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**First Joint Annual Meetings of the African Union Conference of
Ministers of Economy and Finance
and the Economic Commission for Africa Conference of African
Ministers of Finance, Planning and Economic Development**

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**REPORT OF THE COMMITTEE OF EXPERTS OF THE FIRST JOINT MEETING
OF THE AU CONFERENCE OF MINISTERS OF ECONOMY AND FINANCE AND
ECA CONFERENCE OF AFRICAN MINISTERS OF FINANCE, PLANNING AND
ECONOMIC DEVELOPMENT**

Introduction

1. The meeting of the Committee of Experts of the first Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development was held in Addis Ababa, Ethiopia, from 26 to 29 March 2008. Preliminary remarks were made by the following officials: Mr. Getachew Adem, Head of the Development Planning and Research Department, Ministry of Finance and Economic Development, Federal Democratic Republic of Ethiopia, Chairperson of the outgoing Bureau of the Committee of Experts of the ECA Conference of Ministers; Mr. Paul Ekorong, Chairperson of the outgoing Bureau of Experts of the AU Conference of Ministers of Economy and Finance and Chargé d'affaires of the Embassy of the Republic of Cameroon in Addis Ababa; Dr. Maxwell Mkwezalamba, Commissioner for Economic Affairs, African Union Commission; and Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of the Economic Commission for Africa (ECA). The opening statement was made by His Excellency Mr. Mekonnen Manyazewal, State Minister of Finance and Economic Development, Federal Democratic Republic of Ethiopia.

A. Attendance

2. The meeting was attended by representatives of the following Member States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central Africa, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Gabon, Gambia, Ghana, Guinea, Kenya, Liberia, Libya Arab Jamahiriya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome-et-Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe.

3. The following Regional Economic Communities were also represented: Central African Monetary and Economic Community (CEMAC); Common Market for Eastern and Southern Africa (COMESA); East African Community (EAC); Economic Community of Central African States (ECCAS); Economic Community of West African States (ECOWAS); Indian Ocean Commission (IOC); Southern African Development Community (SADC); Community of Sahel-Saharan States (CEN-SAD); Economic Community of Great Lakes Countries (CEPGL); West African Economic and Monetary Union (UEMOA); New Partnership for Africa's Development (NEPAD).

4. The following United Nations bodies and specialized agencies were also represented: Food and Agriculture Organization of the United Nations (FAO); International Labour Organization (ILO); International Monetary Fund (IMF); International Telecommunication Union (ITU); United Nations Children's Fund (UNICEF); United Nations Convention to Combat Desertification (UNCCD); United Nations Conference on Trade and Development (UNCTAD); United Nations Development Programme (UNDP); United Nations Educational, Scientific and Cultural Organization (UNESCO); United Nations Human Settlements Programme (UN-HABITAT); United Nations Environment Programme (UNEP); United Nations Department of Safety and Security (UNDSS); United Nations Population Fund (UNFPA); United Nations Industrial Development Organization (UNIDO); United Nations High Commissioner for Refugees (UNHCR); United Nations Office of the High Commissioner for Human Rights (UNOHCHR); United Nations Development Fund for Women (UNIFEM); United Nations Liaison Office with the African Union

(UNLO-AU); World Food Programme (WFP); World Health Organization (WHO); World Intellectual Property Organization (WIPO); World Meteorological Organization (WMO); World Trade Organization (WTO); International Civil Aviation Organization (ICAO); International Fund for Agricultural Development (IFAD); Joint United Nations Programme on HIV/AIDS (UNAIDS); Universal Postal Union (UPU); and the World Bank.

5. Observers from the following Member States of the United Nations were present: Austria; China; Denmark; Finland; India; Italy; Netherlands; Sweden; State of Palestine; the Russian Federation, the United States Mission to the African Union.

6. Observers from the following organizations were also present: Action Aid International; African Capacity-Building Foundation (ACBF); African Centre for Development and Strategic Studies (ACDSS); African Centre for Applied Research and Training in Social Development (ACARTSOD); African Public Health Development Trust; African Center of Meteorological Applications for Development (ACMAD); African Committee of Experts on the Rights and Welfare of the Child (ACERWC); African Futures Institute (AFI); African Forum and Network on Debt and Development (AFRODAD); Africa Monitor; African Research and Resource Forum (ARRF); Association of Central Banks; Arab Bank for Development in Africa (BADEA); Bank of Central African States (BEAC), Central Bank of West African States (BCEAO); Department for International Development (DFID); Friends of ECA; Femmes Africa Solidarité et Information et Communication; Global Call to Action Against Poverty; International Food Research Institute (IFRI); Japan International Cooperation Agency (JICA); League of Arab States (LAS); International Organization of the Francophonie (OIF); Organization for Economic Cooperation and Development (OECD); United States Agency for International Development (USAID); United Nations Millennium Campaign; and MWENGO.

B. Adoption of the Agenda and Election of the Bureau

7. The following agenda was adopted by the Committee:

1. Opening of the meeting
2. Election of the Bureau
3. Adoption of the draft agenda and programme of work
4. Overview of recent economic and social developments in Africa
5. Assessment of progress on regional integration in Africa
6. Follow-up to the previous conferences
 - *Follow-up to the last session of ECA Conference of African Ministers of Finance, Planning and Economic Development: ECA Annual Report, 2008;*
 - *Follow-up to the last session of the AU Conference of Ministers of Economy and Finance (CAMEF II).*

7. Follow-up to major AU and United Nations conferences and summits
 - *African Charter on Statistics;*
 - *Climate change: African perspectives for a post-2012 agreement;*
 - *Regional review of financing for development: Perspectives of African countries on the Monterrey Consensus – Survey results;*
 - *Assessing progress in Africa towards the Millennium Development Goals 2008 report;*
 - *Regional review of the ECOSOC Annual Ministerial Review (AMR).*
8. Sectoral policy issues
 - *Major trade issues:*
 - *Economic Partnership Agreements negotiations: A comparative assessment of the interim agreements*
 - *Aid-for-Trade: Progress on the initiative and report on mandate to ECA*
 - *Coordination of statistical capacity-building efforts in Africa: An Africa perspective;*
 - *Science and technology for development: Outcome and recommended actions of the Science With Africa Conference;*
 - *United Nations system-wide support to the African Union and its New Partnership for Africa's Development (NEPAD) programme.*
9. Statutory issues:
 - *ECA's report on the external review of the African Institute for Economic Development and Planning (IDEP);*
 - *Proposed ECA Strategic Framework / Biennial Programme Plan for the period 2010-2011.*
10. Presentation and discussion on the theme: *Meeting Africa's New Development Challenges in the 21st Century*
11. Any other business
12. Consideration and adoption of the draft report of the Committee of Experts and draft resolutions
13. Closing of the meeting

Election of the Bureau

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

Chairperson:	Ethiopia
First Vice-Chairperson:	Chad
Second Vice-Chairperson:	Algeria
Third Vice-Chairperson:	Côte d'Ivoire
Rapporteur:	Swaziland

9. The election of Officers was conducted in the context of the current transitional phase of the Joint Conference, which was meeting for the first time. The African Union Commission (AUC) and the ECA secretariat would meet later to decide on the rules and procedures regarding the composition of the bureau for future joint meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development of member countries reflecting realities in both organizations.

C. Account of Proceedings

Opening addresses

10. In his opening remarks, Mr. Paul Ekorong, Chairperson of the outgoing Bureau of Experts of the second African Union (AU) Conference of Ministers of Economy and Finance (CAMEF II), welcomed participants to the meeting and briefed them on the outcomes of CAMEF II, held in Yaoundé, Cameroon, in November 2006. The main objective of CAMEF II had been to consider and make recommendations on major economic issues and challenges facing African countries, including: the strategy for accelerating the establishment of three major African financial institutions (as contained in Article 19 of the Constitutive Act of the African Union), namely, the African Central Bank (ACB), the African Investment Bank (AIB) and the African Monetary Fund (AMF); the roadmap for the rationalization of the regional economic communities (RECs); the report of the meeting of African Directors-General of Customs; the review of the Aid-for-Trade initiative; the development of microfinance in Africa; and the African Charter on Statistics.

11. There had been strong support by African countries for the establishment of those three continental financial institutions, and various modalities had been considered for their effective functioning. On the rationalization of the RECs, the Conference had recommended that a thorough review of the costs and benefits of multiple memberships should be undertaken. It had also underscored the need to: strengthen coordination among the RECs, especially the eight recognized institutions; involve Ministers of Finance and Planning in ongoing trade negotiations, particularly in relation to customs issues; establish national committees on Aid-for-Trade; promote diversification of production; improve the quality of African products; mainstream trade into national policies and programmes; promote microfinance through the establishment of a refinancing mechanism and exchange of best practices; and develop an African Charter on Statistics, along with a development fund for statistics.

12. Mr. Getachew Adem, Chairperson of the outgoing Bureau of the Committee of Experts of the ECA Conference of Ministers of Finance, Planning and Economic Development, welcomed

participants to the meeting and noted that holding joint meetings of the two bodies was a good development, given the need for both institutions to interact on common issues and challenges. He recalled some of the important recommendations of the 26th meeting of the Committee of Experts in March 2007 and reviewed progress in implementation. The Bureau and the secretariat had made significant gains in several critical areas since that meeting. Chief among them had been: the organization of the Ministerial Meeting on Financing for Development held in Accra, Ghana in May 2007 on the theme: “*Infrastructure for Growth—the Energy Challenge*”; participation of some African countries in the first global Annual Ministerial Review of progress towards the Millennium Development Goals (MDGs) in Geneva; support to several countries in preparing their national development strategies aligned with the MDGs and other development goals; development of the *MDG Mapper*, a tool for planning and monitoring progress towards the MDGs at country level.

13. Throughout the year, the Commission’s advocacy, research and training programmes in support of the MDGs had focused on policy issues related to poverty reduction, statistics, social development, trade negotiations, information, science and technology, gender, governance and public administration and climate change. The Commission had continued to contribute and provide technical support to the African Peer Review Mechanism (APRM) process as a way of speeding up progress towards the MDGs. In addition, ECA was participating actively in the work of the MDG Africa Steering Group and the MDG Africa Working Group, established by the United Nations Secretary-General in September 2007 to mobilize resources and sustain international support for achieving the MDGs in Africa. The Executive Secretary of ECA was a member of the MDG Africa Working Group, and the Chairperson of the AU Commission and the President of AfDB were both members of the Steering Group.

14. On the theme of the Conference, the Chairperson noted that Africa must address its immediate and long-term challenges in order to improve the human condition of its people and accelerate the achievement of the MDGs in the region. In that connection, he called on the Committee to critically examine policy options and make concrete recommendations for effective action to overcome those challenges.

15. Finally, the Chairperson thanked his colleagues on the Bureau and all the members of the Committee for the excellent cooperation he had received during his tenure as Chairperson of the Bureau. He also commended the Executive Secretary and the entire staff of ECA for the considerable work that had been undertaken during the previous year to further reposition the Commission and advance the implementation of Africa’s development agenda.

16. Dr. Maxwell Mkwezalamba, Commissioner for Economic Affairs of the African Union Commission, recalled that the decision to hold joint meetings had been reached at CAMEF II in Yaounde in November 2006, and subsequently endorsed by the AU Summit of January 2007. The current first joint meeting was important for the partnership between ECA and AUC. He commended Mr. Abdoulie Janneh, Executive Secretary of ECA, for his vision, commitment and leadership in co-organizing the Conference. He greatly valued the collaboration between the two institutions and looked forward to its growth. He congratulated the Executive Secretary and the entire staff of ECA on the Commission’s golden jubilee anniversary and for the important role played by ECA in the continent’s development since its inception. He called upon ECA to continue to support the African Union and its NEPAD programme.

17. The theme of the Conference could not have been more timely. Employment creation was a challenge that had followed Africa into the 21st century, raising serious concerns about the continent's ability to achieve poverty reduction. To address that challenge, African Heads of State and Government had adopted the Ouagadougou Declaration and Plan of Action on Employment and Poverty Reduction in 2004.

18. Closely linked to employment was the increase in food and energy prices, which should not be seen as a temporary phenomenon, but should be understood in all its complexity. Since some of the forces behind the increase in food prices were climate-related, climate change was another challenge that had to be addressed. Accordingly, African Heads of State and Government, at their Summit in January 2007, had called upon African countries to develop policies and strategies to combat that threat. The AUC, ECA and the Global Climate Observing System had launched a plan of action called "Clim-Dev Africa", which aimed to mainstream climate information into policy-making processes. Another challenge that had followed Africa into the 21st century was the HIV/AIDS pandemic. To address that, the Committee might wish to consider modalities and policy options to ensure that African countries increased their health budget allocations to the 15-per-cent minimum set in the 2001 Abuja Declaration.

19. Mr. Abdoulie Janneh, Executive Secretary of ECA, welcomed participants to the meeting and noted that their presence was a strong indication of support for the idea of the joint meetings of the AU Conference of African Ministers of Finance (CAMEF) and the ECA Conference of African Ministers of Finance, Planning and Economic Development. He conveyed to the outgoing chairpersons and both Bureaus, his appreciation for the generosity of their respective countries – Cameroon and Ethiopia – in hosting the last two meetings. He also thanked the members of both bureaus for their contribution.

20. The current meeting was important, given the greater synergies and coherence it would bring in tackling key economic and social issues in Africa, and the closer collaboration it would forge between the two institutions. Moreover, it coincided with the 50th anniversary of ECA. While the previous year's theme of – *Accelerating Growth and Development to Meet the MDGs* remained relevant, the Committee should continue searching for ideas to address emerging challenges that could compromise the attainment of the MDGs; hence the current theme – *Meeting Africa's New Challenges in the 21st Century*.

21. He stressed the need for maintaining growth at an average of 7 per cent per annum if the MDGs were to be met, since Africa's recent growth performance had yet to result in meaningful employment opportunities and poverty reduction. Growth and employment were at the core of the poverty challenge in Africa, because creating decent jobs was the best way to raise living standards in African countries. Growth and full employment in Africa would only be achieved if care was taken to: improve governance and build capable States; empower the poor and create wealth; and address climate change and rising food and energy prices. Bold and imaginative leadership would be required to tackle those challenges and move Africa's development agenda forward.

22. Briefing the meeting on new policy and programme initiatives taken by the secretariat, he highlighted ECA efforts on climate change, including the planned establishment of the African

Climate Policy Centre at ECA, which would serve as the policy arm of the Clim-Dev Africa programme. The Centre would be established in partnership with The Energy Resources Institute (TERI) of India under an agreement to be signed with Dr. Rajendra Pachauri, Director-General of the Institute, at the time of the Conference of Ministers. He also highlighted some of the major achievements of the secretariat in areas such as statistics, finance, trade, science and technology, gender and knowledge management, including measures taken to strengthen ECA subregional offices to enable them to provide effective support to the RECs. ECA efforts in those areas continued to be underpinned by efforts to strengthen collaboration with a wide range of partners - AU, AfDB, RECs, other United Nations agencies, bilateral partners, and research and academic institutions - in implementation of the ECA Business Plan (2007-2009).

23. In his opening statement, His Excellency Ato Mekonnen Manyazewal, State Minister, Ministry of Finance and Economic Development, Federal Democratic Republic of Ethiopia, welcomed participants to the meeting. He said that the current meeting was important for three reasons. First, it was the first joint meeting of the Committee of Experts of the African Union and ECA. Second, it would also be the first meeting taking place in the Ethiopian Millennium, which had also been recognized as the African Millennium; and third, it coincided with the 50th anniversary of ECA.

24. He found the Conference theme both timely and relevant as it provided an opportunity to review and define persistent challenges and, on the basis of shared experiences, to discuss the best ways of tackling them. Discussion on that theme would build on the work that the Committee and the Conference had undertaken in recent years and enable participants to review previous conference themes in a holistic and meaningful way. Addressing the challenges of accelerated growth and the MDGs required multi-sectoral approaches and combined efforts.

25. While all African countries could not adopt the same blueprint, they must learn from each other's experiences, identify the key factors for success and adapt them to meet local challenges. Because development financing remained essential for accelerating growth and achieving the MDGs, African countries should do more to: enhance domestic resource mobilization; broaden and deepen reforms to push annual growth rates to around 7 per cent in order to reduce poverty; and improve the climate for broad-based, private sector-led growth by scaling up investment in infrastructure, health care, education, gender equality and capacity-building. Africa also needed a new approach in working with its development partners to ensure that they followed through on their commitments to double aid to the continent by 2010 and that financing for Africa's development priorities would be sustainable and predictable.

26. Ethiopia had designed appropriate policies, strategies and programmes to accelerate and end poverty, as articulated in detail in its current Five Year Plan- PASDEP - (2005/6 - 2009/10). The Plan for Accelerated and Sustainable Development to End Poverty (PASDEP) was anchored around the following strategies; building an all-inclusive implementation capacity; making a strong push to accelerate growth and employment opportunities; creating balance between economic development and population growth; unleashing the potential of Ethiopia's women; strengthening the country's underlying infrastructure; strengthening human resource development; and managing risk and volatility. The country was on track to achieve those objectives, having maintained growth at an annual average rate of over 10 per cent in the previous four years. It had made similar progress

in improving the policy and institutional environment for growth and development, and continued to work closely with its development partners to address some of its challenges.

**Overview of recent economic and social developments in Africa [Agenda item 4]
(E/ECA/COE/27/3, AU/CAMEF/EXP/3 (III))**

27. Under this agenda item, a representative of the secretariat introduced document (E/ECA/COE/27/3, AU/CAMEF/EXP/3 (III)), entitled "*Survey of Economic and Social Conditions in Africa in 2007*", and informed the Committee that Africa's GDP growth had risen from 5.7 per cent in 2006 to 5.8 per cent in 2007, driven mainly by robust global demand and high commodity prices, along with macroeconomic stability, increased capital flows, debt relief and strong performance in non-oil sectors such as agriculture and tourism. Africa had also witnessed growing political stability, although peace remained fragile in some parts of the continent. Growth performance varied across countries and regions, and Africa's average growth rate remained below the levels required to achieve the MDGs. Moreover, achieving broad-based growth was a key challenge as growth remained driven by a few sectors with low potential for employment creation. This was a key reason why growth had yet to translate into meaningful employment creation, poverty reduction and social development, particularly for socially vulnerable groups such as women, the youth, the elderly and persons with disabilities.

28. The Survey noted that while macroeconomic stability had improved in most countries, challenges remained, including the following: sustainability of fiscal and external balances among oil-importing countries; inflationary pressures; currency appreciation and its negative impact on international competitiveness; and external debt sustainability, even for some countries that had benefited from debt relief.

29. The report noted that despite notable improvements for some social development indicators, progress towards the MDGs remained generally slow. Poverty rates continued to be high; primary school enrolment rates were below targets; child and maternal mortality were still high; and HIV and AIDS continued to be a key challenge in many countries. Moreover, the youth, the elderly and people with disabilities faced particularly difficult challenges in joining the mainstream economy. Thus, special strategies were required to meet the needs of those vulnerable groups.

30. Economic growth was projected to reach 6.2 per cent in 2008, due in part to high demand for Africa's commodity exports generated by robust growth in Asia, continued effective macroeconomic management and the improving governance and security situation in Africa. However, Africa's growth outlook also faced a number of risks, chief among them being a sharper slowdown in the United States with an adverse impact on European economies, resulting in a fall in world commodity demand and prices. In addition, high oil prices would cause increasing fiscal and external imbalances in oil-importing countries, while infrastructure bottlenecks and unreliable energy supply continued to pose severe impediments to growth. Political and social unrest in some countries constituted another major risk to the growth outlook.

31. In the ensuing discussions, the Committee underscored the importance of the issues highlighted in the Survey. It underlined the significance of diversification in promoting sustainable economic growth and poverty reduction. The Committee noted with satisfaction the recent high growth of non-oil sectors such as tourism and agriculture, and underscored the need to increase investment in infrastructure, in order to accelerate and sustain the high performance of those sectors. However, participants felt that the Survey did not adequately address certain issues such as: the nexus between economic growth and poverty eradication, and social development; rising

income inequality; wealth creation as a development paradigm; the cross-cutting nature of HIV and AIDS and the feminization of the pandemic; development of financial markets; debt sustainability; and market access. The secretariat informed the Committee that, by its nature, the Survey was not meant to elaborate on all important economic and social development issues, but rather to provide an overview of recent trends in growth and social development. The secretariat also called the Committee's attention to the other specialized reports that would be presented at the meeting and that addressed specific sectoral issues, such as regional integration, the MDGs and financing for development. The Committee noted with concern that a number of countries did not have adequate statistical capacity to monitor progress towards the MDGs.

32. The Committee expressed concern about the adverse effects of rising oil prices on oil-importing countries. To reduce the impact of imported inflation, those countries provided substantial energy subsidies that were curtailing their growth and limiting the ability of their governments to adopt measures to help the poor and, above all, to achieve the MDGs. The Committee underlined the need to enhance efforts to investigate and implement strategies for mitigating the impact of rising oil prices on the economies of oil-importing countries. The idea of establishing a fund for African countries that were net importers of oil had been mooted by the Government of Libya and adopted at the Khartoum Summit. The study had been initiated in August 2006 with financial support from AfDB and AUC. The preliminary results had been submitted to the December 2006 Conference of African Ministers of Energy (held in Cairo, Egypt), which had decided that the study should be pursued in greater depth. It was noted that the study had been completed and a series of consultations would be conducted in the various subregions to brief Member States. Thereafter, a Ministerial meeting would be held before the recommendations were submitted to the next Conference of the African Union.

33. The Committee acknowledged that oil-exporting countries were not benefiting fully from rising oil prices, and that the current increase in those prices should be considered in the context of constant dollars, particularly in relation to the levels reached during the second oil shock (1979-1981). In addition, the depreciation of the US dollar – the main petrocurrency – was eroding export revenues and the value of the reserves of countries that exported energy, minerals and raw materials, and that conducted a large portion of their import transactions in currencies other than the US dollar. Overall, therefore, the global economic environment was impeding the growth of African economies.

Recommendations

34. The Committee made the following recommendations:

- a) The Survey should elaborate more on strategies that would help countries to accelerate progress towards the MDGs. More discussion was needed on the status of implementation of development commitments such as the Monterrey Consensus, Paris Declaration, Ouagadougou Plan of Action and AU's NEPAD programme, as a strategic framework for the development of the continent. It should also focus on such areas as agriculture and infrastructure development.
- b) The secretariat should also include case studies in the Survey, report on progress on regional infrastructure development, and broaden the analysis to other indicators such as

the Human Development Index and the performance of non-oil sectors. Moreover, the Survey should give further consideration to country- and region-specific issues, including factors behind the recent appreciation of national currencies as well as strategies to achieve more competitive exchange rates.

- c) The Survey should highlight climate change as a challenge to sustainable development.
- d) The Survey should also provide detailed recommendations on strategies to mitigate the impact of rising oil and food prices, especially on socially vulnerable groups.

**Assessment of progress on regional integration in Africa [Agenda item 5]
(E/ECA/COE/27/4-AU/CAMEF/EXP/4 (III))**

35. Under this agenda item, a representative of the secretariat introduced document E/ECA/COE/27/4-AU/CAMEF/EXP/4 (III), entitled *Assessment of Progress on Regional Integration in Africa*. He gave an overview of the state of regional integration in Africa, including the major decisions taken by the African Union and the RECs, and the activities and programmes that AUC and ECA had implemented in support of the African Union strategic vision of building a united and integrated continent.

36. The Committee commended the secretariat for the substance of the report and the quality of its presentation. It welcomed the grand debate on the Union Government for Africa during the ninth ordinary session of the Assembly of African Union Heads of State and Government in Accra, Ghana and the Accra Declaration to speed up economic and political integration of the continent. It noted that Africa had made progress in its integration efforts, particularly in the areas of trade, macroeconomic convergence, infrastructure and ICTs. That was evident at the subregional level, where some RECs had adopted instruments to facilitate the free movement of persons and goods, while others had agreed to a common external tariff to implement free trade areas. Other important initiatives that had contributed to regional integration and improvement of Africa's competitiveness included the development of regional power pools and regional gas pipelines.

37. Notwithstanding the progress achieved, a number of challenges continued to constrain the process of regional integration in Africa, especially the low level of intra-African trade; poor connectivity of the continent and other physical barriers to integration; lack of popular participation in integration processes; and the need to mainstream integration into national policies and strategies. Moreover, more research needed to be undertaken on the impact of the Economic Partnership Agreements (EPAs) on Africa's regional integration efforts. The secretariat was called upon to assist in that regard.

38. More efforts should be made to scale up infrastructure development on the continent and to build the missing links in the Trans-Africa Highway project. The important role that existing subregional development banks were playing in funding infrastructure projects on the continent should be expanded and complemented with the speedy establishment of the African Investment Bank, the African Central Bank and the African Monetary Fund.

39. Since increased intra-African trade was key to advancing Africa's integration, the continent's non-complementary productive systems constituted an obstacle to such. Moreover,

measures should be taken to overcome other challenges associated with free trade, such as smuggling and other malpractices. Member States should ensure that cross-border activities were carried out within agreed rules and regulations that would build confidence among trade operators and ensure transparency and accountability.

40. The Committee welcomed the proposal of the secretariat to establish an observatory for regional integration in Africa as a platform for sharing knowledge and best practices on regional integration. Nevertheless, for the observatory to be effective, the system of national focal points that would document case studies and collect relevant information should be strengthened.

41. The Committee welcomed the joint publication by ECA and AU of the report on *Assessing Regional Integration in Africa (ARIA)*, and called upon Member States and RECs to demonstrate ownership by providing data and related information for its production. Further research and increased dialogue on the rationalization of the RECs should be undertaken.

42. In future reports, the Committee hoped to see adequate and balanced coverage of each REC, a comprehensive analysis of the main challenges to regional integration, and attention to cross-cutting issues such as governance, peace and security and their impact on the integration process. That would require closer consultation and communication between ECA, AUC, the RECs and other institutions involved in regional integration.

Recommendations

43. The Committee made the following recommendations:

- Efforts should be made to speed up the establishment of the African Investment Bank, the African Central Bank and the African Monetary Fund;
- Member States and RECs should provide ECA and AU with relevant data and information for the production of the ARIA report;
- The secretariat should assist Member States and RECs in establishing appropriate mechanisms to ensure transparency in cross-border activities;
- ECA and AU should undertake further research on the impact of EPAs on regional integration in Africa.

Follow-up to the last session of the 2007 conferences [Agenda item 6]

44. Under this agenda item, the Committee considered a number of statutory issues related to the follow-up to the previous year's conferences of ECA and AUC.

i. Follow-up to the last session of ECA's Conference of African Ministers of Finance, Planning and Economic Development: ECA Annual Report 2008 (E/ECA/COE/27/5)

45. Under this sub-item, a representative of the ECA secretariat introduced document (E/ECA/COE/27/5), entitled *ECA Annual Report 2008*, and provided an overview of the activities implemented as a follow-up to the major decisions taken at the last session of the Commission in April 2007. He highlighted the major achievements of ECA during the biennium 2006-2007, with

particular focus on the two pillars of its work: Promoting Regional Integration in Support of the African Union vision and priorities and Meeting Africa's special needs and emerging global challenges. He also highlighted ECA's efforts to enhance its partnerships with various organizations in order to achieve greater impact and improve its organizational effectiveness. The account of the results achieved in selected areas of ECA's work was a clear indication of the early gains from the repositioning exercise which began in 2006. He concluded that implementation of the decisions of the last ECA Conference of Ministers had deepened the Commission's repositioning, and called upon Member States to continue supporting ECA.

46. The Committee commended ECA for its efforts to strengthen its partnerships, particularly with the AUC, the AfDB and the RECs, and to mobilize its resources, which would strengthen its capacity to assist Member States in meeting their development challenges, especially the MDGs. The Committee acknowledged the importance of building statistical capacities to promote evidence-based planning and decision-making, and applauded ongoing efforts to strengthen ECA's statistical programme.

47. The Committee further commended ECA for its support to the RECs and for strengthening its subregional offices (SROs). While progress had been made in strengthening cooperation among institutions that had not resulted in increased cooperation among countries. In that regard, South-South cooperation and triangular cooperation, notably between developing partners, should be encouraged in order to accelerate the continent's economic growth. It was noted that the ECA report would have benefited from closer consultation with Member States, notably their representatives in Addis Ababa, given the strategic nature of the document.

Recommendations

48. The Committee made the following recommendations:

- ECA should continue to strengthen its statistical capacity.
- ECA should promote South-South and triangular cooperation.
- ECA should consult closely with Member States when preparing its strategic documents.

49. The meeting took note of ECA's Annual Report 2008.

ii. Follow-up to the last session of the AU Conference of Ministers of Economy and Finance (CAMEF II) (AU/CAMEF/EXP/6(III))

50. Under this sub-item, a representative of the AU Commission introduced document (AU/CAMEF/EXP/6(III)), entitled *Follow-up to the last session of the AU Conference of Ministers of Economy and Finance (CAMEF II)*, noting that CAMEF II had examined ways of accelerating the integration process in Africa and issues related to the establishment of African financial institutions. He highlighted actions taken to implement the decisions of CAMEF II, including a study on new and renewable-energy sources; a joint AU-AfDB study on the creation of an African Solidarity Fund in the face of the recent rise in oil prices; the development of the African Charter on Statistics; and the establishment of a development fund for statistics and an African stock exchange. Regarding the African financial institutions to be set up under Article 19 of the Constitutive Act of

the African Union Charter, the AUC negotiations conducted with the Libyan Arab Jamahiriya in January 2008 had led to the signing of the agreement establishing the Steering Committee of the African Investment Bank. Further negotiations were to be conducted in the coming months with Cameroon and Nigeria, selected to host the African Monetary Fund and the African Central Bank respectively, in order to speed up the establishment and operation of the steering committees of both institutions. Simultaneously, plans were far advanced for the recruitment of a consultant to direct the joint AUC/Association of African Central Banks strategy to set up the African Central Bank. That study, to be carried out before the end of 2008, would bring together stakeholders in the banking profession and speed up the establishment of those two financial institutions, which were indispensable to the economic integration and sustainable development of Africa.

51. The meeting took note of the report on CAMEF II.

Follow-up to major African Union and United Nations conferences and summits
[Agenda item 7]

52. Under this agenda item, the secretariat made five presentations on the follow-up to major AU and United Nations conferences and summits and highlighted the following: the African Charter on Statistics', Climate changes assessment of the Bali Conference; regional review of financing for development; review of progress towards achieving the Millennium Development Goal (MDGs) in Africa; and the regional review of the ECOSOC Annual Ministerial Review (AMR).

i. African Charter on Statistics (E/ECA/COE/27/7 - AU/CAMEF/EXP/7 (III))

53. A representative of AUC reported on the African Charter on Statistics, noting that it had been developed in recognition of the importance of high quality, reliable, comparable and policy-relevant data for all African countries, and the imperative need to secure data integrity. Given the variability of statistical systems across Africa, the Executive Council of AU had decided, at its tenth session held in 2007 in Addis Ababa, Ethiopia to request AU, in collaboration with members of the African Statistical System, to develop an African Charter on Statistics. The aim of the Charter was to provide a lasting solution to the problems associated with the production of harmonized statistics in Africa and to establish a regulatory framework for statistical development. It had been drafted by a team of experts from Member States, RECs, pan-African organizations and development partners and validated by the heads of national, regional and continental statistical organizations in Gisenyi, Rwanda in June 2007.

54. Its preamble described the importance of statistics in monitoring development and various initiatives which had been carried out in Africa to overcome problems hampering statistical development and coordination. It had nine objectives and six principles which should guide statisticians in their daily work, a monitoring mechanism and final provisions, which described the process of ratification and entry into force of the Charter. A study had also been initiated on the mechanisms for implementing the Charter and creating a fund for statistical development in Africa.

55. The Committee commended AUC, ECA, AfDB and their partners for the initiative to develop an African Charter on Statistic. Regrettably some countries did not have the capability and infrastructure to produce quality and harmonized statistics. Therefore, the priority should be to assess the statistical capacity of the countries so that they could be assisted to produce the statistical data they needed for sound policies. The Charter should aim to support countries with weaker statistical systems, and African countries should be encouraged to cooperate with one another in order to improve their statistical frameworks and develop statistical laws. To ensure data integrity and political neutrality, statistical agencies should be autonomous.

56. The experts expressed concern that the data used in debates on topics such as the MDGs and economic development were mainly cited from international organizations such as UNSD, the IMF and the World Bank whereas they should have come from the countries themselves for easy recognition by country representatives.

57. The Committee wondered whether it had the mandate to adopt the Charter and sought legal guidance about the modalities for the adoption and ratification of the Charter. A question was asked about the legal and international status of the statistics of countries that did not have a legal framework for their statistical systems and that would not be able to comply with the Charter.

58. In response, the secretariat pointed out that the Charter would enable countries to design and develop statistical legislation in compliance with its principles and that the Charter, RRSF and NSDS would increase the capability of national statistical systems.

59. Noting that the Committee did not have a mandate to adopt the Charter, the secretariat assured participants that all the comments, contributions and recommendations would be submitted for consideration by the Ministers.

60. The secretariat reported that an appropriate mechanism incorporating an action plan and institutional framework would be established for the implementation of the Charter

61. The legal adviser of the AUC reassured the Committee that there would be consultation, dissemination and awareness-raising on the Charter, and that, in situations where fundamental principles were violated, penalties specified in the rules and regulations of the Assembly might be applied.

Recommendations

62. Following the discussion, the Committee welcomed the initiative to establish the African Charter on Statistics and decided to:

- Accept in principle the objectives, the aims and the professional principles of the draft Charter;
- Request AUC, in collaboration with members of the African statistical system, to seek further legal advice on the draft Charter;

- Request the African Union Commission to submit the revised draft Charter to the Executive Council of the AU as requested by Executive Council decision EXCL/DEC 330 (X).

ii. ***Climate Change – African Perspectives for a Post-2012 Agreement (E/ECA/COE/27/8 - AU/CAMEF/EXP/8 (III))***

63. Under this agenda item, a representative of the secretariat introduced document E/ECA/COE/27/8, entitled *Climate Change: African Perspectives for a post-2012 Agreement* and informed the Committee that, despite contributing only about 3.8 per cent of total global greenhouse gas emissions, Africa remained one of the most vulnerable regions in the world to climate change. Such vulnerability was attributable to many factors: high poverty levels, heavy reliance on climate-sensitive sectors such as rain-fed agriculture, fisheries, forests and tourism; poor economic and social infrastructure; conflicts and limited adaptive capacity.

64. Unless appropriate adaptive actions were taken urgently, climate change would have severe negative impacts on hundreds of millions of people in the region. The direct and indirect impacts threatened to reverse decades of development efforts and the promising trends of increased economic growth experienced in the region over the previous seven years, including efforts to reach the MDGs. The current and projected impacts of climate change on Africa's development included: exposure to increased water stress and water-related conflicts; food insecurity; energy insecurity; vector-borne diseases; degradation of coastal areas; poor infrastructure and loss of biodiversity. Africa's poor, who tended to live in environments that were most susceptible to droughts, storms and other extreme weather events, were particularly vulnerable to climate change.

65. The Committee was informed that in response to the climate change challenge, the ECA, AUC and AfDB were working together to develop and implement the "Climate Information for Development in Africa" (*Clim-Dev Africa*) programme, which aimed to improve climate-related observations and data, information services, risk management practices and policies, with emphasis on priority climate-sensitive sectors. The programme would also support African countries in the negotiations towards a post-Kyoto climate regime that would be beneficial for the region.

66. Furthermore, the Committee was informed that a proposal had been made to establish an African Climate Policy Centre (ACPC) at ECA, in partnership with The Energy and Resources Institute of India (TERI), the United Nations Environment Programme (UNEP), the World Meteorological Organization (WMO), and the African Centre of Meteorological Applications for Development (ACMAD) to assist African countries in addressing the challenge of climate change through policy research and capacity-building, and for them to benefit from the new system of gas emission as well as the financing mechanism for the conservation and the equilibrium of the world forest eco-system. The proposed Centre would provide African countries and their RECs with the knowledge and skill sets to mainstream climate-related concerns into their development policies, strategies and plans; strengthen their capacity to benefit from the emerging carbon trading system and the adaptation/mitigation financing mechanism; and enhance their capacity to participate effectively in international policy discussions on climate change that would influence their

economic and social development, particularly the development of a broad, ambitious and equitable post-Kyoto climate change regime.

67. In the ensuing discussions, most participants acknowledged the reality of climate change and its negative impact, which exacerbated the economic crises in their countries. Several participants observed that, as a result of climate change the continent was already experiencing frequent floods, droughts, land degradation, desertification and melting of the ice cap on Mount Kilimanjaro.

68. The Committee emphasized the need for effective integration and implementation of climate change adaptation and mitigation strategies into regional and national development frameworks in response to the challenge of climate change. It commended the joint efforts of ECA, AUC and AfDB to develop and implement the Clim-Dev Africa programme, and recommended that an effective monitoring and evaluation system should be developed as an integral component of the Clim-Dev programme to help track progress and ensure delivery of results. It welcomed efforts to establish the African Climate Policy Centre at ECA, which would help to bring climate change concerns to the centre of Africa's development agenda. The Committee also underscored the need for continued technical and financial support to strengthen existing regional and subregional institutions such as the African Centre of Meteorological Applications for Development (ACMAD), Climate Prediction and Applications Centre (ICPAC) and other national meteorological centres.

69. The Committee recommended that programmes and activities related to the Clean Development Mechanism (CDM) under the Kyoto Protocol should be integrated into ECA's work in order to promote policies on the development and diffusion of clean technologies. The Committee also noted that incentive mechanisms for the sustainable management of Africa's forests should be urgently established and supported. While appreciating the support provided by international partners in addressing climate change related impacts such as floods and famine, the Committee called for long-term development assistance to strengthen adaptive capacity, including the construction of relevant infrastructure.

70. The Committee noted that in 2003 NEPAD, in collaboration with UNEP, had developed an environment action plan which should be supported as one of the important frameworks to address climate change in Africa. The Committee highlighted the linkage between climate change, land degradation, desertification and loss of biodiversity and stressed the need to adopt an integrated and coordinated approach to the implementation of the three Rio conventions namely: the United Nations Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (CBD) and the United Nations Convention to Combat Desertification (UNCCD). African countries needed technical, financial and capacity-building assistance in the negotiation of a post-2012 climate regime. Those issues had been discussed in a preparatory meeting that took place in Tunis, Tunisia in November 2007 and would be further discussed in the upcoming regional preparatory meetings to be held in Johannesburg, South Africa in 2009.

Recommendations

71. In light of the discussion, the Committee made the following recommendations:

- ECA should integrate programmes and activities related to the CDM under the Kyoto Protocol in order to promote policies on the development and diffusion of clean technologies;
- ECA, AU and development partners should provide continued technical and financial support to strengthen the capacity of the existing regional and sub-regional institutions such as ACMAD, and ICPAC and national meteorological centres;
- ECA should assist in the integration of the implementation of the three Rio conventions: UNFCCC, CBD and UNCCD;
- ECA, AU and development partners should provide technical, financial and capacity building support in the negotiation of the post-2012 climate regime; and
- ECA and AU should help to promote the integration of climate change adaptation and mitigation strategies into regional and national development frameworks in Africa.

iii. Regional Review of Financing and Development: Perspective of African countries on the Monterrey Consensus: Survey Results (E/ECA/COE/27/9 - AU/CAMEF/EXP/9 (III))

72. Under this agenda item, the secretariat reported on the degree of progress achieved in pursuit of the objectives of the Monterrey Consensus in Africa. In resolution A/RES/62/187 the United Nations General Assembly had called on regional commissions and relevant entities to organize regional consultations to serve as an input into the Global Review of the Monterrey Consensus to be held in Doha in November 2008. Against that background, ECA and AUC had organized the African Regional Review on Financing for Development as part of the Conference of African Ministers of Finance, Planning and Economic Development held in Addis Ababa.

73. The Committee took note of the assessment of progress which had been based on published macroeconomic data, from international organizations and national governments, complemented by results of an ECA survey of African policy makers, had provided an African perspective on the issue. The presenter outlined the six core areas of the Monterrey Consensus, namely: mobilizing domestic financial resources for development; mobilizing international resources for development; promoting international trade as an engine of development; increasing international financial and technical cooperation for development; external debt and sustainability; and systemic issues, such as enhancing the coherence, governance, and consistency of the international monetary, financial and trading systems.

74. Going by the published macroeconomic data, as well as the survey of African policymakers, overall progress had been limited. Although significant progress had been made with regard to external debt, performance in the areas of international trade as well as domestic and external resource mobilization had been either fair or disappointing.

75. In terms of domestic resource mobilization, the Committee observed that domestic savings ratio in Africa had increased marginally from 20 per cent in 2001 to 21 per cent in 2005. Nevertheless, domestic savings remained low relative to the investment required to meet the Millennium Development Goals (MDGs). Underdeveloped financial systems, including weak

financial infrastructure and governance, had been serious barriers to domestic resource mobilization.

76. Despite the importance of domestic savings mobilization for financing development, the Committee noted with concern that national banking institutions were thinly spread and inefficient in mobilizing domestic savings. In this regard, the Committee recommended the strengthening of non-bank financial institutions such as pension funds and long-term insurance schemes to boost domestic resource mobilization. Because commercial banks in Africa had been ineffective in mobilizing rural savings and reluctant to set up branch services in rural areas, a large proportion of rural areas remained underserved. To promote resource mobilization in those areas, the Committee also recommended that the potential of postal services and networks should be harnessed to provide vital services in mobilizing savings, remittances and microfinancing.

77. With regard to international resource mobilization, the Committee noted that recent increases in FDI inflows remained insufficient and had been confined to only a few countries and sectors such as natural resources. Given the enclave and capital-intensive nature of extractive industries, FDI inflows had had a limited impact on employment creation and poverty reduction. Therefore, African countries should be selective in their choice of FDI and use such policy options as would strengthen their productive capacities and encourage diversification into high value-added products. They should also improve their investment climate in order to attract FDI inflows and reduce the transaction costs of remittances, especially given the importance of remittances as a source of development finance.

78. On the increase in ODA flows from \$US 21 billion in 2002 to \$US 43 billion in 2006, the Committee observed that the increase had been largely due to debt relief and emergency assistance, and so did not represent additional resources for development activities. Furthermore, donors had yet to meet the commitments they had made in Gleneagles and other international fora. Although investment in social sectors was necessary given the positive effect of human capital on economic growth, the key to poverty reduction in Africa was the development of productive capacities. For this reason, the Committee stressed the need for allocating a larger proportion of ODA flows to productive sectors. Progress had also been made in terms of aid efficiency and reducing the proportion of tied aid. That notwithstanding, aid quality seriously undermined the developmental impact in recipient countries. The Committee therefore urged development partners to fulfil their commitments made in the Paris Declaration on Aid Effectiveness. It also called upon African countries to improve aid effectiveness by strengthening among other things, their public finance management systems and practices and their procurement and budget systems.

79. The Committee noted that, despite the increase in exports, progress in international trade had been disappointing, due to supply-side constraints and limited market access for products of special export interest to Africa. Efforts by African countries to expand their trade through the strengthening of productive capacities and diversification should be accompanied by measures at the international level to create a trading environment that allowed the continent to unlock its export potential. The operationalization of the Aid-for-Trade initiative was crucial in that regard.

80. On systemic issues, the Committee emphasized the need for African countries to be given a greater voice in the governance of international financial, monetary and trading systems. Although Africa's participation in the decision-making processes of the WTO had increased, African

countries were still excluded from or under represented in the decision-making processes of major international organizations, such as the IMF and the World Bank.

81. The Committee observed that progress in the area of external debt had been the most significant of all the areas of the Monterrey Consensus. Due to debt relief under HIPC and MDRI, Africa's external debt had declined from US\$298 billion in 2002 to \$US 245 billion in 2006. Similarly, Africa's total debt as a proportion of gross national product (GNP) had declined substantially from 56 per cent in 2002 to 24 per cent in 2006. Despite that notable progress, there were a number of challenges that stood in the way of finding a lasting solution to Africa's external debt problem.

82. The Committee commended the effort exerted by the international community in resolving Africa's debt problem. However, with the strict eligibility criteria and the time it took to reach decision and completion points, a large number of highly indebted poor African countries were excluded from the HIPC Initiative. Therefore, it strongly recommended the extension of debt relief to other highly indebted non-HIPC African countries and the flexible application of eligibility criteria to enable heavily indebted poor African countries to benefit from debt relief under HIPC and MDRI.

83. While noting the importance of concessional loans to African countries, the Committee cautioned against contracting new loans, to avoid the trap of debt accumulation and the associated debt-servicing problems.

Recommendations

84. In light of the discussion, the Committee made the following additional recommendations:

- Non-bank financial institutions such as pension funds and long-term insurance schemes should be strengthened to boost domestic resource mobilization;
- The potential of postal services and networks should be harnessed to provide vital services in mobilizing savings, remittances, and micro-financing; and
- Debt relief should be extended to other highly indebted non-HIPC African countries and the eligibility criteria applied flexibly to enable heavily indebted poor African countries to benefit from debt relief under HIPC and MDRI.

iv. Assessing Progress in Africa towards the Millennium Development Goals Report 2008 (E/ECA/COE/27/10 - AU/CAMEF/EXP/10 (III))

85. Under this agenda item, a representative of the secretariat presented the 2008 report on assessing progress towards the Millennium Development Goals in Africa, highlighting the achievements for the year and various constraints to progress at the continental level. Notable among the constraints were: the paucity of timely, better quality, and more disaggregated statistics for improved resource allocation; policy articulation and development; climate change; poor sanitation and urban poverty.

86. The Committee observed that some African countries were on track to achieve some of the MDGs, notably universal primary education, gender parity at primary school level and reducing

poverty by half. It noted that among all subregions of the continent North Africa had made the furthest progress on the MDGs. However, the slow rate of overall progress in 2008 was cause for concern. Accordingly, the Committee endorsed several suggestions and initiatives to boost efforts in support of the continent's progress towards the MDGs.

87. The Committee underscored the importance of addressing the identified constraints as expeditiously as possible and mobilizing domestic and external resources to improve technical management capacities and accelerate progress towards the MDGs.

88. The Committee noted with satisfaction that global support for the MDGs remained strong, as reflected in initiatives such as the ECOSOC Annual Ministerial Review (AMR), designed to serve as a forum for experience sharing and peer learning; the Development Cooperation Forum (DCF), which explored ways of improving international development cooperation in furtherance of the MDGs; the United Nations MDG Gap Task Force, designed to close the financing gap facing countries; and the forthcoming (Sept 2008) High-Level Event on the MDGs convened by the United Nations Secretary-General.

89. More specifically to Africa, the Committee noted the Secretary-General's Africa MDG Steering Committee and its Africa Working Group and the resolutions of the Assembly of AU Heads of State and Government on the MDGs. It further acknowledged the efforts and initiatives of ECA, in particular, the development of the MDG Mapper and the African Learning Group on Poverty Reduction Strategies and MDGs (PRS/MDGs-LG) and analysis of data from the 2010 Round of Population Censuses. The Committee also recognized that the report on Africa's progress towards the MDGs to be prepared for the AU Summit by ECA, the African Union Commission and the African Development Bank would strengthen political consensus and reinforce advocacy for accelerating progress towards the MDGs at the regional level.

90. While noting the general agreement among experts on the compelling need for Africa to meet the MDGs and on the relevance of the MDGs for Africa, the Committee observed with concern Africa's increasing vulnerability to climate change and its lack of physical planning and urban development.

Recommendations

91. The Committee made the following recommendation:

- Member States should improve their domestic resource mobilization and ECA and AU should assist them in mobilizing the external resources required to accelerate progress towards the achievement of the MDG's;
- ECA and AU, through the Development Cooperation Forum (DCF), should identify opportunities to speed up the achievement of the MDG's by assisting Member States in sharing best practices; and
- ECA and AU should work with national statistical institutions of Member States to analyze the relevance of current MDG targets.

92. The Committee took note of the report.

**v. Regional review of the ECOSOC Annual Ministerial Review (AMR)
(E/ECA/COE/27/11 - AU/CAMEF/EXP/11 (III))**

93. Under this agenda item, Mr. Getachew Adem, a representative of the Ethiopian Government, made a presentation on Ethiopia's contribution to the Annual Ministerial Review (AMR) of the summer session of ECOSOC, held in Geneva from 3 to 5 July 2007. He highlighted the key features of Ethiopia's MDG-based Five-Year Plan for Accelerated and Sustained Development to End Poverty (PASDEP). Key pillars of the plan included: capacity-building; acceleration of economic growth and job creation; addressing the population challenge; unleashing the potential of Ethiopian women; strengthening of national infrastructure; improving human development; and managing risks. The Committee was informed of the progress made in the implementation of the plan and achievements towards the MDG targets.

94. The major challenges in the implementation of the plan had been: limited implementation capacity, particularly at subnational levels; limited private sector capacity; vulnerability to shocks both external and domestic; and low productivity. Financing for development had been a critical constraint on implementation. Despite debt relief and debt cancellation, per capita official development assistance to Ethiopia (\$US14.8 in 2005/2006) had been considerably lower than that of other low-income countries, including many having higher average per capita incomes and better human development indicators. The main opportunities in the implementation of the plan had included: ongoing national capacity-building programmes, successful ongoing sector development programmes, and the improving environment for private investment and business activity.

95. His country appreciated the technical and financial support provided by ECA and UNDP in the preparation of the report to the AMR.

96. The Committee commended the presenter for sharing Ethiopia's experience in implementing an MDG based national development plan.

Sectoral policy issues [Agenda item 8]

i. Major trade issues:

a. Economic Partnership Arrangements negotiations: A comparative assessment of the interim agreements (E/ECA/COE/27/12a - AU/CAMEF/EXP/12a (III))

97. Under this agenda item, a representative of the secretariat made a presentation on the ongoing Economic Partnership Agreement (EPA) between the European Union and groups of African countries as contained in document E/ECA/COE/27/12a AU/CAMEF/EXP/12a (III), entitled *Economic Partnership Agreements Negotiations: A Comparative Assessment of the Interim Agreements*. The presenter highlighted recent developments in the ongoing negotiations, indicating that the signing of the interim agreements had changed the nature and dynamics of the negotiations. After analysing the different interim EPAs and highlighting key areas of convergence and divergence, the presenter noted that controversial issues were still outstanding hence the need for caution and for adopting a coherent strategy.

98. The Committee acknowledged with gratitude the technical support provided by ECA and the AU Commission in the negotiation process. It expressed concerns about the divisions within each negotiating group and stressed the need for common regional agreement with the EU and the removal of all conditionalities from the interim agreements.

99. The meeting agreed that the interim EPAs needed to be reviewed and harmonized in line with Africa's integration and development agenda. Furthermore, African countries needed to resist the pressure to sign and ratify the interim EPAs before addressing outstanding issues that would be difficult to resolve later. In that regard, the Committee requested the AUC and the ECA to continue with the co-ordination of the EPA negotiation process between the various African regional negotiating groups and the European Union.

Recommendations

100. The Committee made the following recommendations:

- The need for common regional agreement with the EU and the removal of all conditionalities from the interim agreements
- The need for mobilizing additional resources to meet the implementation and adjustment requirement of the EPAs.

b. Aid-for-Trade: Progress on the initiative and report on mandate to ECA (E/ECA/COE/27/12b - AU/CAMEF/EXP/12b (III))

101. Under this agenda item, a representative of the secretariat reported on progress in the implementation of the Aid-for-Trade Initiative as contained in document E/ECA/COE/27/12b AU/CAMEF/EXP/12b(III), entitled *Aid-for-Trade (AFT): Progress on the Initiative and Report on Mandate to ECA*. The presenter highlighted the role played by ECA and partners such as the WTO and AfDB in the implementation of the initiative in Africa. Key achievements in that regard had been the regional African and global reviews of the AfT initiative organized in Dar-es-Salaam and Geneva respectively in 2007. ECA had also played an important role in defining the strategic agenda for ongoing and future implementation, including monitoring of the initiative in Africa.

102. The Committee underscored the importance of the initiative in improving Africa's growth and global competitiveness. It also emphasized that the initiative could help to deepen the diversification of African economies and to address supply - side constraints as well as improve the business environment in Africa. The Committee also recognized the role of the AfT in accelerating regional integration in Africa and overcoming the limitations of Africa's small fragmented economies, stressing the need for the AfT to be consistent with and supportive of regional and subregional integration in order to strengthen intra-African trade. The need for indicators to be used in monitoring and evaluating AfT implementation, which is one of the clusters to which ECA could contribute, was underscored.

103. With regard to the implementation of the AfT, the Committee noted the need for capacity-building at the country and subregional levels, using the private sector as a key actor in the process. ECA was requested to provide more training and technical assistance to strengthen national capacities for trade negotiation. The need for mainstreaming trade into national development strategies and prioritising trade issues was also emphasized. The Committee recommended that the implementation of the AfT in Africa should focus on the key areas of infrastructure, trade facilitation and standard setting.

104. Recognizing the contribution made by ECA and its partners in building Africa's trade capacities, the Committee requested ECA to continue to work closely with the WTO, AfDB and other relevant partners in the effective implementation of the AfT in Africa and to assist African countries in addressing their trade-related challenges.

Recommendations

105. The Committee made the following recommendations:

- ECA should provide additional training and technical assistance to strengthen national capacities for trade negotiation;
- Member States should mainstream trade into national development strategies and prioritize trade issues;
- AFT implementation in Africa should focus on infrastructure, trade facilitation and international trade standards; and
- ECA should continue to work closely with WTO, AfDB and other relevant partners in the effective implementation of AFT in Africa.

ii. Coordination of statistics and statistical capacity building efforts in Africa: An African perspective (E/ECA/COE/27/13 - AU/CAMEF/EXP/13 (III))

106. Under this agenda item, a representative of the secretariat introduced document E/ECA/COE/27/13 entitled, *Coordination of Statistical Capacity- Building Efforts in Africa: an African Perspective* and highlighted some of the challenges faced by African countries in meeting the growing demand for quality, timely and relevant statistics in support of their development objectives. ECA was pursuing initiatives to address those challenges and to strengthen the capacity of African countries to produce, analyse and disseminate reliable data. Key among them had been the establishment of the African Centre for Statistics in 2006 as part of the ECA repositioning; the establishment of the Statistical Commission for Africa (StatCom-Africa) as the apex body responsible for promoting statistics and statistical development in Africa; the creation of the African Statistical Coordination Committee, and the African Charter for Statistics proposed by the AU Commission.

107. In the discussions that followed, the Committee focused on a number of key issues, including the low participation of some African countries in the 2000 Round of Population and Housing Censuses. The high cost of censuses was a barrier to participation and financial and technical support would be required by some African countries to conduct censuses critical to good

policy development. Associated with the lack of awareness of the value of statistics was poor demand for and weak use of statistics for policy and decision-making. Some delegates expressed concern on the issues of trust and integrity exemplified in disagreements between professional statisticians and politicians with respect to figures could result in the low profile of statistics offices, inadequate human and financial resources and a reluctance to introduce statistical legislation.

108. The Committee expressed concern at the absence of concrete information in the report on the state of statistics at country level and specific activities conducted, including the level of domestic and external financing, the statistical operations, censuses and surveys undertaken by national statistical offices, the number of countries with a national strategy for the development of Statistics (NSDS), the number of countries planning to participate in the 2010 Round of Population and Housing Censuses (2010 RPHC), and the direct assistance received from various programmes and projects such as GDDS, AFRISTAT, and AFRITAC.

Recommendations

109. In the light of the concerns expressed, the Committee made the following recommendations:

- African States should submit information on statistical activities at both national and regional level to the ECA, AUC and partners in order to measure progress annually on statistical development in Africa. ECA, AUC and partners should assist with the monitoring and implementation of the Reference Regional Strategic Framework for Statistical Capacity-Building in Africa and the African Charter on Statistics;
- ECA and AUC should increase awareness and strengthen advocacy on the value of mainstreaming statistics into national development strategies such as PRSPs so that Governments would feel encouraged to take increasing responsibility for financing statistical activities;
- ECA and AUC should provide assistance in the mobilization of resources and the provision of technical assistance for the conduct of quality population and housing censuses, including programmes to support post-conflict countries; as well as the provision of adequate backing to African countries to enable them to participate effectively in the International Comparison Programme (ICP);
- ECA and AUC should provide assistance in the design and implementation of NSDS and ensure that they incorporate sectoral statistics, share best practices and country experiences, and support South-South cooperation;
- Statisticians and policymakers should convene a meeting to ensure a common understanding before the next Conference of Ministers and make arrangements to meet every three or four years thereafter; and
- African countries should contribute substantively to the success of the fifty-seventh session of the International Statistical Institute (ISI) to be held in Durban in August 2009 and consider it a continental event.

iii. Science and technology for development: Outcome and recommended actions of the Conference on Science with Africa (E/ECA/COE/27/14 - AU/CAMEF/EXP/14 (III))

110. Under this agenda item, a representative of the secretariat introduced document E/ECA/COE/24/14 AU/CAMEF/EXP/14 (III), entitled "*Science and Technology for Development: Outcome and Recommended Actions of the Conference on Science with Africa*". The presenter highlighted the role of science, technology and innovation (STI) in addressing Africa's development challenges, with particular focus on the major outcomes and recommendations of the Science with Africa Conference held in Addis Ababa in March 2008, as a follow-up to the AU Summit of January 2007 on the theme of Science, Technology and Scientific Research for Development. The goal had been to raise the level and range of Africa's participation in international research and development and to inform a new science diplomacy to support the scientific, social and economic transformation of Africa. A major outcome of the Conference had been a commitment to advance scientific research and innovation to meet the broad range of development challenges that Africa faced in a globalizing world. A working group comprising ECA, the AUC and UNESCO had been established to coordinate the implementation of the outcomes of the Conference.

111. The Committee commended ECA for this important initiative and recommended that the current Conference of Ministers should endorse the outcomes of the Science with Africa Conference. It also recommended that the Conference of Ministers should request all African countries to devote a minimum of 1 per cent of their total GDP to research and development activities to support socio-economic development, as recommended by various AU Summits.

112. The Committee stressed the need for deepening reforms in the education sector in order to better integrate science at all levels in furtherance of development objectives. It also emphasized the need to harness the scientific potential of the Diaspora. However, the pursuit of those objectives would have to be supported by an appropriate policy environment for building and retaining capacities in Africa.

Recommendations

113. The Committee made the following recommendations:

- The Conference of Ministers should endorse the outcomes of the Science with Africa Conference;
- The Conference of Ministers should request all African countries to devote a minimum of one per cent of their total GDP to research and development activities; and
- African countries should create an appropriate policy environment for building and retaining scientific capacity on the continent.

iv. UN system-wide support to the African Union and its New Partnership for Africa's Development (NEPAD) programme (E/ECA/COE/27/15 - AU/CAMEF/EXP/15 (III))

114. Under this agenda item, the secretariat presented document E/ECA/COE/27/15-AU/CAMEF/EXP/15 (III), entitled *UN System-wide Support to the African Union and its New Partnership for Africa's Development (NEPAD) Programme*. The presenter provided an update on UN system-wide support to the AU and its NEPAD Programme, drawing attention to the support provided by ECA to the APRM process, and highlighting the main issues and recommendations of the Eighth Regional Consultation Meeting, not to mention the achievements, impact and recommendations made on the way forward.

115. The Committee underscored the importance of UN system-wide support to the AU and its NEPAD programme and commended the work of ECA in coordinating such support. It lauded the thematic cluster system of the RCM, emphasizing the need for the system to be strengthened. The Committee noted that the expansion of the thematic clusters from seven to nine, demonstrated the commitment of United Nations agencies to respond better to AU and NEPAD priorities.

116. Recognizing the centrality of regional integration to the AU and NEPAD agenda, the Committee recommended that the AU Commission and the NEPAD secretariat should table for consideration at the next Regional Consultation Meeting the issue of creating a tenth cluster on regional integration. Additionally, the Committee noted the significance of gender and youth issues to Africa's development and called for their effective mainstreaming into the cluster system of the RCM as cross-cutting themes.

117. The Committee expressed concern about the capacity challenges facing the APRM process and called upon UNDP, as convener of the governance cluster of the RCM, to initiate consultations on addressing the capacity needs of continental and regional institutions, as well as of partners directly involved in the process.

Recommendations

118. The Committee made the following recommendations:

- The thematic cluster system of the RCM should be strengthened;
- The AU and NEPAD secretariat should table for consideration at the next RCM the issue of creating a cluster on regional integration;
- Gender and youth should be effectively mainstreamed into the cluster system as cross-cutting themes; and
- UNDP should initiate consultations on addressing capacity needs of African institutions and partners involved in the APRM process.

Statutory issues [Agenda item 9]

i. Proposed ECA Strategic Framework: Biennial Programme Plan for the period 2010-2011 (E/ECA/COE/27/17)

119. Under this agenda item, a representative of the ECA secretariat presented the *Proposed Strategic Framework for the Period 2010-2011: Biennial Programme Plan*, as contained in document E/ECA/COE/27/17; and outlined ECA's proposed overall orientation for the biennium 2010-2011. He noted that the Commission would continue to focus on achieving results in key priority areas, articulated around the two thematic pillars of ECA's work: promoting regional integration in support of AU vision and priorities; and meeting Africa's special needs and emerging global challenges. In that regard, ECA would continue to strengthen its analytical capacity with a view to deepening its normative work in order to better assist African countries in meeting their development challenges.

120. The strategy would include the strengthening of the Commission's subregional presence by enhancing the role of the subregional offices and strengthening its partnerships with the AU Commission, AfDB, and other United Nations agencies. Efforts would also be intensified to provide support in promoting greater South-South cooperation. The modalities for implementation would consist of research and policy analysis; consensus-building and policy advocacy; and demand-driven advisory services. The Committee was informed that ECA would deliver its services through ten subprogrammes.

121. The Committee was invited to consider and recommend the proposed Strategic Framework to the ECA Conference of Ministers for its consideration and endorsement. The proposed Strategic Framework, together with the observations and amendments by the Conference of Ministers, would be submitted to the Committee on Programme and Coordination at its next session in June 2008, and eventually recommended to the General Assembly for approval.

122. The Committee welcomed the proposed Strategic Framework, noting that it clearly articulated the Commission's priorities for the biennium 2010-2011. The Committee also noted that the proposed strategic direction took into account some emerging challenges to Africa's development and thereby offered broad opportunities for collaboration between ECA and Member States.

123. The Committee made a number of observations and comments aimed at improving the submission. It was observed that transport remained a major challenge to Africa's development, in particular, air transport services and safety within the continent need urgent improvement. In that regard, the Committee underscored the need to address aviation safety and to involve not only Ministers responsible for transport, but also those of Finance and Economic Planning.

124. The Committee further underscored the need to translate the Strategic Framework into specific and concrete activities. It was observed that ECA could improve the document by explaining the links between the two pillars of the Strategic Framework and the ten subprogrammes. ECA was also urged to promote South-South cooperation, including intra-Africa cooperation, as a strategy for achieving the objectives set out in the Strategic Framework.

125. In response to the issues raised by the Committee, ECA assured the meeting that comments and suggestions made would be taken into consideration and that concrete outputs would be derived from the proposed Strategic Framework. Those outputs were normally presented in the Programme Budget, which is a separate document. The Committee was also informed that ECA would continue

its efforts to fully implement the results-based management framework, including strengthening its capacity to formulate measurable accomplishments and indicators of achievement. In addition, the Committee was informed that transport concerns were addressed under subprogramme 5 on *Economic Cooperation and Regional Integration*.

126. In the light of the foregoing observations and suggestions, the Committee recommended the proposed ECA Strategic Framework for the biennium 2010-2011 to the Conference of Ministers for its consideration and endorsement.

Recommendations

The Committee made the following recommendations:

- ECA should explain the links between its two pillars and the ten sub-programmes in the Strategic Framework document;
- ECA should translate its Strategic Framework into specific programme activities;
- ECA should assist African Countries in improving their transport systems, including air transport services and safety; and
- In addition to African Ministers responsible for Transport, those of Finance and Economic Planning should also be involved in transport development on the continent.

ii. ***Report of the Special Meeting of the Governing Council of the African Institute for Economic Development and Planning (IDEP) on the External Review of the Institute (E/ECA/COE/27/16 AU/CAMEF/EXP/16(III))***

127. Under this agenda item, Mr. Amadou Oumarou Sonrhail, a representative of the Republic of Niger presented the report of the special meeting on the external review of IDEP (E/ECA/COE/27/16 AU/CAMEF/EXP/16(III)), on behalf of the Governing Council of the Institute. Mr. Sonrhail recalled the framework of the evaluation exercise and provided a summary of the objectives and issues discussed by the special meeting of the Governing Council, including the major recommendations and draft resolution to be submitted for consideration and adoption by the ECA Conference of Ministers.

128. The Governing Council of IDEP recommended that a mandate be given to the Executive Secretary of ECA, in his capacity as Chairman of the Governing Council, to take all necessary measures to reposition the Institute, in close consultation with the other members of the Council. In that context, the Executive Secretary would, as a matter of priority, assume direct responsibility for the management of the Institute, the revitalization of its deliberative organs, the updating of its statutes and the preparation of a programme budget over a transitional period of twelve months. The Executive Secretary was further requested to pay particular attention to the other recommendations of the external review and those of the Governing Council meeting during the transitional period.

129. The Committee underscored the importance of IDEP and its continued relevance in building the capacity of member States for planning and economic development. In that regard the Committee emphasized the need to reposition the Institute, review its mandate, and adapt its training programmes to new demands. Another recurrent problem associated with IDEP had to do with its financial sustainability. In that regard, it was pointed out that the low visibility of IDEP, as

well as the limited awareness of its work benefits, partly explained the non-payment of contributions by some Member States.

130. The Committee stressed the need for IDEP programmes to be tailored to meet the diverse needs of various Member States and organizations, given the diversity of the background and qualifications of its clients. The Committee also suggested that the repositioning of IDEP would provide an opportunity to include emerging issues such as those related to the environment in its training programmes.

131. The Deputy Executive Secretary of ECA, who chaired the special meeting of the Governing Council of IDEP, assured the Committee that those concerns had been adequately addressed in the report of the IDEP External Review Panel, which served as the basis for discussions and recommendations of the meeting of the Council. She called on Member States to support the ECA Executive Secretary, in his capacity as Chairperson of the Governing Council, in the implementation of the proposed measures for repositioning the Institute.

132. The Committee took note of the report of the Governing Council of IDEP and the recommendations contained therein, together with a resolution to be submitted to the Conference of Ministers for its consideration.

Recommendations

133. The Committee made the following recommendations:

- The process of repositioning IDEP should continue in line with new demands;
- Member States should support the Executive Secretary of ECA, in his capacity as Chairperson of the Governing Council, to implement the necessary measures for repositioning IDEP; and
- Member States should update their financial contributions to IDEP.
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Presentation and discussion on the theme of the Conference [Agenda item 10]

Meeting Africa's New Development Challenges in the 21st Century: Issues Paper (E/ECA/COE/27/2 AU/CAMEF/EXP/2 (III))

134. The secretariat presented the document entitled "Meeting Africa's New Development Challenges in the 21st Century: Issues Paper", which identified four key challenges facing the continent: A) growth and employment; B) climate change; C) emerging social issues; and D) accelerating and sustaining progress in good governance and building capable States.

135. With respect to growth and employment, despite sustained economic growth, not enough jobs were being created for Africans. In addition, that discrepancy now had to be seen in the context of the economic relationship with China and India and rising food and energy prices. In terms of climate change, African countries were suffering the consequences of global warming (water, energy and biodiversity), even though they might also derive some positive trading opportunities. With regard to emerging social issues, the poor should be empowered by giving them property rights and finding long-term solutions for the HIV and AIDS epidemic.

136. During the ensuing discussion, the Committee commended the secretariat for its high-quality issues paper, but noted other challenges facing the continent that needed to be addressed with specific measures, including the following: human resource development; quality education; non-HIV and AIDS public health concerns, peace and security; access to finance; deficiency in energy resources; infrastructure; and peak oil in connection with renewable-energy resources and the obligation to consider the needs of future generations. The Committee felt that access to technologies for alternative energy generation remained a challenge to Africa. The Committee recognized that African countries had agreed on the NEPAD programme, whose objectives and priorities were in line with those identified in the Issues Paper.

Growth and employment

137. On growth and employment, the Committee noted that it was important for Africa to develop strong infrastructure and to take advantage of emerging trade opportunities in China and India. That would help deepen intra-Africa trade and support the continent's growth, even though that came with attendant risks, including de-industrialization and rapid depletion of natural resources. Good infrastructure would help in attracting FDI and in diversifying African economies. The trade opportunities in China and India would help deepen intra-African trade and support the continent's growth. Furthermore, the opportunities would also help promote transfer of technology for value addition in Africa.

138. The Committee identified the need for a new architecture of the sources of growth, which should focus on those sectors that produce high incomes and employment.

139. On rising food and oil prices, the Committee noted that many African countries were net food importers and the current global situation was a major security issue. The Committee observed the need for governments to identify rising prices as a social security issue and to consider providing basic food baskets to the poor, given the recognition that the right to food was a basic human right.

140. The Committee also recognized the importance of food security programmes in supporting the livelihoods of persons currently living in net food importing countries.

141. The Committee discussed the importance of SMEs as potential drivers of broad-based and sustainable economic growth and a source of employment. In that regard, development strategies focusing on vocational training and skills development should underpin the nexus between growth and employment.

Recommendations

142. The Committee made the following recommendations:

African countries should:

- Speed up the integration of the NEPAD programme into national development strategies and accelerate its implementation;
- Improve access to credit for SMEs to finance sector-specific training programmes and technology;
- Generate significant domestic savings by deepening, broadening and developing their financial systems;
- Continue to promote intra-African trade to deepen regional integration and enhance the capacity to exploit trading opportunities presented by the emerging economies of China and India;
- Aim for self-sufficiency in agriculture and food production with well-targeted subsidies in order to deal with the consequences of rising food prices;
- Enhance the quality of Education-for-All strategies and vocational and technical training programmes, to improve the matching of skills to job opportunities and national economic development priorities;
- Scale up the pace of implementation of physical integration infrastructure development projects, especially trans-border projects, in order to enhance the business and trade environment;
- Promote the increased use of public-private partnerships (PPPs) in infrastructure development within a well-designed legal framework;
- Formulate and implement well-designed, timed, sequenced, coordinated and costed comprehensive policy packages to improve employment and economic growth prospects;
- Speed up the articulation of a comprehensive social security policy, and deepen reforms in the pension sector; and
- Further develop a high-value competitive export sector.

The Committee further recommended that:

- Ministers of Transport and Ministers of Finance, Planning and Economic Development should work together at the country level in addressing the challenge of air, land and sea transport in Africa;
- ECA should provide assistance in the development of the institutional and legal frameworks for PPPs;
- ECA should also, through its subregional office in Rabat, share the results of the national human development initiative with the countries of the subregion and provide technical assistance to countries requesting it; and

- ECA and AUC should help African countries in designing wealth portfolios, to ensure sustainable exploitation of natural resources.

Climate Change

143. The Committee noted that climate change was a global challenge that required global solutions, and identified the need for strong coordination and collaboration mechanisms at the national, subregional and regional levels.

144. Africa needed to generate knowledge and create greater awareness of the issues of climate change. It also needed to conduct more research in renewable-energy sources, given the finite nature of the hydrocarbons on which the continent depended. Member States were encouraged to focus on innovations in bio-fuel, wind power and geothermal energy generation and to exploit financing opportunities for addressing issues of climate change through existing programmes and protocols such as the Water Facility, the CDM, the Adaptation Fund, the Kyoto Protocol and the UNFCCC. Those resources were hardly being used by African countries and both ECA and AU could be instrumental in assisting member countries to fulfil the eligibility criteria. The strong link between climate change and desertification resulting in land degradation which affected millions of farmers and the poorest was also reiterated. All that could be addressed by implementing the Rio Conventions.

145. Considering that Africa was less polluting and its forests played an important role in preserving the global ecosystem, the Committee noted that African countries should take advantage of the leverage their position offers to negotiate better outcomes on climate change issues in international forum. In that regard, the newly created ECA African Climate Policy Centre should provide the necessary leadership in capacity-building, research and advocacy for African countries.

Recommendations

146. The Committee made the following recommendations:

- Develop a common African position and actively participate in standard-setting conferences to increase the voice of Africa in international forums;
- Increase research and investment in energy-saving technologies and renewable-energy sources;
- Strengthen regional mechanisms at the national, subregional and regional levels to deal with climate change issues, including awareness-raising campaigns; and
- ECA and AU should build the capacity of Member States to access carbon trading opportunities and climate adaptation funds.

Legal Empowerment of the Poor

147. The presentation highlighted the positive economic impact that could arise from the legal empowerment of the poor, noting, however, that legal empowerment was not a substitute for development initiatives. Economic development through legal empowerment of the poor created

and expanded fiscal space for the government. The State delivered on the rule of law and protection of human rights and the poor reaped the resulting benefits. The Committee appreciated that legal empowerment could be used to bring about poverty reduction.

148. The Committee recognized the need for the application of the rule of law with regard to increasing growth and employment, as well as the link between development of human capital, including empowerment of women, and the reduction of poverty.

149. The Committee noted that the key complement to debt reduction and effective ODA for the achievement of the MDGs was domestic resource mobilization. It reflected on the issue of legal empowerment of the poor and why it was necessary to address that challenge. It recognized that empowering the poor legally was the most concrete way of fostering broad-based, pro-poor growth.

Recommendations

150. The Committee recommended that:

- The legal empowerment of the poor should necessarily be incorporated into the MDGs, aid-for-trade and EPA negotiations;
- ECA should conduct Africa-specific research on socially excluded and other vulnerable groups, to provide a solid knowledge base for policy and programme formulation;
- The AU Summit could be used as an occasion for launching the report of the CLEP; and
- AU should take that agenda through the G77 and China to the General Assembly for appropriate resolutions to encourage the multilateral and bilateral systems in support of developing country efforts on LEP.

Long-term sustainable financing of all public health issues

151. The Committee acknowledged that long-term financing was a challenge because of the long-term nature of the impacts of and substantial resources required for HIV and AIDS. In that regard, it was noted that a sustainable flow of resources was required to support treatment and orphan-care needs. The Committee also recognized the cross-cutting nature of HIV and AIDS and underscored the importance of mainstreaming HIV and AIDS into all sectors and strategies. In addition, the Committee noted that financing alone was not enough to win the battle against HIV and AIDS, and that there was need for complementary prevention strategies, such as behaviour change.

152. The Committee recognized the importance of encouraging domestic resource mobilization for financing of HIV and AIDS programmes, including an AIDS levy. It stressed the importance of tapping into private sector participation in financing by providing tax incentives for example.

Recommendations

153. The Committee recommended that:

- HIV and AIDS policies should be mainstreamed into all sectoral policies and national development programmes;
- Resource mobilization should be scaled up to deal with the HIV and AIDS pandemic through such innovative financing mechanisms as an AIDS levy and the encouragement of increased private sector participation through tax incentives;
- Aid effectiveness should be improved through better alignment of support with national HIV and AIDS and health plans and the basing of such support on programmes rather than projects;
- African countries should implement the African Health Strategy and associated health plans, including those on HIV and AIDS, tuberculosis, malaria and reproductive health, and urgently meet the Abuja pledge to allocate at least 15 per cent of their national budgets to health issues. Resources should be specially mobilized to eradicate tuberculosis in Africa by 2010. African countries should also increase their health expenditures to ensure that the life expectancy targets in the MDGs were achieved by 2015;
- African Ministers of Health and Ministers of Finance, Planning and Economic Development should organize a joint conference by late 2008 or early 2009 to agree on the specifics of sustainable health financing to implement the Africa Health Frameworks component of the MDGs; and
- The Committee acknowledged that sexual abstinence outside stable/formal relationships should be strongly promoted as a strategy for tackling the problem of sustainable long-term financing of HIV and AIDS.

Governance

154. On the issues of accelerating and sustaining progress in good governance and building capable States, the Committee pointed out that building capable and democratic States as a means of promoting good governance was a key requirement for African countries to effectively confront and overcome the new development challenges in the 21st century, including economic growth and employment creation. The Committee acknowledged the efforts made and the progress achieved by African governments in recent years to improve governance. However, it recognized that the challenges of good governance and building capable States remained enormous in Africa despite the progress achieved so far. In that context, the Committee was concerned about the constraints to good governance as outlined in the document and indicated that they should be considered as being country-specific.

155. The Committee acclaimed the APRM as having provided added impetus for improvements in governance and efforts to improve State capabilities, and it underscored the need to share experiences from those countries that had undergone the process.

Recommendations

156. The Committee recommended that:

- African countries should address governance issues in a participatory manner, while taking into account the socio-cultural context of each country;
- African countries should consider decentralization as one way of improving governance in their respective countries;
- African countries should improve the effectiveness of public service delivery, accountability and responsiveness to the needs of citizens through proper decentralization programmes, rather than the simple devolution of administrative authority to local government;
- African countries should consider instituting mechanisms to finance political parties to enhance their role in fostering democratic processes and ensuring their effective participation in the electoral process; and
- ECA and AU should assist Member States to improve the management and sustainability of their natural resources.

157. The Committee reaffirmed its commitment to the NEPAD programme, including APRM, and stressed the need to share experiences from those countries that had undergone the peer review.

Any other business [Agenda item 11]

158. Under this agenda item, the Committee commended ECA and the African Union Commission for working together to organize the present meeting. It was assured that measures had been taken to ensure that both partners made technical and logistical contributions to the preparatory process. To that end, a joint technical committee that met regularly had been established, in order to adequately reflect the views of the two institutions on the issues to be discussed, and to effectively monitor progress in the preparatory process and ensure a successful servicing of the meetings. Some delegations further requested the AUC to better inform the deliberations of the joint annual meetings by preparing and presenting more technical papers and reports. A representative of Morocco requested an information note on the costs and benefits of holding such joint meetings.

Consideration and adoption of the draft report of the Committee of Experts and draft resolutions [Agenda item 12]

159. Under this agenda item, the Committee considered the draft report of its meeting (as contained in document (E/ECA/COE/27/L AU/CAMEF/EXP/Draft/Rpt (III)), together with eight draft resolutions for consideration and adoption by the first Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development. Several delegations made comments and observations and proposed amendments to the report. After constructive discussions by participants,

the Committee adopted the present report, together with the eight draft resolutions, attached as annex, as amended for consideration by the Conference of Ministers.

Closure of the meeting [Agenda item 13]

160. On behalf of Mr. Abdoulie Janneh, Mrs. Lalla Ben Barka, Deputy Executive Secretary of ECA, expressed her satisfaction with the deliberations and commended the participants for their contribution to the discussions. In her view, the debates indicated that African experts generally agreed on the challenges facing the continent. She urged African countries and their development partners to scale up their commitments to meeting those challenges, and encouraged them to bring innovative ideas to their poverty alleviation efforts. She underscored the importance of supporting home-grown solutions to Africa's development challenges as well as the need to mainstream environmental concerns into development policies and highlighted the central role of infrastructure to Africa's economic and social development, noting that the outcome of the meeting would provide a good basis for the Ministerial Conference.

161. In his closing remarks, Dr. Maxwell Mkwezalamba, Commissioner for Economic Affairs of the AU Commission, congratulated all participants for a very successful meeting. His appreciation went to the Chairperson of the Bureau for the orderly and timely manner in which he had conducted the meeting. In his view, the issues discussed, including climate change and science and technology, were critical to Africa's development. He appreciated the support given by participants to the African Charter on Statistics and assured them that AU would continue to work closely with ECA and AfDB to finalize the draft. The African Union would also work hard to ensure the harmonization of EPAs. He called on Africa's development partners to honour their commitments to the continent.

162. Finally, after thanking all participants for their support, which had been instrumental to the success of the meeting, the Chairperson declared the meeting closed.

ANNEX

DRAFT RESOLUTIONS SUBMITTED BY THE COMMITTEE OF EXPERTS TO THE CONFERENCE OF MINISTERS FOR CONSIDERATION

DRAFT RESOLUTION - L1

Financing for Development

The Conference of Ministers

Recalling General Assembly resolution A/RES/62/187 requesting regional commissions and relevant entities to organize regional consultations on financing for development to serve as inputs to the Global Review of the Monterrey Consensus in November 2008;

Recalling also the outcome of the International Conference on Financing for Development held in Monterrey, Mexico, from 18 to 22 March 2002, and the recommendations of the High-Level Forum on Aid Effectiveness held in Paris, France, from 28 February to 2 March 2005;

Taking note of the Declaration on 23 November 2006 issued by of African Ministers of the Economy and Finance in Yaounde, Cameroon, and the outcome of the African Ministerial Financing for Development Conference held in Accra, Ghana, on 30 and 31 May 2007;

Recognizing the need to mobilize domestic and external resources to finance the investments required to boost growth and enhance prospects for achieving the Millennium Development Goals (MDGs) in Africa;

Deeply concerned about the slow pace at which donors are meeting their commitments to scale-up aid to African countries , improve aid effectiveness, resolve the debt problem, grant more market access, and increase Africa's voice in the governance of international institutions;

Bearing in mind the views of African countries on progress in meeting the goals of the Monterrey Consensus as reflected in the results of the Survey of African Policymakers presented by the Economic Commission for Africa and the African Union Commission;

1. Calls upon African countries to accelerate efforts to boost domestic resource mobilization, create appropriate domestic conditions for investment, take measures to stem and reverse capital flight, and lay a more solid foundation for high and sustained economic growth;
2. Requests Africa's development partners to make the Aid-for-Trade initiative operational and in addition to ensure that it is not used as a basis to obtain concessions from African countries in the ongoing Doha Round of trade negotiations;
3. Encourages donors to adopt more flexible eligibility criteria in financing for development in the context of LDCs and for debt relief under the Highly Indebted

Poor Countries (HIPC) and the Multilateral Debt Relief (MDRI) Initiatives so as to enable non-HIPC African countries to address their debt problems effectively;

4. Urges donors to scale-up efforts to fulfill the commitments and pledges made to African countries on increasing the quantity and quality of aid, as reflected in the Monterrey Consensus, the Paris Declaration on Aid Effectiveness, the G-8 Africa Action Plan, and the declaration of the 2005 G-8 Gleneagles Summit;
5. Calls for increased representation and powers for African countries in decision-making structures and processes of international organizations such as the World Trade Organization, the World Bank, the International Monetary Fund, and the Bank for International Settlements;
6. Commends the Economic Commission for Africa and the African Union Commission for the research and technical support provided to African countries in the area of financing for development; and
7. Appeals to member States and their representatives at the United Nations Headquarters to actively participate in preparatory meetings and workshops on implementation and reviews of the Monterrey Consensus.

DRAFT RESOLUTION - L2

Climate Change and Development in Africa

The Conference of Ministers

Recognizing the challenge that climate change poses to sustainable development in Africa, in particular the major implications for Africa of the outcomes of the UNFCCC COP13/Kyoto Protocol MOP-13 held in Bali, Indonesia, in December 2007;

Mindful of the need of African countries to be prepared for the series of negotiations leading to a new international climate change agreement by December 2009;

Recalling Decision (Doc.Assembly/AU/12 (VIII)) of the Eighth Ordinary Session of the Assembly of the African Union and Resolution 852 (XL) adopted by the fortieth session of the ECA Conference of African Ministers of Finance, Planning and Economic Development on Climate Change and Development in Africa;

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

Noting with appreciation the initiative by the Economic Commission for Africa, the African Union Commission and the African Development Bank in developing the "Climate and Development in Africa" (Clim-Dev Africa) programme with particular emphasis on policy;

Convinced of the need to put in place institutional mechanisms to assist in strengthening the capacity of African countries and their intergovernmental organizations to mainstream climate-related issues into national, subregional and regional development policies and programmes;

1. Welcomes and endorses the establishment of the African Climate Policy Centre with the objective of providing policy guidance to member countries and urges ECA to take the necessary action for its immediate operationalization;
2. Requests the Economic Commission for Africa, in collaboration with the African Union Commission and the African Development Bank to take the necessary measures for the effective implementation of Clim-Dev Africa through relevant national, sub-regional and regional institutions;
3. Further requests the Economic Commission for Africa and its proposed African Climate Policy Centre to provide the necessary support to and strengthen its

partnership with the African Centre of Meteorological Applications to Development (ACMAD).

DRAFT RESOLUTION - L3

Science with Africa: Strengthening Research and development, and Innovation for Africa's socio-economic development

The Conference of Ministers

Recalling General Assembly resolution (A/RES/60/205) of 22 December 2005 which underscored the important role of science, technology and innovation in enhancing economic well-being and which underscored the 2003 Declaration of Principles and the 2005 Tunis Plan of Action of the World Summit on the Information Society (WSIS);

Recalling also the avowed commitment of African Union Heads of State and Government made at their eighth Summit in 2007, to promoting Africa's research and development (R&D) agenda and to developing innovative strategies for wealth creation and economic development by allocating at least one per cent of national Gross Domestic Product (GDP) by 2010 as agreed by the 2006 Khartoum Summit, in decision EX.CL/Dec.254;

Taking into account the Addis Ababa Declaration on Science and Technology and Scientific Research for Development as espoused in the New Partnership for Africa's Development (NEPAD) and its Science and Technology Consolidated Plan of Action (CPA), adopted by the African Union Conference of Ministers of Science and Technology in 2006 in decision EC/CL/Dec.254 VIII;

Recognizing the need for concerted efforts to fulfill and implement the Science and Technology Consolidated Action Plan through United Nations system wide-support to the African Union Commission and its NEPAD programme, as well as other partnership mechanisms;

Noting with appreciation the outcomes of the Science with Africa Conference held in Addis Ababa held from 3 to 7 March 2008 and organized by ECA, AUC and their partners, and the Conference recommendations to scale up initiatives to strengthen innovation, scientific research and development in member States:

1. Commends the leadership of ECA and the African Union Commission for undertaking this timely and major event, namely the Science with Africa Conference and its far-reaching impact for strengthening the African scientific community;
2. Urges African Governments to take the necessary steps in harnessing innovation, research and development activities to address development challenges, by increasing national budgetary allocations for research and development activities within the context of enhancing economic productivity and fostering innovation in national economies;

3. Encourages African economic operators and higher education and research institutions to jointly support innovation, research and development activities within the context of enhancing economic development and productivity;
4. Invites the African Union Commission and ECA, in collaboration with the United Nations Science and Technology Cluster, the African Development Bank and other international partners, to establish an African Cluster for Science and Technology to foster the coordinated implementation of the Science with Africa Conference outcomes and recommendations as a mechanism to support the implementation of the African Union and its NEPAD Science and Technology Consolidated Plan of Action as well as the Science and Technology activities outlined in the ECA Business Plan and the ECA work programme and priorities for the 2008-2009 biennium and beyond;
5. Calls on Africa's development partners to provide the necessary support to ensure the implementation of a recommendations;
6. Requests the Executive Secretary of ECA and the Chairperson of AUC to take the necessary measures to implement the recommendations of the Conference, including facilitating partnership arrangements between Governments, the economic operators and civil society, assisted by research institutions and to report thereon at the next meeting of the Joint Conference.

DRAFT RESOLUTION - L4

Proposed Strategic Framework / Biennial Programme Plan for the Period 2010 – 2011

The Conference of Ministers

Recalling General Assembly resolution 41/203 of 19 December 1986 and subsequent relevant resolutions on programme planning;

Recalling further resolution 844 (XXXIX) of 15 May 2006 of the Conference of African Ministers of Finance, Planning and Economic Development on repositioning ECA to better respond to Africa's priorities;

Noting with satisfaction ECA's efforts to develop a markedly stronger subregional presence by empowering its subregional offices (SROs) to play an enhanced role in the delivery of its work programme;

Mindful of the dual role played by ECA and the four other regional commissions as regional outposts of the United Nations and as part of the African institutional landscape;

Expressing its appreciation to ECA and AUC for having strengthened their partnership and collaboration towards enhancing synergies to respond to Africa's development priorities;

Having examined the proposed strategic framework/biennial programme plan for the biennium 2010-2011 contained in document E/ECA/CoE/27/17;

Endorses the proposed strategic framework/biennial programme plan of the Economic Commission for Africa for the biennium 2010-2011, taking into account the discussion and related observations made at the present meeting.

DRAFT RESOLUTION - L5

Special Meeting of the Governing Council of the African Institute for Economic Development and Planning (IDEP)

The Conference of Ministers

Taking note of the report of the special meeting of the Governing Council of the African Institute for Economic Development and Planning (IDEP) organized on 18 and 19 March 2008 at the headquarters of the United Nations Economic Commission for Africa;

Recalling that at the thirty-ninth session of the Commission held in Ouagadougou, Burkina Faso in May 2006, the African Ministers of Finance, Planning and Economic Development had requested the Executive Secretary of ECA to make proposals for improving the difficult situation of IDEP and to report thereon to the fortieth session of the Commission;

Noting that, in response to that request, the Executive Secretary of ECA had set up an external review panel composed of two high-level consultants, and that on the basis of the preliminary recommendations and subsequent decisions (E/ECA/COE/26/15) of the Conference on IDEP, the Executive Secretary had reconvened the same review panel to deepen the exercise and to recommend some scenarios for the future of the Institute;

1. Taking note of the recommendations of the report on the external review of IDEP, in particular those on the repositioning of the Institute;
2. Noting that some strategic and operational issues identified in the external review report had already been brought to the attention of the Governing Council at its forty-fifth and forty-sixth meetings;
3. Endorses the findings and recommendations of the external review, in particular those on the urgent need to reposition IDEP;
4. Reaffirms that the mandate and mission of IDEP remain relevant and stresses that the Institute should strengthen its cooperation with other United Nations institutes and national, regional and international training institutions;
5. Reaffirms the importance of a comprehensive and coordinated approach to the training and research agenda in Africa, on the basis of consistent and effective result-based management, and on a division of labour among the major regional organizations and other training and research institutions on the continent;
6. Mandates the Executive Secretary of ECA, in his capacity as Chairman of the Governing Council, to take all the necessary measures to reposition IDEP. In this context, he should assume as a matter of priority direct responsibility for the management of the Institute, the revitalization of its deliberative organs, particularly

the Governing Council and the Scientific Board, the updating of its statutes and the preparation of a programme budget over a transitional period of twelve months . The other recommendations of the external review panel and those of the special meeting of the Governing Council must also receive particular attention during this transitional period;

7. Urges the Member States to commit themselves more clearly in the process of repositioning IDEP, particularly by providing substantial support and participating in the activities of the Institute and contributing financially to its budget;
8. Requests the Executive Secretary of ECA, in consultation with the Secretary-General of the United Nations and the Governing Council to make proposals for alleviating the financial difficulties of the Institute, based on the modalities used in United Nations training institutes having similar missions;
9. Further requests the Executive Secretary to report on this mandate to the next session of the Conference.

DRAFT RESOLUTION - L6

African Charter on Statistics

The Conference of Ministers:

Considering the importance of statistics for the formulation, monitoring and evaluation of development policies and programmes and for the socio-economic, political and cultural integration of Africa;

Considering also the importance of statistics to political, economic and social decision-making;

Noting the need for quality data which implies the use of internationally recognized norms and standards and for statisticians to abide by a code of professional conduct;

Welcoming the progress made in a recent years as a result of many initiatives taken in the area of statistical capacity building and development by the Member States at the national, regional and continental levels;

Recalling Declaration AU/CAMEFII/Decl/II on the drafting of an African Charter on Statistics and the creation of a fund for the development of statistic in Africa adopted by the Second Meeting of the African Union Conference of Ministers of Finance and Economy held in Yaoundé, Cameroon in November 2006;

Also welcoming Executive Council Decision EX.CL/Dec.330 (X) of January 2007 adopted in Addis Ababa, Ethiopia and calling on the African Union Commission to take every measure necessary to develop an African Charter on Statistics;

Convinced of the need to establish a regulatory framework for the national, regional and continental development of statistics;

1. Takes note of the Draft Charter and accept in principle the objectives, the aims and the professional principles of the draft Charter;
2. Requests AUC, in collaboration with members of the African statistical system, to further consult legal experts on the draft Charter;
3. Also requests the African Union Commission to submit the revised draft Charter to the Executive Council of the AU as requested by Executive Council decisions EXCL/DEC 330 (X);
4. Further requests the African Union Commission to take all the measures necessary, working in cooperation with the United Nations Economic Commission for Africa, the African Development Bank and all members of the African Statistical System, to finalize the studies on the mechanisms for

implementing the charter and creating the fund for statistical development in Africa.

DRAFT RESOLUTION – L7

Millennium Development Goals

The Conference of Ministers

Recalling African Union resolutions at the July 2007 Accra Summit and the January 2008 Addis Ababa Summit requesting African countries to intensify efforts to reach the Millennium Development Goals (MDGs) and calling on the African Union Commission (AUC), the Economic Commission for Africa (ECA), and the African Development Bank (AfDB), to submit annual status report and related statistics on Africa's progress towards the MDGs to the Assembly of Heads of State;

Recalling the African Union resolution taken at the January 2008 Summit calling on AUC and ECA to submit on an annual basis status reports (and related statistics) on the Africa MDG Steering Group to AU Summits;

Recalling also the outcome of the United Nations Summit and Mid-term Review of Progress towards the Millennium Development Goals in 2005 and the African Union African Common Position on the MDGs in 2005;

Recalling further the Declarations of ECA Conference of African Ministers of Finance, Planning and Economic Development in Abuja, Nigeria in 2005 and in Addis Ababa, Ethiopia, in 2007 on the imperative of scaling up efforts to reach the targets of the MDGs in Africa;

Recognizing the need to mobilize mobilize additional resources to scale up public investments for the MDGs in Africa;

Recognizing the efforts that countries are making to achieve the MDGs and applauding the successes registered by a number of countries on a number of the targets;

Deeply troubled by the aggregate slow rate of progress in our region towards the targets of the MDGs;

Encouraged by the continuing high level political support for the MDGs in our region and in the international community;

Welcomes the recent decisions of the United Nations Secretary General to focus on the MDGs including the setting up of the Africa MDGs Steering Group and Working Group, the MDGs Gap Task Force, and the convening of a High Level Event on the MDGs in September 2008;

1. Takes note of the decision of the United Nations to promote peer learning on and scale up the contribution of international cooperation to efforts to achieve the MDGs

through the establishment of the UN ECOSOC Annual Ministerial Review and the Development Cooperation Forum (DCF) and urges member States to actively participate in these fora;

2. Further takes note of the resolution of the Accra and Summits directing the AUC, ECA and the African Development Bank to report on an annual basis to the Assembly of Heads of State and Government, on the region's progress towards the targets of the MDG
3. Requests ECA and the AUC to as much as possible use updated national data in the MDG report and in this connection, calls on member States to make their national data available, on a timely basis to the ECA African Centre for Statistics, the AUC Statistics Unit, and the Statistics Department of the African Development Bank;
4. Calls on Africa's development partners to fulfill their commitments to scale up official development assistance to Africa to achieve the MDGs;
5. Calls on African countries to meet their own commitments to increase budget *allocation* to MDGs-sensitive sectors, in particular meeting the 10% allocation to agriculture as agreed under the AU's Comprehensive African Agriculture Development Programme (CAADP) and the 15% of budget allocation to health as agreed in the Abuja Declaration on HIV/AIDS, TB, and other related infectious diseases;
6. Takes note of the presentation on the legal empowerment of the poor and look forward to its finalization and submission to the AU Assembly.;
7. Takes note with satisfaction the efforts of the ECA, in collaboration with the AUC to promote peer learning and experience sharing on the MDGs through the African Learning Group on Poverty Reduction Strategies and the MDGs (PRS/MDGs-LG);
8. Commends the ECA for developing the MDG-Mapper and urges member States to explore its use in MDGs reporting and planning.

DRAFT RESOLUTION – L8

Assessment of Progress on Regional Integration in Africa

Recalling the Assembly Decision/AU/Dec.112(VII) by the Heads of State and Government in Banjul, The Gambia, mandating the AUC and the Regional Economic Communities (RECs) to coordinate and harmonise their policies with a view to accelerating Africa' integration process;

Bearing in mind that the work on regional integration emanated from the Abuja Treaty, the Constitutive Act establishing the African Union, the 9th September 1999 Sirte Declaration, and the Lagos Plan of Action;

Welcomes the grand debate on the Union Government for Africa during the 9th ordinary session of the Assembly of African Union Heads of State and Government in Accra, Ghana and the Accra Declaration to speed up economic and political integration of the continent;

Commends the progress made by African countries in their integration efforts, particularly in the areas of trade, macroeconomic convergence, infrastructure and ICTs despite numerous challenges facing them;

1. Urges the AUC in collaboration with the ECA and the Regional Economic Communities (RECs) to continue advancing the regional integration agenda forward;
2. Calls upon African Member States to put more efforts in critical areas, such as infrastructure development and also requests existing subregional development banks to play a major role in funding infrastructure projects;
3. Further calls upon the AUC for speedy establishment of the pan-African financial institutions, particularly the African Investment Bank in order to mobilize the necessary resources for financing of regional integration projects and programme;
4. Commends the proposal of the secretariat to establish an observatory for regional integration in Africa as a platform for sharing knowledge and best practices on regional integration;
5. Further commends the joint publication by ECA and AU of the report on *Assessing Regional Integration in Africa (ARIA)*, and calls upon Member States and RECs to demonstrate ownership by providing data and related information for its publication.