

ECONOMIC COMMISSION FOR AFRICA

ANNUAL REPORT, 2004

Economic and Social Council
Official Records, 2004
Supplement No. 18



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Abbreviations and Acronyms

ACP	African, Caribbean and Pacific Countries
ADB	African Development Bank
ADF	African Development Forum
AERC	African Economic Research Consortium
AGDI	African Gender and Development Index
AGOA	African Growth and Opportunity Act
AGR	African Governance Report
AISI	African information Society Initiative
AMCOW	African Ministerial Council on Water
AMU	Arab Maghreb Union
APRM	African Peer Review Mechanism
ARIA	Assessment of Regional Integration in Africa
ASM	Artisanal Small-Scale Mining
ASN	African Stakeholders Network
ATPC	Africa Trade Policy Centre
AU	African Union
BDEAC	Development Bank for Central Africa
BWIs	Bretton Woods Institutions
CCA	Common Country Assessment
CCSA	Coordination Committee of Statistical Activities
CEMAC	Communauté économique et monétaire de l'Afrique centrale
CHGA	Commission on HIV/AIDS and Governance in Africa
COMESA	Common Market for Eastern and Southern Africa
CPC	Committee for Programme and Coordination
CSD	Committee on Sustainable Development
CSO	Civil Society Organizations
DESA	United Nations Department of Economic and Social Affairs
EAC	East African Community
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOSOC	Economic and Social Council of the United Nations
ECOWAS	Economic Community of West African States
EDFs	Enterprise Development Facilities
EPA	Economic Partnership Agreement
ePol-Net	ePolicy Resource Network
ERA	Economic Report on Africa
ESPD	Economic and Social Policy Division
EU	European Union
FAWE	Forum of African Women Educationalists
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GSDIA	Global Spatial Data Infrastructure Association
HIPC	Highly Indebted Poor Countries
HP	Household Production

ICE	Intergovernmental Committee of Experts
ICPD	International Conference on Population and Development
ICTs	Information and Communication Technologies
IDEP	Institute for Economic Development and Planning
IGAD	Intergovernmental Authority for Development
IGOs	Intergovernmental Organizations
IMF	International Monetary Fund
IOM	International Office for Migration
ISP	Institutional Strengthening Programme
JPOI	Johannesburg Plan of Implementation
LDCs	Least Developed Countries
MDGs	Millennium Development Goals
MNC	Multinational Corporations
NEPAD	New Partnership for Africa's Development
NGOs	Non Governmental Organizations
NICI	National Information and Communication Infrastructure
ODA	Overseas Development Assistance
OECD	Organization for Economic Cooperation and Development
OHCHR	Office of the High Commissioner of Human Rights
OIOS	Office of Internal Oversight Services
OPC	Office of Policy and Programme Coordination
PANAFCON	Pan-African Implementation and Partnership Conference on Water
PPR	Programme Performance Report
PRSP-LG	Poverty Reduction Strategies Papers-Learning Group
R & D	Research and Development
RBB	Results-based Budgeting
RBM	Results-based Management
RECs	Regional Economic Communities
RICI	regional Information and Communication Infrastructure
RISDP	regional Indicative Strategic Development Plan
SADC	Southern African Development Community
SATCC	Southern Africa Transport and Communications Commission
SDI	Sustainable Development Index
SEAMIC	Southern and Eastern Africa Mineral Center
SMEs	Small and Medium Enterprises
SMLs	Small and Medium Industries
SROs	Sub Regional Offices
SRO-CA	Sub Regional Office for Central Africa
SRO-EA	Sub Regional Office for Eastern Africa
SRO-NA	Sub Regional Office for North Africa
SRO-SA	Sub Regional Office for Southern Africa
SRO-WA	Sub Regional Office for Western Africa
SSATP	Sub-Sahara African Transport Policy Programme
TCI	Trade Competitiveness Index
TRID	Trade and Regional Integration Division
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDAF	United Nations Development Assistance Framework
UN-DESA	United Nations Department of Economics and Social Affairs
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
WAHO	West African Health Organization
WAMI	West African Monetary Institute
WIPO	World Intellectual Property Organization
WSIS	World Summit on the Information Society
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization

Introduction

The present annual report of the Economic Commission for Africa covers the period between May 2003 and May 2004. It has been prepared in accordance with paragraph 18 of the Commission's terms of reference and was adopted by the Commission on 22 May 2004

CHAPTER I

Matters Brought to the Attention of the Economic and Social Council

The present annual report of the Economic Commission for Africa covers the period between May 2003 and May 2004. It has been prepared in accordance with paragraph 18 of the Commission's terms of reference and was adopted by the Commission on 22 May 2004

At the thirty-seventh session of the Commission/Conference of African Ministers of Finance, Planning and Economic Development held in Kampala, Uganda on 21 and 22 May 2004, the Conference adopted the following resolution which is brought to the attention of the Council:

Resolution brought to the attention of the Council

842 (XXXVII) Proposed Biennial Programme Plan for the Period 2006-2007

The Conference of Ministers

Recalling General Assembly resolution 41/203 of 19 December 1986 and subsequent relevant resolutions

on programme planning,

Recalling further its resolution 809 (XXXI) of 8 May 1996 on new directions for the Economic Commission for Africa and resolution 838 (XXXV) on the proposed revisions to the medium-term plan of the Economic Commission for Africa for the period 2002-2005,

Taking note of General Assembly resolution 58/269 of 23 December 2003, requesting the Secretary-General to prepare for submission to the Assembly, at its fifty-ninth session, a strategic framework for the biennium 2006-2007, to replace the current four-year medium-term plan,

Having examined the proposed biennial programme plan for the biennium 2006-2007 contained in document E/ECA/CM.37/3,

Endorses the programme plan of the Economic Commission for Africa for the biennium 2006-2007, taking into account the discussion and related observations made at the present meeting.

CHAPTER II

Major Activities Undertaken by the Secretariat Since June 2003

A. Implementation of the regular programme of work

1. The activities carried out by the Commission since its last session took place in a context of modest economic recovery and adaptation by African economies to relevant trends and events taking place in the world economy. Assisting member States to reinforce these trends has defined the analytical, advocacy and advisory work of the Commission during the period under review.

2. The report which follows details ECA's work in the past year in promoting the economic and social development of Africa through the implementation of activities in seven complementary and interdependent subprogramme areas which broadly reflect the priorities and challenges confronting Africa: *Facilitating economic and social policy analysis*; *Fostering sustainable development*; *Strengthening development management*; *Harnessing information for development*; *Promoting trade and regional integration*; *Promoting the advancement of women*; and *Supporting subregional activities for development*. Under each of the subprogrammes, an effort has been made to promote convergence of thematic issues and sectoral priorities in support of the attainment of the goals of NEPAD, the Millennium Declaration and the outcomes of other global conferences with special emphasis on the Brussels Programme of Action for the Least Developed Countries (LDCs), Doha Development Agenda, the Monterrey Consensus, the Johannesburg Plan of Implementation and the Action Plan Adopted at the World Summit on the Information Society.

1. Facilitating economic and social policy analysis

3. The activities carried out under this subprogramme during the period under review were aimed at strengthening the capacity of member States to design

and implement appropriate economic and social policies and strategies to achieve sustained economic growth for poverty reduction in line with the priorities of the Millennium Declaration and NEPAD. In this regard, particular emphasis was placed on economic policy analysis; development issues related to social policy and poverty analysis; issues related to trade and finance; and statistical development.

4. In the area of economic policy analysis, the secretariat prepared and published the 2003 edition of the *Economic Report on Africa (ERA)* under the theme, *Accelerating the pace of development*. The secretariat also completed work on the 2004 edition of the ERA which focused on the theme, *Unlocking Africa's trade potential*. Both reports provide assessments of the current trends and near-term outlook of the African economies and analyze the factors affecting their performance, taking into account developments in the global economic environment. In particular, the reports identified the policy challenges that African countries need to address in achieving the growth rates required for attaining the MDGs. Among the policy priorities identified in the report are addressing spatial poverty, achieving fiscal sustainability, strengthening national bureaucracies and ensuring mutual accountability and policy coherence.

5. The 2003 report reveals that only 5 out of 53 countries achieved the necessary growth rate of 7 per cent for meeting the MDGs in 2002, with 43 countries registering growth rates of below 7 per cent and 5 countries with negative growth rates. For the region as a whole, real GDP grew at an average of 3.2 per cent in 2002, compared with 4.3 per cent in 2001. The economic slow-down was partly due to the slow recovery of the global economy, decline in oil prices, and drought in some parts of the continent. The social situation in Africa was made worse by the devastating impact of HIV/AIDS and armed conflicts. The 2003 report also supplements the traditional region-wide analysis of trends with seven in-depth country studies on Uganda, Ghana, Rwanda, Mozambique, Mauritius, Egypt and Gabon.

6. In the overview of the ERA 2004, ECA notes that after the disappointing economic performance of the 1980s and 1990s, there has been a return to positive rates of per capita economic growth in most of the continent, and with an acceptably good macroeconomic performance. However, Africa's rates of growth are still well below the annual average 7 per cent needed to fulfill the MDGs. Moreover, the economic recovery is fragile and in some parts of Africa, it has been overly dependent on the vagaries of the weather and international commodity prices, something which obviously cannot be counted upon all the time. A number of political and military conflicts also continue to jeopardize the achievements of recent years. For 2003, the report reveals that a combination of sound macroeconomic fundamentals, higher levels of investment and rising commodity prices across much of the continent, led to an average GDP growth of 3.6 per cent, compared to 3.2 per cent in 2002. The report underlines the need to secure stronger and more lasting foundations for Africa's engagement in international trade as a basis for longer-term sustained growth and poverty reduction.

7. ERA 2004, takes an introspective look at policy measures that Africa needs to put in place in order to benefit from existing and future opportunities in the global trading system. It addresses fundamental issues facing African policy makers and demonstrates the need for a concerted effort to diversify the productive structures of Africa's economies. The Report presents a Trade Competitiveness Index (TCI) as a tool for policy makers in their search for well-coordinated strategies to develop their countries' competitive strengths and remove bottlenecks to their performance. Among the strategies recommended are promoting export capacity and facilitating structural diversification through the adoption of a coherent diversification policy, job creation, focusing on small and medium enterprises (SMEs), and improving efficiencies in infrastructure.

8. The work of the ECA secretariat in the area of social policy and poverty analysis during the period under review focused on activities in support of the efforts of member States in achieving the goals of NEPAD and the Millennium Declaration. These included preparation of analytical studies and other research activities aimed at assisting member States understand the structural causes of poverty in order to help them design and implement effective pro-poor policies and strategies for eradicating it. Several studies were also undertaken which examined the policy and methodological issues involved in poverty measurement in Africa. In addition, the secretariat organized an ad hoc experts group meeting in Kampala, Uganda, in June 2003 to discuss and analyze the

impact of pro-poor growth strategies on such sectors as education, labour, health, tourism and agriculture.

9. As part of efforts aimed at strengthening poverty reduction strategies papers (PRSPs) process and other nationally-owned development strategies, which are deemed essential in achieving the MDGs, ECA convened the third meeting of the learning group on poverty reduction strategies papers (PRSP-LG) in Addis Ababa in December 2003. The meeting brought together several African policy makers and development experts to share experiences and information on best practices on poverty reduction issues and identify weaknesses in the design and implementation of PRSPs. Building on the successful outcomes of the first and second meetings, the third meeting of the PRSP-LG examined how the process is unfolding in the continent, the extent to which African countries are taking advantage of the framework to focus on poverty reduction, and the degree to which it is influencing the conduct of Africa's major development partners and shaping the new aid relationship. The meeting considered five major clusters of issues important for the process - content and comprehensiveness of growth strategies; costing; budgeting and financial management; institutionalization of participation; national capacity needs; harmonization of donor policies and the impact of HIV/AIDS on growth and poverty reduction. The meeting also considered the feasibility of social safety nets as antidote to poverty in Africa.

10. Participants observed that there is an increasing engagement with the issue of poverty across the continent by stakeholders and the quality of PRSPs is improving across the board. However, it was noted that more efforts are needed to ensure the consistency of these strategies with macroeconomic policies, structural reforms and sectoral strategies and outcomes for sustained long-term growth. The meeting further noted that poor and inadequate data are a constraint to the depth of the analysis underpinning the PRSPs process, and emphasized the need for better integrating growth strategies into the process. The need for countries to strengthen capacities for costing and monitoring their PRSPs was also underscored. On the donor side, the meeting stressed the need for greater coordination and harmonization of policies and programmes, to simplify reporting procedures and reduce the high transaction costs.

11. Two workshops on capital markets development were organized by the secretariat during the period under review as part of efforts aimed at enhancing resources mobilization for achieving the MDGs in Africa. The first workshop, held in Johannesburg in

October 2003 for countries in eastern and southern Africa brought together more than 60 participants including several Ministers of Finance, other senior government officials, Chief Executive Officers of several banks and stock exchanges in Africa to discuss a wide range of issues related to the development of capital markets in Africa including the role of government in the process, the role of public education, the importance of accurate economic data, the development of debt and other markets and the need for a sound and transparent governance system for African capital markets.

12. The second workshop in Cairo, Egypt, for countries of the North Africa subregion drew participants from several major regional and international financial institutions including several African stock exchanges, the ADB, the IMF, and the US Securities and Exchange Commission. The workshop considered ways to strengthen the regulatory environment, increase liquidity, develop new financial products and increase participation of both domestic and foreign companies in North African capital markets. Other issues addressed included risk management and bond market development. The workshop ended with a consensus on the need for increased coordination and harmonization of efforts to develop capital markets in Africa. In that respect, a steering committee of major stakeholders was established to coordinate technical capacity-building efforts in the region. Members of the committee include the US Securities Exchange Commission, the IMF and ECA. The organization of both workshops further demonstrated ECA's growing collaboration with the private sector – the Johannesburg workshop was jointly organized with Rand Merchant Bank, one of Africa's largest banks; and the Cairo workshop was organized in collaboration with J.P. Morgan Investment Bankers as well as the Cairo and Alexandria Stock Exchanges. Also, in October 2003, an ad hoc experts group meeting on fiscal policy and growth in Africa was organized in Addis Ababa to examine the challenges of decentralization, fiscal federalism and taxation and their implications for growth and poverty reduction in the region based on various country experiences.

13. In support of the continent's debt relief agenda, ECA, in collaboration with the Government of Senegal organized an experts group meeting in Dakar, Senegal in November 2003 to discuss strategies, policies and initiatives for resolving the external debt problem in the broader context of mobilizing resources for financing the MDGs in Africa. The meeting drew participants from several African Ministries of Finance and Central Banks, as well as experts from regional and international organizations including the

African Union Commission and the NEPAD Secretariat, several NGOs, the IMF, and the World Bank. The discussions were organized around five major themes namely, legal aspects of external debt relief; towards debt sustainability; financing debt relief for development; minimizing the impact of commodity volatility; and need for in-depth analysis of external debt in selected African countries.

14. The meeting recommended the establishment of an Ad hoc Technical Committee under ECA's leadership to facilitate a timely and collective response to emerging policy proposals on debt relief that would ensure Africa's permanent exit from the debt trap. The Committee would have representation from the NEPAD Secretariat, the African Union, the African Development Bank, selected member States and the Regional Economic Communities (RECs). The recommendations of the expert meeting would be presented to the next session of the ECA Conference of Ministers for endorsement, and will inform the ongoing dialogue on the debt issue in the international community.

15. In the area of statistical development, several activities were undertaken, aimed at strengthening the capacity of member States for the collection, processing, analysis and dissemination of data in support of the policy and decision-making process at the country level. Particular attention was also given to improving the range and quality of data for tracking progress in achieving the MDGs and the priorities of NEPAD. Specific activities undertaken in this regard, include the organization of workshops and experts group meeting to highlight best practices and share experiences on the development of indicators for poverty measurement; and the provision of technical assistance to member States in strengthening the capacity of national statistical agencies for the collection, storage and analyses of household survey, and the construction of time series data on important economic and social variables.

16. November 18, each year, Africa celebrates Africa Statistics Day by organizing series of events to inspire reflection on the value of statistics for decision-making and the need to strengthen national statistical capacities. The theme for Africa Statistics Day for 2003 was *Monitoring progress in the realization of the MDGs: The challenge for statistics*. To mark the day, ECA disseminated posters and issued a press release aimed at creating greater public awareness on the role of statistics in decision-making and for tracking progress on the MDGs. Other awareness-creation activities undertaken, include the preparation of the 2003 editions of the *African Statistical Yearbook*; *Afri-*

can Socio-economic indicators; and the Compendium of Intra-African and related Foreign Trade Statistics to provide policy makers, researchers, other development institutions and the public at large with information for their work. In addition, the secretariat participated in the 2003 annual session of the UN Statistical Commissions; the meetings of the Coordination Committee of Statistical Activities (CCSA); the Scientific Council of AFRISTAT; and PARIS 21 consortium.

17. A significant feature of NEPAD is its focus on transforming Africa's relationship with its development partners based on the principle of mutual accountability and policy coherence. To provide an opportunity for senior officials to forge a common position on these issues, the secretariat convened the thirty-sixth session of the Commission in Addis Ababa in June 2003 under the theme, *Towards greater policy coherence and mutual accountability for development effectiveness*. Discussions focused on the need for ensuring greater harmonization of donor policies and programmes, the need for wider market access for African exports; dismantling of agricultural subsidies of OECD countries; enhanced debt relief for heavily indebted low-income countries; and the modalities for undertaking mutual reviews of performance on both sides of the development partnership. The Conference also examined ways of making the IMF work better for Africa's development; and the macroeconomic impact of HIV/AIDS against the background of the work of the Commission on HIV/AIDS and Governance in Africa (CHGA).

18. In the Ministerial Statement adopted at the end of the Conference, the Ministers endorsed proposals aimed at advancing the agenda on these issues. With regard to specific measures for addressing the issue of mutual accountability for development effectiveness, the statement endorsed the proposal for a joint review to be prepared by the ECA and OECD Secretariats and submitted to the Conference of Ministers at its thirty-eighth session in 2005. Significant progress has been made during the period under review on the joint review and a progress report will be submitted to the 2004 session of the ECA Conference of Ministers.

19. As a direct follow-up to the discussions on mutual accountability and policy coherence, the secretariat convened a special session of the ECA Big Table forum in Washington, D.C. in October 2003 to examine how best the policies and practices of the Bretton Woods institutions (BWIs) could contribute to Africa's efforts towards achieving the MDGs. The discussions focused on a wide range of issues including

the need for the World Bank and the IMF to design a programme of assistance for countries that suffer from exogenous macroeconomic shocks; the need to ensure that the policies of the BWIs are sufficiently aligned with countries' poverty reduction strategies; the need for resource additionality for meeting the MDGs and linked to this, are issues of quality and modalities for delivering assistance, including the place of conditionality and the balance between grants and loans.

20. The secretariat continued to strengthen its collaboration with various partners during the period under review. Collaboration with United Nations Department of Economic and Social Affairs (UN-DESA) continued in the preparation of the Report on *Global Economic Situation and Prospects* and participation in the PROJECT-LINK, an international collaborative research group for economic modelling jointly coordinated by DESA and the University of Toronto. Discussions have also been initiated with the NEPAD Secretariat with a view of providing support in the implementation of the African Peer Review Mechanism (APRM).

2. Fostering sustainable development

21. The activities implemented under this subprogramme during the period under review were aimed at enhancing the awareness and understanding of policy makers of the environmental foundations of sustainable development with particular focus on strengthening their capacities for better integrating the nexus of food security, population growth, environmental sustainability and sustainable natural resources management into national development plans and poverty reduction strategies. ECA's work under the subprogramme was also geared to creating awareness of the potential contribution of science and technology, including biotechnology to achieving food security and sustainable development. Understanding the linkages among the nexus issues and awareness of the need to integrate them into national development frameworks is growing in Africa, partly as a result of ECA's work in this area. As a result, during the period under review, the secretariat undertook a wide array of activities aimed at assisting member States in defining their environmental challenges and priorities, and identifying the strategies for addressing them.

22. In October 2003, the secretariat organized the third meeting of the Committee on Sustainable Development (CSD-3) in Addis Ababa under the overarching theme, *Making technology work for the poor*. In addition to preparing and submitting progress reports on its work in the area of sustainable development to the meeting, the secretariat also prepared

and presented a paper on the theme of the meeting. The paper highlighted the potential contribution of science and technology to sustainable development in Africa, and outlined policy measures for democratizing access to science and technology and making it a tool for achieving sustainable development in Africa. In this regard, the paper recommended that African countries should promote new approaches that would shift the direction of scientific development from its current elitist and conservative emphasis, to new initiatives that are inclusive and populist, and which would be of more direct benefit to the poor. To develop the scientific and technological capacities of the poor, particular efforts should focus on the following areas: basic scientific literacy (education for all, particularly women); popularization (activities to develop a scientific culture); science communication (extensive use of the media to reach ordinary people); extension (targeted, especially at poor farmers); and application of appropriate modern technology by the poor. An important outcome of the meeting was the adoption of a recommendation to harmonize the work of the ECA Committee on Sustainable Development and that of the global Commission on Sustainable Development, and making the ECA Committee serve as a regional review forum for the global CSD. The Committee also took a number of other important decisions in providing guidance to the secretariat in its work under this subprogramme.

23. Six ad hoc experts group meeting were also organized during the period under review to address the following issues: indicators for measuring the state of food security in Africa; land tenure policies and their implications for food security and sustainable development in Africa; assessment of power pooling arrangements in Africa; green revolution in Africa; Africa regional ten-year review of the International Conference on Population and Development (ICPD+10); and minerals cluster development in Africa. In addition, the secretariat undertook research and prepared studies which addressed the following issues: land tenure systems and their implications for food security and sustainable development in Africa; the state of transition in population, environment, agriculture in Africa; minerals cluster development in Africa; improving public participation in the sustainable development of mineral resources in Africa; and mainstreaming mineral wealth in growth and poverty reduction strategies in Africa.

24. As a follow-up to the ad hoc experts group meeting which helped develop the road map to a green revolution in Africa, the secretariat organized an advocacy Ministerial Roundtable on the topic at the High-Level Segment of the UN Economic and Social

Council (ECOSOC) in Geneva in July 2003. It also implemented a field project in Kampala, Uganda, in December 2003, bringing together key African researchers to identify appropriate indicators and provide input to the preparation of a methodology and strategy for designing and implementing a green revolution and agricultural modernization in Africa.

25. During the period under review, the secretariat continued to provide support in the implementation of the mining chapter of NEPAD. In collaboration with UNESCO, the secretariat provided technical assistance to the NEPAD process for revamping African science and technology. In this regard, it helped in commissioning working papers for an experts preparatory meeting held in Nairobi in October 2003, and participated in the Ministerial Meeting in Johannesburg which culminated in the adoption of an Action Plan and the establishment of a Ministerial Council for managing Science and Technology in Africa.

26. The Conference of African Ministers responsible for Mineral Resources Development endorsed the Yaounde Vision, a strategic framework which ECA and other partners helped to elaborate with the objective of mainstreaming mining, and particularly artisanal and small-scale mining (ASM) into national poverty reduction strategies. The Yaounde Vision has similarly been endorsed by the global network on ASM and the Communities and Small-scale Mining (CASM). In addition, ECA helped in the establishment of the Africa Mining Partnership as a mechanism for the implementation of the mining initiative of NEPAD. The Southern and Eastern Africa Mineral Centre (SEAMIC), an ECA-sponsored institution also received assistance in the development of its strategic plan covering the period 2004-2008. The Plan provides a blueprint for the Centre's transformation from a purely intergovernmental organization into a hybrid institution comprising government, private sector and other stakeholders.

27. With over 300 million Africans lacking access to safe drinking water and basic sanitation, water ranks as the most pressing natural resource challenge confronting the continent. To address this problem, ECA, in collaboration with several UN agencies and the African Development Bank organized the Pan-African Implementation and Partnership Conference on Water (PANAFCON) under the aegis of the African Ministerial Council on Water (AMCOW) in Addis Ababa in December 2003. The conference brought together more than 40 water and environment Ministers from around the continent, together with more than 1000 delegates representing intergovernmental organizations, NGOs and other stakehold-

ers to address how to implement the actions detailed in the African Water Vision 2025, the WSSD Plan of Implementation, the NEPAD water agenda and the MDGs target on water, which include halving, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.

28. The conference launched the African Water Facility, with targeted funding of \$US 600 million for water and sanitation projects. Also launched was a rural water supply and sanitation initiative, supported by the ADB; the second phase of the UN-HABITAT water and sanitation for African cities project, supported by Canada; and the G8 Action Plan on Water for Africa. The outcomes of the conference were endorsed by the AMCOW and presented at the twelfth Session of the Commission on Sustainable Development in April 2004.

29. The secretariat also provided technical assistance to the Commission of the African Union through effective participation in all the activities of the Preparatory Committee of the Second Extraordinary Session of the Assembly of the African Union on Agriculture and Water. For example, it played an active role in the articulation of a framework for promoting agricultural development including development of strategic commodities and the establishment or strengthening of regional and subregional centres of excellence for agricultural research and education. These recommendations, as well as the outcomes of the PANAFCON on water were adopted by the Second Extraordinary Session of the Assembly of the African Union held at Sirte, Libya in February 2004.

30. At the global level, the secretariat assisted in preparing Africa's regional input to the Eleventh and the Twelfth sessions of the UN Commission on Sustainable Development (CSD11 and CSD12). In this connection, it organized and serviced the Africa Regional Implementation Forum held at CSD11 in April 2003, with a view to widely informing on and discussing initial steps taken in the region to implement the outcomes of the Johannesburg Summit on Sustainable Development and establishing new arrangements for regional or subregional cooperation. The Forum reached a broad consensus that sustainable development was crucial for poverty alleviation in Africa. It further stressed that the New Partnership for Africa's Development (NEPAD) was an appropriate framework for the implementation of the Johannesburg Plan of Implementation (JPOI) and the Millennium Development Goals (MDGs) in the region. Accordingly, the Forum called for further efforts at implementing the plans of actions developed for the NEPAD priority areas, with special emphasis

on addressing challenges and obstacles to implementation, including the need for capacity-building, financial resources, market access, transfer of technology, addressing the challenge of the HIV/AIDS pandemic, malaria and tuberculosis. The Forum also called for improved coordination among government entities at the national level, between regional and subregional institutions and within the UN system.

31. As inputs to CSD12, the secretariat prepared reports on the Africa regional review on water, sanitation and human settlements. This review was further considered by African Ministers and other government officials, and representatives of the civil society, private sector and scientific community during the PANAFCON in December 2003. Noting the need to ensure the translation of international recommendations into national actions, the meeting expressed concerns that some African countries would not be able to meet the MDGs and JPOI goals and targets in the areas of water, sanitation and human settlements owing to several constraints. These include: weak institutional capacities at the national level; inadequate budgetary allocations and integrated responses by key ministries; insufficient international funding; negative impacts of globalization and of macroeconomic policies of some developed countries, particularly in the area of trade and market access; the continued degradation of the environment, notably the problem of drought and desertification; and unplanned settlements especially in the context of rapid urbanization as well as armed conflict and natural disasters. The outcomes of the Regional Implementation Meeting were presented and discussed at CSD12 in a Regional Plenary Session organized by the secretariat in April 2004.

3. Strengthening development management

32. A consensus has emerged that the discourse on governance in Africa should center on the capable state – one in which the public service, legislature, judiciary and statutory bodies provide an enabling environment for all sectors of society to play their respective roles in national efforts to improve governance and consolidate the foundations for sustainable development. Taken together, the emphasis of NEPAD on good governance as embodied in the African Peer Review Mechanism (APRM), together with the need to achieve the MDGs, provide additional impetus for attaining the capable state in Africa. Addressing this challenge is the priority of ECA's work under the subprogramme on Strengthening development management under which activities are undertaken to promote good governance and enhance broad-based stakeholder participation in the development process.

33. During the period under review, the secretariat continued to work on the preparation of the *African Governance Report (AGR)*, the first edition of which is expected to be launched in October 2004 in Addis Ababa during the Fourth African Development Forum (ADF IV) which will focus on the theme, *Governance for a progressing Africa*. This inaugural edition of the Report will feature 28 country governance reports resulting from the ECA project on *Measuring and monitoring progress towards good governance in Africa* which has been running since 2000. As part of this project, ECA undertook extensive field work and country-level research in collaboration with several national research institutions to develop 83 core indicators that assess three broad areas of governance, namely political representation, institutional effectiveness and economic management and corporate governance. The survey instrument will be implemented in 12 more countries during 2004-2005 and the results will be published in the second AGR to be released at the end of 2005. The report is expected to stimulate dialogue and help build consensus on key issues for sustaining and internalizing the norms of good governance in Africa. As NEPAD moves towards implementation, it is envisaged that ECA's work in this area would serve as a key input to the APRM process.

34. In preparation for ADF IV, the secretariat organized three subregional workshops – for Eastern and Southern Africa in Lusaka (November 2003); for Central and West Africa in Accra (December 2003); and for North Africa including countries in the Horn of Africa in Cairo in December 2003. The workshops brought together representatives of Governments, civil society organizations, academic institutions and the private sector from the five subregions to discuss specific dimensions of governance which will inform discussions at ADF IV.

35. The second meeting of the Committee on Human Development and Civil Society was held in May 2003. The Committee provides a forum for governments, civil society and the private sector to engage in dialogue and enhance partnership in support of Africa's development. The meeting, organized in collaboration with UNAIDS, brought together 74 representatives from governments, civil society, academia and various intergovernmental organizations to deliberate on the theme of participation and partnership in Africa's development.

36. In order to facilitate the Committee's deliberations, the secretariat prepared and submitted a number of documents which provided the background to the discussions. The documents focused mainly on the importance of participation and part-

nership as the basis for addressing issues related to ethics and accountability in public service delivery; the rights of people to participate in the development process; the role of various stakeholders in the fight against HIV/AIDS; and the special development needs of countries emerging from conflict. Some of the recommendations of the Committee served as the basis for the regional input to the informal high-level panel discussion on HIV/AIDS which was organized as part of the 58th Session of the United Nations General Assembly in September 2003. The secretariat also organized two ad hoc experts group meetings in May 2003 to review the following reports: *Reforms of public sector management: Lessons learnt*; and *Report on the State of African Governance*. In addition, a meeting of the Steering Committee of ADF IV was held in Addis Ababa in July 2003, to agree on the contents of the issues paper and the overall approach to the work of ADF IV.

4. Harnessing information for development

37. The main objective of the subprogramme is to strengthen national capacities for the utilization of ICTs, including strengthening capacities in the development and the use of information and knowledge systems (bibliographic, referral and spatial databases) as decision support tools for socio-economic development. Key to the attainment of this objective is the promotion of national policies and programmes geared towards building efficient information and communications infrastructures and creating an enabling regulatory environment for public and private sector participation in the delivery and application of information and communications technologies. Assisting member States achieve these objectives is the focus of ECA's work under its subprogramme on *Harnessing information for development*. To this end, many of the activities undertaken under this subprogramme during the period under review, focused on promoting the growth of an information society in Africa through harnessing information and communication technologies.

38. The first phase of the World Summit on the Information Society (WSIS) was held in Geneva in December 2003. The Summit brought together over 54 Heads of State, Prime Ministers, Presidents, Vice-Presidents and 83 Ministers and Vice-Ministers from 176 countries to discuss the challenges and opportunities of the global information society. The main outcome of the Summit was the adoption of Plan of Action and Declaration of Principles aimed at accelerating progress towards building a global information

society. For example, the Plan of Action set a target for reducing by half, the number of people without access to ICTs by 2015. ECA played a vital role in preparing African countries for the first phase of the Summit, and has continued to provide support to its member States in preparing for the second phase of the WSIS scheduled to be held in Tunis in 2005.

39. As the Secretariat of the Bamako 2002 Bureau, ECA organized and facilitated several activities during 2003 as a follow-up to the African regional preparatory conference held in Bamako, Mali in May 2002. Series of meetings were organized during PrepCom 2, bringing together Bamako Bureau members and several African delegates to forge a common position for the Summit. The outcomes of these meetings served as inputs to the draft Declaration and Action Plan of WSIS.

40. Several activities were undertaken by the ECA secretariat to facilitate the participation and input of several stakeholders, including CSOs, the academia, the media as well as Africans in the diaspora, in the WSIS process, and define their respective roles in building the information society in Africa. Examples of these activities include the forum for African media practitioners held in Addis Ababa in May 2003; the retreat for the African academic community in June 2003; and the African Engineer's Day which was organized as part of activities during the World Congress on Engineering and the Digital Divide held in Tunis in October 2003.

41. The secretariat also took part in several side events at WSIS including participating in a number of panel discussions on the information society. These include roundtable discussions focusing on digital opportunities, and the role of regional organizations in the development of national strategies for the information society. **The Executive Secretary of ECA chaired a panel discussion on regional and sub-regional strategies for the information society. An exhibition was also mounted to showcase some of ECA's work in the area of information technology for development. Several delegates visited ECA's stand including the Presidents of Ghana and Mozambique and Ministers from several African countries.**

42. In addition, ECA participated in the launch of several important initiatives and projects at the WSIS including **Global ePolicy Resource Network (ePol-NET)**. This innovative initiative is designed to mobilize international support for the development of national e-strategies. The initiative will focus on providing e-strategies and related information in such areas as telecommunications policy and regula-

tion; e-commerce and Internet policies; e-government strategies; and the use of ICTs in the social sectors, including health and education. With support from the Government of Canada, ECA has set up the African regional node of the ePol-NET to coordinate demand from African institutions seeking guidance and advice on e-strategies. Information on the Africa regional node can be accessed at <http://www.epolafrica.org>. The Summit **also saw the launch of the African academia research network (in collaboration with the Ford Foundation) and a study on the state of media reporting on ICT and information society issues in Africa.**

43. The following publications were also produced and published for the Summit: *Africa Speaks: Perspectives on Africa's Road toward the Information Society, Policies and Plans on the Information Society: Status and Impact; SCAN-ICT: Indicators of Information and Communications Technologies (ICT) - The Impact of Information and Communications Technology at the country level; e-Strategies: National, Sectoral and Regional ICT Policies, Plans and Strategies*. The study on SCAN-ICT aims to provide member States with indicators and benchmarks for measuring the impact of ICTs in various sectors of their economies. The study also describes the methodology and the project profile in each of the six pilot countries of Ethiopia, Ghana, Morocco, Mozambique, Uganda and Senegal.

44. The period under review also saw the launch of *SDI Africa: An implementation Guide* which aims to provide guidelines for the implementation of national and regional Spatial Data Infrastructures (SDI) that are adaptable to various African environments and conditions. The guide is the culmination of a cross-sectoral, participatory and consultative process involving a network of collaborating centres, advisory groups and individual experts including Global Spatial Data Infrastructure Association (GSDI) and the International Centre for Geoinformation Science and Earth Observation (ITC). A major challenge of producing such a comprehensive guide is making sure that the information being fed into it is compatible and complementary – a task which has been successfully accomplished by ECA. As well as the main guide, SDI-related outputs include a CD-ROM and a website which will provide valuable information to African policy makers.

45. As a follow-up to the Geneva phase of the WSIS and in preparation for the Tunis phase of the Summit, the secretariat organized a meeting of the WSIS Bureau in Addis Ababa in February 2004 to discuss the structure and mechanisms for the second phase

of WSIS. The meeting also addressed other issues including the Digital Solidarity Fund established at the Geneva Summit, as well as capacity-building for internet governance. Other meetings organized by the secretariat included two workshops held in Addis Ababa in February 2004. The first workshop reviewed achievements under the first phase of the SCAN-ICT project, a multi-donor project aimed at building capacity for gathering information and data in support of the growing investment in the ICT sector in Africa. The second workshop reviewed progress in the formulation and implementation of national information and communications infrastructure (NICI) plans and strategies based on various country reports prepared for the workshop.

46. During the period under review, the ECA library intensified efforts to deliver on its mandate of providing library and technical information services to the secretariat and member States of the Commission through the acquisition, processing and dissemination of relevant print and electronic information resources. To this end, it participated in several UN system-wide initiatives in the area of library and information services as part of the Secretary General's reform programme to modernize and strengthen the UN library system. The library also produced and distributed several socio-economic information services, including *Africa Index*, *ECA-in-Print*, *New Acquisitions*, *Index to African Official Publications* and *Journal Contents*, for use by staff and member States. The ECA library also expanded and intensified efforts to disseminate print and electronic resources in 2003. ECA worked closely with UNDP in the formulation of NICI policies and plans for Cameroon, Malawi, Mozambique, Rwanda and Swaziland. Collaboration was also strengthened with other UN agencies within the context of the activities of the African Stakeholders Network (ASN) of the UN ICT Task Force which ECA coordinates.

47. ECA co-organized with the World Intellectual Property Organization (WIPO) a subregional workshop in Addis Ababa in November 2003. The workshop addressed several issues related to strategies for the acquisition, effective management and dissemination of intellectual property information.

5. Promoting the advancement of women

48. Promoting the advancement of women in Africa continued to be a major priority of ECA's work programme during the period under review. ECA conceives and perceives its role in this area as threefold: as

an advocate, promoting the mainstreaming of gender issues into development activities of member States; as a catalyst, monitoring and reporting on progress in the implementation of globally and regionally agreed plans and strategies for the advancement of women; and as a facilitator, assisting member States to implement policy measures and actions for the advancement of women.

49. During the period under review, much effort continued to be devoted to the development of appropriate tools and instruments for measuring progress in attaining the priorities identified in the critical areas of concern of the Platforms for Action. In 2003, the secretariat developed an Africa-specific Guidebook on mainstreaming gender into national planning instruments, including national accounts and national budgetary instruments. The Guidebook contains a set of 5 key and associated methodologies and tools which serve as an easy reference guide for mainstreaming gender perspective into national planning instruments. The Guidebook provides guidelines in such areas as the collection of gender-disaggregated data through time-use studies; monetary valuation of household production (HP) and construction of satellite accounts of household production; policy options and advocacy on household production; analytical tools for integrating HP into national budgets; and evaluation of impacts of policies on poverty reduction and welfare. The Guidebook was submitted to an Ad Hoc Expert Group Meeting in December 2003 for review. The Guidebook will play a significant role in informing decision makers about the importance of women's contribution to national product and enhance their capacity for mainstreaming this contribution into national budgetary processes.

50. The development of the African Gender and Development Index (AGDI) which was launched in 2002, moved into an expanded second phase with trials of the index in 8 countries: Benin, Burkina Faso, Cameroon, Ethiopia, Ghana, South Africa, Tanzania and Uganda. The first phase of the project in 2002 covered 13 countries. The methodology for developing the index is participatory, involving a wide range of key stakeholders at the national, subregional and regional levels. The year 2003 also saw the completion of the process of compiling country gender profiles for all 53 African countries based on the following six indicators: women in decision-making processes, educational enrolments ratios at first, second and the third level, health and HIV/AIDS, women's access to credit, women's participation in the labour market and the human rights of women and girls.

51. Within the context of its role in monitoring and reporting on progress in the implementation of the regional and global platforms on the advancement of women, the secretariat finalized a programme for the Africa Decade Review of the implementation of the Dakar (1994) and Beijing (1995) Platforms for Action. The programme was reviewed and endorsed by the Bureau of the Committee on Women and Development in September 2003.

52. ECA also continued its work in support of the economic empowerment of women through the establishment and support of subregional Enterprise Development Facilities (EDFs). May 2003 saw the launch of the EDF for the East Africa subregion, based in Kampala, Uganda. The main objective of these facilities is to increase women's access to business information and enhance their business and entrepreneurial skills through the provision of appropriate and relevant training modules and programmes. The facilities will also help in promoting networking and linkages among women entrepreneurs and service providers, thus promoting African women businesses globally.

53. During 2003, the secretariat also organized sensitization and familiarization workshops on monitoring and evaluation of the progress made in the implementation of the Dakar and Beijing Platforms for Action in 21 member States; and provided assistance to the Secretariats of ECOWAS and SADC in the development of their respective gender policy frameworks.

6. Promoting trade and regional integration

54. The period under review was marked by strengthening of regional integration process through the activities of the Trade and Regional Integration Division (TRID). The Division continued its work as a catalyst for promoting effective integration and participation of African countries in the global economy and strengthening the regional integration process in Africa, focusing mainly on policy issues, infrastructure development and related services in the transport and communications sector.

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

56. During the period under review, the Division initiated or participated in various activities, including the preparation of analytical studies in support of promoting trade and multilateral trade negotiation. Among the major studies or reports undertaken is the preparation of the Economic Report, 2004, ECA's main flagship publication to be released in May 2004. The report, which is a collaborative effort of two Divisions (ESPD and TRID), is on the theme, *Unlocking Africa's trade potential in the global economy*. TRID was responsible for preparing 4 out of the 7 chapters of the report: Chapter: Overview; Chapter 3: Trade liberalization: A panacea or miracle; Chapter 5: Fiscal implications of trade liberalization; and Chapter 7: Trade facilitation to integrate Africa into the global economy.

57. The chapter on trade liberalization is inspired by concerns that despite undertaking a wide range of reforms and liberalization of their trade, African countries are yet to reap substantial benefits from international trade. The chapter also revisits the debate on trade, dealing with issues like the pace and scope of liberalization and the role of the state, and draws comparisons between Africa and East Asia. It notes, for example, that trade policies in Africa have been static and applied indiscriminately with little reference to overall national development strategies.

58. The chapter on trade facilitating covers an important issue currently being considered in multilateral trade negotiations. It outlines some of the major constraints impeding trade between African countries, and trade between Africa and the rest of the world. It addresses emerging issues such as the difficulties related to new security requirements for trade with the United States and the associated costs.

59. The chapter on the fiscal implications of trade liberalization addresses the impact of trade liberalization on government revenues, and measures that can be taken to minimize such impact. Concerns about the fiscal impact of trade liberalization is one reason why some member States are approaching trade liberalization with caution. The report provides the theoretical underpinnings and practical recommendations for member States on the policy measures required to enhance the continent's participation in, and benefits from international trade.

60. Another paper, on strategies and modalities for mainstreaming trade policies in national development strategies was prepared by the Division to inform the discussions at the thirty-seventh session of the Conference of Ministers in Kampala, Uganda which is on the theme, *Mainstreaming trade policies*

in national development strategies. The paper argues that strengthening trade in national policies must not be seen as an end in itself, but within a broader context of improving productivity, creating employment, and facilitating structural change towards activities with a higher-value added. In an international context which has not been conducive to an expansion in the quantity and quality of African exports, Africa's trade policy needs to be infused with a "new realism", the paper notes. Above all, priority needs to be given to increasing the share of manufacturing in total exports.

61. The paper recommends that African countries urgently address the problem of the lack of a coherent and concerted industrial policy. At present, different Ministries have different responsibilities regarding the needs for producing an effective industrial policy. Coherent policies are required across Ministries, including trade, employment, education, agriculture, transport, etc. Based on some of the findings of the Economic Report on Africa, 2004, the paper presents some suggestions as an initial step towards a more integrated policy designed to promote diversification and technological up-grading for enhancing Africa's competitiveness.

62. As the agenda of the multilateral trade negotiations has expanded in recent years, most African countries have found their capacities inadequate to deal with the complex issues that have emerged. At the request of member States, ECA undertook several initiatives and activities aimed at strengthening the capacities for effective participation in the new multilateral trade arrangements. For example, the ECA secretariat and the AU Commission, in collaboration with other organizations organized the second high-level brainstorming meeting of African trade negotiators in Grand Baie, Mauritius in June 2003 which informed the African common position for the Fifth WTO Ministerial held in Cancun in September 2003.

63. The secretariat, in collaboration with the AU Commission and the Government of Ghana also organized an experts group meeting in Accra, Ghana in November 2003 to undertake a comprehensive evaluation of the implications of the Cancun WTO meeting for African countries; assist countries of the region to develop and refine strategies for further negotiations; and identify immediate research needs of African countries in the context of these negotiations. Other trade-related activities undertaken by the secretariat during the period under review, include an experts group meeting on the impact of trade liberalization on the fiscal revenue base of Afri-

can countries held in Addis Ababa in October 2003; a training workshop on agricultural subsidy for enhancing capacity in agricultural trade negotiations held in Tunis in April 2004; and a study on the impact of OECD agricultural policies on African economies.

64. Increased international trade is central to NEPAD's goal of mobilizing resources for poverty reduction and development. In support of this objective, considerable progress was made during the period under review towards the establishment of the Africa Trade Policy Centre (ATPC), an initiative supported by the Government of Canada and other partners. The main objective of ATPC is to strengthen Africa's trading capacity through research, training and other trade-related capacity-building activities focusing on such issues as accession to the WTO and negotiations on the trade protocol of the ACP/EU Agreement; promoting intra-African trade; mainstreaming trade into national development policies and programmes; assessing the revenue implications of trade liberalization; impact of OECD agricultural subsidies for Africa's growth; and support to the African WTO Geneva Group. The African Institute for Economic Development and Planning (IDEP), ECA's training arm based in Dakar, Senegal will deliver the training.

65. ECA's work of building sustainable trade capacity of African countries was further enhanced with the establishment of an Interregional Advisory Services Centre in Geneva in 2003 to provide on-demand technical assistance to the WTO Geneva African Group in their day-to-day work in the context of the negotiations within the WTO. The mandate for establishing the Geneva office came from the thirty-fifth session of the Conference of Ministers held in Johannesburg in October 2002, and is based on the need to assist African countries meet the challenges presented by the new global multilateral trading framework.

66. Credible analysis and assessments of progress in regional integration is essential for strategic policy-making in this area. The wide range of analytical studies and assessments being produced by ECA in this important area are progressively filling this need. The *Assessment of Regional Integration in Africa (ARIA)* report series was initiated over three years ago to fill an apparent void in the lack of credible statistical data on the status of regional integration in Africa. The main aim of ARIA is to support policy-making and priority-setting through integrated and comprehensive assessments of the status of regional integration in Africa, assessing trends, and analyzing the content and impact of policies, plans and interventions. In addition to institutional aspects, the assessment will cover integration performance in major sectors such

as trade, money and finance, infrastructure, natural resources, industry, commodity production, agriculture and human resources development, labour mobility and other emerging issues. Work on ARIA 1 has been completed and the report will be released in July 2004 at the time of the AU Summit of Heads of State and Government. Considerable progress has also been made in the preparation of the ARIA 2 whose focus will be on the challenges of rationalizing the integration process.

67. The third session of the Committee on Regional Cooperation and Integration was held in October 2003. The meeting brought together representatives of member States, the African Union, RECs, ADB, EU, AERC, the World Bank and various African and international organizations dealing with air transport issues to consider matters pertaining to ECA's activities in support of the economic integration process in Africa. In this regard, the Committee reviewed three reports prepared by the secretariat concerning the status of regional integration in Africa, the implementation of the Yamoussoukro Decision on air transport and the challenges and prospects of air transport liberalization in Africa in accordance. The meeting also provided an opportunity for the Committee to be briefed by the regional economic communities (RECs) and other organizations on new developments taking place within their respective communities. The secretariat also organized an experts group meeting on the feasibility of a continent-wide approach to financing regional integration in Africa in the context of the AU. The meeting, held in Addis Ababa in April 2004 examined various options and adopted recommendations on self-financing mechanisms for funding the regional integration process in Africa.

68. A major objective of ECA's work in the area of transport infrastructure development is to help establish an efficient, integrated and affordable transport and communications system as a basis for the physical integration of Africa and to facilitate national and international traffic. In this context, a study was prepared by the secretariat on multi-modal transport development in Africa, addressing such issues as e-commerce, human resources development, as well as incoterm and transport of dangerous goods which was reviewed by an ad hoc experts group meeting held in Addis Ababa in October 2003.

69. In the air transport subsector, the secretariat continued to provide support to member States and their intergovernmental bodies in the implementation of the Yamoussoukro Decision on air transport liberalization, particularly in strengthening their capacities

in implementing the Decision and incorporating it into national policies.

70. Several capacity-building activities were also undertaken in support of the member States and their intergovernmental organizations in other key areas of integration. These include the launch of a project on Economic Partnership Agreements (EPAs) aimed at building capacity of African countries and RECs for effective participation in the ACP-EU negotiations; and trade policy courses and workshops aimed at enhancing capacities for formulating coherent trade policies. The secretariat is also presently providing technical assistance to the Government of the Sudan to facilitate its accession to the WTO. Other capacity-building activities undertaken include assistance to the Southern Africa Transport and Communications Commission (SATCC) and the Government of Mozambique in the design of a model structure for setting up a national Road Safety Council; and organizing a forum on transport infrastructure and regional integration for the Central Africa subregion in Yaounde, Cameroon in December 2004, in collaboration with the subregional office for Central Africa. ECA has also played an important role, in collaboration with other organizations in the elaboration of the NEPAD short-term action plan on infrastructure development.

7. Supporting subregional activities for development

71. There are five ECA subregional offices (SROs) located in Southern Africa (SRO-SA), Eastern Africa (SRO-EA), Central Africa (SRO-CA), West Africa (SRO-WA) and North Africa (SRO-NA). The SROs provide a vital link between the work of the Commission, the Regional Economic Communities (RECs) and the member States. During the period under review, the SROs continued to promote policy dialogue and support development initiatives through collaborative arrangements either directly with the member States, or through the RECs, as well as other intergovernmental bodies. In addition to policy dialogue, the SROs undertook a range of other activities including providing technical assistance and promoting regional integration initiatives among the constituencies they serve.

72. The main tools used to accomplish the policy dialogue included the sharing of information with national experts through expert group meetings, production of advocacy papers and reports, attendance of various meetings and workshops organized by the

RECs and providing advisory services. In addition, the SROs participated in a number of tasks and sectoral experts group meetings at Headquarters. This was part of organizational efforts towards creating a contiguous team between the subregional offices and Headquarters.

73. Across the board, the SROs organized ad hoc experts group meetings to review the activities of post Beijing+10. Participants at the meetings ranged from representatives from sectoral ministries of member States, NGOs, RECs, international organizations, the AU, and in some cases, Ministers. The meetings discussed the achievements and challenges in promoting gender equality and women's empowerment in the respective subregions since the Dakar and Beijing Platforms were formulated. The meetings resulted in a number of recommendations to improve the mainstreaming of gender into national policies and programmes, improve coordination of gender programmes and strengthen national gender disaggregated datasets. The meetings also requested ECA to reinforce its technical and financial support to gender programmes. The outcomes of these workshops will be considered by the regional conference, which will be held at a later stage during 2004.

74. The SROs also teamed up to organize three governance workshops. The SRO-EA and SRO-SA had a joint workshop in Lusaka, the SRO-CA and SRO-WA had theirs in Accra, while the SRO-NA workshop was held in Cairo. The workshops were held in collaboration with the AU and ADB and reviewed and validated the country reports prepared for the African Governance Report. This is a ground-breaking study undertaken in 28 African countries to assess and monitor progress towards good governance in Africa based on 83 indicators. The workshops proposed a range of recommendations in several areas including liberal participation of all stakeholders in governance issues, capacity-building and empowerment of stakeholders, separation of power and enabling the participation of women and youth in governance processes. The recommendations from the three workshops will be considered by ADF IV, which will be held in October 2004.

75. The SROs also continued to collaborate with the UN system in their subregions through the United Nations Resident Coordinator System and the CCA/UNDAF. In this respect, particular attention was devoted to tracking the achievement of the MDGs at the country level.

76. In their work, the SROs focus on those activities which reflect the specific and unique interests of

the subregions they serve. In this respect, the SROs undertook the activities, described below.

SRO-SA

77. The SRO – SA focused much of its policy attention on enhancing the capacity of member States and their intergovernmental organizations to formulate and harmonize macroeconomic and sectoral development policies in the following areas: land tenure systems and security of tenure; employment and labour markets, including the brain drain; growth strategies for poverty reduction; road safety development; and the challenge of reinvigorating private sector participation in development initiatives.

78. During the review period, the SRO-SA organized an ad hoc experts group meeting on Land Tenure Systems and Sustainable Development in Southern Africa. The meeting assessed the status of land tenure systems, including the land rights of women. The meeting recommended the need to strengthen the legal basis of land tenure by harmonizing statutory and customary laws, democratizing land administration and dispute resolution mechanisms, improving gender sensitivity and accommodating the impact of HIV/AIDS in land tenure systems.

79. The SRO-SA participated in a number of policy and work planning meetings organized by RECs, member States and other intergovernmental bodies. These included: the meetings of the governing organs of SEAMIC; the SADC Summit; the 13th Meeting of Trade and Customs Committee of COMESA; the NEPAD Chief Executives Meeting; the 16th Meeting of the Council of Ministers of COMESA; the COMESA workshop on the Establishment of the COMESA Common Investment Area; the Stakeholder Workshop on Formulating the Medium Term Investment Plan in Zambia's Agricultural Sector; and the Workshop on Migration and Development in the SADC Region organized by IOM.

80. With respect to technical cooperation, the Office provided assistance to several organizations including: COMESA in the finalization of the NEPAD Infrastructure Medium to Long-Term Plan; SADC and COMESA in the development of the Terms of Reference of the SSATP Inter-REC Task Force; the Zambian Ministry of Commerce, Industry and Trade on the development of a database and network; the Zambian government on strengthening its Gender National Machinery in project planning, monitoring and evaluation; and the finalization of the ADB/ECA study on Trans-African Highways.

81. Technical assistance was also extended to the meeting of the SSATP Interregional Coordination Task Force; the SADC capacity workshop on National Machineries for Gender Equality in SADC; the First SADC Mining Advisory Committee Meeting which reviewed the strategic thrust of the SADC Mining Programme of Action and made recommendations for its improvement; and the Gender Ambassadors Training in gender and water resources management, which was organized by the Gender and Water Alliance.

82. The SRO-SA organized training and knowledge sharing workshops on *Growth Strategies for Poverty Reduction in Southern Africa* and Road Safety Development for the Beira Corridor held in Beira, Mozambique.

83. Other accomplishments by the SRO-SA were in the area of regional integration, particularly the preparations of infrastructure development plans within the framework of NEPAD, and working with SADC to redefine the strategic orientation of the minerals sector in the light of the SADC Regional Indicative Strategic Development Plan (RISDP), which was operationalized during the reporting period.

SRO-WA

84. The West African Subregional Office (SRO – WA), focused much of its policy attention on enhancing the capacity of member States and their intergovernmental organizations to harmonize macroeconomic and sectoral development policies in the following areas: speeding up the formation of the ECOWAS Customs Union and monetary integration; trade liberalization and facilitation; integrated water resources management; and information and communications infrastructure development. The main strategy focused on advocacy for peace building and strengthening capacities of civil society to participate in policy processes, strengthening the operational capacity of the ECOWAS Secretariat and advocating for a common external tariff.

85. During the review period, the SRO-WA organized, as well as participated in, a number of policy dialogue meetings. The SRO-WA organized a seminar on NEPAD, with the participation of the UN country team, to enhance awareness of the framework and its implications for national strategies and sectoral policies. To support the work of the High-Level Commission on HIV/AIDS and Governance in Africa, the office organized, an ad hoc experts group meeting on the economic and social implications of HIV/AIDS in West Africa.

86. The Office actively took part in a number of policy organs meetings organized by the RECs. These included: the regular session of the Council of Ministers and Summit of Heads of State and Government; the annual meetings of Governors of Central Banks, as well as the special sessions of the Council of Ministers and the Summit. The Office also took active part in the experts and ministerial meetings to prepare for the Paris Conference on the shared vision for the Niger River Basin, which the office also attended.

87. With respect to technical cooperation, the SRO-WA provided assistance to ECOWAS in several areas including: undertaking a study to identify the important factors affecting the establishment of a customs union, including the possible extension of the UEMOA common external tariff to the entire ECOWAS subregion; assessing progress on the monetary integration process in West Africa; strengthening statistical capabilities of the West African Monetary Institute (WAMI) with a view to monitoring macroeconomic policy convergence; and in the preparation of the ECOWAS medium-term strategic plan. The Office further completed the first phase of the Development for Peace Programme and prepared a proposal for a second phase. Under the same cluster of activities and in collaboration with the ECOWAS Secretariat, the Office commissioned a study on the economic implications of the conflict in Cote d'Ivoire.

88. Other notable technical assistance programmes were the review of the feasibility study for a livestock development programme in the Liptako-Gourma region, which attracted funding from the Islamic Development Bank and the African Development Bank, and the preparation of a five-year action plan for the West Africa Health Organization (WAHO). The Office was also instrumental in building synergy on water resources management programmes in the subregion. This culminated in the signature of a memorandum of understanding between several national and subregional institutions.

SRO-EA

89. The SRO-EA focused much of its policy support to its member States and the RECs on promoting macroeconomic policy convergence in transport/transit arrangements, enhancing capacities for multilateral trade negotiations, harnessing information for development and promoting the mainstreaming of gender into national and subregional policies and programmes.

90. The SRO-EA held an experts group meeting on Trade Harmonization and Liberalization Schemes,

which was attended by all the RECS in the subregion. A further experts group meeting was held on Decentralized Financial Systems in which experts from Burundi, DR Congo, Djibouti, Madagascar, Comoros and Rwanda participated and shared country experiences. Other knowledge sharing workshops were on Women and Land in eastern Africa, and Gender and Budgeting. The SRO-EA also participated in several policy organs and programming meetings organized by COMESA, IGAD and the EAC.

91. Several technical cooperation activities were undertaken to support the RECS and members States. Notably, these focused on trade liberalization schemes and addressing the challenges of a customs union in the COMESA region. In the area of transport and transit policies, technical assistance included a review of the Northern Corridor Transit Agreement, formulation of policies on cargo tracking systems, assistance in transit transport facilitation and the elaboration of a transport master plan for the eastern and southern African subregion. Assistance was also given in the formulation of gender policies and in mainstreaming gender into policies and programmes, such as in women and land issues in the subregion. Further assistance was extended to Rwanda to prepare and implement an ICT-led Medium-Term Plan, which attracted several potential donors and business people.

92. In preparation for the EPA negotiations between the European Union and the ACP countries, the SRO-EA visited the EU Headquarters in Brussels and the WTO to gather information to enable it assess the impact of EPAs on regional integration in East Africa. To this end, the SRO-EA participated in several meetings organized by COMESA to decide on common positions in respect of a range of issues, including market access and the Singapore Issues.

93. A significant activity of the SRO-EA was the support to the Great Lakes Initiative to rebuild a post conflict recovery programme in the subregion. This is a collaborative initiative with the World Bank, OECD, EU, UNDP and bilateral donors. The SRO-EA prepared comprehensive reports on infrastructural development, food security and human resources development.

SRO-CA

94. The SRO-CA focused its policy interventions in the areas of transport policy, gender mainstreaming, small and medium-scale enterprise development and strengthening regional integration among the RECs and member countries of the subregion.

95. The SRO-CA organized an ad hoc experts group meeting on the effects of globalization on small and medium-scale enterprises and agro-industries in Central Africa. The meeting offered an ideal opportunity for the SRO-CA to launch a new publication on *The effects of globalization on small and medium-scale enterprises and agro-industries in Central Africa*. The report reviewed the regulatory environment to promote SMEs/SMIs. The resulting recommendations require that governments improve the legislative framework to foster growth of the SMEs/SMIs.

96. The Office also organized a forum on *Infrastructure: Integrating Central Africa*. The forum gathered experts from the 11 countries of ECCAS, and was followed by a Ministerial Conference, which adopted a master plan on infrastructure development for Central Africa. The Ministers of Cameroon, DRC, Gabon, Congo, the SRO-CA, BDEAC, CEMAC and ECCAS were entrusted with the responsibility to follow-up the implementation of the plan.

97. With respect to technical assistance, the SRO-CA provided policy support to the governments of Mali in the area of transport; Republic of Congo in economic policy and mining; Cameroon in economic policy and strategy; South Africa on NEPAD issues; sub-Saharan Africa Transport Policy (SSATP) programme in fund raising and capacity-building for RECs; ECCAS and CEMAC in regional integration issues; and IGOs in the subregion through advisory missions.

98. Two significant subregional collaborative initiatives were launched. The first aims at improving the process of collecting data to support the preparation of the annual report on economic and social conditions. Traditionally, this has been done with the involvement of universities. The SRO-CA has now included the Economic Community for Central African States (ECCAS), the Development Bank for Central Africa (BDEAC) and the Yaounde-based ILO subregional office. The second initiative aims to strengthen partnerships with Regional Economic Communities (RECs) by establishing committees to follow-up on major initiatives in the subregion. The first committee was established in December 2003 and is responsible for the implementation of the subregional Transport Master Plan for Central Africa. The Committee, under the leadership of the President of the Development Bank of Central Africa, is the first of this type involving two RECs (CEMAC and ECCAS). The Committee represents a significant step in harmonizing sectoral programmes between the two RECs in Central Africa.

SRO-NA

99. The SRO-NA focused its policy activities and programme development on promoting reforms and strengthening competitiveness in the countries of the subregion. In this respect, part of its 2003 annual report on economic and social conditions in North Africa centred on structural reforms undertaken by member States and initiatives to enhance competitiveness. The Office also worked on developing a common vision on the environment required to attract foreign direct investment (FDI) to the subregion.

100. The Office held an experts group meeting on strategies to boost foreign direct investment into the subregion. The meeting explored constraints posed by the slow structural reform process and the relatively small size of national markets. The meeting recommended that a strategy to create a conducive environment for FDI be developed at the subregional level. It further recommended that a study be prepared by the SRO-NA to explore the formation of a subregional stock market and to improve national statistics in the North African countries.

101. The Office hosted series of meetings with the aim of fostering trade in the member States. In this respect, a national and subregional seminars were held in Algeria and Morocco, respectively. The seminars analysed issues in trade and transport facilitation in the supply chain. The intention was to raise awareness about the benefits of electronic business, align customs procedures and practices, and train participants in the use of tools to simplify procedures. The meetings resulted in a set of recommendations which when implemented at the national level, will improve trade and transport procedures. The Office also participated in other meetings and seminars dealing with electronic commerce, multilateral trade, governance and transport issues in the subregion.

102. In the area of technical assistance, the SRO-NA collaborated closely with the Arab Maghreb Union (AMU) to put in place a database for their Secretariat. The Office further participated in the Round Table on modalities to implement in the context of NEPAD, the AMU programme on transport.

B. Regular programme of technical cooperation – Section 21

103. In addition to the activities carried out under the core programme of work described above, ECA also carried out a number of operational activities under its

regular programme for technical cooperation aimed at strengthening the capacity of member States and their IGOs to design and implement development policies and programmes. In this regard, ECA's technical cooperation activities are a useful complement to its regular activities.

104. Technical cooperation, which takes the form of on-demand regional advisory services; training workshops and seminars; fellowships; and field projects are geared towards supporting national capacity building in addressing critical development challenges. The ECA team of regional advisers, deployed in the various programme Divisions, undertakes advisory missions and provides technical assistance to requesting member States in addressing clearly defined policy and technical challenges in different sectors. In implementing the programme of assistance, particular emphasis is given to the needs of countries emerging from conflict. ECA also pursues stronger cooperation and collaboration with global, regional and sub-regional and national partners involved with development activities in the region.

105. During the period under review, ECA responded to a number of requests for technical assistance in areas straddling the entire spectrum of its regular programme of work, taking into account the priorities and objectives of NEPAD, the Millennium Declaration as well as the outcomes of other major global conferences. The main areas of focus include *harnessing information for technology; strengthening capacity for multilateral trade; water resources development and management; and promoting the advancement of women*. The report which follows details ECA's technical cooperation activities in these areas in the past one year, and provides a short preview of the orientation of technical cooperation activities in the forthcoming biennium, 2004-2005.

106. Advisory services in the area of *harnessing information for development* were provided to member States within the framework of the implementation of the African Information Society Initiative (AIS), which was endorsed by the ECA Conference of Ministers in 1996 as a framework for building Africa's information and communications infrastructure and accelerating its entry into the global knowledge and information society. As a first step towards building an African information society for sustainable development, member states need to put in place the necessary, policy, legislative and regulatory frameworks at the national level. In support of this objective, in 2003, ECA, working in close collaboration with other partners enhanced its technical and substantive support to member States in the design and imple-

mentation of national information and communication infrastructure (NICI) plans, which articulates long-term policy, infrastructure, content and application strategies as an integral part of overall national development programmes. NICI development activities were undertaken in Cameroon, Comoros, Mali, Niger, Nigeria, Rwanda, Sierra Leone, Swaziland and the Gambia during the period under review.

107. As a complement to AISI activities at the national level, the secretariat has also undertaken wide ranging consultations with the major regional economic communities (RECs) on issues related to the development and implementation of regional information and communication infrastructure (RICI) plans. The period under review also saw the commencement of the first phase of the seminar series on enhancing ICTs policy awareness among policy makers. The first batch of students, 40 members of the Ethiopian Parliament graduated in September 2003, and the next set is expected to begin training in May 2004. Other capacity-building activities undertaken in the area of information for development included the organization of seminars and workshops which addressed the following issues: development and use of open source software; e-government, e-strategies; and capacity-building for research and development in African universities through an initiative known as VarsityNet which is supported by the Ford Foundation. In addition, the secretariat organized or participated in a wide range of activities aimed at preparing member States for participation in the first phase of the WSIS held in Geneva in December 2003.

108. In the area of *strengthening capacity for multi-lateral trade*, assistance was focused on strengthening the capacities of African negotiators in the negotiations of Economic Partnership Agreements (EPAs) within the framework of the ACP-EU Cotonou Agreement. In this context, one regional seminar was organized for African Ambassadors in Addis Ababa in September 2003; and a subregional workshop for parliamentarians of countries of the East and Southern Africa regions in February 2004. Both events examined the challenges that African countries face in the negotiation process and made recommendations on appropriate strategies for ensuring that Africa adopts a synchronized position in the negotiations. The seminar for African Ambassadors also addressed challenges in the implementation of the Doha programme of work. The trade policies and capacities of individual member States and RECs were also addressed in response to specific requests for assistance. For example, a workshop was organized for senior trade officials, parliamentarians and the private sector at the

request of the Government of Malawi; and a symposium was jointly organized with the Government of Ethiopia and UNIDO which focused on *Africa and the industrial age*.

109. Technical assistance in the area of *water resources development and management* was aimed at strengthening capacity of member States in the implementation of the Africa Water Vision 2025 and the water component of the MDGs, NEPAD and the WSSD Plan of Implementation. The most notable achievements in this regard include the successful hosting of the Pan African Implementation and Partnership Conference on Water (PANAFCON) in December 2003, attended by about 1,000 delegates, including Ministers of Water from 45 African countries. As the Secretariat of UN-Water/Africa, and with the active collaboration of other UN agencies, ECA also produced the *African Water Journal*, a semi-annual publication and an interim *African Water Development Report* (to become a biennial publication). ECA has also provided assistance to the African Ministerial Council on Water (AMCOW) in the preparation of the Sub-regional Portfolio of Water Programmes and Projects in Africa, and is collaborating with the African Development Bank to initiate the African Water Facility, which aims to raise over \$600 million to finance medium-term water projects in African countries.

110. In the area of *promoting the advancement of women*, technical assistance focused on two main areas — promoting women's human and legal rights; and promoting the economic empowerment of women. In the area of promoting human and legal rights of women, assistance was aimed at enhancing the legal status of women by promoting awareness of various international, regional and national human rights instruments in order to facilitate compliance. To this end, the Economic Community of Central African States (ECCAS) received assistance on gender mainstreaming into its policies and programmes. In October 2003, a training workshop was organized in Ouagadougou, Burkina Faso to address the issue of women's human rights. The workshop, which was organized in partnership with the Government of Burkina Faso, the East Africa Regional Bureau of the United Nations Office of the High Commissioner for Human Rights (OHCHR), the Agence intergouvernementale de la Francophonie, brought together over 30 participants from several national chapters of the Forum of African Women Educationalists (FAWE) to discuss the issue of women's human rights. A major outcome of the workshop was an appeal to African Heads of State to declare an African decade on human rights education in Africa.

111. In the area of promoting the socio-economic empowerment of women, assistance has focused on building capacity of member States, intergovernmental and non-governmental organizations in gender mainstreaming as a strategy for achieving the economic empowerment of women and enhancing their access to, and control over, resources. During the period under review, ECA responded to requests for the design of a comprehensive national capacity-building programme and training for gender mainstreaming from the Office of the Status of Women in South Africa and the University of Namibia. Zambia and Malawi also received assistance in the development and implementation of various aspects of their national gender policies and programmes. Support in developing institutional genderpolicies was also extended to the Secretariat of the Southern Africa Development Community (SADC).

Sharpening the focus of technical cooperation

112. As part of the UN system-wide review of technical cooperation activities recently undertaken as part of the Secretary-General's second round of reforms, ECA has reviewed and reoriented its programme of technical cooperation to focus on some core areas of high priority that are central to Africa's development. Beginning in the biennium 2004-2005, ECA's technical assistance activities will focus on addressing the following broad themes:

- MDG thematic clusters – Enhancing national poverty reduction strategies, mainstreaming

gender, strengthening statistical capacity for enhanced monitoring of development outcomes, and addressing the development impact of HIV/AIDS and other diseases of poverty;

- Trade and Regional Integration – Providing support to member States in building trade negotiation capacity and strengthening analytical work in the context of the African Union;
- ICTs for Development – Strengthening the policy environment in African countries to better enable the harnessing of ICT applications for development; and
- Water – Improving equitable management and utilization of water resources as a key to sustainable development

113. While some of the areas of work are not new, ECA's work will be re-focused and sharpened; existing delivery capacities strengthened; and assistance targeted and focused on areas where ECA has a comparative advantage. Efforts will also be geared towards bringing more coherence and complementarity between the technical assistance programme and ECA's normative and analytical work.

114. The new thrust of ECA's work has been inspired by the priorities and challenges confronting member States as established in the New Partnership for Africa's Development (NEPAD), the Millennium Declaration and the outcomes of the major global conferences.

CHAPTER III

Meetings of Subsidiary Bodies, Including the ICEs of ECA's Offices in the Subregions

115. This chapter contains the summary of discussions, resolutions, decisions and recommendations of the subsidiary organs which have held meetings since the last session of the Commission in June 2003.

116. The intergovernmental machinery of the Commission is currently composed of the following organs:

(a) Organs dealing with overall development issues:

(i) The Conference of African Ministers of Finance, Planning and Economic Development. The Conference meets annually in accordance with the decision of its thirty-fourth session held in Algiers, Algeria, in May 2001. The Conference is preceded by an intergovernmental group of experts.

(ii) Intergovernmental Committee of Experts (ICEs) of ECA's five offices in the subregions. Each ICE meets annually and reports to the Commission through the intergovernmental group of experts.

(b) Subsidiary/Sectoral bodies:

- (i) The Committee on Regional Cooperation and Integration (CRCI)
- (ii) The Committee on Women, Gender and Development (CWGD)
- (iii) The Committee on Development Information (CODI)
- (iv) The Committee on Human Development and Civil Society (CHDCS)
- (v) The Committee on Sustainable Development (CSD)
- (vi) The Committee on Industry and Private Sector (CIPS)

117. All the above sectoral bodies meet in ordinary session once every two years. The biennial meetings of the Committee on Regional Cooperation and Integration, and the new Committee on Sustainable

Development were both held in October 2003 in Addis Ababa, with the exception of the Committee on Industry and Private Sector Committee, which has not met since 2001, the outcomes of the meetings of the remaining three sectoral bodies held during the period 2002-2003 were presented to the last session of the Commission in June 2003.

118. In addition to the meetings of the two subsidiary bodies, the following ICE meetings were held during the period under review:

- (i) Eight Meeting of the Intergovernmental Committee of Experts for Eastern Africa, Nairobi, Kenya, 21-24 January 2004
- (ii) The Nineteenth Meeting of the Intergovernmental Committee of Experts (ICEs) for North Africa, Tangier, Morocco, 19 – 21 April 2004
- (iii) The Seventh Meeting of the Intergovernmental Committee of Experts for West Africa, Abuja, Nigeria, 19 – 20 April 2004
- (iv) The Twentieth-Second Meeting of the Intergovernmental Committee of Experts for Central Africa, Brazzaville, Congo, 22 – 24 April 2004
- (v) The Tenth Meeting of the Intergovernmental Committee of Experts for Southern Africa, Lusaka, Zambia, 3 – 5 May 2004

119. The discussions, decisions, resolutions and major recommendations adopted at the meetings of the subsidiary organs that met since the last session of the Commission are summarized below.

1. The Committee on Regional Cooperation and Integration (CRCI)

120. The third session of the Committee on Regional Cooperation and Integration was held in October 2003. The meeting brought together representatives of member States, the African Union, RECs, ADB, EU, AERC, the World Bank and various African and international organizations dealing with air transport

issues to consider matters pertaining to ECA's activities in support of the economic integration process in Africa.

121. The Committee reviewed three reports prepared by the secretariat on the status of regional integration in Africa, the implementation of the Yamoussoukro Decision on air transport and the challenges and prospects of air transport liberalization in Africa. The meeting also provided an opportunity for the Committee to be briefed by the regional economic communities (RECs) and other organizations on new developments taking place within their respective subregions.

122. On the status of regional integration in Africa, the Committee observed that progress has been uneven across subregions and sectors. It identified several obstacles to overcome in speeding up the integration process. In particular, it underscored the importance of infrastructure development and strong political will in fostering the regional integration process. The Committee also underscored the important role of the private sector in promoting regional integration.

123. On the critical issue of financing the integration process in Africa, the Committee reviewed several options including ODA, cross-border trade investments and public-private partnerships. It recommended that further studies be undertaken by ECA to identify the most viable and sustainable means for financing regional integration.

124. On the key issue of air transport liberalization in Africa, the Committee observed that progress in implementing the Yamoussoukro Decision has been slow. It also expressed regret at the decision by Mauritius to withdraw from the Decision. In this connection, it recommended the establishment of a central regional dispute settlement mechanism to arbitrate disputes between or among member States, rather than having each subregion establish its own mechanism. The Committee also recommended a study on the impact of liberalization in Europe and America and underscored the need to formulate an African policy for non-African countries.

2. The Committee on Sustainable Development (CSD)

125. The third meeting of the Committee on Sustainable Development (CSD-3) was held in Addis Ababa in October 2003 on the theme, *Making technology work for the poor*. The meeting was attended by

representatives of 30 member States, several international and regional organizations including the African Union. The meeting considered and adopted recommendations on the following issues: Progress reports on ECA's work in the area of food security and sustainable development in the biennium 2002-2003, including follow-up to the implementation of the WSSD Plan of Implementation at the regional level; reports on selected themes in natural resources development in Africa including small-scale mining and renewable energy technologies; and the proposed programme of work for the biennium 2004-2005. Apart from considering work programme-related issues, the Committee also discussed policy measures for harnessing technologies to achieve food security and sustainable development, and the need to embark on Green Revolution in Africa. The discussions on these issues benefited from several papers presented by the ECA secretariat and other experts.

126. The Committee noted that new approaches are needed to shift the direction of scientific development from its current elitist and conservative emphasis to new initiatives that are inclusive and populist, and which would be of more direct benefit to the poor. The Committee identified several areas of policy focus in developing the scientific and technological capacities of the poor. These include basic scientific literacy (education for all, particularly women); popularization (activities to develop a scientific culture); science communication (extensive use of the media to reach ordinary people); extension (targeted, especially at poor farmers); and application of appropriate modern technology by the poor.

127. The Committee endorsed the secretariat's work programme for 2004-2005 with the following comments:

- The work of ECA's Committee on Sustainable Development should be streamlined with that of the global CSD;
- Better synchronization and coordination between the national focal points of global CSD and ECA should be promoted. In this regard, reports from the national focal points should be submitted to ECA before they are transmitted to UN Headquarters; and
- ECA's work programme should be indicative, with built-in flexibility in order to accommodate the needs of member States or other emerging issues.

3. The Eighth Meeting of the Intergovernmental Committee of Experts (ICEs) for East Africa

128. The eighth ICE meeting for eastern Africa was held in Nairobi, Kenya from 21–24 January 2004. Representatives of 10 member States and some 19 regional, subregional and international organizations, attended the meeting. The meeting was also attended by Zambia because of its involvement in the Great Lakes Initiatives.

129. The meeting reviewed progress made in the implementation of the EA-SRO programme of work and priorities. It also considered reports on the: economic and social conditions in the subregion; ways of accelerating poverty reduction and growth strategies with regard to the PRSPs; progress in regional integration; report on the European Union-ACP-WTO Agreements and their impact on the subregion; progress on national consultations on good governance as well as issues on gender and HIV/AIDS.

130. The meeting made the following observations and recommendations:

- (a) The Committee expressed concern with the slow pace of achieving the MDG objectives and recommended their revision as well as the speeding up of their implementation;
- (b) The Committee noted that most countries were implementing poverty reduction and growth strategies. It recommended that they should be supplemented by improvements in the macro-economic framework to stimulate economic growth. In this respect, ECA was requested to assist in revising the PRSP strategies;
- (c) The Committee noted the increase in intra-regional trade despite the numerous obstacles to regional integration. It recommended that dependency on donor funding be progressively reduced for regional integration to be sustainable;
- (d) The Committee noted the constraints of the subregion in negotiating with the EU on the Economic Partnership Agreements under the Cotonou Agreement. It urged COMESA and EAC to speed up the establishment of the Customs Union in order to be eligible. It also requested ECA's support to strengthen institutional capacities for the negotiations.

131. The Committee noted the progress the Office had made in the implementation of: NEPAD programmes, especially in infrastructural development; food security issues; post conflict reconstruction and follow-up to international conferences; gender issues and the Beijing + 10 mid-term review. It commended the SRO for the excellent work undertaken in these and other areas and urged the member States to fully support the office with adequate human and financial resources.

4. The Nineteenth Meeting of the Intergovernmental Committee of Experts (ICEs) for North Africa

132. The nineteenth ICE meeting for North Africa was held in Tangier, Morocco, from 19 to 21 April 2004. The meeting was attended by all seven member States of the SRO, a number of UN agencies, other international, subregional and national organizations, and representatives of the private sector.

133. The meeting took note of the activities undertaken by the Office, in collaboration with member States, subregional organizations and UN agencies, since the last session of the Committee. The meeting also considered the following documents: the 2003 Report on the economic and social conditions in North Africa; policy reforms and the competitiveness of the economies of the subregion; progress report on the implementation of the recommendations on the 1993 System of National Account (SNA93); and the outcome of the subregional meeting on the decade review of the implementation of the Beijing Platform.

134. The Committee recommended that the ECA Subregional Office should undertake the following activities:

- (a) Organize a thematic workshop, in consultation with member States, on the competitiveness of the economies of the subregion;
- (b) Conduct regular in-depth studies on the economic and social trends in North Africa;
- (c) Track the economic and social performance of the subregion on the basis of relevant indices included in the annual report on the economic and social conditions in North Africa; and
- (d) Provide advisory services to member States aimed at harmonizing their statistical data sets.

5. The Seventh Meeting of the Intergovernmental Committee of Experts for West Africa

135. The seventh ICE Meeting for West Africa was held in Abuja, Nigeria, from 19 to 20 April 2004. It was attended by 13 members of the 15 member States of the subregion; regional economic communities, the Commonwealth Secretariat, UN agencies, specialized technical institutions and representatives of the civil society.

136. The meeting considered the following reports: the 2003 report on the economic and social conditions in West Africa that included a macroeconomic outlook and a thematic part on the socio-economic implications of HIV/AIDS; the decade review of the implementation of the Beijing Platform for Action; the report on the status of information for development activities in West Africa; and the report on options for financing regional public goods in Africa. In addition, the meeting considered the report on the economic effects of conflict in Côte d'Ivoire on a number of countries of the subregion. Participants were also briefed on recent programme initiatives development of ECOWAS and progress in the implementation of the Mano River Union Peace Programme.

137. The Committee encouraged ECA and its West Africa Office to consolidate economic integration efforts, a process that they considered as key to the maintenance of peace and security in the subregion. The meeting, particularly, welcomed the move by ECOWAS, with the support of ECA, to elaborate a medium-term strategic plan that has a better focus on the ECOWAS development agenda. On organizational matters, the meeting was of the view that the secretariat should include a full paper discussing the theme of the ECA Conference of Ministers in the agenda of next ICE meetings rather than a briefing note.

The Committee made the following recommendations:

- (a) On economic development policy, the Committee emphasized the need to underpin the agricultural industry with better control of water supply particularly in the Sahelian zone;
- (b) On external trade, the Committee underscored the need for economic justice, more than foreign aid, through the dismantling of agricultural subsidies in developed nations in accordance with WTO rules;

- (c) The Committee stressed the need to provide social services as well as reinforce education programmes and employment initiatives;

- (d) Member States and intergovernmental organizations should intensify their efforts with regard to mainstreaming the critical areas of the Beijing Platform for Action and the millennium development goals in national development strategies in subregional integration policies and programmes.

138. Finally, the Committee commended ECA for taking the initiative to conduct a study on the effects of the conflict in Côte d'Ivoire on the economies of the subregion. However, participants expressed the view that this unfortunate development has far reaching implications beyond what was reported. More specifically, they recommended that further investigation be made on: the social effects of the crisis in the industrial sector of selected countries; the returnees in Senegal; the supply of petroleum products from Côte d'Ivoire to the Gambia and on the impact of the conflict on Liberia in general.

6. The Twenty-Second Meeting of the Intergovernmental Committee of Experts for Central Africa

139. The twenty-second ICE meeting for Central Africa was held in Brazzaville, Congo, from 22 to 24 April 2004. The meeting was attended by all seven member States of the ECA Subregional Office, as well as a number of UN agencies and international, subregional and national organizations, the civil society and the private sector.

140. The meeting considered the following reports: the 2003 report on the economic and social conditions in Central Africa; a progress report on ECA major initiatives and programme developments; the report on the decade review of the implementation of the Beijing Platform for Action; a progress report on regional integration in Central Africa; gender in the context of subregional and international trade; a progress report on the implementation of NEPAD in the subregion; a report on the establishment of a subregional database; and a progress report on the management system of a subregional African experts network. The ICE meeting also provided the opportunity for the Office to formally launch its 2004 flagship publication on the economies of the subregion.

141. The main observations and recommendations made by the Committee revolved essentially around

the need for ECA to continue its efforts in the following areas:

- (a) Undertaking an in-depth analysis of the macroeconomic convergence mechanisms in the Economic Community of Central African States (ECCAS) to assist in creating a conducive environment for the synchronization of the ECCAS region with that of the Central African Economic and Monetary Community (CEMAC);
- (b) Including the financial and energy sectors in future progress reports on the status of regional integration in Central Africa;
- (c) Facilitating the free movement of goods and persons in the subregion;
- (d) Building on the advent of NEPAD in the subregion to introduce innovative partnerships that would finance key development sectors;
- (e) Assisting member States to establish, through UNDP country offices, a consultation mechanism amongst women at the national and subregional levels to mainstream gender trade policies and programmes of the subregion and in undertaking a study on the sectoral impact of trade liberalization on women;
- (f) Furthering ECA, national and regional institutions partnerships such as AFRISTAT in the setting up of a subregional economic database; and
- (g) Undertaking a study, in collaboration with the Central African States Development Bank (BDEAC) and the private sector, on the establishment of security funds for the subregion to promote the private sector, and in including this in the 2006 report on economic and social conditions in Central Africa.

7. The Tenth Meeting of the Intergovernmental Committee of Experts for Southern Africa

142. The tenth ICE meeting for southern Africa took place in Lusaka, Zambia, from 3 to 5 May 2004. The meeting was attended by seven of the 11 member States of the Subregional Office, the regional economic communities, UN agencies and a number of business organizations from the subregion.

143. The meeting considered the following documents on southern Africa: activities of the Office during the

intervening period; the 2003 report on economic and social conditions; progress report on sustainable development; a review of the implementation of the 1993 System of National Accounts; the status of information for development activities; and the report of the review meeting on the decade on the implementation of the Beijing Platform for Action. The meeting also heard reports from ECA headquarters and Cooperating Partners and held a special session on private sector development in southern Africa.

144. The meeting commended the work of the ECA-SA office and noted the momentum gained in harmonizing development programmes between COMESA and SADC. It also noted the collaborative activities with UNDP and requested ECA to further strengthen its working relationship with UNDP, especially in analytical studies on HIPC and PRSPs.

The Committee made the following observations and recommendations:

- (a) It welcomed the improved economic performance of the subregion, buttressed by increased food production in some member States. This notwithstanding, the Committee expressed concern on the low volumes of subregional trade and the fact that the economic report had not addressed HIPC initiatives in the member States;
- (b) The Committee welcomed the recommendations on sustainable development, including the establishment of national coordination structures. It recommended a deeper analysis of the balance between the social and economic pillars of sustainable development and the need to institute effective partnerships between stakeholders;
- (c) The Committee noted the obstacles to implementing the 1993 System of National Accounts and recommended that actions on sensitization, human and institutional capacity-building be intensified, with the support of ECA, UNDP, SADC and COMESA);
- (d) The Committee applauded ECA's assistance in developing national ICT policies and strategies and underlined the importance of further collaboration with SADC, COMESA and other ICT partners;
- (e) The Committee took note of the outcome of the Beijing +10 review meeting, which was attended by some 150 participants and several SADC Gender Ministers.

145. The special session on private sector development in southern Africa considered themes on: FDI, innovation, and market access; private sector and regional integration; promoting small and medium enterprises (SMEs); best practices in Southern African countries; financial instruments; strategies for increasing access to financial services for the private sector; and policies and institutional mechanisms for promoting the private sector.

The main recommendations were that:

- (a) Governments need to create a conducive legal and regulatory framework that addresses the interests of both local and foreign investors. Strategies should also be developed at the sub-regional level to attract FDIs and promote innovation, while the legal frameworks should promote R&D activities;
- (b) Emphasis should be placed on developing higher value export goods while comparative advantages at the subregional level should be better exploited;
- (c) Governments should invest in infrastructure and services in a manner that leverages private sector contributions;
- (d) There is need to broaden the range of financial intermediaries and pursue strategies that will improve access to international capital, especially through improved international credit ratings;
- (e) SME specific support systems need to be developed at the policy, financial, capacity and market levels;
- (f) Peace, democracy and good governance were essential for private sector development and should be nurtured;
- (g) There is need to collect, store and disseminate a range of statistics that would support the growth of the private business sector.

CHAPTER IV

Thirty-Seventh Session of the Commission/ conference of African Ministers of Finance, Planning And Economic Development

A. Attendance

146. The thirty-seventh Session of the Conference of African Ministers of Finance, Planning and Economic Development was held in Kampala, Uganda from 21 to 22 May 2004. The session was officially opened by His Excellency, Mr. Yoweri Museveni, President of the Republic of Uganda. The session was chaired by Honourable Gerald Ssendaula, Minister of Finance, Planning and Economic Development of the Republic of Uganda. Statements were also delivered at the opening session by Mr. K.Y. Amoako, Executive Secretary, Economic Commission for Africa (ECA), Ms. Elizabeth Tankeu, African Union Commissioner for Trade and Industry, and the outgoing Chairman of the Commission, Mr. Trevor Manuel, Honourable Minister of Finance, Republic of South Africa

147. The meeting was attended by representatives of the following member States: Algeria, Angola, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Congo, Democratic Republic of the Congo, Djibouti, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Libya, Madagascar, Mali, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

148. The following United Nations bodies and specialized agencies were represented: Food and Agriculture Organization of the United Nations (FAO), International Monetary Fund (IMF), United Nations African Institute for the Prevention of Crime and the Treatment of Offenders (UNAFRI), Office of the Special Adviser on Africa (OSAA), Regional Commissions New York Office (RCNYO), United Nations Office in Nairobi (UNON), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Conference on Trade and Development (UNCTAD), UN-HABITAT, World Meteorological Organization (WMO), World Bank (WB), and World Intellectual Property Organization (WIPO).

149. Observers were present from the following organizations: Aide Ok Camp; African Business Roundtable-East Africa (ABR-E.Africa); Banque de développement des Etats de l'Afrique centrale (BDEAC); Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO); DECD; Department of International Development (DFID) of the United Kingdom; East African Community (EAC); Organization for Economic Cooperation and Development (OECD); Madhavani International; Uganda Finance Trust Ltd; and Union économique et monétaire ouest africaine (UEMOA).

B. Agenda And Election of the Bureau

The Conference adopted the following agenda and programme of work:

Opening Session

- Statement by Mr. K.Y. Amoako, Executive Secretary, Economic Commission for Africa
- Statement by Ms. Elizabeth Tankeu, African Union Commissioner for Trade and Industry
- Statement by the outgoing Chairman of the Commission, Mr. Trevor Manuel, Honourable Minister of Finance, Republic of South Africa
- Opening Address by His Excellency, Mr. Yoweri Museveni, President of the Republic of Uganda

Election of the Bureau and Adoption of the Agenda and the programme of work

Session I

Consideration of the Report and Major Recommendations of the Committee of Experts

Session II

Ministerial Policy Debate on the theme of the Conference: *Mainstreaming trade policy in national development strategies*

Part I: Africa and the Global Trading System: Opportunities and Challenges

Part II: Domestic Trade Policy and Africa's Development Challenges

Session III

Briefing on the Commission for Africa

Session IV

Consideration and adoption of the Ministerial Statement

Any other business

Session V

Closing Session

- Wrap-up by the Chairman
- Statement by Mr. Omar Kabbaj, President of the African Development Bank
- Closing remarks by Mr. K.Y. Amoako, Executive Secretary, ECA.

Election of the Bureau

The following Officers were unanimously elected by the Conference:

Chairman:	Uganda
First Vice-Chairman:	The Niger
Second Vice-Chairman:	Mauritania
Third Vice-Chairman:	Equatorial Guinea
Rapporteur:	Zambia

C. Account of Proceedings

Opening Addresses

150. In his opening remarks, the Executive Secretary of ECA, Mr. K.Y. Amoako, commended the outgoing chair of the Conference, the Honourable Minister of Finance of South Africa, Trevor Manuel, who chaired the Conference with distinction for an unprecedented

two sessions. He then gave a broad overview of current state of the world economy, with particular emphasis on how this could impact on growth prospects in Africa. He noted that current population growth rates in Africa outstrips economic growth and that on current trends, the number of poor people in Africa is likely to rise from 315 million in 1999 to 404 million people by 2015.

151. He underscored the importance of trade in growth and poverty reduction, and called on Africa to deepen its economic links with Asia, noting that China is currently the third-largest importer in the world. He also underscored the importance of employment creation as 40-50 percent of Africa's population are under 15 years old and that percentage is growing. He predicted that the employment crisis was set to worsen unless governments took actions to create jobs. He emphasized the need for holistic policies to modernize agriculture, develop agro-processing industries and support the development of small and medium-sized firms and reforming the banking and financial. He also underlined the value of intra-regional trade as both as an engine of growth and in promoting regional integration.

152. In his keynote address to the Conference, the President of the Republic of Uganda, His Excellency Yoweri Museveni decried the protectionist policies of the OECD countries, which he claims, robs Africa of the opportunity to trade its way out of poverty. He noted that exporting primary commodities without adding value was akin to exporting value, wealth and employment, making African countries donors to rich countries. He commended efforts being made by some developed countries to open their markets to African exports through such initiatives as the United States' Africa Growth and Opportunity Act (AGOA), and the European Union's Everything But Arms (EBA) initiative. He added that Africa should seek to diversify its export market to other developing countries like India and China, where import tariffs for some products remain high.

153. Regarding international trade negotiations, President Museveni noted that for African countries to negotiate meaningfully for better market access, the continent would have to synchronize its positions and approach the talks together, using such frameworks as NEPAD. He also underscored the importance of intra-African trade, and called for the development and upgrading of infrastructure, particularly railways and port facilities to facilitate trade.

154. President Museveni requested the Ministers to re-examine financial austerity measures, noting that

Europe grew out of recession by following Keynesian expansionists fiscal policies. He then declared the 37th Session of the Conference of African Ministers of Finance, Planning and Economic Development, officially opened.

155. In his opening remarks, the outgoing Chairman of the Conference, Mr. Trevor Manuel, Minister of Finance of the Republic of South Africa, welcomed the timing of the meeting, coming shortly after the stalemate at Cancun and the enlargement of the EU, Africa's major trading partner. He declared that putting the Doha Development Round back on track would be the main priority of all concerned. In this connection, he observed that African countries had striven to restore the Doha Development Round from which they stood to benefit some \$500 billion annually, and had been working to enhance governance, speed up poverty reduction and pursue the MDG targets. He applauded the conference's theme as useful for exploring how to balance the global trading system and address national supply constraints to improve trade opportunities for African countries.

156. Mr. Trevor Manuel deplored trade-distorting policies and measures such as the agricultural subsidies of the OECD countries (which currently stands at \$US 315 billion annually) and the low pricing of Africa's products which were detrimental to Africa's economic development and diversification efforts. He enjoined ECA to study the EU's application of non-tariff barriers, particularly the issue of phytosanitary standards and help Africa address the issue.

157. All this, he said, meant that Africa, which had become poorer over the past 25 years, needed faster growth to reduce poverty and meet the 2015 MDG target for which only four countries were on track, and that only with substantial progress would Africa achieve universal education in 2029, reduce poverty by halve in 100 years and meet the recommended child mortality rate in 2169.

158. Consequently, Africa needed to maximize the benefits of multilateral trade; consolidate and speed up domestic reform, improve the economic climate; avoid policy reversals; open up to intra-African trade; establish a sound regulatory and institutional environment for a competitive private sector; and strengthen the financial sector to efficiently and sustainably mobilize and productively utilize resources.

159. In concluding his remarks, Mr. Manuel called for a Global Partnership to fight poverty, raise living standards, restore the dignity of Africans and integrate Africa into the global economy.

160. Ms. Elizabeth Tankeu, Commissioner for Trade and Industry at the African Union noted that the theme of the Conference was both urgent and timely as Africa needed to achieve rapid and sustainable development, eradicate poverty and effectively integrate into the global trading system on a fair and equitable basis. She said that in meeting this challenge, African leaders recently established the African Union, and adopted the New Partnership for Africa's Development (NEPAD) in which they committed themselves to upholding the principles of good political and economic governance.

161. She encouraged Africa to avail itself of the opportunities offered by globalization, minimize the related risks and improve its economic competitiveness and share of global trade through the adoption of sound and coherent trade and economic policies including the development of human resources, infrastructure and institutions. She deplored the inequalities in the global economic and trading system in which developing countries' concerns were inadequately addressed. In this regard, she stressed the need for African countries to take a common position on important issues particularly in view of the small size and weakness of the individual countries. She noted that this was the only way that the imbalances and asymmetries in the international trading system could be redressed.

162. She said the DDA adopted in Doha in November 2001 to advance trade liberalization and mainstream development into the multilateral trading system raised expectations in Africa and other developing countries that the multilateral trading imbalances would be eliminated, but these hopes were dashed by the collapse of the fifth WTO Ministerial Conference in Cancun in September 2003; and issues of interest to Africa such as agricultural reform, the cotton initiative, market access, special and differential treatment and implementation issues had not been adequately addressed. Further on Africa's negotiation challenges, she recalled the daunting negotiation with EU to ensure that EPAs were development-oriented, enhanced Africa's regional integration objectives and sought a strong and united Africa, as articulated in the AU Constitutive Act.

163. She summed up by saying that the support and cooperation of partners, especially ECA, had strengthened Africa's capacity in multilateral negotiations which AU was working to coordinate. In this respect, the African Trade Ministers meeting, which would take place in Kigali Rwanda, under the auspices of the AU in May 2004 would be critical in, providing further guidance on trade issues.

Session I

Consideration of the report and major recommendations of the Committee of Experts

164. The Chairman of the Committee of Experts presented to the Conference the report of the twenty third meeting of the Committee, and the draft resolution on the proposed biennial programme plan for the period 2006-2007 as contained in document E/ECA/CM.37/9 for adoption by the Conference.

165. The Chairman indicated that the report contained observations and recommendations covering the following areas: economic and social conditions in Africa; the theme and sub themes of the Conference; the ECA annual report for 2004, which described the major activities undertaken by the Secretariat over the past year; and the strategic framework for the programme plan for the biennium, 2004-2005. The Committee had also considered the progress report on the ECA/OECD's ongoing work on monitoring mutual reviews of development effectiveness, the outcome of the Experts Group meeting held in Dakar in 2003 on Africa's External Debt, proposals by the secretariat to re-launch the United Nations Trust Fund for African Development (UNTFAD) and the Report of the secretariat on the external review of ECA. On the theme of the Conference, the Chairman informed the Ministers that this had been selected on account of the critical role that trade could play in the economic development of African countries. The Committee had underscored the negative role that tariffs and subsidies play in restricting African trade. In this regard, it had stressed that the theme provided a good platform to address trade issues, especially as it relates to the interminable difficulties of finance, sustainable growth and poverty alleviation. The Chairperson thanked the ECA secretariat and the Executive Secretary for the guidance he had received in chairing the meeting, and the Minister of Finance of the Republic of Uganda for his support.

166. The Conference took note of the presentation and commended the Committee of Experts for being comprehensiveness in their approach. The Ministers made a number of observations on the discussions and recommendations contained in the report.

167. The Ministers thanked the secretariat for its leadership in building and harmonizing Africa's trade negotiating capacities. They noted, however, that further effort was needed at the national level to mainstream trade into national development policies. A particular concern was the issue of competitiveness,

which was not well reflected in current efforts, especially in respect of SMMEs. Yet Africa's achilles heel was the weak capacity to create manufacturing value added. The Ministers therefore recommended that manufacturing competitiveness be given more attention as part of trade policy.

168. With regard to the economic and social conditions obtaining in Africa, the Conference appreciated that economic growth alone would not lead to the achievement of the MDGs. In a similar vein, they noted that debt relief was insufficient to sustainably eliminate the debt burden. They observed that aggregate growth in GDP was marginally lower than population growth, exacerbating the problem. The Ministers underscored the need for broad based and equitable economic growth, whose determinants were well understood. In this respect, they agreed with the proposed theme of the next Conference of Ministers, which would be on the challenges of meeting the MDGs in Africa. The Ministers took note of the recommendation of the Dakar meeting to create a Technical Committee on Debt and recommended that this be constituted as soon as possible. The Ministers also welcomed the re-launching of UNTFAD as a vehicle for strengthening ECA's capacity to better support its member States.

169. The Executive Secretary of ECA agreed with the Ministers' observations and recommendations and thanked them for their positive views on ECA's central role in building an African position on trade. He reiterated the centrality of the quality of growth and that in recognition of this, the Economic Report on Africa for 2005 would explore the determinants of growth more explicitly. He further agreed that tackling Africa's debt problem required efforts beyond the proposed Technical Committee. There was need to explore a more effective use of the technical subsidiary committees of the ECA Conference, possibly through the creation of subcommittees. A further strategy was to strengthen the political dimension under the AU umbrella so that there would be a confluence of political, policy and technical efforts.

The Conference agreed to make the following amendments to the report:

In para 24: correct "inflation rules"

In para 25: indicate in the paragraph that debt relief is not sufficient to achieve debt-servicing sustainability.

In para 30: replace "improved" with "addressed"

In para 59: the idea of a "central institution to buy and sell commodities." cannot work and should be deleted.

170. The Conference adopted the report of the twenty-third meeting of the Committee of Experts and the resolution contained therein in the light of its own comments, observations and amendments. The full report as originally adopted by the Committee is attached to this report as annex II.

Session II

Ministerial policy debate on the theme of the Conference: *Mainstreaming trade policy in national development strategies*

171. The discussion under this agenda item was organized in two segments. The first segment focused on the opportunities and challenges facing African countries in the context of the post-Doha global trading system, while the second segment examined issues related to trade policy and its impact on Africa's development.

Part I: Africa and the Global Trading System: Opportunities and Challenges

172. The discussion on this sub-theme was led by a panel composed of Dr. Kipkorir Aly Rana, Deputy Director-General, World Trade Organization (WTO); Ambassador Sigurd Illing, Head of Delegation of the European Commission in Uganda; and Ms Rosa Whitaker, President of the Whitaker Group and former Assistant U.S. Trade Representative for Africa. The session was moderated by Honourable Gerald Ssendaula, Minister of Finance of Uganda.

173. The presentations reviewed recent developments in the negotiations within the WTO and the steps that Africa needed to take to derive benefits from the multilateral trading system. The discussions also examined the challenges faced by African countries in seizing the opportunities offered by recent initiatives such as the Everything – But – Arms (EBA) initiative of the EU and the African Growth and Opportunity Act (AGOA) of the United States.

174. In his presentation, Dr. Rana briefed the Conference on the status of negotiations in the WTO. He informed the meeting that negotiations had resumed and momentum restored to the stalled Doha Trade Round. He also informed the meeting of some of the activities currently underway within the WTO and elsewhere to which are aimed at securing framework agreements by July 2004 on agricultural and Non-agricultural Market Access (NAMA); and an accord which better defines the framework for negotiations on cotton subsidies and the so-called Singapore Issues – the most problematic areas in the negotiations at the

2003 Ministerial Conference in Cancun. He noted that as far as Africa was concerned, progress on agriculture and cotton remained critical to breaking the logjam in the Doha Round and moving the negotiations forward.

175. Dr. Rana also noted that there was significant and evident goodwill towards African countries in the negotiations given their vulnerable position in the multilateral trading system. As a result of this, he reckoned that the Doha negotiations would not impose a high price or excessively burdensome obligations on African countries. At the same time, however, the benefits of trade reform and liberalization need to be better understood and integrated in the process of domestic economic reforms to enable African countries draw on the opportunities arising from trade expansion. In this context, Dr. Rana stressed the need for coordination and immediate engagement by African Ministers of trade and finance to ensure that Africa benefits from improved market access under the Doha Trade Round. He also emphasized the need to reflect trade priorities, including domestic reform measures in overall national economic plans and strategies for poverty reduction. However, he cautioned that mainstreaming trade priorities must be seen as only one part of a comprehensive pro-growth development strategy. Trade plays a supporting role in backstopping a stable macroeconomic and fiscal policy framework and pro-competitive, pro-private sector activity, regulatory policies and the rule of law.

176. Ms. Rosa Whitaker's presentation focused on the benefits and challenges of the AGOA initiative. She noted that the initiative offered an unparalleled opportunity for Africa to achieve accelerated growth and poverty reduction through trade. The initiative has made it possible for the continent to add value to its abundant natural resource endowment and unshackle itself from the tyranny of international primary commodity prices. The initiative has also enhanced Africa's competitiveness and improved its position in the global value chain.

177. Ms. Whitaker revealed that the initiative had made a significant contribution to the development of several African countries. Africa's share of U.S. imports have more than doubled in both volume and value since the Act was enacted four years ago. She emphasized, however, that this increase represented only a negligible fraction of U.S. consumption and posed no threat to U.S. workers and businesses, but would be of tremendous significance to small African economies such as the 38 countries that belong to the AGOA club, and which collectively, had received some \$9 billion worth of investments as a result of

the initiative. She cited as examples, countries such as Lesotho, Kenya, Uganda, Mozambique, Swaziland, South Africa, Namibia and Madagascar which had become major export platforms as a result of AGOA.

178. Despite these successes, however, a number of challenges need to be addressed. Key among these is the fact that there is not enough time under the Act's existing deadlines for African countries to reap its full benefits. In addition, there is a need to build the capacity of the African private sector to enable them identify and exploit the broad range of opportunities that AGOA offers. Amid concerns that key provisions of the legislation would expire in September 2004 unless the U.S. Congress voted an extension, Ms. Whitaker called on the Ministers to deliver a strong message of support to ongoing efforts to put pressure on Congress to extend the overall life of the legislation beyond its 2008 cut-off date to prevent an erosion of the major gains it had fostered.

179. In his brief presentation on behalf of the EU Trade Commissioner, the Head of the European Commission Delegation in Uganda, Ambassador Sigurd Illing provided the EU's perspective of the opportunities and challenges for Africa in the global trading system, and briefed the Conference on recent EU initiatives aimed at kick-starting the stalled WTO negotiations. He reviewed the long history of trade relations between Africa and the EU through several special protocols such as the Lome/Cotonou Agreements and more recently, the Everything But Arms (EBA) initiative, and concluded that Africa's exports to Europe was actually witnessed a decline over the last 20 years in spite of these preferential market access agreements. He attributed this to a number of factors including supply-side constraints; non tariff barriers to trade; political instability and lack of investor confidence.

180. Ambassador Illing described the recent launch of negotiations of Economic Partnership Agreements (EPAs) between ACP countries and the EU as an important step beyond simple market-access, intended to consolidate the long-standing and well established development partnership between the two regions. He indicated that the inauguration of this new phase of negotiations was guided by the central objectives of the Cotonou Partnership Agreement of which EPAs would constitute the flagship. He also highlighted the crucial role of EPA negotiations in building on ACP regional integration initiatives with a view to locking in the benefits of those initiatives and enhance their implementation. He indicated that the EU had already launched regional negotiations in all the five subregions of Africa.

181. With regard to the stalled WTO negotiations, Ambassador Illing briefed the meeting about recent efforts by the EU to make progress and strike framework agreements encompassing key issues by the EU of the Doha Agenda by July 2004. In this regard, he outlined the key elements of a joint letter recently sent to all WTO members by EU Commissioners for Trade and Agriculture, Pascal Lamy and Franz Fischer respectively. The letter sketched out key areas where progress was needed to agree on framework modalities by July. It focused on Agriculture; non-Agricultural market access (NAMA); negotiation in services; the so-called Singapore issues which includes investment and competition rules, trade facilitation and transparency in government procurement; and development questions. On Agriculture, for instance, the EU had signaled that it could move on export subsidies provided there was an acceptable outcome for market access and domestic support talks, and full parallelism on all forms of export competition. Crucial in this context would be early action on cotton, which is vital for many African countries.

Main conclusions and recommendations

182. Following the three presentations, an extensive exchange of views took place on a number of issues related to the theme of the conference. In addition to Finance and Planning Ministers, several Trade Ministers were invited to participate in the discussion. This summary report highlights the main issues considered during the interactive session, but does not fully reflect the richness of the discussion or the range of experiences shared.

183. The Conference appreciated the relevance and timeliness of the conference theme and commended the panelists for the quality of their presentations. The discussions underscored the importance of trade as an engine for economic growth and poverty reduction. However, it was noted that despite the obvious benefits of trade, Africa remained marginalized in global trade owing in part to significant weaknesses and shortcomings in domestic policies, and to impediments in existing global trade arrangements. It was emphasized in this regard, that the main challenge facing African countries today is how to enhance the continent's capacity to take advantage of the opportunities offered by trade liberalization and globalization while minimizing the risks.

184. In addressing this challenge, African countries would need to properly mainstream trade into national development plans and strategies. Other elements of such a strategy include a stable macroeconomic and fiscal policy framework, the development

of appropriate physical and social infrastructure, the development of a vibrant export sector; policies to ensure a stable and predictable exchange rate. The cross-cutting nature of these issues makes it imperative to have coherence at the policy and sectoral levels. Country ownership was also deemed essential. Many participants emphasized this point and supported it with first-hand experience from their own countries, and noted that both NEPAD and the PRSPs could provide the framework for mainstreaming trade. Country ownership requires, in turn, effective coordination across ministries and government departments if the promise of export-led growth is to be fulfilled.

185. With regard to other issues raised in the presentations, the Conference welcomed the EU's recent initiative to revise global trade talks and described it as a positive development for the beleaguered Doha Round. In this regard, several participants underscored the need to bridge differences on agriculture as this was essential for any meaningful progress in the negotiations.

186. There was also an exchange of views on a number of key issues including the need for action to ensure that the benefits of AGOA and other similar initiatives are spread more evenly and widely in the beneficiary countries. A number of participants also underlined the need to strengthen intra-African trade as a step towards effective integration into the global economy; trade-related capacity building; development and improvement of infrastructure; financing mechanisms; export promotion; upgrading the technological capacities of small and medium enterprises (SMEs); and greater use of information technologies for trade and development.

Part II: Domestic trade policy and Africa's development challenges

187. Under this sub-theme, Professor Ademola Oyejide of the University of Ibadan in Nigeria made a presentation on the impact of trade liberalization in Africa and the challenges of integrating trade policy into national development strategies. The presentation also examined the relationship between trade, growth and poverty reduction. The presentation and discussions benefited from the OECD/DAC Guidelines on Strengthening Trade Capacity for Development.

188. Professor Oyejide provided a historical perspective to Africa's marginalization in world trade and analyzed the factors responsible for it. He noted that Africa's trade-to-GDP ratio grew in the period between the 1960s and 1980s. It fell in the crisis period of the

1980s, but has since picked up again, exceeding its value in the early 1980s. In terms of regional patterns, he characterized the Southern Africa region as the most trade-intensive, and West Africa as the least trade-intensive region of the continent.

189. In explaining the decline in Africa's share of world trade, the presenter noted that two important issues need to be borne in mind. The first is that supply-side elasticities should be taken into account. The second is the need for an analysis of the structure of the pattern of trade. He noted that the countries which had successfully integrated into the world economy managed that structural transformation well, while Africa had even lost market share in primary commodities where it had a comparative advantage. This was due to a combination of a lack of competitiveness and the protectionist trade policies in other parts of the world. On the latter factor, Professor Oyejide cited the example of cotton, where the West African and Central African cotton producers are among the most efficient in the world and yet have been shut out of the US market by the subsidies given to US producers.

190. Professor Oyejide observed that trade integration had two closely inter-related components, namely import liberalization, and export promotion. A country cannot liberalise its import regime without promoting export as this would lead to a significant increase in the trade deficit of the country. He further observed that the implementation of African trade policy reforms, if not their design, has been biased in favour of import liberalization with inadequate focus on export promotion, perhaps the former has been much easier to do than the latter which often requires additional resources as well as human and institutional capacity. The combination of inappropriate sequencing and poor export supply response appears to have caused policy reversals in several African countries as import surges generated intense balance of payments pressures.

191. According to the presenter, an appropriate export regime in the context of an outward-oriented development strategy should ensure that exporters had access to imported inputs at world market prices. But if a country decided to retain some degree of domestic protection through import tariffs, either for fiscal revenue reasons or to prevent imports from displacing "infant" industries that could otherwise eventually become competitive, then mechanisms such as duty exemptions or drawbacks/rebates, bonded manufacturing warehouses, and free trade zones could be used as a means of granting free trade status to exporters.

192. The presentation highlighted two accompanying elements of import liberalisation: 1) the need for complementary policies to enable countries take advantage of market access agreements; and 2) compensatory policies – in the form of lump-sum transfers to help those who lose from liberalization. In general, complementary, compensatory and mitigating measures are designed to help reduce the largely inevitable and transitional adjustment costs associated with trade policy reform by enhancing the effectiveness of market institutions and relaxing export supply response capacity constraints, and protect those who suffer losses through the provision of “safety nets”.

193. The presenter noted that the Economic Partnership Agreements (EPAs) currently being negotiated between the EU and groups of African countries could provide incentives for the regional integration process in Africa. EPA's are made WTO – compatible partly by making market access concessions between the EU and participating African regional groups reciprocal, even though the asymmetry involved suggests that African market access concessions should be phased-in gradually over the transitional period of 10-12 years, starting from the effectiveness of the EPAs in 2008. In addition to opening to EU imports, the EPA objective of establishing fully integrated African regions suggests that African countries should also further open to both intra-regional and inter-regional imports. The presenter, however, argued that tariffs were a relatively minor factor in explaining Africa's poor trade performance – trading capacity and infrastructures were, in his opinion, the main factors.

194. For trade policy to be effectively mainstreamed in development strategies, Professor Oyejide emphasized a number of basic prerequisites. These included the need for effective partnership among all stakeholders - governments, the private sector, and civil society; the need for capacity-building to enhance Africa's competitiveness and improve export diversification; and the need to make bilateral trade arrangements consistent with international arrangements. He also stressed the need for ownership of policies as well as coordination at the policy and institutional levels for trade to be effectively mainstreamed.

Main conclusions and recommendations

195. After the detailed presentation by Professor Oyejide, a wide-ranging discussion took place focusing on some of the issues raised in the presentation. The Conference commended the quality and usefulness of the presentation and observed that it would help in improving understanding of trade issues as well as the challenges involved in mainstreaming trade policy in

development strategies. The discussions brought into context, perspectives of both Finance and Trade Ministers on the theme of the Conference.

196. Several participants underscored the importance of a stable macroeconomic framework in attracting private investments, which would, in turn, strengthen supply capacity and lead to export-led growth. To illustrate this point, it was observed that the private sector would not thrive in several African countries which had experienced high interest rates in the past.

197. There was a consensus that capacity-building at different levels was key to enhancing trade performance for three main reasons. First, it was necessary to build capacity in production methods to be able to add value to Africa's exports. Secondly, incentives need to be put in place to enhance entrepreneurial activities. Thirdly, capacity for international trade negotiations needs to be strengthened.

198. Several participants observed that the progress in the regional integration process in Africa had been slow partly as a result of political instability and conflicts between neighbouring countries which have impeded the growth of intra-African trade. Some participants highlighted the problems related to the lack of rules of origin; the transshipment of products imported from outside the region which has undermined the process of regional integration. Other participants noted with regret that NEPAD had not given sufficient priority to trade issues.

199. Market access was considered among the key factors to enhance growth and reduce poverty. Participants emphasized that market access provides an incentive for enhancing trade capacity. Several participants noted that the present global trading system was an inequitable one. In this context, participants welcomed non-reciprocal market access agreements such as AGOA. Participants acknowledged that preferential market access arrangements like AGOA had led to some economic benefits for African countries, but usually in an enclaves with little spill-over to the rest of the economy. Action was needed to enable the wider economy to share in the benefits, including through the generation of employment opportunities. In this regard, the Conference emphasized the need for indigenous African businesses to take advantage of the opportunities of AGOA and similar market access arrangements. Some countries currently not benefiting from AGOA expressed their desire to be allowed to benefit from it.

200. On the diplomatic front, it was suggested that African countries did more to defend their interests

in Washington by more intensive lobbying. Similarly, in this post-Cold War world, a proposal was made for African governments to re-evaluate the allocation of diplomatic personnel, to reduce personnel assigned to traditional destinations like London and Paris, and increase the African presence in new decision-making centres like Geneva, home of the WTO. In this way, African governments have a better chance to influence decisions regarding Africa's future.

201. Participants shared their countries' experiences in export promotion and efforts to reclaim their share of world trade. The measures which had been implemented to stimulate private sector growth were also conducive to export growth and diversification. Among those, participants highlighted sound macro-economic policy frameworks, realistic exchange rates, export processing zones, duty drawback schemes for exporters, export guarantee schemes and trade financing mechanisms.

202. At the end of the debate, the Conference recognized that the issue was no longer one of ideology but pragmatism and action. It was not too late for Africa to take its rightful place in the evolving international trading system. Hence, accelerating the pace of regional cooperation and integration through strengthening intra-African trade should be a major priority and a step towards effective integration into the global economy. In this regard, participants emphasized the need to effectively follow-up on the conclusions and recommendations and report back to future conferences on the concrete results achieved.

Session III

Briefing on the Commission for Africa (CFA)

203. The Chairman, Honourable Mr. Gerald Ssendaula introduced the session by requesting the Executive Secretary of ECA, Mr. K.Y. Amoako to introduce the members of the Commission for Africa (CFA) present and to provide a background on its formation. Mr. Amoako explained that the Commission was established at the British Prime Minister Tony Blair's initiative and inaugurated in May 2003 at 10 Downing Street, London. The Commission has 18 members, nine of whom are from Africa. Mr. Amoako invited the Ministers of Finance to take the opportunity of the presence of the representative of the Secretariat and the members of the CFA to seek clarification on matters pertaining to the Commission.

204. Mr. Ian Richard of the CFA Secretariat welcomed the opportunity offered by the Conference to make a presentation, for the very first time in Africa,

on the Commission. He explained that the rationale for establishing the CFA at this time was because 2005 would offer a unique opportunity for UK to hold the Presidency of both the G8 and the EU – a rare chance to influence international affairs. At the same time, 2005 will mark the 20th anniversary of Live Aid and the 25th of the publication of the Brandt Report. Also in 2005 the UN will review progress towards the 2015 target to achieve the UN Millennium Development Goals.

205. For all these reasons, Prime Minister Tony Blair has decided that Africa will be one of the two key issues in the UK's G8 agenda and therefore set up the CFA to drive the thinking and come up with recommendations for the July 2005 G8 summit. The Mission Statement for CFA is "Action for a Strong and Prosperous Africa for all". The Commission will have strong partnership with African institutions. It will not carry out the action itself, but support other institutions, such as NEPAD, G8 and the AU, which are already leading activity towards achieving poverty reduction in Africa.

206. Thus, the work of the Commission will aim at shaping the thinking and analysis of others into a coherent strategy that can be presented to, among others, the G8. The Commission would therefore consult as widely as possible and report its findings in autumn 2004 while the final report will be ready in early 2005. The recommendations will be presented to key partners in the G8 and EU, whose support will be crucial to the Commission in order to translate its analytical work into action. The Commission plans to take advantage of major events in order to raise the profile of African issues and its work. It also plans to hold events focused on specific themes in collaboration with other countries and organizations.

207. In addition to the nine African Commissioners, there are three UK Cabinet Ministers and other Commissioners from France, Canada, the United States, China and Ireland. All these Commissioners have strong African experience and have a great deal to offer to the continent. The Secretariat of the Commission is established in London with staff members drawn from several governmental departments.

208. Mr. William Kalema, a member of the Commission, underscored the importance of the present meeting to the work of CFA as there would be products and processes to hold people accountable. In this regard, he indicated that the voices of African Ministers of Finance would also be vital for the work of the Commission. In his view, the Commission will add value to Africa's developmental process based on its

uniqueness in six areas: (i) establishing priority issues; (ii) maximizing the effectiveness of CFA to the continent; (iii) ensuring that, in addition to governments, consultations also include the civil society, think tanks and the private sector; (iv) ensuring consistency of CFA's vision with NEPAD; (v) maximizing synergies between CFA and NEPAD; and (vi) ensuring that strategies implemented by G8 are consistent with NEPAD objectives.

209. In the ensuing discussions, the Conference was informed of existing consultative mechanisms, at the technical level, between the European Union (EU) and the African Union (AU). The current chair of the EU, Ireland, is meeting with the AU on the debts issues while there is an agreed format and agenda for matters relating to peace and security, regional integration, trade, etc. The outcome of these consultations will be discussed at the ministerial level. The AU and the G8 have also been working closely in the context of the Africa-Europe consultations. Collaboration between the Commission and the AU would therefore be key to consensus building.

210. Ministers sought to know if there will be political will to support the work of the Commission in the face of the limited results achieved by the Monterey Consensus and the G8's NEPAD. Others sought to know the following:

- Whether the initiative is of Tony's Blair within the context of the Commonwealth or as President of the EU;
- Whether CFA is continental or limited to complement the goals of the EU;
- What criteria were used for choosing African Commissioners?
- Whether the mandate of the Commission will culminate in the final report to the G8 or go beyond to implementing and monitoring the ensuing recommendations.

211. The Executive Secretary of ECA clarified that the establishment of the Commission was both as a personal commitment of Mr. Blair as shown in his address during the Millennium Declaration and in his capacity as President of both the EU and the G8. Further, the Commission will aim at generating momentum on existing ideas related to global conferences.

212. Regarding the criteria for selecting Commissioners, Mr. Amoako explained that the Commissioners were chosen on their own capacity. This was based on people who are believed to be in a position to really make a difference. The challenge for the com-

missioners will be to mobilize support outside Africa by building a constituency in Europe, for example, on Africa. He indicated that the Commission was aware of the AU-NEPAD-EU collaborations and commended the work of the AU especially regarding the work on peace and security in Rwanda, Cote d'Ivoire, Liberia and Sierra Leone. The Commission's support in this regard will be commendable.

213. On the composition of the Commission, it was indicated that not all countries could possibly be represented in order to keep the number to a manageable size. As an example Mr. Kemela said that it is the intention of the Commission to use NEPAD to broaden the level of consultation and also Conference of African ministers of finance, planning and economic development.

Session IV

Consideration and adoption of the Ministerial Statement

214. Under this agenda item, the Conference considered and adopted the draft Ministerial Statement which represented the main consensus and outcome of the meeting.

215. The Statement was introduced by the Rapporteur, Honourable Peter Magande, Minister of Finance and Economic Planning of the Republic of Zambia. He provided the background and justification for the issues included in various sections of the Statement. The sections included: restarting the stalled Doha Development Round in which the Ministers underscored the importance of effectively integrating Africa into the global economy; actions needed on the domestic front to facilitate trade; accelerating regional integration by promoting intra-African trade; improved development effectiveness in order to achieve the MDGs; and enabling ECA to serve Africa better, especially by contributing generously to the United Nations Trust Fund for African Development

216. The Ministers discussed the draft Statement extensively. They decided to include, in the trade financing, access to ICTs, to promote trade especially for SMEs. The Ministers stressed the importance of economic infrastructure, particularly communications and transport, in fostering regional integration. They further expressed support for the ongoing initiative by the AU and ECA on the rationalization of the RECs. They expressed the view that this would facilitate the creation of a larger economic space and more viable markets through free trade areas.

217. While the Ministers called for substantial debt relief, they stressed that this should not be at the expense of new resources for development. They further underscored the need to give post conflict countries more attention, while middle income African countries should not be excluded from debt relief initiatives and concessionary loans. They expressed concern that FDI inflows were not necessarily congruent with policy improvements and that this required attention from Africa's development partners.

218. The Ministers expressed appreciation for the positive contribution of the United States' African Growth and Opportunity Act (AGOA) in for promoting African exports. They resolved that their Statement should reflect this and that the Executive Secretary of ECA should facilitate their expression of appreciation and timely renewal of expiring provisions of the Act to the US Congress.

219. The Ministers welcomed the suggestion that the theme of their next Conference be on progress towards attaining the MDGs. They adopted the Ministerial Statement with amendments, which have been incorporated in the final text. The full text of the adopted Statement is attached to this report as Annex 1.

Any other business

No issue was raised under this agenda item.

Session V

Closing Session

220. In his statement to the closing session of the conference, Mr. Omar Kabbaj expressed his appreciation to the Executive Secretary of ECA for giving him the opportunity to address the conference. He noted with satisfaction the growing collaboration between ECA and ADB as reflected in the synchronization of the annual meetings and other activities of the two institutions. On the theme of the conference, he noted that trade had become a critical issue for Africa's development. He also revealed, in this regard, that ADB's African Development Report for 2004 was devoted to the theme, Africa's position in the global trading system.

221. Mr. Kabbaj outlined the some of the policy options that African countries needed to consider at

the national, regional and international levels, for promoting trade and export-led growth. He emphasized the need for African countries to give much higher priority to trade issues, and mainstream trade policy into national development strategies. In this regard, he noted that a central concern for all African countries would be to put in place the policy framework and investing the required resources to encourage the growth of exports, both traditional and non-traditional. He observed that African countries would need special and differential treatment from developed countries -- as well as adequate time -- to enable them to build the capacity to compete globally. He also briefed the meeting of the Bank's activities in support of enhancing the capacity of African countries to compete in the global market.

222. In his closing remarks, the Executive Secretary of ECA noted with satisfaction that the richness of the discussions was an indication of just how much progress had been achieved in transforming the ECA Conference of Minister into a forum for building consensus on key issues of importance to Africa's development. He gave a few examples of how the common position on such issues as debt, financing for development and trade had fed into and informed deliberations at the global level.

223. On the challenges of mainstreaming trade into national development strategies, the Executive Secretary noted that a multisectoral approach would be required, adding that it was time to move from rhetoric to action on the issues discussed during the session. He thanked the member States for their valuable contribution and guidance to the work of the secretariat. He also thanked the Government and people of the Republic of Uganda for graciously hosting the Conference and described the arrangements put in place by the Government as unparalleled.

224. In his closing remarks to the conference, the Chairman highlighted a some important issues that had emerged from the deliberations including the need for Africa to speak with one voice on trade issues; the need to strengthen the capacity of the private sector in Africa to take advantage of opportunities in the global trading system.

The Chairman then declared the meeting closed.

ANNEX I:

Resolution and Ministerial Statement adopted by the commission at its thirty-seven session

A. Resolution

842 (XXXVII) Proposed Biennial Programme Plan for the Period 2006-2007

The Conference of Ministers

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

Recalling further its resolution 809 (XXXI) of 8 May 1996 on new directions for the Economic Commission for Africa and resolution 838 (XXXV) on the proposed revisions to the medium-term plan of the Economic Commission for Africa for the period 2002-2005,

Taking note of General Assembly resolution 58/269 of 23 December 2003, requesting the Secretary-General to prepare for submission to the Assembly, at its fifty-ninth session, a strategic framework for the biennium 2006-2007, to replace the current four-year medium-term plan,

Having examined the proposed biennial programme plan for the biennium 2006-2007 contained in document E/ECA/CM.37/3,

Endorses the programme plan of the Economic Commission for Africa for the biennium 2006-2007, taking into account the discussion and related observations made at the present meeting.

B. Ministerial Statement

Kampala, Uganda, 22 May 2004

1. We, the African Ministers of Finance, Planning and Economic Development, gathered in Kampala, on 21-22 May 2004, under the auspices of the United Nations Economic Commission for Africa (ECA),

reaffirm our commitment to achieving sustained economic growth and eradicating poverty, and to promoting sustainable development, as we advance to an inclusive and equitable global economic system.

2. We recall that at our Conference in Addis Ababa, in June 2003, we reached consensus on several issues of importance to accelerating Africa's development. These included Africa's efforts to: operationalize mutual accountability; promote policy coherence; help to shape the International Monetary Fund's work for the betterment of Africa; and overcome the macroeconomic challenges of HIV/AIDS; and thereby contribute to meeting the Millennium Development Goals (MDGs).

Restarting the stalled Doha Development Round

3. We acknowledge that trade is an important source of finance and raising prosperity, but are concerned that the continent has not reaped the gains of global integration to the extent of other developing regions. Africa's share in world merchandise exports fell from 6.3 per cent in 1980 to 2.5 per cent in 2000. Africa has hardly benefited from the boom in manufactured exports, with Africa's share in world manufactured exports remaining unchanged at 0.8 per cent in two decades.

4. We wish to underscore the importance of successfully concluding the Doha Development Round in order to better integrate Africa into the global trading system. In this context, we are disappointed by the failure of the Cancun World Trade Organization (WTO) Ministerial Meeting of September 14, 2003, to reach consensus on modalities for negotiations on rich countries' agricultural trade barriers and export subsidies that have effectively blocked Africa's successful integration into world markets.

5. However, we welcome the recent resumption of negotiations in Geneva, particularly the constructive and positive engagement amongst the membership.

We encourage WTO members to work towards the objective of fully restoring the momentum to the negotiations by this July, through the adoption of meaningful frameworks in agriculture, non-agricultural market access and other relevant areas.

6. For Africa, the adoption of market-distorting subsidies by our OECD partners is a core issue in multilateral trade negotiations. Yet, with deep concern, we note that they have been increasing domestic support to their farmers in recent years. Market access remains constrained also by high tariffs and tariff peaks on strategic agricultural products. We believe that the willingness and readiness of the international community to address these issues are a litmus test of their commitment to Africa's development. We particularly welcome the positive contribution of the United States' African Growth and Opportunity Act (AGOA) for promoting African exports, and strongly urge its timely renewal beyond 2008, as well as the extension of those provisions scheduled to expire this September. In this respect, we mandate the Executive Secretary of ECA to facilitate our expression to the US Congress.

7. In particular, the resolution of issues relating to cotton in multilateral negotiations is critical. This sector is a key contributor to GDP and export earnings, and to employment, in many African countries. Policies in developed countries that have led to over-production and glutting of world markets have driven down world prices, thus playing havoc with African economies. We urge our trading partners to reduce, with a view to eliminating, cotton subsidies within the framework of the agricultural negotiations, but with a sector-specific focus.

8. The world trading system has not been conducive to Africa's efforts at diversifying its economies towards manufacturing exports. Industrial countries maintain tariff escalation and tariff peaks on manufactured imports from developing countries, with some peaks as high as 900 per cent. We strongly recommend that our development partners should take action to correct this.

9. We are further concerned that despite this unbalanced state of affairs, industrial countries still insist that developing countries substantially reduce tariffs. If Africa obliges, it risks having its "infant industries" wiped out by low-cost producers. In many of our countries, political support to cutting tariffs can only come after significant improvements in access to OECD markets that may offset the potential economic dislocation, as workers are laid-off, factories closed down and government revenues diminished.

10. We believe more progress is needed on Special and Differential Treatment (SDT). African countries require more flexibility and discretion in the use of public policies to enhance their prospects for industrialization, diversification of production and exports, and overall development. Extension of SDT is essential if our countries are to participate in and accept the additional obligations resulting from multilateral trade negotiations.

11. Better outcomes from trade negotiations require strengthening trade capacity. In order to fully benefit from the WTO negotiation process, African countries have sought to be fully engaged in the WTO process. These efforts need to be strengthened by building the analytical skills and negotiation capacity of our negotiators and policy makers.

12. In this context, we would like to commend ECA for establishing an Office in Geneva and an African Trade Policy Center in Addis Ababa to better assist African Trade negotiators in preparing for the Doha Round.

Urgent action needed on the domestic front

13. Actions at the multilateral level are crucial in order to enhance trade opportunities for Africa. However, African countries will also need to adopt dynamic trade policies and remove domestic bottlenecks in order to capitalize on such opportunities.

14. Lack of access to trade financing, information, and communication technology is a major constraint for African entrepreneurs, particularly the Small- and Medium-Scale Enterprises (SMEs), wishing to establish or expand export-oriented businesses. There is a great need by African countries, regional and international organizations and the private sector, to find ways of securing appropriate and predictable sources of trade financing.

15. Aware of the importance of new information and communication technologies (ICTs) in the development of Africa and the integration of the continent in world trade, we commend that African countries should adopt the necessary programmes for the development of this sector and organize themselves to avail of the opportunities offered by future international ICT activities.

16. We also recognize the importance of better trade facilitation processes. Delays at customs points are a major obstacle to trade in Africa. We recommend

that efforts should be made to ensure that customs bodies make greater use of technology, place greater reliance on post-release audits, build up closer working relationships with Ministries of Finance, and work towards high levels of professionalism and integrity. Such reforms would require appropriate technical assistance for capacity-building.

17. Our experience as Ministers of Finance, Planning and Economic Development is that trade liberalization can be a potential source of fiscal instability, as most of our countries depend heavily on trade taxes for public revenue. The challenge is how to maintain fiscal stability when liberalizing trade. In this context, we recommend that trade liberalization should be coordinated with measures on the revenue and spending side of the budget, including strengthening tax administration and collection, and improving the effectiveness of public spending.

Speeding up regional integration is a priority

18. We believe that an integrated continental market offers the best hope for Africa to build its manufacturing sector and diversify its economy away from primary products. It is disappointing to note, however, that intra-African trade remains a small part of Africa's total trade, accounting for only 10.5 per cent of total exports and 10.1 per cent of imports. We also believe that we need to further encourage South-South trade.

19. Successful regional integration is central to fostering intra-African trade and unifying regional markets by removing trade barriers within the continent. By creating free trade areas and customs unions, large internal continental markets can be created that can be used to achieve economies of scale and help build competitive industries meant for world markets. We believe that economic infrastructure, especially for communication and transport, is necessary to promote intra-regional trade.

20. While there have been commendable efforts towards setting up free trade areas and customs unions, progress has been slow. We are committed to removing non-tariff barriers, defining clearer rules of origin, and establishing common external tariffs. In this context, we implore ECA and AU to continue to work towards rationalizing the regional economic communities.

Mainstreaming trade policies in national development strategies

21. Recognizing the importance of trade as an engine of growth, and the complex links between trade, economic growth and poverty reduction, we reach a consensus that trade issues need to be mainstreamed into broader national development strategies, in order to achieve pro-poor growth..

22. We believe that action to mainstream trade is best handled at the inter-ministerial level to ensure systematic promotion of mutually reinforcing policies. This requires cross-ministry policy coherence, including the areas of trade, employment, education, agriculture, transport, and industry.

23. We believe that Ministries of Finance, Planning and Economic Development have a central part to play in mainstreaming trade policies because our Ministries play a key role in coordinating national development strategies through the budget process, medium-term expenditure frameworks, and poverty reduction strategies; as well as, dealing with multi-lateral development agencies and other development partners.

Improved development effectiveness is vital for achieving the MDGs

24. We are concerned at the continued insufficiency of financing for development in Africa, despite the fact that with the current trends the MDGs will not be met by most countries in Sub-Saharan Africa. In this regard, we welcome the opportunity to further discuss, at our next Conference of Ministers, the challenges of attaining the MDGs.

25. Although ODA pledges to Africa have increased since Monterrey, aid to Africa remains low and volatile. Furthermore, donor aid policies and practices continue to impose high transaction costs on Africa, and our efforts to meet our development financing needs remain constrained by external-debt-servicing requirements. More attention must be paid to Africa's calls for substantial debt relief, but not at the expense of additional resources for development. Furthermore, debt relief should not be limited to HIPC-countries, and consideration should be given to special circumstances, such as countries newly emerging from conflict. In the case of extenuating circumstances, such as the prevalence of the HIV/AIDS pandemic, middle-

income countries should also be eligible for concessional financing.

26. We are pleased to note that the World Bank and IMF are working on a new forward-looking debt sustainability framework. We also welcome the move by the two institutions to examine innovative financing mechanisms such as the International Finance Facility (IFF), global taxation and other proposals to help address the financing of the MDGs.

27. We are pleased to note that mutual accountability, harmonization of aid modalities and policy coherence are now widely acknowledged as being central to the implementation of the global development agenda. However, we urge our development partners to move faster to ensure that all their policies - on ODA, market access, and debt - are consistent with meeting the MDGs. In this context, we look forward to the first ECA/OECD Joint Review of Development Effectiveness next year, which will update us on progress in this regard.

28. We take good note of the recent establishment of the Commission for Africa by Prime Minister Blair. We believe the Commission has an important role to play in supporting the implementation of NEPAD and pushing the African agenda in international fora.

Enabling ECA to serve Africa better

29. We recognize that ECA is playing a key role in promoting the economic and social development of the continent, but is constrained by resources. We therefore urge member states to support ECA's efforts by generously contributing to the United Nations Trust Fund for Africa.

30. With appreciation we note the report on ECA's work presented to us. We are impressed with progress achieved over the last eight years of reform by ECA; the organization is now a leading voice on Africa's development. We believe that the proposed way forward will enable ECA to further deepen the relevance of its contribution to the development agenda in Africa.

31. In conclusion, we thank ECA for successfully convening the 37th Conference of African Ministers of Finance, Planning and Economic Development. We wish to thank the Minister of Finance of the Republic of Uganda Hon. Gerald Ssendaula, for his excellent leadership during our deliberations. We also wish to thank His Excellency, President Yoweri Kaguta Museveni and the Ugandan people for the warm hospitality accorded us during our stay in Kampala.

ANNEX II:

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

A. Attendance

1. The twenty-third Meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development was held in Kampala, Uganda from 18 to 20 May 2004. Ms. Kamilla Gumede, Deputy Director of the National Treasury of the Republic of South Africa delivered the opening statement on behalf of Mr. Lesetja Kganyago, Chairman of the Bureau of the Committee of Experts. This was followed by a statement by Mr. K.Y. Amoako, Executive Secretary of the United Nations Economic Commission for Africa (ECA) and welcoming remarks by Hon. Gerald Ssendaula, Minister of Finance, Planning and Economic Development of the Republic of Uganda

2. The meeting was attended by representatives of the following member States: Algeria, Angola, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Congo, Democratic Republic of the Congo, Djibouti, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Libya, Madagascar, Mali, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

3. The following United Nations bodies and specialized agencies were represented: Food and Agriculture Organization of the United Nations (FAO), International Monetary Fund (IMF), United Nations African Institute for the Prevention of Crime and the Treatment of Offenders (UNAFRI), Office of the Special Adviser on Africa (OSAA), Regional Commissions New York Office (RCNYO), United Nations Office in Nairobi (UNON), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Conference on Trade and Development (UNCTAD), UN-HABITAT, World Meteorological Organization (WMO), World Bank (WB), and World Intellectual Property Organization (WIPO).

4. Observers were present from the following organizations: Aide Ok Camp; African Business Roundtable-East Africa (ABR-E.Africa); Banque de développement des Etats de l'Afrique centrale (BDEAC); Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO); DECD; Department of International Development (DFID) of the United Kingdom; East African Community (EAC); Organization for Economic Cooperation and Development (OECD); Madhavani International; Uganda Finance Trust Ltd; and Union économique et monétaire ouest africaine (UEMOA).

B. Adoption of the Agenda and Election of the Bureau

5. The Committee adopted the following agenda:

1. Opening of the Meeting
2. Election of the Bureau, Adoption of the agenda and programme of work
3. Overview of recent economic and social conditions in Africa
4. Presentations by the secretariat on each of the issues in the theme paper, to be followed by general discussions. The presentations and discussions will focus on the following:
 - Mainstreaming trade policy in national development strategies;
 - Progress report on ECA/OECD's ongoing work on monitoring mutual reviews of development effectiveness;
 - Brief report on the outcome of the Expert Group Meeting on Africa's External Debt.
5. Statutory Issues:

- Consideration of the annual report on the work of ECA, 2004;
 - Consideration of the report on the external review of ECA's work since 1996;
 - Note by the secretariat on the proposals for enhancing the effectiveness of the United Nations Trust Fund for African Development;
 - Other statutory issues.
6. Proposed Biennial Programme Plan for the Biennium 2006-2007
 7. Any other business
 8. Consideration and adoption of the Report of the Committee
 9. Closure of the meeting

Election of the Bureau

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

Chairman:	Uganda
First Vice-Chairman:	The Niger
Second Vice-Chairman:	Mauritania
Third Vice-Chairman:	Equatorial Guinea
Rapporteur:	Zambia

C. ACCOUNT OF PROCEEDINGS

Opening Addresses

7. Ms. Kamilla Gumedé, Deputy Director of the National Treasury of the Republic of South Africa, on behalf of the outgoing Chair of the Bureau, South Africa, thanked ECA for organizing meaningful and focused sessions of the Conference of Ministers. She described them as major platforms for exploring issues of importance to Africa, citing examples of how issues discussed at the Conferences later impacted on international development discourse. She thanked member States for entrusting South Africa with the Chair during the past two conferences.

8. Ms. Gumedé noted that South Africa took over the Chair during the 2002 Conference in South Africa. The theme of that meeting was African Peer

Review Mechanism. She indicated that the mechanism was now established and that Ghana was to be peer reviewed in the next few days. She noted that no less than 20 countries were ready to join the review mechanism. She stressed the importance of peer learning, and commitment to home-grown development strategies, which would in turn resonate on how the continent conducted business in other sectors.

9. Honourable Gerald Ssendaula, Ugandan Minister of Finance, Planning and Economic Development, welcomed participants to Uganda on behalf of the Government. He stressed that the discussions would be crucial for the continent's development. He expressed hope that the discussions would focus on policies that would have a direct impact on the lives of African people, many of whom still live in abject poverty. He noted that one critical way of growing out of poverty was through trade, and further noted that the theme of the conference was particularly timely.

10. The Minister explained that trade issues were critical for Africa's development, but noted with concern that the continent was facing many external and domestic constraints. On the external front, African countries were confronted by various forms of subsidies and tariffs in the developed world, which restricted access to their markets, particularly in agriculture, distorting Africa's comparative advantage.

11. The Minister expressed hope that on-going negotiations within the context of WTO and other multilateral trading frameworks (EU's Everything But Arms initiative and AGOA) would be beneficial to Africa. In that regard, he urged African countries to speak with one voice in international trade negotiations in order to increase their bargaining power by sharing experiences and strengthening capacity-building in the area of trade negotiations.

12. Mr. Ssendaula highlighted some of the challenges facing African countries on the domestic front, such as poor enabling environment and inadequate economic infrastructure. He said there was consensus in his country that the key to revitalizing the economy was through export-led growth, liberalization of foreign exchange markets and creation of an enabling environment to attract private investment.

13. He urged all participants to hold open and meaningful deliberations which would enhance mutual understanding of the policies and strategies that African countries needed to adopt in order to seize the 21st century.

14. The Executive Secretary of ECA, Mr.

K.Y.Amoako, welcomed all the participants to the meeting and thanked the Ugandan Government for hosting the event.

15. He said the theme of the Conference, Mainstreaming Trade in National Development Strategies, was timely as one of the major preoccupations for African countries over the past year had been issues related to trade policy and negotiation capacity. He informed the Committee that for its part, ECA had established a new Trade and Regional Integration Division in order to better respond to the growing requests from member States for assistance in trade-related issues. He further added that the Commission had established an African Trade Policy Centre to provide independent and Africa-specific research, training and advisory services on trade policy and negotiations.

16. Mr. Amoako informed the participants that the ECA's forthcoming Economic Report on Africa, 2004, raised fundamental questions on whether trade liberalization always promoted economic growth. He pointed to evidence that significant liberalization by African countries had so far not brought about the expected transformations in their economies. ERA 2004 therefore urged Africa to learn from Asia's experience, whereby trade policies had been dynamic and went beyond protection and revenue maximization, driven by strategic development objectives.

17. The Executive Secretary recalled that in 1995 at the time of his joining the Commission, questions were already being raised as to the strategic usefulness of the Commission. He noted that there was urgent need for reform in the Commission. The reform process won significant support from member States, the Secretary-General and the development community in general. He added that it was, nevertheless, important to pause and reflect on these changes, and that the decision of the Conference of Ministers, in Johannesburg in 2002, which called for an assessment of the impact of these reforms, was welcomed. In this regard, the secretariat had consulted member States and reached a consensus on the process of reform, which was already underway. The process had already cost the Commission over US \$200,000.

18. He called upon member States to be more closely involved in setting the priorities of the Commission and to nominate and send officials to participate and contribute directly to the meetings of ECA's technical committees. This would demonstrate countries' ownership of the Commission's programmes and help ECA alleviate some of its cost constraints.

19. The Executive Secretary proposed that member States should explore all avenues for funding their participation in the activities of the Commission. He said he believed that re-launching of the United Nations Trust Fund for African Development (UNTFAD) would provide an excellent opportunity to demonstrate member States' commitment to widening the programmes ECA is implementing in response to the main challenges facing the continent.

Overview of Recent Economic and Social Conditions in Africa [Agenda Item 4]

20. In introducing this session, the new chairman of the Bureau, Mr. Christopher Kassami, thanked the Committee for its confidence in electing the new Bureau; and thanked the secretariat for the excellent preparations for the meeting. He mentioned the importance of well-designed trade policies in economic and social development, adding that the overarching principle must be to adhere to policies that produce substantial results within a reasonable time-frame. He then called upon the secretariat to present an Overview.

21. The Committee considered the document entitled "Economic Report on Africa 2004: Unlocking Africa's Trade Potential in the Global Economy – Overview" (E/ECA/CM.37/6). The Committee was informed about the main conclusions contained in the Overview document. These were:

22. Improved growth performance: Relative to the 1980s and early 1990s, Africa's economic performance had improved in recent years. Analysis of updated data showed that African economies grew by an average of 3.6 per cent in 2003, up from 3.2 per cent in 2002. A stronger-than-expected global economic recovery, higher oil prices and production, rising commodity prices, increased Foreign Direct Investment (FDI), good macroeconomic performance backed by good weather conditions are responsible for this improvement. North Africa grew by 4.7 per cent, and Sub-Saharan Africa by 3.1 per cent in 2003.

23. Achieving Millennium Development Goals (MDGs): In 2003, only four countries attained the 7 per cent or higher growth rate required to meet the MDG of reducing poverty by half by 2015.

24. Macroeconomic performance: The continent's macroeconomic performance has remained fairly good. In 2003, current account deficits fell, fiscal deficits were kept largely under control, and inflation

rules only by about 10 per cent compared to the previous year.

25. Achieving sustained growth and poverty reduction: It was noted that to achieve sustainable economic growth and poverty reduction, complementary actions are required. Domestic actions should include maintaining good economic performance, implementing pro-poor growth policies, resolving conflicts, strengthening regional integration and combating the HIV/AIDS epidemic. A strong commitment to the African Peer Review Mechanism would help to create conditions for good economic and corporate governance. International actions by the international community should include finding more effective measures to address Africa's debt problem, providing market access for African exports, and enhancing mutual accountability.

26. In the ensuing discussion, the Committee voiced concern about the slow progress made by Africa towards meeting the MDGs. The Committee noted that at the current rate, many African countries would not meet the MDG targets. Referring to the success of Asian developing countries in pursuing export-led growth and development policies, the Committee felt that despite successful efforts by many African countries which have established good macroeconomic fundamentals and created a stable political environment, these actions have not led to satisfactory economic diversification and export development.

27. The Committee emphasized the need for countries to mobilize domestic and international investment to improve growth potential. The Committee noted that establishing and maintaining peace and security were essential to attracting investment. Developing human resources was crucial for the continent, as countries could no longer attract foreign investment grounds of availability of unskilled labour and low wages. Human resource development is even more important in the continent given that the majority of population is under 25 years of age. This also required improving people's health, and, particularly, combating the HIV/AIDS epidemic on the continent. Helping private sector development through improving planning, managerial and organizational structures will help countries to become more competitive.

28. The Committee observed that the above actions would help create an enabling environment for private sector activities, which are key for breaking away from dependence on primary commodities and moving to value-added goods. Participants highlighted the importance of reliable physical infrastructure in this respect. The participants also felt that there was a need

to improve the competitiveness of the African economies in international markets. Improving competitiveness requires substantial investment in economic and social infrastructure. Future development finance by donors must also recognize the need for increased investments on infrastructure.

29. They underscored the importance of South-South cooperation, which should be encouraged as a means of increasing collective self-reliance and reducing dependence on aid. They further stressed the importance of improving food production and food security on the continent to reduce dependence on food imports. They reinforced the need for improving the negotiating position of African countries in multilateral trade negotiation processes, enhancing market access for African exports, and increasing external resource flows to the continent.

30. The Committee noted that low productivity and governance problems were reducing performance in Africa and therefore, needed to be improved.

31. The Executive Secretary of ECA clarified the issues raised in connection with the Commission's work programme. He stated that ECA considers the MDGs as the starting point for Africa's achievement of a broad-based development and, therefore, proposed that the theme of the next Ministerial Conference should be on the MDGs. Given the magnitude of the additional resources required to meet the MDGs, estimated at US\$50 billion, private sector participation is crucial. One critical issue facing Africa is the need to address the serious capacity deficit, a point stressed by the Africa Governance Report under way. The challenges of achieving the MDGs have been worsened by low-productivity and widespread unemployment. Regarding the way forward, he stated that ECA will examine the nexus issues of trade, debt and aid in the context of mutual accountability between Africa and its development partners. Africa's challenges should be addressed under the general theme of MDGs at the next session of the Conference of Ministers of Finance, Planning and Economic Development.

32. Recommendations: Based on the above discussion, several recommendations were made, as follows:

33. The Committee recommended that more work should be done to provide a comparative analysis of the successful Asian development experience and Africa's so as to enable African countries to understand the areas where the continent was lagging.

34. In relation to the data presented, the Committee underscored the need to place greater emphasis

on the quality of growth rather than on aggregate growth statistics. The latter should only be meaningful if the benefits of growth have improved the well-being of people.

35. The Committee recommended that data analysis should be disaggregated at the country level to examine the key determinants of growth, which differ from country to country, depending on country-specific circumstances. The determinants of growth for natural resource rich countries may be different from those of resource poor ones.

Presentations by the secretariat on each of the issues in the theme paper to be followed by general discussions [Agenda Item 5]

Mainstreaming trade policy in national development strategies

36. Under this agenda item, the secretariat made a presentation on the theme of the conference, Mainstreaming trade policy in national development strategies. The presentation reviewed the mix of policy actions – both on the domestic and international fronts – necessary to mainstream trade into national development strategies. The presentation also highlighted the challenges involved in devising a coherent trade policy strategy that is supportive of broad-based development strategy.

37. The Committee appreciated the relevance of the theme of the conference for African countries. It noted that the theme was important for two reasons. The first is the increasing importance of trade as well as trade negotiations in the policy dialogue of African countries. The second is the fact that African countries have to date not derived significant benefits from trade and therefore have to find ways to mainstream trade into national development strategies in order to increase their ability to take advantage of the opportunities created by the new multilateral trading system.

38. The Committee commended the secretariat for the high quality of the presentation and the detailed analysis of the issue of mainstreaming trade contained in the issues paper (E/ECA/CM.37/2).

39. In underscoring Africa's marginalization in global trade, it was indicated that whereas in 1980, the continent accounted for 6 percent of world merchandise trade, by 2003 that percentage had fallen to only 2.3 percent. This disappointing performance stands in stark contrast to the Chinese case. In 1980, China

accounted for less than 1 percent of world merchandise trade, and by 2003 that figure had almost risen to 6 percent. One reason for this difference in performance is that Asian countries have dynamic trade policies while African countries have so far adopted static trade policies. An additional reason is the fact that countries in the region depend exclusively on primary commodities and these historically have not been the key drivers of economic growth.

40. It was noted that while a few countries in the region have derived benefits from preferential trading arrangements, others have not been able to derive substantial gains from these schemes. The example of the African Growth and Opportunity Act (AGOA) was cited to underscore this point. It was observed that although AGOA has had some positive effects for some countries, in terms of an increase in FDI, exports, employment and national income, on the whole the benefits have been limited due to the exclusion of "sensitive products" from the preferential list, excessively strict rules of origin, and the "short leash" of the agreement. These restrictions have limited the beneficial impact of the agreement.

41. The Committee's attention was drawn to a recent World Bank study which revealed that cumulative terms of trade loss over the 1970-97 period was about 120 percent of Africa's GDP. The Committee was also informed that Africa had lost comparative advantage and competitiveness in a number of key primary commodities. UNIDO's Industrial Competitiveness Index also shows that between 1985-97, several African countries slipped in their ranking – reflecting a gradual loss of international competitiveness in industrial production. To reverse these trends, appropriate policy actions were needed to diversify the export base and reduce the vulnerability of African economies as well as terms of trade losses.

42. In this connection, the need for a more strategic commercial policy designed to simultaneously promote export diversification and the overall competitiveness of African economies was emphasized. This calls for the adoption of coherent policies and a higher degree of inter-ministerial coordination – in other words, the mainstreaming of trade in national policies.

43. The Committee recognized that the issue of mainstreaming trade was an inter-ministerial one, touching on diverse governmental responsibilities and programmes, hence the need for coordination and policy coherence among various Ministries and Departments. This will ensure that actions taken to realize trade objectives are consistent with the overall national development objectives of a country.

44. The Committee noted that although actions at the multilateral level are critical to bringing about better trade performance by African countries, there are also domestic bottlenecks that need to be addressed, including securing appropriate and predictable sources of finance for enhancing competitiveness; strengthening trade capacity; improving trade facilitation services; addressing the fiscal implications of trade liberalization; and identifying key areas where there is a need to strengthen domestic policies with the objective of achieving a more competitive economy. Other key areas where there is need to strengthen domestic policies include the energy and transport sectors, two sectors which often impede export performance.

45. At the international level, it was observed that African countries faced serious capacity challenges in trade negotiations and it was suggested that efforts be made by African countries the international community to help address these constraints.

46. The Committee was briefed on the latest developments in the Doha Round of trade negotiations. It was noted that following the stalemate at the WTO Ministerial meeting in Cancun, there had not been much progress in the negotiations. However, in the past two weeks a number of events have taken place that may increase the chances of progress in the negotiations. These include the decision by the EU to eliminate export subsidies if there was a parallel move by the US, and the commitment made by OECD countries in their recent meeting in Paris to agree on a framework before the end of July 2004.

47. The issues under discussion include the following: the timeframe for adoption of a framework for the negotiations as well as the formula to use for tariff reduction; how to deal with preference erosion as well as OECD agricultural support; and how to deal with the development dimensions of the negotiations. Agriculture, Non-Agricultural Market Access, and cotton were identified as priority areas for African countries in the discussions currently taking place. On the cotton sector initiative, it was observed that the main issue was whether to deal with it within the context of the negotiations on Agriculture or treat it as a stand-alone issue. There is also the subject of whether the trade aspect of the cotton issue should be separated from the development aspect. Finally, there is the issue of when to eliminate OECD cotton subsidies and how to pay compensation to the affected countries.

48. The Committee underscored the need for concrete suggestions and recommendations to improve Africa's trade position. In the view of the Committee,

this was important because several countries in the region had tried several traditional measures with little success. The difficulties faced by Mali in achieving diversification was cited as an example in this connection. The Committee suggested that more emphasis be given to technological research, the up-grading of skills and empowering the private sector as a way of achieving export diversification in Africa. The need to assess Africa's export potential with a view to determining the kinds of goods that the region could successfully export was also underscored. In this regard, the Committee noted that the African Trade Policy Centre, established recently at the ECA could assist African countries in identifying their trade policy priorities as well as in trade negotiations.

49. Another issue that was raised during the discussion was the need to deepen the privatization of firms in the telecommunication sector. Some participants were of the view that this would reduce transaction costs and enhance Africa's participation in the global trading system. The need for public-private partnership to deal with the problems of low investment in telecommunication and transport infrastructure was also emphasized.

50. The need to mainstream trade into national development strategies was emphasized by several participants and it was noted in this regard that the PRSP could provide a useful framework to accomplish the task. It was, however, suggested in this regard that a new generation of PRSPs be developed to overcome the limitations of the present set of PRSPs. Other recommendations made by the Committee include the need for dynamic trade policies to enhance competition; the need for more capacity-building initiatives for African countries; simplification of cross-border formalities and harmonization of customs procedures between African countries; reduction of transport costs and bottlenecks as a mechanism to reduce transaction costs and enhance intra-African trade; domestic tax reforms to reduce vulnerability resulting from dependence on revenue from trade taxes; the need to promote regional integration as a step towards faster integration into the global economy; the importance of strong domestic institutions; the need to support research, managerial and planning structures to improve the quality of Africa's export products; the need to involve African countries in the work of international standards-setting bodies; and the setting up of a ministerial coordination mechanism.

Progress report on ECA/OECD's ongoing work on monitoring mutual reviews of development effectiveness [Agenda Item 6]

51. Under this agenda item, the ECA secretariat made a progress report on ECA/OECD Mutual Review of Development Effectiveness. The Committee took note of the progress report, which provided the historical background to the mutual review process. The decision to undertake the review emerged from last year's Conference of Ministers, where the theme was mutual accountability for development effectiveness. The OECD Council has now discussed and approved the mutual review process. The report of the review is due for publication in May 2005. The Committee was informed that the review focuses on achieving the MDGs, improving political and economic governance, increasing aid flows, improving aid quality, improving policy coherence and strengthening capacity development.

52. In the ensuing discussion, several participants emphasized that the quantity of aid should form a part of this review since most donor countries do not provide the internationally agreed level of 0.7% of GDP. Related to that, it was underscored that ODA was currently too small in scale, and the lag between disbursement and commitments was too long. In this context, participants felt that African countries are already responding to the demands from OECD countries on mutual accountability and are now waiting for OECD countries to meet their commitments, namely, the coordination of aid giving donor countries and with the development needs of recipient countries.

53. Concerning the issue of policy coherence for Africa's development, some delegates underscored that market access and debt relief would deserve a chapter on their own in the Mutual Review report. However, other participants informed that there are already opportunities for market access, which are currently underexploited and Africa should strive to make better use of these opportunities. In addition, customs delay and corruption were cited as major impediments to trade in Africa and addressing these would improve African trade performance. The Committee also emphasized that informal cross-border trade was important but is not captured in official statistics.

54. The Committee underlined the need for institutional and human capacity building in Africa. Some participants also pointed out that so far not much has been done to use existing capacity-building measures as e.g. Joint Integrated Technical Assistance Programme (JITAP) for selected Least Developed and other African countries. The Committee underscored the importance of aid and trade, particularly market access, to mutual accountability.

Brief report on the outcome of the Experts Group Meeting on Africa's external debt [Agenda Item 7]

55. The ECA secretariat presented a brief report on the outcome of the Expert Group Meeting on Africa's External Debt, held in Dakar, Senegal in November 2003 and contained in document E/ECA/CM.37/8. The Dakar meeting discussed strategies, policies and initiatives for resolving the external debt problem in the broader context of mobilizing resources for financing the MDGs in Africa. The meeting was organized around the following issues:

56. Towards achieving long-term debt sustainability: Even after completing the HIPC program, several countries have fallen back into unsustainable debt. The participants at the Dakar meeting therefore recommended assessing debt-sustainability country-specifically and using multiple measures including debt service and debt stock measures. They experts emphasized that NPV was not the most adequate measure to determine debt sustainability. They also recommended including domestic public debt in debt sustainability analysis.

57. Legal aspects of debt: There was a consensus at the Dakar meeting that the legal aspect is key to understanding the causes of the debt problem. The recommendation was that proper attention should be paid to debt contracts and the legal basis for addressing odious debt needs to be clarified.

58. Financing debt relief for development: There was a consensus that debt relief would not be sufficient to finance the MDGs given the projections that \$ 25-30 billion of additional resources per year would be required in Africa for their achievement. The Dakar meeting emphasized that further debt relief must be considered in the context of financing MDGs. There was a consensus that debt relief is more predictable than aid, reduces the transaction cost of managing aid and acts like direct budget support. The Dakar meeting recommended reassessing current development assistance in terms of composition, quality and the balance between loans and grants. With regard to financing debt relief, they recommended exploring the feasibility of IMF gold sales and using IBRD net income to finance the HIPC Trust Fund. It was also emphasized that debt on non-HIPC countries, such as semi-HIPC and indebted middle income countries, has to be considered.

59. Minimizing the Impact of Commodity Price Volatility: There was a consensus at the Dakar meeting that commodity shocks are responsible for many

African countries' failure to exit the debt trap. In this context they recommended to minimize commodity price fluctuations by engaging in forward contracts, and exploring the feasibility of establishing a central institution to buy and sell commodities. Finally, they recommended providing concessional compensatory and contingency financing through international finance institutions for countries suffering from chronic shocks.

60. Follow up: The Dakar meeting strongly recommended that Africa needs to formulate a common position and a collective voice with regard to debt relief. They recommended establishing an ad hoc technical committee to facilitate timely and collective responses to emerging policy proposals.

61. IMF and World Bank have revisited debt issue at spring meeting: The secretariat informed the Committee that the IMF and World Bank have formulated new positions regarding debt sustainability analysis and financing, which are similar to the recommendations of the Dakar meeting. These institutions acknowledge that debt relief should be considered as part of financing MDGs. They also announced that the debt sustainability criteria will be revisited and that new financing modalities will be considered such as augmenting access to Poverty Reduction Growth Facilities (PRGF) or improving access to grants for countries chronically suffering from shocks. On another development, the Overseas Development Institute (ODI) called for IMF gold sales to finance further debt relief.

62. The Committee noted with appreciation the conclusions and recommendations of the Dakar meeting and observed that African Heads of State had formulated the position that debt relief should include all African countries regardless of their level of development and income. The Committee also noted that political will was required to address Africa's external debt burden. Concern was raised about the fact that HIPC discriminates against indebted middle income countries.

63. The Committee welcomed the recommendation to include domestic public debt in debt sustainability analysis. However, one participant expressed the concern that this would put even more pressure on governments to tighten their fiscal position. Some participants also expressed the concern that weak statistical data on domestic debt would make it difficult to ascertain the actual volume of debt for the inclusion of debt sustainability analysis.

64. The Committee agreed that debt relief must be

put into the context of achieving the MDGs. Some participants emphasized the necessity to use debt relief for social sectors and the environment. Some participants also emphasized that debt relief should be put into an even broader context: for example, the issue of market access is very crucial because market access will help increase exports. Increased export earnings in turn will help African countries to fulfill their debt service obligations.

65. With regard to coping with external shocks, the Committee noted that commodity price fluctuations are not the only relevant external shocks. Many countries also suffer from exchange rate fluctuations.

66. With regard to the call for fiscal discipline, it was observed that while this issue was important, it was less relevant than in the 1980's as in recent years fiscal deficits in Africa have been kept largely under control. With regard to the use of debt relief, it was emphasized that investment to social sectors is welcome but productive sectors should not be neglected.

Statutory Issues: [Agenda Item 8]

Consideration of the annual report on the work of ECA, 2004

67. Under this agenda item, the Committee had before it for consideration and endorsement, the Annual Report 2004 (E/ECA/CM/37/4), which was presented by a representative of the secretariat. The report provides a review of the major activities undertaken by the Commission including its subsidiary organs and the secretariat during the period between May 2003 and May 2004. The Committee appreciated the comprehensive nature and excellent quality of the report.

68. The Committee took note of the major accomplishments in each of the seven subprogrammes which broadly reflect the main priorities in Africa's development, namely facilitating economic and social policy analysis where poverty-related issues are traditionally addressed; fostering sustainable development addressing the nexus issues of food security and sustainable development; strengthening development management with the main focus on promoting good governance and strengthening state capacity for effective service delivery; harnessing information technologies for development; promoting trade and regional integration focusing on building trade-related capacities of African countries; promoting the advancement of women where issues of gender equality and gender mainstreaming continued to be addressed; and sup-

porting sub-regional activities for development under which the work of ECA's five subregional offices are grouped.

69. The Committee was informed that the implementation of activities under each of the subprogrammes also took into account the priorities of the Millennium Declaration, NEPAD and the outcomes of major international conferences such as the Johannesburg Plan of Implementation, the Brussels Programme of Action for the LDCs, the Monterrey Consensus and the Doha Development Agenda.

70. The Committee noted with satisfaction the progress in the preparation of ECA's annual Economic Report on Africa (ERA) for tracking country economic performance, African Governance Report (AGR) due to be launched during the time of the fourth African Development Forum (ADF) in Addis Ababa in October 2004; the report on Assessment of Regional Integration in Africa (ARIA) due to be released at the time of the next AU Summit in Addis Ababa in July 2004; the establishment of an office in Geneva and the African Trade Policy Centre to provide trade-related capacity-building assistance to member States; and the development of a gender development index and compilation of country gender profiles. While commending these achievements, the Committee expressed concern at the lack of accurate data and statistics in most African countries and noted that the effectiveness and efficiency of poverty alleviation programmes were heavily dependent on the availability of indicators for their evaluation. In this regard, the Committee welcomed the initiative by the secretariat to establish the Advisory Board on Statistical Development in Africa (ABSA) to focus on strengthening statistical capacities for tracking progress towards the MDGs and contribute to the fight against poverty.

71. The Committee was informed that two out of six sectoral bodies held their biennial meetings during the period under review. These included the Committee on Regional Cooperation and Integration as well as the Committee on Sustainable Development. In addition, the Intergovernmental Committee of Experts of the five subregional offices (SROs) held their annual meetings during the same period. (The conclusions and recommendations of the meetings of the sectoral bodies as well as the intergovernmental committee of experts which were held during the period under review are provided in detail in Chapter 3 of the report).

72. The Committee noted with appreciation the accomplishments of the SROs, particularly in the harmonization of national policies and promoting

subregional cooperation and integration progress. It requested the secretariat to continue to lend support to the regional economic communities (RECs).

73. Regarding the work of ECA in promoting policies and strategies for achieving poverty reduction, it was observed that investments in the social sectors such as health and education was the most effective way of promoting the goal of poverty reduction. ECA was therefore encouraged to deepen discussions on these areas where most progress could be made in the attainment of the MDGs. The secretariat indicated that the Economic Report on Africa (ERA) was precisely aimed at assessing and tracking Africa's performance on issues such as growth, poverty reduction, etc. The on-going work of ECA on spatial poverty analysis was also highlighted. With respect the concern raised by some participants that ECA's work on good governance be targeted to support the implementation of the APRM, the secretariat assured the Committee that it was already engaged in consultations with the APR Secretariat to identify areas of future collaboration.

74. The Committee requested the secretariat to intensify efforts to strengthen its dissemination and outreach in order to ensure that its products and services reach a wider audience in Africa.

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

Consideration of the report on the external review of ECA's work since 1996

76. The Secretariat presented the report "External Review of the Economic Commission for Africa's Work: Outcome and Way Forward" (E/ECA/CM.37/5). The report outlined the processes adopted in planning and implementing the review, including the consultations undertaken with the Ambassadors of the Bureau and Deans of Ambassadors based in Addis Ababa.

77. The review was undertaken at three levels. The first was the staff assessment of achievement and constraints faced in the work of ECA since the reform process began in 1996. The second part was an assessment by an international team of consultants, who also interviewed senior stakeholders knowledgeable in ECA's work. The third was a review by an external Panel of Experts who received both the staff and consultants' reports, and prepared a report summarising its preliminary findings and recommendations for further work.

78. The Secretariat observed that the reviewers were unanimous that the value of ECA's work has been underpinned by the need for relevance and effectiveness in the context of the development challenges of its member States. In this respect, ECA had made significant contributions in a number of areas that address Africa's development needs. With regard to the intergovernmental structure, the reviewers had noted the need to deepen interaction with the member States to improve the effectiveness of ECA. Coordination among UN agencies operating in Africa had improved and there was an ongoing system-wide dialogue to deepen synergy of technical cooperation activities of the UN, especially at the country level. The report further observed that dialogue with RECs and the regional organizations, mainly the AU and ADB, had improved.

79. The Secretariat stated that arising out of the observations of the review, ECA had identified a number of areas to deepen the reform process. These included: more involvement of member States in priority setting; improving knowledge sharing and outreach activities; improving partnerships with research and academic institutions; and strengthening feedback, monitoring and evaluation.

80. The Secretariat reiterated that the central objective of these efforts was to place member States at the centre of ECA's work, especially in the preparation of the work programme for the 2006/2007 biennium and the programme budget. In this respect, it would be useful to explore ways of involving the member States in the programme review processes with the UN Secretariat in New York. A further central axis was to intensify support to the AU particularly through NEPAD and the APRM, in which ECA was already involved.

81. However, in all these activities resources was a major constraint. The ECA budget had been maintained at zero growth despite ECA's widening responsibilities. A lot of work had been implemented with extra budgetary resources from donor partners. In this regard, the Secretariat called on member States to raise their levels of financial support by contributing to the United Nations Trust Fund for African Development (UNTFAD), and also through supporting their delegates' participation in the various committees of the intergovernmental machinery.

82. In the discussions that followed, some member States observed that the presentation was comprehensive and informative, and thanked the Secretariat for heeding the call by the Ministers. It was further clarified that the mandate for the review was limited to

measuring the impact of the 1996 reforms introduced by the ECA on its capacity to deliver its work programme and serve the continent better.

83. Some member States stated their agreement with the report of the international consultants. It was clear that ECA had played a vital role in assisting African countries in the many areas as outlined in that report. The review was necessary because of the recent political initiatives that have emerged on the continent, including NEPAD and the African Union. Given these new initiatives, it was necessary for the Finance Ministers to be informed about how the activities of ECA could complement those of other institutions.

84. Some member States expressed their appreciation for the work achieved by the review. They stressed that it was important to strengthen dialogue and the relationship between ECA and the AU for the benefit of the member States. In this regard, the on-going restructuring at the AU is an opportunity for the two institutions to deepen their collaboration. Some member States reiterated the need to avoid duplication between ECA and other programmes and funds operating in Africa.

85. In response to the questions, the Executive Secretary of ECA agreed with the view expressed by the delegates regarding the main aim of the review and the need for synergy with the AU and the other programmes and funds operating in Africa. He indicated that reform was a process and that it encompassed different areas: human resources; infrastructure; and delivery of programmes. He stressed that the critical question was whether or not ECA is a better organization as a result of the reforms. His answer to this was a resounding yes. He indicated, for example, that the level of participation at ECA meetings had gone up since the reforms and that the quality of discussions had also improved significantly. Furthermore, ECA had made a major contribution to African positions at major UN conferences as a result of its work. A good example of this was the Millennium Development Summit. These were all major achievements.

86. The Executive Secretary stressed the need for greater involvement of member States in setting priorities for the Commission. He suggested that ways and means be explored to enhance the role of the Committee of Experts in between the inter-sessional period, particularly through the Bureau. Currently, the role of the Bureau is mainly to oversee the work of the Conference of Ministers. There was need for the Committee to come up with recommendations to make the Bureau more proactive.

87. In particular, the Executive Secretary recommended that the sectoral technical committees of the Commission be reinvigorated as effective mechanisms for greater participation of member States in the work of ECA. The preparation of the work programme for the 2006-2007 biennium presented a unique opportunity for the member States to achieve this. In this regard, he called for meetings of all technical committees before October 2004 to consider actions required to implement the recommendations arising from the review, as well as actively contribute to the preparation of the work programme of ECA for the biennium 2006-2007. Among the issues that the Committees would address are: their role and those of the ICEs and of the Committee of Experts of the Conference in deepening priority setting; strategies to translate the programme budget into outputs; the oversight role of the Bureau in the inter-sessional period; strategies to improve outreach and information dissemination activities and synergy with the AU through NEPAD. It was important that the AU, the NEPAD Secretariat and the RECs participate in the meetings. He offered that the Secretariat develops the appropriate modalities and time table for convening the meetings.

88. The Executive Secretary further stressed that it was important that the member States support their participation in the intergovernmental machinery. He stated that since 80 percent of ECA's resources went into staff costs, this limited the amount of resources available for programme delivery and for responding to other demands. He underscored the fact that deepening the reforms was a shared responsibility with the member States. He, therefore, urged member States to demonstrate their ownership of the organisation through increased participation in the activities of the institution and by contributing to UNTFAD.

89. The Committee endorsed the recommendations contained in the report.

Note by the secretariat on the proposals for enhancing the effectiveness of the United Nations Trust Fund for African Development

90. Under this agenda item, the secretariat introduced a note aimed at re-launching the Pledging Conference of the United Nations Trust Fund for African Development (UNTFAD) (E/ECA/CM.37/7). The main aim was to invite member States to provide substantial financial support to enable ECA to effectively implement its programmes and operations in line with the strategic guidelines, priorities and other objectives defined by the member States. This is pursuant to the objectives of UNTFAD and the decision

of the May 2000 Ministerial Follow-up Committee of the ECA Conference of Ministers held in Abuja to transfer the UNTFAD Pledging Conference from New York to Africa.

91. The Committee took note of both the important role played by the extrabudgetary resources mobilized by ECA through its partnership programme and the need for African countries to complement the efforts of non-African bilateral aid donor countries and institutions. In fact, although these extrabudgetary resources had been substantial, they had not been sufficient to enable ECA to fill the gap between the needs and the available regular budgetary resources.

92. Consequently, the Committee approved ECA's proposal to re-launch, with effect from 2005, the UNTFAD Pledging Conference during the ECA Conference of Ministers. The Committee also called upon African States and bilateral and multilateral partners to endorse this initiative to re-launch UNTFAD and to avail of the opportunity to foster sustainable economic and social development of Africa.

Other statutory matters

93. The secretariat reported that, further to the Decision of the 25th session of the Conference (Johannesburg, October 2002) to merge the Committee on Natural Resources and Science and Technology (CNRST) and Committee on Sustainable Development (CSD) into a single CSD, the third session of the CSD (CSD-3) reviewed and approved a revised version of the mandate of the new CSD, which incorporates relevant elements of the mandate of the former CNRST. This Conference of Ministers, in considering the work of the Committees, would be invited to endorse the revised mandate of the CSD.

Proposed Biennial Programme Plan for the biennium 2006-2007 [Agenda Item 9]

94. Under this agenda item, the Committee was invited to carefully examine the proposal contained in the "Draft Strategic Framework: Proposed Biennial Programme Plan, 2006-2007" (E/ECA/CM.37/3). The secretariat stressed the importance of the Plan and called upon the Committee to make recommendations on it with a view to refining it, and indicated that the Plan would be submitted to the Committee for Programme and Coordination (CPC) at its forty-fourth session to be held in June 2004. The recommendations from CPC would be transmitted to the General Assembly at its fifty-ninth session when it would consider the Secretary-General's proposed stra-

regic framework for the entire United Nations Secretariat for the biennium 2006-2007.

95. The Committee noted that the preparation of the Plan was consistent with the General Assembly Resolution that required the Secretary-General to present a Draft Strategic Framework, part one of which dealt with the long-term objectives of the Organization; and part two, the biennial programme plans for all departments of the United Nations Secretariat, including the Regional Commissions.

96. The Plan as presented to the Committee, therefore, reflected the mandates the Commission had given and took into account the objectives of NEPAD and other national, regional and international agreements, including the MDGs. It also took into account the resolutions passed by ECA's Statutory Committees such as those on sustainable development, gender and development.

97. Following the presentation of the biennium Plan, the Committee made some observations. Firstly, it sought to know how ECA planned to measure the impact of its activities, given that the performance indicators contained in the Proposed Biennial Programme Plan for 2006-2007 were too broad and would not be attributed to ECA activities. In response, ECA clarified that at this stage of the process the Proposed Biennial Programme reflected only general areas of accomplishments. More definitive measurements would be made when the work programme is developed later. The secretariat drew the Committee's attention to examples of indicators of achievement already included in the proposed Plan pointing out that they would also contain baseline data, concrete targets and specific methodologies and tools for collecting data for measuring impact. In this connection, the Committee urged member States to submit to ECA secretariat their reports on the impact of ECA's activities in their countries. The Committee underscored the need for an evaluation of the preceding biennial programme in the course of considering the work programme for the new biennium. The Committee observed that, without such feedbacks, it would be extremely difficult to assess the impact of ECA's programmes and sub-programmes.

98. The Committee further sought to know when the final Plan with budget would be available to member States as requested by the last session of the Commission in 2003. In response, the Secretariat reiterated that the Plan under consideration was only a broad biennium programme, which would be fine-tuned and complemented by a corresponding programme budget for the biennium 2006-2007. The programme

budget would be considered next year by the ECA Conference of Ministers, the Advisory Committee on Administrative and Budgetary Questions (ACBQ) and the Committee for Programme and Coordination of the United Nations. The secretariat assured the Committee that the final Plan and its programme budget would be available by December 2004 and December 2005 respectively, after approval by the General Assembly.

99. In light of the afore-mentioned observations, the Committee endorsed the proposed biennial programme plan for the period 2006-2007.

Any Other business: [Agenda Item 10]

100. No issue was raised under this item.

Adoption of the Report : [Agenda Item 11]

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

Closure of the meeting: [Agenda item 12]

102. In his closing remarks, the Executive Secretary of ECA expressed his gratitude to all the participants for their valuable contributions in making the meeting a success. He noted that one outcome of the reform process that ECA had undertaken was an improvement in the quality of discussions as well as attendance at Committee meetings. He reiterated the need to continue to explore ways to further improve dialogue between ECA and the Committee to increase its level of involvement in ECA's work.

103. In his closing remarks, the Chairman thanked all the participants for their support and hard work, which, he said would make the work of the Ministers easier.

104. The Chairman then declared the meeting closed.

ANNEX III

List of Documents

1. E/ECA/COE.23/1 DRAFT PROVISIONAL AGENDA
2. E/ECA/COE/23/Inf.1 DRAFT PROGRAMME OF WORK
3. E/ECA/CM.37/Inf.1/Rev.5 DRAFT PROGRAMME OF WORK
4. E/ECA/CM.37/2 MAINSTREAMING TRADE IN NATIONAL DEVELOPMENT STRATEGIES – AN ISSUES PAPER
5. E/ECA/CM.37/3 DRAFT STRATEGIC FRAMEWORK: PROPOSED BIENNIAL PROGRAMME PLAN –2006-2007
6. E/ECA/CM.37/4 ANNUAL REPORT 2004
7. E/ECA/CM.37/5 EXTERNAL REVIEW OF THE ECONOMIC COMMISSION FOR AFRICA'S (ECA) WORK: OUTCOME AND WAY FORWARD
8. E/ECA/CM.37/6 ECONOMIC REPORT ON AFRICA 2004 : UNLOCKING AFRICA'S TRADE POTENTIAL IN THE GLOBAL ECONOMY – OVERVIEW
9. E/ECA/CM.37/7 RELAUNCHING THE PLEDGING CONFERENCE OF THE UNITED NATIONS TRUST FUND FOR AFRICAN DEVELOPMENT (UNTFAD)
10. E/ECA/CM.37/8 Solving Africa's External Debt Problem to Finance Development: A Progress Report
11. E/ECA/CM.37/9 REPORT OF THE TWENTY-THIRD MEETING OF THE COMMITTEE OF EXPERTS OF THE CONFERENCE OF AFRICAN MINISTERS OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT
12. E/ECA/CM.37/10 MINISTERIAL STATEMENT
13. E/ECA/CM.37/CRP1 COMPENDIUM OF MAJOR ECA PRODUCTS AND SERVICES SINCE 2000
14. E/ECA/CM.37/CRP2 External Review of ECA Report of the Independent Consultant Team
15. E/ECA/CM.37/CRP3 PRELIMINARY REPORT OF THE EXTERNAL REVIEW PANEL OF THE ECONOMIC COMMISSION FOR AFRICA (ECA)