principle of mutual accountability

to Africa's engagement with its development partners. He noted that the mutual review report gave practical expression to the principle of mutual accountability and was a product of a two-year joint effort between the OECD/DAC and ECA secretariats. He indicated that the preparation of the report benefited from a series of discussions at expert and political levels in various international fora based on key elements from the seven issue areas covered in the Review: *commitments* that have been undertaken; *main messages*; *action frontiers*; and *2007 performance benchmarks*, which will be monitored in the next mutual review process.

180. The Executive Secretary highlighted three key areas for the attention of the Ministers. First, there was need for flexibility so that the report can accommodate new commitments and be responsive to time-bound needs. Secondly, it was important to explore the possibility for more frequent reviews instead of the currently recommended biennial reviews. Thirdly, the principle of mutual review should be linked to the emerging aid architecture and other global monitoring efforts.

181. In his remarks, Mr. Richard Manning, the OECD/DAC representative observed that there had been an increase in technical cooperation and overall aid to Africa. Part of the increase can be accounted for by debt write-off, which may widen the fiscal space but did not necessarily translate into additional financial resources available for support of expenditures towards achieving the MDGs. Nevertheless, there had been a sustained upturn in aid flows since the DAC was established in the 1960s and more increases were expected as more DAC members consider longer-term assistance from 2006 and beyond.

182. Mr. Manning also highlighted a number of factors that may have had an effect on the amount of ODA available to Africa, such as debt relief to Iraq and the post-Tsunami reconstruction efforts in South East Asia. He noted that the pace in ODA flows to Africa would need to be accelerated dramatically in 2005 and 2006 if the Monterrey commitments are to be met. He, however, observed that the scaling up of resources depended on public support in developed countries as there were now considerable fiscal pressures for domestic programmes in OECD countries and, in addition, growing demand for results in Africa is also on the rise.

183. Mr. Manning underscored the need to move from accountability to donors, to accountability to Parliaments in Africa. Accountability systems need to be strengthened and public financial management

and procurement systems improved. On the part of the OECD partners, there would be need to ensure that aid was predictable and commitments were met. Quick and effective interventions were required, particularly in support of weak and fragile states while assistance to build up capacity was crucial. He underscored the need for change in the architecture for consulting with developing countries towards robust African representation. Most importantly, there was need for a change in behaviour at the country level where the mutual reviews would be undertaken.

184. In his remarks, Mr. Wiseman Nkhulu, Chief Executive of the NEPAD Secretariat highlighted the importance of the APRM as the operative instrument for monitoring and measuring progress towards good governance in Africa. With regard to the mutual review process, he noted that the need for a new partnership with donors and a mechanism for reviewing the performance of both African countries and their development partners led ECA and OECD to develop the concept and mechanism for mutual accountability. He further noted that the process would become even more necessary in view of the commitments by the international community to increase development assistance.

185. The NEPAD representative acknowledged with appreciation the vital role played by the ECA Conference of Ministers in the development of the APRM and applauded the progress made by Ghana, Rwanda, Kenya and Mauritius towards the completion of their self-assessment reports. He said the country reports would provide useful insights on the impediments to development in Africa. Mr. Nkhulu concluded by observing that there was need to ensure that the mutual review process included the rural communities.

186. Following the presentations, the Chair of the Conference requested Ghana and Rwanda to provide further insight into their respective reviews to the meeting. Both Ministers attributed the success of their countries' review process to the fact that they involved all relevant stakeholders. The Conference was encouraged by the experiences of Rwanda and Ghana. The Conference welcomed the fact that many African countries had acceded to the process, and underscored the need for mutual learning to address some of the challenges associated with the process. These include extending the consultation process to a wider group of stakeholders and the financial burden associated with it.

187. In the discussions that followed, the Conference welcomed the useful recommendations of the Commis-

sion for Africa report on improving aid effectiveness. These include implementing donor commitments on harmonization and alignment with country-owned development strategies, untying aid, providing aid in the form most needed, including as grants, reducing conditionality and lowering transaction costs. With respect to the issue of corruption, the Conference agreed with the actions spelt out in the report which called on OECD countries to expedite the process of locating and repatriating stolen assets to African countries, which has been estimated at more than 50 percent of the total annual aid flows to the continent.

188. With regard to technical assistance, the Conference noted that its impact in achieving development results was difficult to gauge because a large proportion somehow finds its way back to the donor countries. There was need to develop, aside from the PRSPs, MDGs and growth strategies, a matrix of aid use in which shortfalls in quantity and quality can be measured. To this end, the Conference called for the establishment of an Aid Transparency Initiative to enhance transparency in development aid flows.

189. Other initiatives mentioned that would enhance development effectiveness include the development of systems for evaluating the quality of domestic mobilization of resources; and the need for African countries and their development partners to have a common understanding of development effectiveness and the commitments to be measured on both sides. Some Ministers also suggested future editions of the mutual review should focus on issues such as markets, technology, FDI, infrastructure and regional integration – issues that could accelerate the structural transformation of Africa. On the APRM, the Conference underlined the need for African countries to learn from each other based on their peer review experiences and requested the ECA secretariat to explore the possibility of establishing a forum to discuss major issues related to the review, such as the MTEFs.

190. The development partners present at the meeting welcomed the mutual review process, adding that previous policy mistakes had impeded development effectiveness. There was, however, a need for a clear understanding of the role of governance and capacity building in the process. It also appeared that current resource estimates for the MDGs were grossly underestimated, and a significant portion of these, went into humanitarian aid. There is need to shift towards aid for growth without necessarily sacrificing humanitarian aid. Other issues on which there was agreement include the need to explore the possibility of combining the APRM and the mutual review process.

191. The Executive Secretary emphasized that the APRM was a key component of the mutual review adding that its results will feed into the mutual review process. He stated that ECA had established a full time unit to support the APRM process. He concurred with the need to establish a peer learning process similar to the PRSP-LG. However there are two issues that must be considered: the frequency of the meetings and the selection of countries to be represented.

192. In response to some of the issues raised in the general discussion, the OECD representative reiterated that development partners were committed to working closely with African partners to achieve the MDGs and, in that regard, it was important that a strong message is sent to the next G8 Summit in Gleneagles, Scotland in July 2005. It is also important to strengthen the Africa Partnership Forum with respect to both African and development partner representation. The representative commended the African countries that were undergoing the APRM process for the depth of stakeholder engagement. However, based on experience from OECD/DAC, he cautioned that this process usually took time to yield results. In response to the call for increased transparency in aid flows, he assured the Conference that the mutual review report had indicators which would be used to improve aid transparency. He underscored the role of infrastructure to regional integration suggesting that the next phase of the report strengthen these areas. He challenged the Conference to reflect on how the mutual review report can be used to feed into the African political process.

### **Briefing on the report of the Commission for Africa [agenda item 7]**

193. Under this agenda item, the Conference was briefed by Mr. Trevor Manuel, Honourable Minister of Finance of South Africa on the Report of the Commission for Africa which was launched early this year. Mr. Manuel, a member of the Commission informed the Conference that the Commission was established last year by British Prime Minister, Tony Blair to take a fresh look at Africa's development challenges and the role of the international community in addressing them. To this end, the report provided clear recommendations on how the international community can best support Africa's efforts towards achieving the MDGs. The recommendations covered the following areas: governance and capacity building; peace and security; human development; growth and participation; fair trade; aid and debt relief. The report detailed the range of actions that are required to be taken by

African countries and their development partners to make progress in these areas.

194. On Africa's part, national agendas must focus on progress towards peace and security including conflict prevention. African countries are required to develop and put in place, comprehensive strategies and policies towards the MDGs and improved governance. They must increase their investment in national and regional infrastructure and act to support the private sector. The report also called on African countries to adopt policies supportive of education, healthy, capacity building and training.

195. For Africa's partners, particularly in the G-8, the issues are clear. The report called on rich countries to honour their commitments to support Africa in achieving the MDGs through vastly increased and improved development assistance, as well as better access to markets for African goods. This means that aid must be more predictable, long-term and harmonized, and the focus should be more directly on capacity building for improved governance and key growth challenges such as trade, agriculture, small and medium enterprise and infrastructure. On debt, the report argued for a 100 per cent multilateral debt service cancellation for all sub-Saharan African countries, and also called for a new type of debt relief framework to include all low income sub-Saharan countries including those excluded from existing schemes. At the same time, there is an urgent need for commitment to complete the Doha trade round by December 2006, with its promised focus on development so that Africa and other developing regions can see quick benefits.

196. Mr. Manuel concluded his presentation by noting that the timing of the report was critically important – coming ahead G8 meeting in July, the UN Millennium Summit follow-up in September and the WTO Ministerial meeting in December. He expressed the hope that the report would influence the outcomes of all these meetings towards real change for Africa's development. In the above context, the report called upon: firstly, African decision-makers to foster change for rapid and sustainable development on the continent; secondly, the international community to take a strong lead for action of a different order, commit to a greater and faster action on the Millennium Development Goals and act boldly at the World Trade Organization talks in various for a fair trade.

197. Mr. Ibrahim Gambari, UN Under Secretary-General and Special Advisor on Africa, began his presentation with some comments on the report of the Commission for Africa. He welcomed the report

as a major contribution to the effort at international policy dialogue and actions in support of Africa's development. He noted in particular that the report was NEPAD-friendly and its recommendations were bold and imaginative and complemented the objectives of NEPAD. The report's recommendation on establishing an independent monitoring mechanism is also consistent with the orientation of NEPAD for periodically evaluating progress both by Africa and its development partners.

198. Regarding the process of taking the recommendations of the report forward, Mr. Gambari identified four steps that would aid the process: leadership by example - by the initiating government in embracing and enacting some of the key recommendations of the report could help galvanize more international support; adoption of the report by the EU and the next G8 Summit in Gleneagles; rank-ordering of the various recommendations directed at Africa's development partners; and deepening of policy commitments by African countries in areas essential for achieving sustainable growth.

199. Mr. Gambari reminded the Conference of the UN Secretary-General's decision in his address to the AU Summit in 2004 to establish a panel of 12 eminent persons from Africa, Asia, Europe and Latin America as a tool of UN support for Africa. According to Mr. Gambari, this panel would emphasize essential points such as the need for the international community to honour its commitments for additional financial aid; increased focus on measurable results and impact; and the need for the UN and AU to co-ordinate and lead development efforts in Africa.

200. He concluded his presentation by noting that galvanizing the support of the international community was the common thread that runs through and the main motivation for work of both the Commission for Africa and the Secretary-General's Advisory Panel on NEPAD.

201. In the discussions that followed the presentations, the Conference welcomed the focus of the international development community on the challenges faced by Africa. The Conference noted with appreciation the fact that the report came from a group of donors with the active involvement of some African leaders such as the President of Tanzania and the Prime Minister of Ethiopia. The Conference welcomed the useful recommendations of the report on increasing the volume and effectiveness of aid. These include implementing donor commitments on harmonization and alignment with country-owned development strategies, untying aid in the form that

it is most needed including reducing conditionality, lowering transaction costs and monitoring progress on poverty reduction. Some Ministers also emphasized the central role of infrastructure and regional integration in enhancing growth prospects, improving the investment climate and accelerating poverty reduction, and stressed the need for increased investment in infrastructure development for boosting intra-African trade.

202. The Conference also acknowledged that mobilizing domestic resources to support development programmes remained a pressing challenge. Ministers concurred with the report's suggestion to African countries that they exert stronger efforts to mobilize more domestic resources and improve budget management, combat corruption and continue to implement reforms that enhance their ability to attract investments.

203. Finally, the Conference recommended to package the good practices on budget management from countries such as Ghana and Nigeria for peer learning and to include a paragraph in the Ministerial Statement on the conclusions and recommendations of the report of the Commission for Africa.

#### **Consideration and adoption of the Ministerial Statement [agenda item 8]**

204. Under this agenda item, the Conference considered and adopted the draft Ministerial Statement which reflected the main consensus and outcome of the meeting. The Ministers applauded the comprehensiveness and quality of the statement and described it as action-oriented which would resonate loudly in the international community.

205. In considering the statement, several delegations highlighted key issues discussed by the Conference which they wanted to see reflected in the statement. These included the need to address the development implications of HIV/AIDS and other related infectious diseases; the need to scale up *investment in water and agriculture; the importance of immigration and population policies for achieving the MDGs; the impact of corruption on growth and the need to combat; and the need to address supply-side constraints in various sectors of the African economies.* The representative of the African Union (AU) suggested that the Ministerial Statement should include a reference to the African Common Position on MDGs adopted by the AU Conference of Ministers of the Economy and Finance held in Dakar from 2 to 3 May 2005.

206. The Conference adopted the Ministerial Statement with the amendments mentioned above. A full

text of the statement as amended is attached to the present report as Annex 1(b).

#### **Any other business [agenda item 9]**

207. No issue was raised under this agenda item.

#### **Closure of the Session [agenda item 10]**

208. In his brief statement to the closing session, Mr. Omar Kabbaj, President of the African Development Bank (ADB) Group noted that this was the third year in a row that ECA and ADB had successfully held their annual meetings back to back, which further strengthened the collaboration between the two institutions.

209. He underscored the importance of the theme of the Conference for Africa's development and outlined three key policy challenges that African countries would need to address if they are to achieve the MDGs. These include the need to significantly increase and broaden economic growth as a means of raising income; investing in education and healthcare and improve access to basic social services; and scale up investment in infrastructure.

210. Mr. Kabbaj said that the Bank, for its part, had been assisting its regional member countries on a number of fronts to raise growth rates to the 7 per cent required to achieve the MDGs. Areas in which the Bank has been active include agriculture and rural development, health and education, private sector development, particularly small- and medium-scale enterprises. He said the Bank had also undertaken various initiatives in promoting regional cooperation and integration, mainstreaming good governance and gender equality and promoting sustainable management of natural resources, including water and sanitation, regional infrastructure, banking and financial standards, and promoting indigenous entrepreneurship.

211. In concluding, Mr. Kabbaj noted that support from the international community remained criti-

cal, especially with respect to ODA, debt relief and market access for Africa's exports.

212. In his closing remarks, Mr. K.Y. Amoako, Executive Secretary of ECA, thanked Mr. Kabbaj for his efforts in fostering stronger collaboration with ECA throughout his tenure as the Bank's President. He also thanked Dr. Ngozi Okonjo-Iweala, Minister of Finance of the Federal Republic of Nigeria, for her leadership and the excellent manner in which she presided over the Conference. He commended the panelists and speakers for their high-level and stimulating contributions to the discussions.

213. Taking stock of his 10-year tenure as Executive Secretary of ECA, Mr. Amoako said he was pleased to observe that there had been a remarkable increase in attendance by Ministers at the Conference. He attributed this to the improvement in the format of discussions, allowing for a frank and open dialogue on key issues. He called on the Conference to maintain the engagement with development partners and welcomed the role entrusted to the ECA secretariat in this regard.

214. In concluding, Mr. Amoako thanked ECA staff for their hard work and excellent preparation for the Conference. He informed the Ministers that the present session of the Commission would be his last as Executive Secretary, and thanked them for the support he enjoyed from member States over the past ten years.

215. On her part, Dr. Ngozi Okonjo-Iweala, the Chair of the Conference, commended Mr. K.Y. Amoako for his outstanding leadership and passion in dealing with Africa's development challenges. She noted that through his efforts, ECA had become a useful agent for promoting Africa's development and that the discussion during the Conference provided ample evidence of the importance of ECA's work. On behalf of all the other Ministers, she wished him success in his future undertakings.

216. The Chair then declared the session closed.

## ANNEX I

# Resolution and Ministerial Statement Adopted by the Commission at its Thirty-Eighth Session

### A. Resolution 843 (XXXVIII) Proposed Programme of Work and Priorities for the Biennium 2006-2007

The Conference of Ministers,

Recalling resolution 842 (XXXVII) of 22 May 2004 adopted by the Conference of African Ministers of Finance, Planning and Economic Development by which the Conference endorsed the ECA Biennial Programme Plan for the period 2006-2007;

Taking note of the programme structure endorsed by the Conference of Ministers, which includes a new subprogramme entitled "*Development planning and administration*", which is implemented by the UN African Institute for Economic Development and Planning (IDEP);

Noting with appreciation, the ongoing work by ECA through the activities and outputs undertaken by its various organizational units in general and IDEP in particular, to strengthen capacities of member States and their intergovernmental organizations as well as civil society organizations;

Having examined the Proposed Programme of Work and Priorities for the Biennium 2006-2007, as contained in document E/ECA/CM.38/3,

Convinced that the activities contained in the proposed programme of work for the biennium 2006-2007 will help to foster accelerated and sustained growth for poverty reduction in Africa, as they are in line with priorities identified by member States;

1. Endorses the Proposed Programme of Work and Priorities of the Commission for the biennium 2006-2007, taking into account the discussion and related observations and amendments made at the meeting.

2. Calls upon the Advisory Committee on Administrative and Budgetary Questions (ACABQ), ECOSOC, the Fifth Committee and the General Assembly of the United Nations to:
  - (i) Ensure that adequate resources are made available to the Commission for the implementation of the work programme; and
  - (ii) Provide the UN African Institute for Economic Development and Planning (IDEP) with the necessary resources by transforming its current grant into post and non-post regular budget resources in order to enable the Institute to implement effectively its new subprogramme on development planning and administration.

### B. Ministerial Statement

**Abuja, Nigeria, 15 May 2005**

1. We, the African Ministers of Finance, Planning and Economic Development, gathered in Abuja, 14-15 May 2005, under the auspices of the United Nations Economic Commission for Africa (ECA), recognise that strong political will, as well as bold and decisive action, is needed to establish the conditions for achieving sustained economic growth and eradicating poverty, as well as promoting sustainable development in Africa. This is especially urgent, considering that five years have passed since the Millennium Development Goals (MDGs) were launched and the target date is only ten years away.

2. After discussion of the theme of our Conference, "*Achieving the Millennium Development Goals in Africa*", we reaffirm the vital importance of these goals as a framework for reducing poverty and advancing development in Africa.

3. The global consensus in support of meeting the MDGs is highly valuable and opens new opportunities for broad collaboration to reducing poverty. We

are convinced that achieving the MDGs will be a critical step on the road towards the far-reaching and sustainable development to which we aspire.

4. We are encouraged by progress in some parts of our continent, and in several of our countries on individual MDGs, including progress by countries with severe resource constraints. Yet the broad picture is not satisfactory. Much faster and broader progress is needed. It is now critically important that we review both the progress we have made and the obstacles we have encountered in order to learn the lessons and become more operational. In this respect, we support the preparation of an African Common Position in the review of the MDGs.

5. Considering a number of forthcoming high-level discussions, notably the African Union Summit in July, the UN High-Level Dialogue on Financing for Development in June, the G8 Summit in Gleneagles, Scotland, in July, as well as the General Assembly MDG review summit in September, we wish to set out some key actions we as policy makers must take to achieve the MDGs in Africa, as well as highlight critical actions that international community must take to enable us to meet our objectives.

### **The fruits of growth must be increased and shared**

6. It is clear that progress towards significantly reducing poverty and achieving the MDGs has been hampered by insufficient economic growth, and because the benefits of the growth achieved have not, for the most part, been shared broadly across society. Going forward, it will be important to expand growth in sectors that can generate greater employment, and to invest more intensively in sectors such as health and education that build human capacity to engage in productive economic activity.

7. Other factors limiting growth and the spread of its fruits include weak governance, the impact of HIV/AIDS, tuberculosis, malaria and other diseases, gender inequality, violent conflicts and inadequate capacity, as well as insufficient public investment and internal and external resource mobilization. We must therefore develop holistic and comprehensive strategies to address many challenges simultaneously.

8.—It is our firm belief that the way forward lies in accelerating broadly-shared and sustained employment-generating economic growth in the context of improved governance, including increased transparency and reduced corruption, as well as strong invest-

ment in people, particularly Africa's women who have long been excluded from full economic participation in our societies. High levels of sustained growth will provide the resources and capacity for the social spending required to attack poverty directly while generating jobs required to help people improve their own situation.

9. Consistent with the 2004 AU Summit Declaration on Employment and Poverty Alleviation in Burkina Faso, we commit to developing strategies for generating decent and productive work for men and women as well as youth in Africa, and to explicitly address employment generation issues in national poverty reduction strategies.

### **Towards local ownership and more effective national poverty reduction and growth strategies**

10. While significant progress has been registered in the past five years in the Poverty Reduction Strategy (PRS) process - notably higher investment in education and health, as well as better public financial and expenditure management - more work is needed to deepen national ownership and leadership. African governments must frame and operationalize poverty reduction and growth policies that integrate the MDGs as key objectives. In this context, they must mainstream growth and employment, as well as strengthen capacity at all levels concerned with implementing those policies.

11. Poverty reduction strategies must have broader and longer-term perspectives and a deepening of ownership through meaningful stakeholder consultation, addressing gender equality, population growth, capacity and regional issues, including migration and other regional public goods policies. Furthermore, there is need to address country-specific realities, with particular attention to the special needs of Least Developed Countries, and post-conflict and other fragile economies. Much has been learned through the African Learning Group on PRSs organised by ECA. From those consultations, it is now clear that we need to move from preoccupation with the formal PRS towards a focus on the content of growth and development strategies.

### **Greater focus needed on trade, infrastructure and agriculture**

12. Poverty reduction requires growth and growth requires expanded markets and much better access to the international as well as continental markets.

Trade is a vital engine of growth. We wish therefore to underscore the importance for the continent, of a fair, non-discriminatory, predictable, multilateral rules-based trading system. There is also a need for significant improvement in market access, particularly in agriculture and in other export areas of interest to African countries. Within Africa, we must use the regional initiatives to open up and encourage trade in goods and services amongst member states. We call for the elimination of trade distorting domestic support and export subsidies that have harmful implications for African commodity exports. It is, therefore, necessary for all WTO Members to work to ensure a successful 6<sup>th</sup> WTO Ministerial Conference in Hong Kong in December, which will set the stage for the early conclusion of the Doha Trade Round in 2006.

13. On our side, and to ensure the expanded market size to make the required dent on poverty, we need to think and act collectively. Whether in sectors such as transportation, or in relation to general regional public goods such as research and extension for agriculture or addressing maternal and child health, HIV/AIDS tuberculosis, malaria, and other diseases, we need regional approaches. The regional economic communities are critical to collective action. As such, rationalizing them, harmonizing their work and enabling them to better implement programmes at sub-regional will greatly enhance efforts towards meeting the MDGs.

14. Given the critical importance of agriculture to development, poverty reduction, and food security in Africa, the sector deserves special attention. Some 60% of the total labour force in Africa works in agriculture, providing livelihoods for 90% of people in rural areas, yet challenges such as fragmented and underdeveloped markets, lack of access to information, finance and land, poor infrastructure, and vulnerability to external shocks and market barriers undermine the sector. Investment in integrated water and agriculture development must urgently be scaled up and the NEPAD Comprehensive African Agricultural Development Programme (CAADP) supported and applied. We urge measures to promote public-private partnerships to bring resources and infrastructural development to the sector.

15. In this regard, and in recognition that the private sector is the primary engine of growth, we resolve to work harder to create the necessary enabling environment, including the provision of peace and security, quality public institutions that promote efficiency, improvements in physical infrastructure, protection of the environment and natural resources, consistent with NEPAD objectives, as well as other support in

terms of facilitating the use of quality human capital and technology.

16. Cutting across all sectors of the economy and governance, inadequate capacity has been a major constraint on progress. In this context we acknowledge the need for intensive and extensive capacity development and retention to strengthen governance and other development efforts. Efforts to draw on and benefit from the expertise of Africans in the Diaspora must be stepped up alongside work to improve skills, knowledge and experience at home. In that context, we commend the work being accomplished by the Collaborative African Budget Reform Initiative (CABRI) to build capacity in public financial management. Recognizing the crucial importance of reliable statistics for gauging and monitoring progress toward the MDGs, we will give greater attention to the development of strong statistical capacity at both the national and regional levels and urge donors to do likewise.

### Financing a “big push” for Africa

17. Africa’s economic development is in the hands of Africans and we are committed to achieving the MDGs by 2015. We therefore endorse the call made by the United Nations Secretary General’s report “*In Larger Freedom*” that developing countries must draw up, by 2006, practical national strategies to meet the MDGs, assess the financial requirements and commit themselves to making the necessary public investments. Above all, we in Africa must work harder to mobilize our domestic resources to meet the Goals.

18. We recognize, however, that in the immediate term our progress towards the MDGs must be accelerated through a significant increase in resources from outside. Our capacity to absorb aid has increased, making it possible for us to make good use of additional resources. We therefore acknowledge the call from the Commission for Africa’s report for “a big push” in financial support for Africa from the international community in line with the global commitment to meeting the MDGs, and in particular, the Commission’s proposal for a major fund to develop African infrastructure.

19. The Commission has called for the doubling of Official Development Assistance (ODA) to Africa and also proposes the creation of an International Financing Facility to provide front-loading of aid flows for enhancing predictability and planning. The United Nations Secretary General’s report also proposes a substantial upscaling of aid towards the Monterrey target of 0.7 percent of developed coun-

tries' gross national income. In warmly welcoming these proposals, we call on G8 leaders to commit during the Gleneagles summit in July, to meeting their existing ODA promises, as well as to helping to accelerate progress by concretely contributing to Africa's MDG financing needs in line with these reports' recommendations. We believe that the funds should be used to fund a holistic package of support for Africa because it is clear that without simultaneous and effective action on several priority fronts, success is unlikely to be achieved.

20. We recall our repeated emphasis in previous meetings for international action to ensure a sustainable exit from Africa's onerous debt burden. Most recently at a Conference of African Ministers of Economy and Finance organised by the African Union Commission in collaboration with the Government of Senegal in Dakar, we called for the debt impasse to be broken within the coming year, and agreed on the need for more radical action from the international community in this regard. Such action should be in line with the Commission for Africa's recommendation that debt relief should cover multilateral and bilateral debt, as well as cover non-HIPC low-income countries and reduce debt stock and debt service by up to 100 per cent. In this context we urge African countries to act in solidarity. Above all, the key criteria for debt relief should be the financing needs of the MDGs and overall goal of poverty reduction. We cannot over-emphasise the critical importance of such a measure to Africa's ability to be able to meet the MDGs.

### **Improving aid management and mutual accountability**

21. Two years ago in Addis Ababa we looked forward to discussing at this meeting the findings of a NEPAD-commissioned report, prepared by ECA together with the OECD-DAC, on how to practically apply and monitor mutual accountability in Africa's relations with its international partners. We have reviewed the report—the Mutual Review of Development Effectiveness in the Context of NEPAD—tabled here in Abuja and believe that it provides a valuable blueprint for action that we can adopt at national level. We reaffirm our previous view that future editions of the report should appear every two years but note that there may be need for more frequent updates on progress or reviews on specific issues in response to specific requirements. We propose that, in future, the findings of APRM country studies should provide a foundation for the monitoring of performance on the African side. We call upon the OECD/DAC to

collect information on future aid commitments from budgetary and other information to help enhance the predictability of aid flows to our countries.

22. There is also a need for closer attention on the African side about ways to improve aid management. While specific conditions and challenges vary from country to country, our countries share many of the problems that arise from unpredictable and short-term ODA flows, changeable partner policies and practices, and lack of flexibility in the types of aid instruments in use. With the possibility of increased flows in prospect, there is a pressing need for an African architecture or framework for aid management through which we may track, at regional level, the flow, quality and effectiveness of aid.

23. Both Africa and her partners must meet their obligations to make mutual accountability an effective tool. Under NEPAD, African leaders have committed to implementing sound economic policies, putting in place measures of good political and economic governance, and investing in people to achieve the MDGs. We acknowledge the progress made by many African countries on accountability, adherence to constitutionalism, multi-party political systems, public financial management, and macroeconomic stability. We note particularly the strong interest as evidenced by African governments in acceding to the African Peer Review Mechanism (APRM). On the partner side, through the Monterrey Consensus, the Paris Declaration on Aid Effectiveness and other initiatives, development partners have committed to intensifying efforts for enhanced ODA in terms of quality and quantity, harmonization with national development strategies, composition, allocation and predictability. We urge them to meet those commitments.

### **Fostering greater institutional coherence and effectiveness**

24. We recognize that ECA continues to play a key role in promoting the economic and social development of the continent. Now that the AU has clearly articulated a strategic programme and given its pivotal role in providing political leadership at the regional level, we look forward to enhanced collaboration between ECA and the AU.

25. We also note that the Commission is constrained by resources given the tremendous rise in the demand for policy and economic analysis driven by the development agenda in Africa. We therefore urge member states to support ECA's efforts by generously contrib-

uting to the United Nations Trust Fund for Africa in order to help ECA to continue acting as a leading voice on Africa's development.

26. We are grateful to the ECA for successfully convening this 38<sup>th</sup> Conference of African Ministers of Finance, Planning, and Economic Development. We also thank the Honourable Minister of Finance of

the Republic of Nigeria, Dr. Ngozi Okonjo-Iweala, for her excellent leadership during our deliberations. Finally, we wish to express our sincere gratitude to His Excellency, President Olusegun Obasanjo, and the Nigerian people for the warm hospitality accorded to us during our stay in Abuja.

## ANNEX II

# Report of the Twenty-Fourth Meeting of the Committee of Experts Adopted by the Thirty-Eighth Session of the Commission/Conference of African Ministers of Finance, Planning and Economic Development

### A. Attendance

1. The twenty-fourth Meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development was held in Abuja, Nigeria, from 11 to 13 May 2005. Mr. Keith Muhakamizi, Deputy Secretary to the Treasury/Deputy Permanent Secretary, Ministry of Finance, Planning and Economic Development, Uganda, who chaired the opening session, made some brief welcoming remarks. Opening statements were delivered by Mr. K.Y. Amoako, Executive Secretary of the United Nations Economic Commission for Africa (ECA) and Dr. Ngozi Okonjo-Iweala, Minister of Finance, Federal Republic of Nigeria.
2. The meeting was attended by representatives of the following member States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Egypt, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.
3. Observers from the following member States of the United Nations were present: Austria, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Japan, Netherlands, Portugal, Spain, Sweden, Switzerland, United Kingdom, and United States of America.
4. The following United Nations bodies and specialized agencies were represented: Department of Economic and Social Affairs (DESA), International Fund for Agricultural Development (IFAD), International Labour Organization (ILO), International Monetary Fund (IMF), Least Development Countries (LDCs, LLDCs and SIDSs), Office of the Special Adviser on Africa (OSAA), Regional Commissions New York Office (RCNYO), Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Fund for Population Activities (UNFPA), United Nations Industrial Development Organization (UNIDO), United Nations Children's Fund (UNICEF), United Nations High Commission for Refugees (UNHCR), Universal Postal Union (UPU), The World Bank (WB), World Meteorological Organization (WMO), World Food Programme (WFP), World Health Organization (WHO), World Intellectual Property Organization (WIPO), and World Trade Organization (WTO).
5. The African Union (AU), the African Development Bank (ADB), and NEPAD Secretariat were represented.
6. The following African Central Banks and Financial Institutions were represented: Banque de Développement des Etats de l'Afrique Centrale (BDEAC), African Export Import Bank (AEIB), Bank of Sierra Leone (BSL), Bank of Uganda (BU), Bank of Zambia (BZ), Banque Centrale de Mauritanie (BCM), Banque Centrale de Comoros (BCC), Banque d'Algérie (BA), Banque des Etats de l'Afrique Centrale (BEAC), Banque Nationale du Rwanda (BNR), Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO), Banque des Etats de l'Afrique Centrale (BEAC), Banque Ouest Africain de Développement (BOAD), Central Bank of Nigeria (CBN), and Central Bank of Swaziland (CBS).
7. Observers were present from the following intergovernmental organizations: Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), Economic Community of West African States (ECOWAS), Southern African Development Community (SADC), Union économique et monétaire ouest africaine (UEMOA), Communauté des Etats Sahelo-Sahariens (CENSAD), Economic Community of Central African States (ECCAS), Organization internationale de la

francophonie (OIF), European Commission Delegation (ECD), and Organization for Economic Cooperation and Development (OECD).

8. Observers were present from the following non-governmental organizations: African Capacity Building Foundation (ACBF), African Economic Research Consortium (AERC), Ghana Institute of Management and Public Administration (GIMPA), Institute for Democracy in South Africa (IDASA), Macroeconomic and Financial Management Institute (MEFMI), All Africa Conference of Churches (AACC), All African Students Union (AASU), Commission for Africa (CA), Structured Credit International Corporation (SCIC), Transparency International (TI), Centre for Environmental Resources and Sustainable Ecosystems (CERASE), Earth in Balance (EB), Initiative for Community Development (ICD), Inter-African Committee (IAC), LEAP Africa (LEAPA), National Youth Council (NYCN), African Center for Applied Research and Training in Social Development (ACARTSOD), Curry Limited Zambia (CL), Lagos State University (LSU), Shonga Steel Limited Zambia (SSL), Uganda Civil Society (UCS), Uganda Consult House (UCH), Université de Kinshasa (UNIKIN), and Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA).

## B. Adoption of the Agenda and Election of the Bureau

9. The Committee adopted the following:

1. Opening of the Meeting
2. Election of the Bureau, Adoption of the agenda and programme of work
3. Survey of economic and social conditions in Africa 2004-2005
4. Presentations by the secretariat on each of the issues in the theme paper, to be followed by general discussions. The presentations and discussions focused on the following:
  - Discussion on the theme of the Conference: Achieving the Millennium Development Goals in Africa;
  - Report on Mutual Review of Development Effectiveness in the Context of NEPAD.
5. Special presentation: Overview of the Collaborative African Budget Reform Initiative

6. Statutory Issues:

- Consideration of the Annual Report on the work of the Commission, 2005, including reports of subsidiary bodies that have held meetings since May 2004

7. Proposed Programme of Work and Priorities for the Biennium 2006-2007

8. Any other business

9. Consideration and adoption of the Report of the Committee

10. Closure of the meeting

10. The programme of work was approved with a recommendation to address the key developmental and cross-cutting issues raised by the Executive Secretary of ECA and the Minister of Finance of Nigeria in their opening statements.

## Election of the Bureau

11. The following Officers were unanimously elected by the Committee:

Chair:	Nigeria
First Vice-Chair:	Egypt
Second Vice-Chair:	Republic of Congo
Third Vice-Chair:	Lesotho
Rapporteur:	Ethiopia

## C. Account of Proceedings

### Opening Addresses

12. In his capacity as Chair of the outgoing Bureau, Mr. Keith Muhakamizi, Deputy Permanent Secretary, Ministry of Finance and Economic Development of Uganda, welcomed participants to the meeting and thanked the Government of Nigeria for accepting to host the meeting. He recalled some of the key recommendations made by the Committee in Kampala in May 2004 and reviewed developments at the regional and global levels since then and their implications for Africa. He urged the Committee to build on the success of the Kampala meeting by focusing discussions on issues and policies that would be useful for Africa's development.

13. The Executive Secretary of ECA, Mr. K.Y. Amoako, welcomed participants to the meeting and expressed gratitude to the Government and people

of Nigeria for hosting the meeting. He also took the opportunity to pay tribute to President Olusegun Obasanjo for his efforts in searching for solutions to Africa's problems as well as his lead role in steering NEPAD.

14. He reviewed some of the positive changes that have taken place on the Continent in various areas during the last decade. African countries have made significant strides in the area of peace and security as several old conflicts have been brought to an end, while others were being resolved under the leadership of the African Union (AU). In addition, several African countries have made progress towards strengthening good governance practices and expanding the political space as evidenced by increased participation of women in the media and civil society groups in the political process. Similarly, the economic landscape has improved with greater macroeconomic stability, higher economic growth rates, lower inflation compared to ten years ago and improved public sector management and accountability. Information technology has revolutionized the way of doing business and has positively affected the lives of millions of Africans. Efforts to build a new global partnership for development is yielding dividends as shown by the recent increase in ODA flows and the shift from conditionality to mutual accountability. Efforts to reverse Africa's declining trade performance have also been strengthened through the Doha development agenda.

15. The Executive Secretary noted that the reforms undertaken by the ECA secretariat over the last ten years had prepared it to correctly anticipate the key emerging challenges facing the continent and contribute to the advancement of the African development agenda. For example, ECA had been active in promoting good governance, advocating for the establishment of a capable and effective State for the protection of human rights, the delivery of services and the establishment of a climate for entrepreneurship and economic growth, as the foundations of development. Other key achievements include the increased capacity for analytical and advocacy work in the area of gender equality, including the development of indicators for tracking the performance of Governments towards meeting the goals enshrined in the Beijing Platform for Action. ECA has also played a key role in helping Africa to bridge the digital divide through its key role in the implementation of the African Information Society Initiative (AISI). Over 30 countries now have comprehensive national Information and Communication Infrastructure Plans (NICIs), namely e-strategies in place since the launch of this initiative in 1996.

16. However, despite the progress achieved, Mr. Amoako highlighted three fundamental issues related to the theme of the Conference on which further progress was still required. These include the issue of debt, HIV/AIDS and the overarching quest for poverty reduction. In the area of debt, the enhanced HIPC initiative had proven inadequate for addressing Africa's MDG financing needs. In this regard, he expressed support for the recent decision taken by African Finance Ministers in Dakar calling on African leaders to adopt a 'militant and forceful position' on debt cancellation at the Millennium Summit in September 2005.

17. Regarding HIV/AIDS, which is hampering Africa's effort to sustain positive economic growth rates and depleting the human capital, action is needed to scale up the fight against the disease. In this regard, he informed the Meeting of ECA's ongoing work in examining the crucial links between HIV/AIDS and Governance in Africa in the context of the Commission on HIV/AIDS and Governance in Africa established by the UN Secretary-General in 2003. The Commission's report, which will be published later this year, will present a comprehensive picture of the HIV/AIDS threat to African societies and economies, as well as provide a holistic package of options to inform policy making.

18. Mr. Amoako underlined the timeliness and appropriateness of the theme of the Meeting in view of the forthcoming AU Summit on the MDGs, the UN Special Session of the General Assembly to review progress towards the MDGs. He echoed the concerns that had been expressed in several recent reports that Africa would not reach the MDG targets by 2015 on current trends. In this regard, he welcomed several recent international initiatives intended to create a big push to help Africa achieve the MDGs. These initiatives include the reports of the Commission for Africa, which was established by the British Prime Minister, Tony Blair and the UN Millennium Project which was led by Professor Jeffrey Sachs.

19. However, implementing the recommendations on these reports would require extensive national and international efforts, to improve governance, promote entrepreneurship, mobilize domestic resources, substantially increase aid and improve the international trade regime to make it more development oriented.

20. In her opening remarks, the honourable Minister of Finance of the Federal Republic of Nigeria, Dr. Ngozi Okonjo-Iweala welcomed delegates to Nigeria. She thanked the Executive Secretary of ECA and the

Chair and members of the outgoing Bureau of the Committee for making the meeting possible.

21. She described the theme of the Conference, *“Achieving the MDGs in Africa,”* as significant and appropriate, in view of the recent reports that Africa was unlikely to meet the MDGs by 2015 on current trends. She observed, however, that it was still possible to make progress towards the MDGs within the 10 years remaining to 2015 if bold steps were taken now. In this regard, she emphasized the need for greater political will to make available the resources needed to meet the shortfalls that countries faced in achieving the goals. The Monterrey Consensus provided an adequate framework to speed up progress in this regard. The Consensus required actions by both African countries and their development partners in order to make progress towards the MDGs.

22. For African countries, they should continue to deepen their ongoing structural reforms to strengthen governance, combat corruption, improve public institutions, adopt policies and make investments to drive economic growth and mobilize domestic resources to fund national development strategies. In turn, the developed countries are expected to complement these efforts with commitments to provide additional, predictable, timely, long-term and effective financial aid, benefiting from the opportunities offered by such new financing mechanisms as the International Finance Facility (IFF). They should double ODA from the 2001 levels and the increased resources provided should be effectively managed and utilized in line with the Declaration of Rome and the Paris Declaration on Harmonization. They should open their markets to exports from developing countries and should broaden and deepen debt relief, which must be examined for sustainability and compliance with the MDGs so as to stabilize growth and increase per capita incomes. She, however, commended the significant progress made by most African countries in reforming their economies, efforts that have resulted in macroeconomic stability, higher levels of growth, reduced inflation, improved governance and increased political stability. In this regard, she cited the example of Nigeria where the reform measures initiated by the current Government was yielding impressive results in terms of higher growth and improved economic management. She also informed the meeting of the Government’s drastic actions in combating corruption.

23. She challenged African countries to work harder towards reducing poverty and improving the climate for broad-based, private sector-led growth, including the need for increased investment in infrastructure,

healthcare, education and other basic services, while creating more jobs. She urged that Africa and Africans must accept primary responsibility for the continent’s development. In this regard, Africa must drive its own development and create an environment to encourage growth that is equitable and just for the poor. She also emphasized the need to anchor actions in support of the MDGs in country-led and owned poverty reduction strategies.

24. She highlighted four key areas for consideration by the Committee. These were: (i) the extent to which the behaviour of African countries fetters their rate of progress towards the MDGs; (ii) the extent to which the structure of national budgets constrains progress towards the MDGs; (iii) how progress towards achieving the MDGs is actually measured; and (iv) the extent to which the debt burden hobbles economic growth. She concluded by calling for a monitoring framework based on mutual review that would enable both the developed and developing countries to take stock of and guide progress towards the MDGs.

### **Survey of economic and social conditions in Africa 2004-2005 [Agenda Item 3]**

25. Introducing this session, the new Chair of the Bureau, Dr George T. Irele, Acting Permanent Secretary, Ministry of Finance of Nigeria, thanked the Committee for its confidence in electing the new Bureau. He also thanked the ECA secretariat for the excellent preparation for the meeting. On the theme of the conference, he noted that adequate levels of economic growth and commitment to home-grown and nationally-owned policies and strategies were pre-requisites for achieving the MDGs in Africa by 2015. In this regard he emphasized the need to build capacity, improve governance and institutions, pursue legal, judicial, administrative and financial reforms, and invest in people, as advocated by NEPAD and the African peer review mechanism (APRM), as key elements for achieving sustained economic growth and poverty reduction. He urged African countries to scale up action in these areas and invited Africa’s development partners to complement the continent’s efforts.

26. The Committee then considered the document entitled *“Survey of Economic and Social Conditions in Africa 2004-2005”* (E/ECA/CM.38/4). The Committee was informed that Africa’s GDP grew by 4.6 per cent in 2004, up from 4.3 per cent in 2003. The main factors that contributed to this increase in growth were high international oil prices combined with increased

oil production, strong global economic recovery that increased the demand for African oil and non-oil commodities, improved agricultural performance across the continent in spite of the locust invasion in a number of West African countries, continued sound macroeconomic management, improved political situation in many countries, increased donor support in the form of aid and debt relief, as well as rising foreign direct investment and growth in the tourism sector.

27. The survey further noted that oil-exporting countries and post-conflict economies dominated the group of the fastest growing economies. High growth in post-conflict countries was the result of low initial conditions and high external aid directed towards reconstruction. On the other hand, the slowest growing economies were those experiencing high political instability and, to some extent, drought. It is projected that if the factors that drove growth in 2004 do not change dramatically in 2005, Africa would grow at an average of 5 per cent in 2005, which would be the highest growth rate in a decade.

28. In the ensuing discussion, the Committee noted that despite the improvement in economic performance, there were still several areas of concern. These included the risk of continued currency appreciation in some countries relative to the dollar and its adverse effect on export prices, low domestic savings and weak domestic investment, as well as the fact that growth has not been, so far, translated into employment creation and poverty reduction. For example, only four countries, namely Angola, Chad, Equatorial Guinea and Mozambique, achieved the growth rate of 7 per cent required to meet the Millennium Development Goal of reducing poverty by half by 2015. This occurred over the period 2000-2004. Moreover, Africa still has the highest rate of poverty in the world and its overall performance towards achieving the MDGs has been rather disappointing.

29. The Committee further noted that the deteriorating terms of trade remained a serious constraint to economic growth in Africa and that this issue needed to be given more coverage in the Report. For instance, African oil exporters' gains from high oil prices were partly lost due to higher import bills resulting from the appreciation of the Euro relative to the dollar.

30. The Committee observed that the low level of domestic savings and investment was also a constraint to economic growth. However, it recognized that high savings alone do not necessarily produce high investment. Institutional as well as financial factors are equally important in channelling savings into the

most productive sectors. In this respect, the Committee highlighted the fact that there are huge financial resources in African banks which are not being used for development purposes due to, among other things, a lack of appropriate financial regulations.

31. The Committee acknowledged that growth did not necessarily lead to employment creation and poverty reduction. Consequently, for growth to create employment and reduce poverty, pro-poor growth strategies, including appropriate income distribution policies, must be pursued. In this regard, deliberate policies targeting sectors with high potential for employment creation should be encouraged. Furthermore, the Committee noted that the issues of social development and debt were not adequately addressed in the report and that the report should seek to compare Africa with other regions and show whether the prosperity gap is widening.

32. The following policy recommendations emerged from the discussions:

33. The Committee recommended that the secretariat should undertake the necessary studies and make appropriate recommendations as to the best course of action towards achieving the MDGs given that the majority of African countries are not likely to achieve most of the targets by 2015. In this regard, the Committee urged member States to provide up-to-date information to the ECA secretariat to enable it to conduct these studies appropriately. In addition, the Committee suggested that the criteria and methodology for evaluating the MDGs should be revisited in order to ensure that they fully reflect actual country situations. The Committee also underscored the need to assess the readiness of member States to put in place feed back and evaluative mechanisms to monitor progress towards achieving the MDGs and urged ECA to assist in this regard.

34. The Committee also stressed the need for member States to pay particular attention to the issue of income distribution in their development policies given its crucial importance for successful poverty-reduction strategies. In this regard, ECA was requested to develop appropriate policy proposals for addressing such inequalities in African countries.

35. With respect to the use of the financial resources dormant in a number of African banks, the Committee recommended that ECA should undertake a study on how these resources could be productively used to finance development, including the MDGs. This would reduce Africa's continued dependence on external financial resources.

## **Presentations by the secretariat on each of the issues in the theme paper to be followed by general discussions [Agenda Item 4]**

- *Discussion on the theme of the conference: Achieving the Millennium Development Goals (MDGs) in Africa*

36. Under this agenda item the secretariat made a presentation on the theme of the Conference, achieving the Millennium Development Goals (MDGs) in Africa. The presentation outlined the key development challenges facing Africa. This included poverty and hunger, joblessness, disease, lack of shelter, environmental degradation and gender inequality. It was noted that African leaders adopted the MDGs and NEPAD in order to address these challenges.

37. The Committee was informed that while progress has been made towards achieving some of the MDGs in other regions of the World, Africa had been quite slow and uneven. Although some individual African countries have made remarkable progress on some of the goals, most African countries are not likely to meet the MDG targets by 2015. In particular, the number of people living in extreme poverty is expected to rise instead of fall by 2015. The factors mitigating against Africa achieving the MDGs include slow economic growth, HIV/AIDS, gender inequality, conflict, weak capacity to carry out the basic functions of government and ineffective policy targeting of the poor.

38. It was noted that African countries still had a chance of achieving the MDGs in the ten years remaining before 2015 because the world had at its disposal the technology, policy consensus and the financial resources to do so. However, as the Millennium Project has made clear, countries can only meet the MDGs through a massive scaling up of public investments, capacity building, domestic resource mobilization and substantial increase in ODA. For Africa to achieve the MDGs by 2015, a conceptual framework needs to be developed that utilizes an integrated approach to development, high quality growth and an equitable distribution of income. In this context, the secretariat recommended that MDGs should be fully integrated into second generation Poverty Reduction Strategies (PRSs) and particular attention should be given to addressing critical areas such as rural and urban productivity, health, education, gender equality, water and sanitation, environmental sustainability, and science and technology. Other elements cited as essential to the second generation PRSs

in order to meet the MDGs were a broader time-frame of implementation (say 10 years), increased resources, improved capacity, and deeper ownership through wider stakeholder consultation.

39. The secretariat also underscored the need for a monitoring framework in the form of mutual review of development effectiveness to be developed in the context of NEPAD that is anchored on commitments of both African government and development partners. On the side of African governments, leaders should endeavor to put in place processes and institutions for improved governance while strengthening human capacity and providing an enabling environment for private sector led growth and development. Development partner commitments require more harmonization with national priorities, a substantial increase in aid, and more support for pro-poor growth strategies targeted at achieving the MDGs.

40. The secretariat ended the presentation by highlighting a number of issues for discussion. These included the need to strengthen political commitments, the integration of regional economic communities (RECs) in national PRS; the role of RECs in achieving the MDGs; appropriate policies for human capital formation, retention and stemming the brain drain; priority steps for creating and enabling environment for the development of SMEs and small farmers; and strategies for feeding the Mutual Review methodology into the APRM process.

41. With regards to MDG 8 on global partnership, it was noted that some progress had been made in the last two years in increasing ODA towards meeting the agreed target of 0.7% of GNI. The, however, increase has not been sufficient to ensure reaching the MDGs. It was noted that while increased aid is necessary for meeting the MDGs in Africa, it was not a sufficient condition.

42. The discussion on the theme of the Conference was led off by the representative of the International Labour Organization (ILO) who emphasized the importance of employment creation for poverty reduction and meeting the MDGs. The discussant agreed that while economic growth was essential for poverty reduction, experience had shown that economic growth per se was not sufficient to reduce poverty unless it resulted in the creation of productive employment. The discussant lamented the fact that despite the centrality of employment in poverty reduction, it was not recognized as an explicit goal of the MDGs.

43. To ameliorate this, the discussant made the following recommendations, among others:

- A much higher priority must be given to employment issues in the second generation of PRS and more generally in development policies and strategies.
- There is need to encourage growth of sectors that stimulate employment such as agriculture, infrastructure, ICT, textile and tourism as well as upgrade employment and job opportunities in those sectors in which the poor work, mainly the rural and the informal economy.
- Ensure that the macroeconomic framework encourages job creation and stimulates entrepreneurship development at all levels, especially among young women and men.
- Put in place a labour market information system that tracks progress in employment, wages and other key indicators.
- Ensure in the review process of the MDGs that productive and decent work be placed as a cross-cutting goal that contributes to the realization of all the other goals.

44. In the general discussions that followed, the Committee picked up on a number of issues raised in the presentations and the opening statements of the Executive Secretary and the Nigerian Finance Minister.

45. The Committee particularly welcomed the emphasis on anchoring actions to achieve the MDGs in country-led and owned development strategies and endorsed the recommendation that a second generation of Poverty Reduction Strategies, based on enhancing and expanding existing PRSs, focus on the MDGs and address critical areas such as rural and urban productivity, employment creation, health including addressing HIV/AIDS and malaria, education, gender equality, water and sanitation, food security and nutrition, environment sustainability, regional integration, transport and strategies for responding to natural disasters and exogenous shocks. In this regard, the Committee requested ECA to assist African countries in capacity building for national ownership of the MDGs.

46. Recognizing that higher economic growth rates will be essential for achieving progress towards the MDGs, the Committee emphasized that sustainable and inclusive growth needs to be accelerated in many African countries, in particular through improving the environment for investment and private sector activity; strengthening good governance; improving public sector financial management; scaling up investment in infrastructure and paying attention to health care, education and other basic services.

47. The Committee also underlined the importance of statistics in monitoring country progress in achieving the MDGs and called for assistance to member States in improving their national statistical capacity for generating reliable data for monitoring progress. The need to link national MDGs monitoring and evaluation systems with that of ECA and its sub-regional offices was also emphasized.

48. The Committee acknowledged that mobilizing sufficient resources to support the MDGs remained a pressing challenge for African countries. It endorsed the suggestion that African countries exert stronger efforts to mobilize more domestic resources and that they implement reforms that enhance their ability to attract more private, non-debt capital flows. The Committee also took note of the importance of additional debt relief for African countries and urged the international community to honour its commitments in this regard, including commitments to increase ODA significantly for accelerated progress towards the MDGs.

49. The Committee highlighted the crucial role of improved market access for African countries in boosting economic growth. They agreed that multilateral, non-reciprocal, non-discriminatory and equitable international trading system offered the best way for Africa to escape the poverty trap. They urged developed countries to lead by eliminating subsidies and other trade-distorting barriers in heavily protected agricultural markets. They also underlined the importance of an ambitious and successful outcome to the Doha development agenda in 2006, and called on the WTO to work with others to help African countries take advantage of the tariff preferences granted to them and in mainstreaming trade policy in national development strategies.

• **Report on Mutual Review of Development Effectiveness in the context of NEPAD**

50. ECA and OECD/DAC secretariats presented a report entitled, "*Development Effectiveness in Africa – Promise and performance: applying mutual accountability in practice*". The report is a culmination of the joint technical work launched in 2003 by ECA and OECD secretariats to develop a framework for mutual review of development effectiveness. In addition to presenting the overview of the report, the presentations covered the following areas: African agricultural performance and trade issues in perspective; Good governance and capacity building; aid flows and quality; and policy coherence.

51. The overview outlined the genesis and mandate for the report. The Committee was informed that the mandate for the work was given by the NEPAD Heads of State and Government Implementation Committee in November 2002. The Committee was further informed that the report was a result of a three-year joint effort between African governments and OECD development partners and its outcomes highlighted the significant impact of policies from both sides on development effectiveness. The report is enshrined in various international and regional commitments such as the Monterrey Consensus and NEPAD. These commitments emphasized the centrality of shared responsibility, country ownership and good governance in achieving the MDGs.

52. The report has been reviewed by both OECD and African experts. In addition, the Africa Partnership Forum discussed the modalities for aligning the mutual review with other monitoring efforts at the global and regional levels. The Committee was invited to make comments which would be used to fine-tune the proposals in the report. The next steps in the process would be to submit the mutual review report to the OECD Council and the NEPAD Heads of State and Government Implementation Committee.

53. The presentation on “*African agricultural performance and trade issues in perspective*”, underscored the significance of the sector to achieving the MDGs, noting that the sector employs 60% of the total labour force in Africa and provides livelihoods for 90% of the rural population. Despite the importance of the sector, however, it is faced with a number of challenges including ineffective policies, incomplete and segmented markets, limited access to finance, poor infrastructure, low agricultural innovation and a lack of capacity to deal with risks from natural disasters. Externally, protectionist policies by OECD countries, including domestic agricultural support, export subsidies and dumping have hurt African agriculture.

54. The presentation listed the key actions that are needed on the part of African governments. These include: up scaling investment in agriculture and rural development in line with the Maputo Declaration; implementing the NEPAD Comprehensive African Agricultural Development Program (CAADP); promoting public-private sector partnerships to stabilize prices, reduce risks and help provide credit, infrastructure and extension services.

55. On the OECD side, the following issues need to be addressed: delivering on the Doha Development agenda with particular focus on the issue of market access, export subsidies and domestic support; up-

scale aid to the agricultural sector and provide support for the NEPAD CAADP; assisting African countries to cope with trade adjustment resulting from commodity price trends and preference erosion; dealing with external shocks caused by extreme price fluctuations of key commodities; and assisting African countries to advance trade facilitation efforts.

56. The presentation on “*Good governance and capacity building*”, highlighted the progress made on political and economic governance, drawing on ECA’s findings in the African Governance Report (AGR), which covered such areas as adherence to constitutionalism and democratic principles; increased macro-economic stability; and adoption of Medium Term Expenditure Framework (MTEF). Additional improvements were observed in institutional effectiveness and accountability. The presentation also highlighted the persistence of traditional institutions of governance, which in many rural areas represented the predominant form of local government. In spite of these gains, however, a number of challenges remained. These included: violent conflicts; corruption; lack of gender equity; limited progress in human rights; weak economic growth; poverty; and weak state and non-state governance institutions, characterize by capacity deficits.

57. The action frontiers underscored the need to deepen and extend good governance across Africa; improve economic management and public financial systems; and strengthen systems for increasing transparency and accountability. Regarding capacity building, there is need to create national strategies for country specific capacity development; establish a monitoring process with performance indicators; address the brain drain; reform the civil service; and strengthen Africa-wide mechanism for mutual learning, such as the ECA’s PRSP learning group. On the part of OECD partners, action frontiers include support for AU conflict prevention and peace building capacities; assisting African countries in addressing policy and technical issues related to economic and corporate governance; and aligning donor approaches to capacity development.

58. The OECD/DAC presentation on aid flows and quality, and policy coherence observed that there had been a change in the aid paradigm from “donorship” to “ownership” requiring systemic capacities and accountabilities, and aid predictability. It further observed that the mutual review as it relates to aid is rooted in the Monterrey and G8 commitments. Recent estimates of aid requirements made by the UN MDG report, the Africa Commission and the World Bank Global Monitoring Report, all agree to substantially scale up aid.

59. Action frontiers on scaling up aid flows on the African side underlined the need to develop at the same time strong policies for domestic resource mobilization, while the development partners would accelerate progress to increase ODA levels and provide for a high degree of predictability and forward planning. There was also a need to take cognizance of problems faced by fragile states and address multilateral debt. On the issue of aid quality, the action frontiers defining the joint commitments and measurable targets for ownership, alignment, harmonization and result-based management are contained in the Paris Declaration on Aid.

60. With respect to policy coherence, the action frontiers underscored the need for a holistic approach to policy formulation. To this end, Africa would need to build capacity for harmonizing its position in international negotiations, rationalize the RECs and their mandates, and make concerted effort to address the issue of corruption. On the OECD side, the need for consistency in aid, trade and debt policies with the attainment of the MDGs, was underscored. OECD countries would also need to support a successful Doha Round outcome that facilitates better market access, eliminate export subsidies and reduce domestic support.

61. In the discussions that followed the presentations, the Committee underscored the importance of agriculture to the revitalization of African economies. In this context, a number of challenges were observed including the need to modernize rural areas, especially in the areas of health and infrastructure, rather than merely focus on agricultural development. The Committee further observed that issues of market access and the erosion of trade preferences were impeding Africa's trade in agricultural products. Trade was also constrained by a wide range of technical non-tariff barriers to market access in developed countries.

62. With regard to aid volume, the Committee observed that it was well below the international commitments while the absorption capacity in a number of African countries was also low. This problem was further compounded by the complex and bureaucratic procedures for accessing ODA. The Committee noted in this regard that some donor policies may actually contradict the goals of the Paris Declaration. The Committee also noted that various terms and conditions are imposed on countries, irrespective of their individual circumstances, and used to deny them access to external resources.

63. While the Committee welcomed the mutual review report, it stressed the need for flexibility in its

implementation to allow for new commitments to be accommodated. With regard to the periodicity of reviews, the Committee expressed the need for more frequent reviews than the proposed biennial reviews. The Committee underlined the need for reliable data to underpin the reviews and called for capacities to be strengthened in this critical area since, much of the present data relies on OECD sources. There was also need to involve the African multilateral institutions in the review process.

64. The Committee made the following recommendations in support of operationalizing the mutual review framework:

- African countries should demonstrate ownership of development outcomes through actions that are consistent with their national development vision and priorities. This should be supported by enhanced efforts to mobilize domestic resources to achieve development goals. The Committee urged development partners and ECA to help in this direction.
- Aid flows should complement national development strategies and such aid should be provided through budget support for MTEFs. In turn, capacities to design and implement MTEFs should also be strengthened. To this end, budget allocations need to be accompanied by performance benchmarks based on various commitments that African countries have made at the regional and international levels.
- Similarly, there should be greater harmonization and coordination in aid policy and management among donors. In addition to improving aid effectiveness, this would reduce the burden of reporting and reduce transaction costs.
- Africa should build capacities to promote international trade in agricultural products. Particularly, capacity building should be directed at understanding the technical barriers to trade.
- In addressing constraints to international trade, especially with respect to market access, tariff peaks and the erosion of trade preferences, Africa should seek to harmonize their positions to ensure that a strong African voice is heard within the negotiations in the WTO.
- There was need to address the issue of resource additionality in debt relief efforts to ensure that debt relief does not replace new ODA.
- Capacities for participating in the mutual review process should be strengthened. In this respect, ECA was requested to increase its assistance to African countries to determine the unfilled gaps with respect to commitments of development partners. Capacity building should also address

weaknesses in availability of data from African sources to facilitate the reviews.

- African countries should explore ways and means to harness the expertise of Africans in the Diaspora, in addition to efforts to reverse the brain drain.
- The ECA should work with the AU, NEPAD and the ADB to further the work of the mutual accountability process.
- Welcomed the work of the APF to implement the mutual accountability process.

65. In the light of the above observations and recommendations the Committee took note of the report.

### **Special presentation: Overview of the Collaborative African Budget Reform Initiative; [Agenda Item 5]**

66. A special presentation was made by Mr. Neil Cole, a representative of South Africa, to the Committee on a new initiative known as the “*Collaborative Africa Budget Reform Initiative (CABRI)*” which was launched in Pretoria, South Africa, in December 2004 by the Minister’s of Finance of South Africa, Mozambique and Uganda. The long term objectives of the initiative were to support reform efforts in African countries, improve public financial management and contribute to improving service delivery and the attainment of social development objectives. The immediate objective of the initiative was to set up a forum that brings together senior budget officials (SBO) to share experiences, deliberate on issues related to improvements and reform of budgeting systems, and promoting collaborative programmes in the area of budget reforms. The Committee was informed that the initiative has received support from OECD and EU. The first activity of this initiative, which was a seminar on budget reform was attended by sixteen African countries, the World Bank, AFRITAC, GTZ and MEFMI.

67. It was further explained that the initiative was driven by the fact that strong public financial management was critical for the functioning of an effective and democratic state and that an efficient budgetary planning exercise was a key determinant of success in the delivery of basic services. The expected results of CABRI were to improve national capacity for designing and implementing public financial management reforms and increase awareness and buy-in from political leaders.

68. The Committee was informed that the next meeting of CABRI would be held in Nairobi, Kenya,

from 20 to 21 June 2005. The meeting is intended to launch the SBO Network. The activities of the proposed network were: to peer review Africa’s public expenditure management system; organize annual thematic as well as networking meetings of senior African budget officials; and to serve as a repository for information on public expenditure management systems in Africa. All member States interested in the initiative were invited to participate at the Nairobi meeting in June 2005.

69. In the ensuing discussion, the Committee sought clarification on a number of issues related to the initiative. The Committee expressed concern about which continental organization (AU, ECA, ADB) would host this initiative and its network. In addition, the Committee observed that while economic reform was an integrated process, however, the initiative was considering only one aspect of the reform process (i.e. budget reforms) and wondered how the initiative will track public expenditures within the three phases of the national budget process, namely, planning, execution, monitoring and evaluation.

70. The Committee also underlined the need for the initiative to take into account external factors and monetary policies in addressing budgetary issues.

71. The Committee further noted that CABRI was a useful tool for assisting member States in incorporating international budgeting standards and practices in their national budgeting processes. The Committee took note of the offer from the World Bank to support and assist the consolidation of the initiative.

### **Recommendations:**

72. Based on the above discussions a number of recommendations were made. It was recommended that policy issues (pro-poor growth and fiscal strategies), and budget implementation and monitoring aspects, including revenue collection, should be included in the mechanism. It was also suggested that statisticians, lawyers, parliamentarians and planners should be involved in the network and be invited to the June meeting to prepare themselves to have a better understanding of the initiative, to enable more African countries to buy into it.

### **Statutory Issues: [Agenda Item 6]**

- *Consideration of the 2005 annual report on the work of ECA*

73. Under this agenda item, the Committee had before it a document entitled, Annual

Report, 2005 for its consideration and comments. The report provides a review of the major activities undertaken by the Commission, including its subsidiary organs, during the period between June 2004 to May 2005.

74. The secretariat highlighted the major accomplishments of the Commission in addressing Africa's development challenges mainly through each of its eight subprogrammes namely facilitating economic and social policy; fostering sustainable development; strengthening development management; harnessing information for development; promoting trade and regional integration; promoting the advancement of women; and supporting sub-regional activities for development. The Committee noted the importance of the new subprogramme on development planning and administration, which is implemented by its African Institute for Economic Development and Planning. Moreover, it took note of the major accomplishments with respect to assisting member States and their institutions in developing and strengthening capacities to design and implement development policies and programmes through technical cooperation activities.

75. The Committee was informed that the secretariat had intensified activities in the period under review aimed at supporting the efforts of member States in addressing the development challenges they confront. In this regard, the secretariat prepared member States for important international events of relevance for their development. These include the forthcoming Global review of progress in the implementation of the MDGs to be held in September 2005; the ten-year review of the implementation of the Beijing Platform for Action in February 2005; preparation for the International Conference on Population and Development in Africa (ICPD+10) in June 2004; preparation for the policy session of the Commission on Sustainable Development (CSD 13) in April 2005; preparation for the second phase of the World Summit on the Information Society (WSIS) to take place in Tunis in November 2005; and preparation for WTO Ministerial meeting to be held in Hong Kong in December 2005.

76. The Committee's attention was also drawn to several important flagship publications which were prepared and released during the reporting period. These included the *Economic Report on Africa (ERA) 2005* which addressed the critical employment-poverty nexus; the *African Governance Report (AGR)* focusing on governance issues and which was presented as a background paper at the Fourth African Development Forum (ADF IV) in October 2004; and the first report on the Assessment of Regional Integration in

Africa (ARIA), launched in July 2004, which presents an assessment of progress towards regional integration in Africa. The latter was prepared in the collaboration of the African Union (AU), the African Development Bank (ADB) and the support of the European Union (EU), and the World Bank.

77. The secretariat also presented a summary of major recommendations from meetings held by its subsidiary bodies and intergovernmental committee of experts of the subregional offices (SROs) during the period under review including: the Committee on Human Development and Civil Society (CHDS); the Committee on Development Information (CODI); the Intergovernmental Committee of Experts for North Africa; the Intergovernmental Committee of Experts for Central Africa; the Intergovernmental Committee of Experts for West Africa; the Intergovernmental Committee of Experts for East Africa; the Committee on Trade and Integration (CRCI); and the Bureau of the Committee on Sustainable Development (CSD). The conclusions and recommendations of these meetings are provided in detail in the report.

78. In the discussions that followed the presentation, the Committee welcomed the improvements in this year's report, particularly the focus on tangible achievements. The Committee commended the secretariat for the quality and comprehensiveness of the report. However, the Committee expressed concerns over some of the issues, which, if addressed adequately, could further improve the performance of ECA. Some of the major issues addressed by the Committee in this regard were the need to establish a more proactive and structured relationship with relevant Ministries in member States and establish a feedback mechanism to enhance communication and cooperation between ECA and its member States.

79. Within the context of ECA's technical cooperation programme, the Committee noted that ECA has an important role to play in enhancing technical cooperation and that it should continue to assist African countries in their development efforts.

80. Furthermore, the Committee appreciated the amount of work carried out by the ECA during the reporting year. However, the Committee observed that ECA needed a better outreach strategy to bring its activities closer to the member States, in particular to the conflict-affected countries and countries in special situation.

81. The Committee also noted that there was currently a dispersion of efforts in African countries by various

development partners and proposed that ECA put in place a technical cooperation framework to ensure effective coordination and coherence among various organizations in order to avoid duplication of effort.

### Recommendations

- ECA should establish a feedback mechanism for effective communication with member States;
- ECA should play a more active role in building capacities of African countries;
- ECA to put in place a technical cooperation framework to ensure better coordination and coherence among various organizations and avoid duplication.

82. In the light of the above observations and recommendations, the Committee took note of the report.

### Proposed Programme of Work and Priorities for the Biennium 2006-2007 [Agenda Item 7]

83. The secretariat presented a document entitled, "Proposed Programme of Work for the Biennium 2006-2007 (E/ECA/CM.38/3). The work programme was in line with the 2006-2007 Programme Plan, which was previously endorsed by the Conference of Ministers of Finance, Planning and Economic Development, at its session held in Kampala in May 2004. The programme of work was also based on the logical framework of the results – based management (RBM) framework of the United Nations, which aims at establishing linkages between objectives, expected accomplishments, indicators of achievement and outputs to be delivered by the Commission. The proposed work programme also takes fully into account the goals and priorities of NEPAD and the internationally agreed development goals, including those contained in the United Nations Millennium Declaration and in the outcomes of the major United Nations conferences and international agreements.

84. The Committee was invited to carefully examine the programme of work and recommend its endorsement by the Conference of Ministers. The proposed biennial programme of work and priorities, together with the summary of the observations and amendments by the ECA Conference of Ministers and its Committee of Experts, will be submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in June 2005 when it considers the Secretary-General's Proposed Programme Budget for the biennium 2006-2007 of the whole United Nations Secretariat.

85. In the discussions that ensued, the Committee expressed some concerns about the overlap between the current AU strategic plan and priorities and the objectives and activities contained in the ECA proposed programme of work. On this issue, the ECA Acting Deputy Executive Secretary informed the Committee of the ongoing efforts to coordinate activities of the two institutions. For instance, frequent meetings between the two chief Executives of these organizations have been instituted to discuss these issues on a regular basis. In addition, there is a regular interface between staff of both organizations at the technical level. It also noted that, at country level, there is inadequate coordination between ministries responsible for Finance, Economic Development and Planning that work mostly with ECA, and Foreign Affairs Ministries that work mostly with AU.

86. The Committee recognized that lack of sufficient resources may impede successful implementation of the programme and pointed out that the programme is silent on partnerships required for its full implementation.

87. Furthermore, the Committee observed that external factors may adversely affect the implementation of the programme and noted that efforts should be made by all stakeholders to minimize these negative effects. The Committee also observed that some performance measures included in the programme are not clear and that the modalities on how specific needs of post-conflict economies will be met are not adequately reflected in the programme.

### Recommendations

88. In light of the above observations, the Committee made a number of recommendations. It urged ECA to work hand in hand with other continental institutions. For example, the Committee invited the ECA secretariat to coordinate its programme on statistics with relevant institutions such as AFRISTAT.

89. The Committee underscored the need for sufficient resources to allow ECA implement its work programme once it has been approved. More particularly, emphasis was placed on IDEP work programme given that the institution has, so far, relied heavily on country contributions which are sometimes unpredictable.

90. The Committee called upon the secretariat to use performance measures which are explicit enough for proper evaluation. The Committee also requested that ECA organize workshops on UN programme planning and budget procedures to help member states

better interpret the work programme and its evaluation. The Committee urged the secretariat to ensure that the concerns of member states are reflected in the final version of the work programme.

91. The Committee urged ECA to enhance its collaboration with the AU, particularly in organizing meetings in order to promote synergies and reduce duplication.

92. Finally, the Committee proposed that the objective of Subprogramme 7 read as follows: "To harmonize the various sectoral policies at the national level to foster subregional integration, bearing in mind all the cooperation and joint development initiatives taken at the subregional, regional and international levels, and adapting the general objective to each sub-region's specific circumstance in terms of development needs, progress made and level of implementation of the MDGs and NEPAD."

93. In light of the above observations and recommendations the Committee endorsed the proposed biennial programme of work and priorities for the period 2006-2007.

#### **Any Other business: [Agenda Item 8]**

94. No issue was raised under this item.

#### **Adoption of the Report: [Agenda Item 9]**

95. The Committee adopted the present report together with the draft resolution contained in the annex attached to this report for consideration by the Conference of African Ministers of Finance, Planning and Economic Development.

#### **Closure of the meeting: [Agenda item 10]**

96. In his brief statement to the closing session, Mr. Omar Kabbaj, President of the African Development Bank (ADB) Group noted that this was the third year in a row that ECA and ADB had successfully held their annual meetings back to back, which further strengthened the collaboration between the two institutions.

97. He underscored the importance of the theme of the Conference for Africa's development and outlined three key policy challenges that African countries would need to address if they are to achieve

the MDGs. These include the need to significantly increase and broaden economic growth as a means of raising income; investing in education and healthcare and improve access to basic social services; and scale up investment in infrastructure.

98. Mr. Kabbaj said that the Bank, for its part, had been assisting its regional member countries on a number of fronts to raise growth rates to the 7 per cent required to achieve the MDGs. Areas in which the Bank has been active include agriculture and rural development, health and education, private sector development, particularly small- and medium-scale enterprises. He said the Bank had also undertaken various initiatives in promoting regional cooperation and integration, mainstreaming good governance and gender equality and promoting sustainable management of natural resources, including water and sanitation, regional infrastructure, banking and financial standards, and promoting indigenous entrepreneurship.

99. In concluding, Mr. Kabbaj noted that support from the international community remained critical, especially with respect to ODA, debt relief and market access for Africa's exports.

100. In his closing remarks, Mr. K.Y. Amoako, Executive Secretary of ECA, thanked Mr. Kabbaj for his efforts in fostering stronger collaboration with ECA throughout his tenure as the Bank's President. He also thanked Dr. Ngozi Okonjo-Iweala, Minister of Finance of the Federal Republic of Nigeria, for her leadership and the excellent manner in which she presided over the Conference. He commended the panelists and speakers for their high-level and stimulating contributions to the discussions.

101. Taking stock of his 10-year tenure as Executive Secretary of ECA, Mr. Amoako said he was pleased to observe that there had been a remarkable increase in attendance by Ministers at the Conference. He attributed this to the improvement in the format of discussions, allowing for a frank and open dialogue on key issues. He called on the Conference to maintain the engagement with development partners and welcomed the role entrusted to the ECA secretariat in this regard.

102. In concluding, Mr. Amoako thanked ECA staff for their hard work and excellent preparation for the Conference. He informed the Ministers that the present session of the Commission would be his last as Executive Secretary, and thanked them for the support he enjoyed from member States over the past ten years.

103. On her part, Dr. Ngozi Okonjo-Iweala, the Chair of the Conference, commended Mr. K.Y. Amoako for his outstanding leadership and passion in dealing with Africa's development challenges. She noted that through his efforts, ECA had become a useful agent for promoting Africa's development and

that the discussion during the Conference provided ample evidence of the importance of ECA's work. On behalf of all the other Ministers, she wished him success in his future undertakings.

104. The Chair then declared the session closed.

## ANNEX III

### List of Documents

1. E/ECA/COE.24/1DRAFT PROVISIONAL AGENDA
2. E/ECA/COE.24/1/Add.1/Rev.1DRAFT ANNOTATED AGENDA
3. E/ECA/COE.24/Inf.1/Rev.1 DRAFT PROGRAMME OF WORK
4. E/ECA/CM.38/1/Rev.1DRAFT PROVISIONAL AGENDA
5. E/ECA/CM.38/1/Add.1/Rev.1DRAFT ANNOTATED AGENDA
6. E/ECA/CM.38/Inf.1/Rev.2 DRAFT PROGRAMME OF WORK
7. E/ECA/CM.38/2 ANNUAL REPORT 2005
8. E/ECA/CM.38/3 PROPOSED PROGRAMME OF WORK FOR THE BIENNIUM 2006-2007
9. E/ECA/CM.38/4 SURVEY OF ECONOMIC AND SOCIAL CONDITIONS IN AFRICA 2004-2005
10. E/ECA/CM.38/5 ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS (MDGs) IN AFRICA: AN ISSUES PAPER
11. E/ECA/CM.38/6 MUTUAL REVIEW OF DEVELOPMENT EFFECTIVENESS IN THE CONTEXT OF NEPAD – INTRODUCTION
12. E/ECA/CM.38/7 UNITED NATIONS TRUST FUND FOR AFRICAN DEVELOPMENT (UNTFAD) – A NOTE BY THE SECRETARIAT
13. E/ECA/CM.38/8 REPORT OF THE TWENTY-FOURTH MEETING OF THE COMMITTEE OF EXPERTS OF THE CONFERENCE OF AFRICAN MINISTERS OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT
14. E/ECA/CM.38/9 MINISTERIAL STATEMENT