



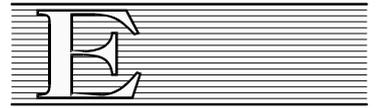
**UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL**

ECONOMIC COMMISSION FOR AFRICA

Conference of African Ministers of Finance,
Planning and Economic Development

Fortieth session of the Commission

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REPORT

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A. Attendance

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

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

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

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

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

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

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

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

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

B. Adoption of the Agenda and Election of the Bureau

10. The Conference adopted the following agenda:

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

Election of the Bureau

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

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

C. Account of Proceedings

Opening Addresses

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

13. The Ambassador then reviewed Africa's recent economic performance and noted positive outcomes in many countries over the last five years. However, in terms of social development, the picture remained gloomy. In that regard, he underscored the fact that growth alone could not bring about success in Africa's endeavours unless it was accompanied by a reduction in income inequalities. To overcome Africa's development challenges, the deliberations of the Conference should consider the following issues: achieving sustainable growth based on equity and creating jobs; increasing financing for public sector investment; promoting a conducive decision-making environment; developing the right partnerships; and managing globalization for Africa's benefit. He concluded by indicating that concrete and effective actions to deal with those issues were necessary for Africa to lay the foundations of higher growth and to meet the MDGs.

14. In his opening address, Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of ECA, welcomed all participants and acknowledged their support, close collaboration and commitment to ECA. He paid tribute to His Excellency former President Benjamin Mkapa of Tanzania for his continued dedication to international affairs and Africa's development. He also thanked His Excellency, Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia, for his intellectual leadership and assured him of ECA's support during his chairmanship of the NEPAD Heads of State and Government Implementation Committee and APRM Forum later in the year. The Executive Secretary explained that the Conference was being held earlier in the year for its outcome to inform major upcoming international gatherings including the meetings of the Bretton Woods institutions, the AfDB and the G-8 Summit.

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

16. On the issue of growth, he invited African countries to formulate and implement policies that would reduce volatility and reach the 7 per cent target set for halving poverty by 2015. In that regard, he called on African countries to boost their productive capacities, particularly in the private sector, raise agricultural productivity and achieve rural transformation. He also invited African countries to remain vigilant and ensure that the Doha Round retained its character of a development round. At the same time, he encouraged countries to seek ways of exploiting the full potential of intra-African trade. He also emphasized the centrality of employment for poverty reduction and underscored the importance of the redistributive effect of economic growth.

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

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

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

20. Mr. Kaberuka further said that two things were clear about the success of Asia, notably China: the ability to reduce poverty was strongly related to economic growth; and countries in Asia had not always followed conventional paths to drive their economic and social development. In that regard, those countries had secured their policy space while adhering to key fundamentals essential for a sound economy. He concluded by saying that the AfDB remained resolutely committed to the African development agenda and would continue to seek to move it forward through its activities and partnerships.

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

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

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

24. Referring to the growth of more than 5 per cent that Africa had achieved in recent years, he noted that most African economies were on the mend. However, assessments conducted some years back had indicated that African countries needed to grow at more than 7 per cent per annum to reach the MDGs. Given the slow pace of progress, African countries might well need to grow at rates significantly higher than 7 per cent per annum to achieve the goals. He hoped that the meeting would come up with ideas that would help African countries to reach much higher growth rates and emphasized that such growth should be both pro-poor and transformative. Furthermore, the proposed strategies and policies should take into account country specificities.

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

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

26. This session featured six presentations on central issues related to the MDGs. In his remarks, His Excellency Benjamin Mkapa, former President of Tanzania observed that sustaining the growth process remained a challenge for African countries. He suggested that it could be achieved through a model that: emphasized self-reliance; promoted a business environment conducive to private sector development; facilitated increased flows of remittances; ensured a balanced sectoral composition of ODA; stemmed capital flight; promoted intra-regional trade; encouraged peer learning; and was underpinned by credible political commitment and leadership. The Conference was being held at a decisive moment and he urged African governments to act without delay.

27. Ms. Valentine Rugwabiza, Deputy Director General of WTO, stressed that the role of the Doha Round was to achieve the MDGs by reducing and eliminating trade distortions, increasing market access and rebalancing multilateral trade rules in favour of development. To stimulate growth, however, trade rules would have to be complemented by a favourable policy environment and she called for increased South-South trade as a facilitating mechanism. She urged African countries to reduce trade-related transaction costs to foster competitiveness and boost intra-African trade. Moreover, she emphasized the need for greater policy coherence at the global and national levels, and improved coordination between the finance and trade ministries.

28. Dr. Kirut S. Parikh of the Planning Commission of the Government of India shared lessons based on the experience of his country. He stressed that faster growth was essential to meet the MDGs and indicated that agriculture, which provides livelihoods for most people in Africa and India, must be accorded the highest priority. He further noted that government policies played a critical role in promoting development and gave examples from his country's development plan and targets for faster and more inclusive growth. He also indicated that a proactive industrial policy that promoted domestic industries in a competitive environment was important. To ensure shared growth, farmers must receive competitive prices for their outputs and countries must promote decentralization and participatory democracy. Dr. Parikh also stressed the need to encourage research and development, flexible labour markets, investments in human capital, physical infrastructure, ICT and well-developed financial markets.

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

30. Dr. Jeffrey Sachs emphasized the need for massive scaling-up in four critical areas: health; education; agriculture and infrastructure. In the agriculture sector, he called for a green revolution

in Africa to reduce the incidence of hunger and malnutrition and promote food security. He underscored the importance of aligning each PRS with the MDGs to accelerate progress and urged the IMF and the World Bank to assist countries in that endeavour. He further called on development partners to front-load their aid commitments. Dr. Sachs observed that the Millennium Village projects undertaken in 12 African countries used a holistic and participatory approach to addressing poverty and had been successful in accelerating progress towards the MDGs.

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

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

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

33. The Ministers took good note of the progress made over the past few years and the increased economic growth rate in many African countries. However, to achieve the MDGs, they underscored the need for urgent action and redoubled efforts by all stakeholders. The Conference agreed that all countries should improve their macroeconomic management to accelerate and sustain more inclusive and pro-poor growth. African governments had to think beyond the targets and timeframe of the MDGs to significantly improve the quality of life of their people. Furthermore, meeting the MDGs should not be confined to quantitative terms but also to such qualitative notions of access to high-quality social services in education and health.

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

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

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

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

38. Given that most Africans lived in rural areas, the Conference recognized the urgency of increasing agricultural productivity, ensuring food security and promoting rural development. To achieve that objective, it was proposed to increase investment and action in areas such as irrigation, water management, land reform and access to inputs and credit. To ensure better results, the meeting also committed to expand ICT networks to rural areas and ensure that farmers had access to information on prices and markets.

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

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

41. The Ministers noted that strong political will and leadership were essential to meet the Goals and must be supported by solid technical capacity in the ministries and other institutions. In that regard, they requested that ECA should support African countries in their efforts to move away from annual item budgeting to programme budgeting as part of the medium-term expenditure framework (MTEF). They further highlighted the critical importance of enhancing their capacity to manage the economy, develop human resources, and plan investments. Reiterating the centrality of

timely and reliable statistics for planning, monitoring and evaluation, they called upon ECA, AUC and AfDB to assist them in building the institutional capacities for statistical development both at the country and regional levels.

42. Another important element that constituted a major risk to the achievement of the Goals was climate change. The Ministers acknowledged with great concern the challenges posed to the sustainability of the capacities of ecosystems, food production and economic systems. To help them deal with those challenges, they called on ECA, in close partnership with AUC, AfDB and relevant African and international institutions, to assist in developing the required expertise.

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

43. Under this agenda item, three presentations were made. A representative of the ECA secretariat presented the objective and guiding principles of the Aid for Trade (AfT) initiative and its potential impact on African countries, highlighting its role in addressing insufficient trade capacity in the region. He reviewed progress made so far in implementing the initiative and identified its major challenges. He also underscored the importance of coordination and called upon African Ministers of Finance, Planning and Economic Development to work in close collaboration with trade ministers, ECA, AfDB and AU for an effective implementation of the AfT.

44. The representative of the WTO described the status of implementation of the AfT initiative and discussed the role of the WTO and other international organizations. She underlined the relevance and importance of the initiative to help African countries to build their trade capacity and support the implementation of the Doha Round. In her view, the scope of the AfT would, to a large extent, determine its required financing as well as the role of regional institutions in the monitoring and implementation process.

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

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

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

48. While recognizing the importance of sustaining relatively high economic growth rates in the years to come, the Conference stressed the need for accelerating growth through trade promotion so as to transform African economies and achieve the MDGs. In that connection, the Conference emphasized the key role of the private sector as an engine of growth and as an implementation vehicle of the AfT. The Conference, therefore, reiterated its call for fostering private sector development through an improved business environment conducive to investment. The Conference also committed to a strengthening of SMEs and of the informal sector in order to maximize their contribution to the economy. As a part of the modalities to reach that objective, the Ministers underlined the importance of public-private sector partnerships and increased participation in the policy-making process.

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

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

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

51. With regard to the theme of the Conference, the Chairperson noted that the Committee had identified five major challenges that would need to be addressed in order to achieve the MDGs:

growth, employment and inequality; scaled-up financing for public sector investments; improved policy environment; strengthened partnerships for better development outcomes; and enhanced peace and security. The Committee underscored the need for urgent action by African countries and their development partners in order to mobilize the resources needed to meet the MDGs. The Committee also emphasized the need to take into consideration country specificities and circumstances in addressing the challenges.

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

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

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

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

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

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

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

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

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

Any other business (Agenda item 8)

Information session on the International Statistics Institute

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

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

62. Mr. Trevor Manuel commended ECA's Executive Secretary, for his role and leadership in promoting awareness about the importance of statistics and proposed that the ECA secretariat

should be designated as custodian for all issues and activities related to statistical development in Africa. The Executive Secretary thanked Mr. Manuel for the briefing and welcomed his proposal to have ECA designated as a regional coordination hub for statistical development. He assured the Conference of ECA's readiness and willingness to carry out any mandates given to it in that context, through the work of the African Centre for Statistics.

Financing for Development Conference 2007

63. Mr. K. Baah-Wiredu, Honourable Minister of Finance and Economic Planning, Ghana, informed the meeting about the forthcoming Financing for Development Conference which would take place in Accra on 30 and 31 May 2007. The theme of the Conference "*Infrastructure for growth – The energy challenge*", would provide Ministers with an opportunity to assess the state of financing of infrastructure in Africa, with a particular emphasis on energy. The Conference would bring together Ministers of Finance, Planning and Economic Development, Ministers of Energy as well as other key stakeholders such as the AfDB, AUC, ECA, multilateral and bilateral development partners, and civil society organizations.

Congress of the International Union for Scientific Population Study

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

Eighth COMESA Ministers of Finance Meeting

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

Fiftieth anniversary of the Economic Commission for Africa

66. Mr. Abdoulie Janneh, ECA's Executive Secretary, indicated that 2008 would mark the 50th anniversary of the United Nations Economic Commission for Africa, which had been established in June 1958. The celebration of ECA's golden jubilee would be an opportunity not only to look back and take stock of what had been achieved over the past fifty years, but also to look forward with

greater resolve, at the challenges that lay ahead. He further indicated that consultations would be undertaken to initiate the preparations to commemorate the anniversary.

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

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

68. The draft Ministerial Statement was presented by the Rapporteur of the Bureau of the Conference, Dr. Toga Gayewea McIntosh, Honourable Minister of Planning and Economic Affairs, Liberia. In his presentation, he highlighted the key elements of the draft statement, which called for immediate action by African countries and international development partners to achieve the MDGs in the region. Those actions ranged from policies aimed at sustaining high economic growth, the formulation and implementation of comprehensive development strategies that take into account the MDGs, to enhanced partnerships to meet commitments and scale up financing for development.

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

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

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

72. The Ministers then went on to discuss the draft resolution on the proposed intergovernmental machinery. They took this opportunity to commend ECA for the repositioning exercise, its sharper focus on Africa's priorities and the new organizational structure it entailed. They expressed their general understanding for the need to realign the intergovernmental machinery to the new strategic orientation of the Commission. The majority of member States endorsed the proposal of the secretariat and supported the initiative of a joint AU/ECA Annual Conference of African Ministers of Finance, Planning and Economic Development. Morocco reiterated its reservations about a joint meeting and requested additional clarification from the secretariat on the functioning of the joint meeting. In that regard, the Executive Secretary reaffirmed that such a meeting would provide a common platform to address and debate Africa's

main development challenges. However, ECA's statutory issues would remain the exclusive mandate of the annual session of the Commission, which ECA would convene with its member States at the same time and venue.

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

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

75. At the end of a lengthy discussion, the majority of member States endorsed the draft resolution. Morocco rejected the resolution indicating that it needed more time to analyse and understand the implications of the proposed machinery. It also added that it was not quite sure whether the proposed joint AU/ECA Conference of Ministers would allow ECA member States to adequately discuss statutory issues of the Commission.

Closure of the session

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

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

78. The Executive Secretary of ECA thanked the Honourable Ministers for coming in such large numbers to deliberate on issues crucial to Africa. He appreciated the openness and transparency of the deliberations, and commended the great work that had been accomplished

during the Conference. In his opinion, the Declaration was a blueprint for action at national and regional levels. And he felt energized by the vote of confidence, support and endorsement to carry out the actions set to advance ECA's repositioning. He assured the Ministers that ECA would do its utmost to live up to their expectations and work with them to translate these provisions into policy directions at national, subregional and regional levels. He had greatly appreciated the collaboration of AUC and UNDP in the organization of the Conference and was thankful for the active participation of the African Development Bank and sister United Nations organizations. He then thanked all ECA staff for their contribution to the success of the Conference.

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

ANNEX I: Ministerial Statement adopted by the Commission at its fortieth session

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

2. We recall our statement following our conference on the theme “*Achieving the MDGs in Africa*”, held in Abuja in 2005, which critically reviewed progress and obstacles encountered in meeting the MDGs. We further recall the 2000 Millennium Declaration; the 2002 United Nations Conference on Financing for Development in Monterrey; the 2005 World Summit; the 2005 United Nations High-Level Dialogue on Financing for Development; the 2005 G-8 Summit in Gleneagles; the 2006 African Ministers of Finance meeting in Nigeria; the 2006 African Plenary on Poverty Reduction Strategies held in Cairo; and the 2005 African Union (AU) Summit of Heads of State and Government in Sirte, Libya. In this context, we acknowledge that some progress has been made in implementing these commitments and urge that implementation be accelerated.

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

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

SUSTAINING HIGH ECONOMIC GROWTH AND ACHIEVING THE MDGS

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

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

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

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

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

Planning and framework for action

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

11. We also commend ECA, AUC, and the regional economic communities (RECs) for their support to Africa's regional integration and economic development. However, we note with concern the slow pace of implementing existing regional integration programmes in Africa and underscore the importance of scaling-up investments in Africa's regional infrastructure and other regional public goods to increase intra-African trade as an essential component for achieving higher growth, meeting the MDGs, and long-term development.

12. We are concerned by the wide disparity between the growing demand for high-quality statistics on the one hand and the weakness of statistical systems on the other. In particular, inadequate human and financial capacity, coupled with poor compliance with international standards, contribute to unsatisfactory data on the MDGs and other key socio-economic

variables in most countries. In this context, we commend ECA for strengthening its focus on statistics and statistical capacity by setting up the African Centre for Statistics (ACS) and note with satisfaction the tremendous progress made by member States in assembling data under the International Comparison Programme (ICP).

Partnership for development

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

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

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

A CALL FOR ACTION TO SCALE-UP FOR SUCCESS

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

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

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

education and health-care services, all of which are made possible by timely and predictable increases in ODA.

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

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

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

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

23. **Revitalizing African agriculture:** We take note of recent commitments, in particular the AU Summit on Food Security and the Summit on Fertilizer, and will do our utmost to launch by end 2008 the African Green Revolution to raise agricultural productivity by ensuring the access of smallholder farmers to fertilizer and improved seeds, with the help of targeted subsidies as necessary; investing in water management; strengthening agricultural extension services; expanding rural infrastructure, especially roads and energy services; and promoting regional cooperation in intra-African trade and investment in agriculture. We reiterate our commitment to the implementation of the NEPAD Comprehensive Africa Agriculture Development Plan (CAADP) and to allocate 10 per cent of our budgets to agriculture as per the Maputo Decision of 2003.

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

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

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

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

28. **Aid for Trade:** We strongly support the AfT initiative and urge development partners to expedite the ongoing work on AfT to make it operational and ensure adequate funding on a predictable basis. We ask ECA to work with the AUC and AfDB to support African governments in implementing this initiative. This includes defining new mechanisms through national and regional AfT programmes in addressing Africa's trade-related challenges. Moreover, it will be necessary to identify the contributions of the three institutions to the follow-up and evaluation mechanisms for these programmes in the countries concerned. Finally, we underscore that funding for the AfT needs to be adequate and predictable.

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

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

effectiveness. We request development partners in our countries to share their plans for scaling-up aid with our governments during 2007 and beyond.

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

Positioning ECA to effectively meet Africa's challenges

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

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

ANNEX II: Resolutions adopted by the Commission at its fortieth session

847 (XL) Aid For Trade

The Conference of Ministers,

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

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

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

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

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

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

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

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

1. *Requests* development partners to expedite the remaining work on Aid for Trade so that it can start benefiting the African countries;
2. Further *urges* donor agencies and beneficiaries to enhance the effectiveness of Aid for Trade programmes and ensure that they are consistent with and supportive of regional and subregional integration initiatives;
3. *Encourages* the involvement of the African private sector as one of the implementation vehicles for Aid for Trade at national and regional levels;
4. *Requests* the Economic Commission for Africa (ECA), in close collaboration with the African Union (AU), African Development Bank (AfDB) and other international trade institutions to assist member States and regional economic communities in the operationalization and implementation of Aid for Trade;

5. *Reaffirms* its support to the role that ECA is playing in the implementation of Aid for Trade, especially in assisting African countries to define their national and regional Aid for Trade programmes, and also in the monitoring and evaluation of its effectiveness in addressing Africa's trade challenges;
6. *Calls* on development partners to provide, in a predictable and sustained manner, the additional resources required by African countries to build their competitiveness and address supply-side and infrastructure constraints; and
7. *Undertakes* to actively participate in defining priorities and programmes of the Aid for Trade initiative as well as in its implementation in close collaboration with our Ministries of Trade.

848 (XL) Financing for Development

The Conference of Ministers,

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

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

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

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

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

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

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

1. *Encourages* African countries to increase the mobilization of domestic resources through the design and adoption of appropriate economic policies to boost domestic savings, increase domestic tax revenue, boost remittances, and stem capital flight;
2. *Invites* African countries to improve the investment climate and to take appropriate measures to ensure that scaling-up of ODA does not have any adverse effects on national economies;
3. *Urges* Africa's development partners to scale-up their efforts to fulfil the commitments and pledges made to African countries, including post-conflict countries, the middle-income countries on increasing the quantity of aid, improving aid effectiveness, and providing debt relief, as reflected in the Monterrey Consensus, the 2005 MDG Review Summit, the G-8 Africa Action Plan, the 2005 Paris Declaration and the Declaration of the 2005 G-8 Gleneagles Summit, and support innovative financing ideas and follow up on their commitment to long-term funding plans to deliver universal access to treatment, prevention and care for HIV/AIDS;

4. *Calls* for greater involvement of African countries in the decision-making organs and processes of international organizations such as the World Trade Organization, the World Bank, and the International Monetary Fund;
5. *Requests* ECA, in collaboration with the African Union Commission, to organize a meeting to assess the status of implementation of the Monterrey Consensus in Africa and to prepare the region for the forthcoming Global Mid-Term Review of the Monterrey Consensus to be held in Qatar in the first quarter of 2008; and
6. *Commends* ECA for the fundamental role it continues to play in providing research and technical support to African countries on development financing issues and encourages the Commission to play an active role in monitoring and evaluating the extent to which Africa's development partners have met their international commitments to the region.

849 (XL) Statistics and Statistical Capacity Building in Africa

The Conference of Ministers,

Noting with appreciation the recent endorsement by African heads of National Statistical Offices (NSOs) and other stakeholders of the Reference Regional Strategic Framework for statistical capacity-building in Africa (RRSF) as the guide for statistical development activities on the continent upon recommendation by the Forum on African Statistical Development (FASDEV) held in February 2006 in Addis Ababa;

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

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

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

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

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

5. *Recommends* that the International Comparison Programme for Africa should be continued and enhanced in order to facilitate international comparison, including monitoring and evaluation of the achievement of the MDGs and calls upon the AUC, AfDB and ECA to ensure its sustainability.

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

The Conference of Ministers,

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

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

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

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

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

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

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

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

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

1. *Endorses* the *ECA Business Plan 2007-2009*, which constitutes a strategic articulation of ECA's programme of work in the coming three years;
2. *Urges* member States and development partners to support the Plan with adequate resources for its operationalization; and
3. *Endorses* the Proposed Programme of Work and Priorities of the Commission for the Biennium 2008-2009, taking into account the discussion and related observations and amendments made at the meeting.

851 (XL) African Institute for Economic Development and Planning

The Conference of Ministers,

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

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

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

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

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

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

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

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

852 (XL) Climate Change and Development in Africa

The Conference of Ministers,

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

Recalling the 2005 G-8 Gleneagles Summit's pledge to support efforts to help developing countries and regions obtain full benefit from placement of observational systems to fill data gaps, develop in-country and regional capacity for analyzing and interpreting observational data, develop decision-support systems and tools relevant to local needs and, in particular, work to strengthen the existing climate institutions in Africa;

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

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

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

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

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

The Conference of Ministers,

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

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

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

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

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

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

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

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

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

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