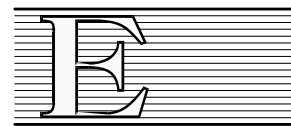




**UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL**



Distr.: **GENERAL**

E/ECA/CM/40/2
1 April 2007

Original: ENGLISH/FRENCH

ECONOMIC COMMISSION FOR AFRICA

Conference of African Ministers of Finance,
Planning and Economic Development

Fortieth session of the Commission

Addis Ababa, Ethiopia
2 – 3 April 2007

**REPORT OF THE TWENTY-SIXTH MEETING OF THE COMMITTEE OF EXPERTS
OF THE CONFERENCE OF AFRICAN MINISTERS OF FINANCE, PLANNING AND
ECONOMIC DEVELOPMENT HELD IN
ADDIS ABABA
FROM 29 MARCH –1APRIL 2007**

A. Attendance

1. The twenty-sixth meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development was held in Addis Ababa, from 29 March to 1 April 2007. Opening remarks were made by His Excellency, Mr. Bruno Nongoma Zidouemba, Ambassador of Burkina Faso, Chairperson of the outgoing Bureau of the Committee of Experts. Opening remarks were also made by Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of the Economic Commission for Africa. The opening statement was made by His Excellency, Mr. Mekonnen Manyazewal, State Minister of Finance and Economic Development, Federal Democratic Republic of Ethiopia.

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) and the African Development Bank (AfDB) took part in the deliberations of the Committee.

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 Telecommunication Union (ITU); United Nations Children's Fund (UNICEF); United Nations Conference on Trade and Development (UNCTAD); United Nations Development Programme (UNDP); United Nations Educational, Scientific and Cultural Organization (UNESCO); United Nations Human Settlements Programme (UN-HABITAT); United Nations Environment Programme (UNEP); United Nations Population Fund (UNFPA); United Nations High Commission for Refugees (UNHCR); The United Nations Office of High Commissioner for Human Rights (UNOHCHR); United Nations Development Fund for Women (UNIFEM); United Nations Liaison Office with the African Union (UNLO-AU); World Food Programme (WFP); World Health Organization (WHO); World Intellectual Property Organization (WIPO); World Meteorological Organization (WMO); and the World Trade Organization (WTO).

5. Observers from the following member States of the United Nations were present: Denmark; Finland; Italy; and the Russian Federation.

6. Observers were present from the following organizations: Action Aid International; African Capacity Building Foundation (ACBF); African Forum and Network on Debt and Development (AFRODAD); African Futures Institute; Africa Monitor; African Research and Resource Forum (ARRF); Arab Bank for Development in Africa (BADEA); Central Bank of West African States (BCEAO); Common Market for Eastern and Southern Africa (COMESA); Community of Sahel-Saharan States (CEN-SAD); Department for International Development (DFID); Economic Community of West African States (ECOWAS); Diplomatic Mission of Palestine; Femmes Africa Solidarité et Information et Communication; International Atomic

Energy Agency (IAEA); International Organization for Migration (IOM); Japan International Cooperation Agency (JICA); League of Arab States (LAS); New Partnership for Africa's Development (NEPAD); International Organization of the Francophonie (OIF); African Centre for Applied Research and Training in Social Development (ACARTSOD); Southern African Development Community (SADC); United States Agency for International Development (USAID); United States mission to the African Union; West African Economic and Monetary Union (UEMOA); and the World Bank.

B. Adoption of the Agenda and Election of the Bureau

7. The following agenda was adopted by the Committee:

1. Opening of the Meeting
2. Election of the Bureau
3. Adoption of the Draft Agenda and Draft Programme of Work
4. Overview of recent economic and social developments in Africa
5. Follow-up to the last session of the Commission: Annual report on the Work of the Commission, 2007
6. Assessment of progress on regional integration in Africa
7. Sectoral policy issues
 - Aid for Trade
 - Statistics and statistical capacity
 - Support in the implementation of the New Partnership for Africa's Development (NEPAD)
8. Progress report on the follow-up to major global and regional conferences and summits
9. Presentation and discussion on the theme of the Conference – *Accelerating Africa's growth and development to meet the MDGs: emerging challenges and the way forward*
10. Statutory issues
 - Review of the Intergovernmental Machinery of the Commission
 - Report on the external review of the African Institute for Economic Development and Planning (IDEP)
 - Proposed programme of work and priorities for the biennium 2008-2009
11. Any other business
12. Consideration and adoption of the Draft Report of the Committee of Experts and draft resolutions
13. Closing of the meeting

Election of the Bureau

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

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

C. Account of Proceedings

Opening addresses

9. In his opening statement, His Excellency Mr. Bruno Nongoma Zidouemba, Ambassador of Burkina Faso, outgoing Chairperson of the Bureau, extended a warm welcome to those attending the session, and expressed his appreciation to the Government and People of the Federal Democratic Republic of Ethiopia for hosting the meeting. On behalf of the Government of Burkina Faso, he thanked Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of ECA, for organizing the Conference on the theme “Accelerating Africa’s growth and development to meet the MDGs: emerging challenges and the way forward”.

10. In his opening remarks, Mr. Abdoulie Janneh, expressed his deepest gratitude and appreciation to the Government and people of the Federal Democratic Republic of Ethiopia for hosting ECA for nearly 50 years. He indicated that the 2007 Conference was taking place earlier in the year so that its outcome would feed into major international meetings to be held in the coming months.

11. The Executive Secretary informed participants of progress made in repositioning ECA so as to meet more effectively the needs of its member States. The structure of ECA had been revised to include two new subprogrammes in order to reflect the increased emphasis placed on statistics and social development. He mentioned the creation of two support units on NEPAD and the African Peer Review Mechanism (APRM) to better assist the African Union with those two initiatives. In addition, the strengthened subregional offices (SROs) would play a key role as operational arms of the Commission. They would become hubs of ECA’s peer learning and knowledge-sharing initiatives and act as privileged partners of the Regional Economic Communities (RECs) to advance the African development agenda at the subregional level.

12. Also important in the repositioned ECA was the renewed effort to strengthen cooperation with such major regional organizations as the African Union Commission (AUC), AfDB and sister United Nations agencies working in Africa. In keeping with this spirit, the Executive Secretary indicated that ECA had worked closely with the AUC to organize this Conference.

13. The *ECA Business Plan 2007- 2009* which had been endorsed by African Heads of State at their summit in January 2007 in Addis Ababa, was a strategic articulation of ECA’s new

vision. Further, since the Business Plan belonged to member States, they should recommend it to partners and leaders for their support.

14. Turning to the theme for the current Conference, he stressed that in spite of improved economic conditions, progress towards the MDGs in Africa remained too slow. The challenge therefore was to deepen the understanding of how Africa could reach the goals and what each stakeholder must do. He noted that the 2005 United Nations World Summit had underscored the need for countries to adopt and implement comprehensive national development strategies for achieving the MDGs. That was an important challenge, which the present meeting would help to address by making concrete recommendations to help African countries to adopt appropriate mix of policies and strategies for achieving the goals.

15. In his opening statement, Mr. Mekonnen Manyazewal, State Minister of Finance and Economic Development of the Federal Democratic Republic of Ethiopia, expressed appreciation for the excellent work done by the outgoing Bureau. He was encouraged by the acceleration of growth in Africa, a necessary condition for achieving the MDGs. However, economic growth had not been evenly distributed across and within countries and there remained much to be done particularly in the social sectors.

16. He went on to elaborate on eight major challenges facing African countries, namely accelerating and sustaining economic growth for poverty reduction by creating a conducive environment for private sector development; addressing gender inequity; enhancing investment in infrastructure; investing in people by increasing opportunities in education, improvement in health care and improved access to water supply; enhancing empowerment, democracy and good governance by strengthening institutions at the local and central levels; scaling up financing for development by mobilizing domestic and external resources; managing globalization; and developing the capacity of the State and private sector. He requested the Committee not only to focus its discussion on those challenges and come up with concrete recommendations but also to propose ways in which those recommendations could be adapted to country-specific situations.

17. Sharing the experiences of Ethiopia in addressing national challenges to achieving the MDGs, he highlighted the country's development agenda formulated in the PRSP 2002/03-2004/05 and the National Development Plan 2005/06-2009/10, all of which had focused on poverty reduction through economic growth. Ethiopia's growth had averaged 11 per cent in real terms in the past three years, fuelled by agricultural development and complemented by industrial development. He reiterated the importance of monitoring and tracking the progress made in achieving the MDGs and invited the Committee to suggest strategies and policies that could be implemented by member States to accelerate progress. Although problems were broadly similar across the African countries, the proposed strategies and policies should take into account country specificities.

18. He then declared open the twenty-sixth meeting of the Committee of Experts.

Overview of recent economic and social developments in Africa [Agenda item 4]

19. Under this agenda item, the Committee considered document (E/ECA/COE/26/2) entitled “*Overview of Economic and Social Conditions in Africa in 2006*”. The Committee was informed that Africa’s GDP growth had continued to improve, reaching 5.7 per cent in 2006 compared to 5.3 per cent in 2005. Those positive results could be attributed to good macroeconomic management, strong demand for and higher prices of primary commodities, debt relief, increased external capital flows and an improved political climate. However, growth had remained volatile and insufficient. To achieve the MDGs, a number of measures would be required to enhance economic and social development in Africa.

20. The Committee commended the secretariat for the quality of the document and its focus on key issues. However, further analysis on recent growth was needed to better understand and appreciate the impact on the poor. The Committee stressed the need to identify appropriate policies to cope with commodity price shocks, an important factor contributing to volatile economic growth in Africa.

21. The meeting noted that the estimated seven per cent growth rate required to achieve the MDGs was an aggregate figure and that some countries might require higher or lower rates. In that regard, the Committee underscored the need to propose tailored measures that would help underperforming subregions to improve performance and achieve their growth potential.

22. Remedial mechanisms were also needed for oil-importing countries to cope with the detrimental impact of high oil prices. The Committee requested ECA to deepen its analytical work, especially in light of the outcome of the 2006 ECA Conference, on the effect of economic growth on employment in oil-producing and non-oil producing countries. Furthermore, the Committee underscored the challenge of high youth unemployment on the continent and recommended the development of appropriate strategies to address it.

23. Turning to the recommendation that the degree of dependency of oil-importing countries could be reduced through alternative energy sources such as hydropower, the Committee noted that climate change constituted too severe a constraint for some African countries to rely on that source of energy. The need was felt for more elaborate recommendations on sustainable development, as well as recommendations on fighting crime through the use of legislative and judicial interventions.

24. The Committee also underscored the importance of domestic and external resource mobilization for accelerating growth and development in Africa. In addition to improving aid quality and the absorptive capacity of receiving countries, the Committee asked the secretariat to work closely with member States so as to encourage partners to accelerate debt relief and live up to their commitment of scaling up assistance to Africa. There was an urgent need to increase investment, particularly foreign direct investment (FDI) inflows on the continent to promote growth and to meet the MDGs. Also, increased domestic investment was needed to augment FDI. In the context of globalisation, the importance of development factors such as trade (both international and intra-African) and ICTs was highlighted.

25. In that regard, the Committee noted with concern the pervasive depreciation of the major export currencies relative to the major import settlement currencies, which penalized Africa's exports and imports alike.

26. Besides the role of government, strategies to accelerate and sustain development in Africa should take into account the role that such stakeholders as the private sector, civil society, subregional institutions (including the regional economic communities), and international partners could play in tackling the development challenges facing Africa.

27. The Committee urged the secretariat to conduct further analysis on the link between growth and employment creation, particularly with respect to African oil producers. It noted the proposed initiative of ECA to promote a new approach to macroeconomic policymaking and welcomed the current work it was doing with UNDP on that issue.

Follow-up to the last session of the Commission: Annual report on the work of the Commission, 2007 [Agenda item 5]

28. Under this item, the secretariat outlined the various actions taken by the ECA Executive Secretary to implement the decisions and resolutions adopted by the last session of the Commission held in Ouagadougou in May 2006 and contained in document E/ECA/COE/26/3, entitled *Annual Report 2007*. Those activities related mainly to the implementation of the decisions and resolutions on the repositioning of ECA, the external review of the African Institute for Economic Development and Planning (IDEP), the strengthening of statistical capacities for meeting the MDGs and measures taken to enhance employment generation.

29. The measures taken to reposition ECA had encompassed three broad dimensions, namely programme and priority-setting guided by two major themes: *Promoting regional integration in support of the AU vision and priorities*; and *Meeting Africa's special needs and emerging global challenges*; institutional and organizational restructuring to align the secretariat structure with the new programme priorities, including strengthening ECA's subregional presence through the redeployment of additional human and financial resources to ECA's five subregional offices (SROs); and measures to enhance human resources management and other administrative processes. Those changes were underpinned by a greater commitment to build and sustain partnerships with other organizations such as AU, AfDB, other United Nations agencies and bilateral partners. To that end, ECA had developed a three-year Business Plan (2007-2009), which articulates the linkages between its future priorities and activities and those of key partners, notably the AU. The Business Plan had been jointly launched by the United Nations Secretary-General, the AU Chairperson and the President of the AfDB, and subsequently endorsed by the AU Heads of State and Government.

30. On the steps taken by the secretariat to assist member States in strengthening their statistical capacities for tracking the MDGs, the Committee was informed that a new division on statistics had been established as part of the ECA repositioning - the African Centre for Statistics, whose major priority was to undertake research and provide capacity-building support

to member States in improving the range and quality of data for policy analysis and informed decision-making on socio-economic issues, more particularly to collect, analyse and disseminate quality statistics and data for monitoring the MDGs.

31. In the ensuing discussions, the Committee commended the secretariat on the measures taken to reposition ECA, particularly the efforts to strengthen its subregional presence. In that connection, several delegations encouraged the secretariat to continue with its efforts to build up the operational capacity of the SROs through appropriate measures so that they can play a more effective role in providing technical assistance to member States. Some delegations sought more information on the level of resources available to the SROs in order to determine the effectiveness of their work. Clarification was also sought on the funding of IDEP from the United Nations regular budget. Other issues raised by participants included the work of ECA in promoting human rights in Africa.

32. Responding, the Executive Secretary explained that ECA had emerged from the repositioning exercise as a more efficient and capable entity. Happily, the exercise had received the enthusiastic support and endorsement of member States and other stakeholders, including the Assembly of African Heads of State and Government. He welcomed the request to further strengthen the capacity of the SROs, indicating the overall level of resources allocated to them and assured the Committee of the continued support of the United Nations in further strengthening the SROs.

33. On the need for increased resources to IDEP, the Executive Secretary was convinced that the Institute's role and relevance as well as its governance structure needed to be better clarified before the issue of additional funding could be addressed. Hopefully, the present meeting would provide further guidance in that direction. Regarding ECA's work in the area of human rights, the Executive Secretary informed the Committee that although the Commission did not have an explicit mandate in that area, it was working closely with other organizations such as the United Nations High Commission on Human Rights in strengthening the linkages between human rights and development.

34. Regarding employment generation, the Committee reiterated that the lack of full employment and decent work for all posed a threat to the attainment of the MDGs. It called on ECA, AU, ILO, UNDP and AfDB to operationalize the proposed Regional Employment Forum. That forum would support member States to mainstream employment creation into national development plans and poverty reduction strategies more effectively.

Assessment of progress on regional integration in Africa [Agenda item 6]

35. Under this agenda item, two presentations were made by the joint ECA/AUC secretariat. The first presentation by the representative of the ECA secretariat focused on progress made towards regional integration in Africa. The second presentation by the representative of the AU Commission outlined that Commission's activities to follow up on the decisions taken at the Banjul Summit of African Heads of State and Government in July 2006.

36. Introducing document E/ECA/COE/26/5 entitled, *Assessment of progress on regional integration in Africa*, a representative of the ECA secretariat indicated that regional integration was one of the two pillars of the ECA Work Programme. The report was based on the major decisions taken recently by the RECs to address challenges in achieving regional integration, activities that ECA planned to undertake in the area of regional integration, and the way forward for accelerating the regional integration process in Africa.

37. The Committee was informed by the AUC about decisions adopted at its summit in Banjul concerning the guidelines for accelerating regional integration. In that connection, AUC had conducted studies to quantify the scenarios for rationalizing the RECs and preparing a minimum programme of integration. The findings of those studies would be submitted to the meeting of African Ministers responsible for integration, which will be held late May in Kigali.

38. In the ensuing discussions, the Committee commended the joint secretariat for the quality of both presentations. While recognizing the relevance and importance of the challenges highlighted in the two presentations, the Committee pointed out other equally important challenges that need to be addressed to strengthen the integration process including the promotion of national unity, political stability and social cohesion. Indeed, the consolidation of national cohesion could serve as a solid foundation on which to build successful regional integration. In that connection, ECA could, through its work programme components, contribute to the search for ways and means of strengthening national, political and social cohesion.

39. The issue of implementing regional integration programmes was also addressed. The Committee noted the slow pace of implementation of the resolutions and recommendations adopted at the regional level, and urged countries to demonstrate greater political will in order to meet the challenges of regional integration in Africa. The Committee also noted the fact that the regional integration process in Africa had not been sufficiently inclusive. Accordingly, it recommended that measures should be taken to ensure a greater degree of participation of people at all levels in the process, through wider use of public information systems and other activities to improve outreach and popularize the work of the RECs.

40. The Committee welcomed the launching in 2005 of the Maghreb Initiative aimed at strengthening trade, financial and private sector integration with the establishment of the Maghreb Trade and Investment Bank headquartered in Tunis.

41. Concerning the criteria used to classify regional economic groupings into RECs and intergovernmental organizations, the attention of the Committee was drawn to the fact that this was a policy decision of the Heads of State and Government of the African Union. The Committee also took note of the existence of numerous studies conducted on the assessment of the RECs with the result that there was some degree of duplication and overlap. In that connection, the Committee underscored the need for enhanced collaboration among these organizations in order to be able to use and share the available information judiciously and optimally.

42. The Committee underlined the importance of the Economic Partnership Agreements (EPAs) with the European Union, and expressed some concern on the challenges that those

agreements posed for the RECs. In that connection, the Committee was briefed on the wide array of activities that the ECA secretariat undertook to assist member States and their RECs in coping with the challenges. They included studies undertaken to assess the impact of the EPAs on the economies of ECOWAS, UEMOA, CEMAC and SADC member States, and training seminars for negotiators in different subregions across the continent. The Committee requested that mechanisms should be developed to ensure effective information sharing on EPAs between and among the RECs.

43. The Committee commended ECA for the various studies it had undertaken on the issue of financing regional integration in Africa and the related resource mobilization strategy. It stressed the importance of scaling up investment in infrastructure development, which was widely regarded as an essential component for achieving faster integration on the continent. The studies undertaken by ECA had led to the adoption of self-financing mechanisms, which had largely contributed to boosting the financial base of many of the RECs. To finance infrastructure, the Committee recommended that the possibility of accessing resources from the Infrastructure Financing Consortium established by the G8 should be explored.

Sectoral policy issues [Agenda item 7]

- **Aid for Trade**

44. Under this agenda item, a representative of the ECA secretariat presented document E/ECA/COE/26/7 entitled *Aid for Trade: Emerging Issues and Challenges*. The presentation highlighted the importance and potential contribution of the Aid for Trade (AfT) initiative to Africa's development, identified the major challenges related to its operationalization, and proposed some guiding principles necessary for African countries to benefit from the initiative.

45. In the ensuing discussions, the Committee welcomed the initiative in view of its importance in helping African countries build their supply capacities and trade-related infrastructure, while at the same time dealing with the adjustment costs of trade liberalization. The Committee noted that it was critical to enhance supply-side responses through diversification and facilitating higher value chain in African products and exports, in order to derive the maximum benefits from the AfT initiative. Training, technical assistance and expertise, including strengthening human capacities at the country and regional levels, were identified as key modalities of capacity building.

46. With regard to the implementation of the AfT initiative, the Committee expressed the view that the private sector should play a key role as one of the implementing factors at the national and regional levels. The Committee noted that the implementation of AfT should be effective, consistent with and supportive of regional and subregional integration initiatives in order to foster intra-Africa trade.

47. For African countries, AfT should be an important complement to other forms of aid for development that Africa had been receiving, rather than a substitute for it. The Committee noted that the effectiveness of the AfT depended on the delivery of new and additional resources. The

54. While noting with appreciation the progress made since the creation of ACS, the Committee recommended that the Centre should be provided with adequate human and financial resources to enable it to scale up its assistance to African countries.

55. The Committee also took note of the initiative of the Africa Symposia on Statistical Development (ASSD), the development and endorsement of the Reference Regional Strategic Framework (RRSF) and the African programme on the 2010 round of the Population and Housing Census (RPHC). It emphasized the need to use the RRSF as the guiding framework for statistical development in Africa.

56. The Committee emphasized the need for promoting statistical harmonization and stressed the importance of complying with international statistical standards in order to provide quality and comparable indicators to track the MDGs and better support the regional integration process in Africa. In that regard, the Committee called for increased support from ECA and the AUC to speed up the adoption and implementation of international standards such as the 1993 SNA and the Principles and Recommendations (P&R) for population and housing censuses. Though it was imperative to implement those international standards for statistical harmonization towards regional integration, there was still room for customization of international methodologies to the specificity of African countries.

57. The Committee expressed concern over the insufficient level of collaboration between ECA and such key regional and subregional organizations as AfDB, AUC, the RECs, and AFRISTAT in the implementation of statistical programmes, data management and collection.

58. The experts reiterated their support to ECA and the work it had done with the Friends of ECA in the organization of the ASSD, and stated their willingness to consider the format of collaboration between the Friends of ECA, ECA, AUC and the African countries. In that regard, the Committee reaffirmed ECA's leadership role in the coordination of statistical activities, jointly with the AfDB, in the promotion of collaboration and the institution of best practices at national, subregional and regional levels.

- **Support in the implementation of the New Partnership for Africa's Development (NEPAD)**

59. Under this agenda item, two presentations were made on the NEPAD programme. The first presentation was based on document E/ECA/COE/26/9 entitled, *The New Partnership for Africa's Development (NEPAD): The Way forward*. The presentation highlighted the key achievements in United Nations support to NEPAD undertaken within the broad context of the regional consultation mechanism. It also highlighted the major challenges faced by African countries in implementing NEPAD, including the slow progress in the Doha Development Round and the debt issue.

60. The second presentation by AUC focused on decisions recently taken in Algiers by NEPAD Heads of State and Government Implementation Committee on the integration of

NEPAD in AUC structures and processes. Those decisions would be submitted to the forthcoming AU Summit in Accra for consideration and approval.

61. The Committee welcomed the fact that the integration of NEPAD into the AU structures and processes was necessary to add value to the new arrangement, avoid overlapping activities of the AU Commission and the NEPAD Secretariat, and strengthen AU's ability to coordinate and deliver. The Committee was informed that a Coordination Unit at the AU Commission would be created to oversee the integration process. The Committee also noted that a NEPAD Planning and Coordinating Authority would also be created to replace the NEPAD Secretariat, and its structure and profile would be defined through a study to be commissioned at a later stage.

62. The Committee commended ECA for its continued efforts in support of the NEPAD Secretariat following the Memorandum of Understanding signed between the two organizations in September 2006, which was aimed at enhancing strategic collaboration and recognizing each organization's comparative advantage in pursuit of a common African vision through the implementation of the NEPAD agenda. The Committee emphasized that ECA should continue to play a key role in coordinating the efforts of United Nations agencies and programmes in support of the implementation of NEPAD and in the revitalization of the cluster system.

63. The Committee made a number of recommendations aimed at strengthening the regional consultation mechanism. In this regard, it called for the expansion of the regional consultation mechanism to include the AU Commission and the RECs, including a subregional mechanism for coordinating United Nations system-wide support to NEPAD at the subregional level. The subregional mechanism would be anchored on ECA's subregional offices to focus on the needs of the RECs. The Committee also affirmed ECA's role as a strategic coordinator of United Nations support to the AU and NEPAD. In addition, the Committee called on the AU Commission, NEPAD Secretariat and ECA to better coordinate their activities so as to minimize duplication.

64. The Committee noted that some issues such as the need to build capacity are cross-cutting. In this regard, it called for enhanced collaboration between ECA and regional organizations such as AfDB and the African Capacity Building Foundation (ACBF). The Committee also noted that a high-level forum on capacity building in Africa would be organized in Maputo, Mozambique, later in 2007.

Progress report on the follow-up to major global and regional conferences and summits
[Agenda item 8]

65. Under this agenda item, the secretariat made four presentations based on document E/ECA/COE/26/4, entitled, *Progress Report on the Follow-up to Major Conferences and Summits*. The report highlighted progress achieved by African countries in the implementation of the outcomes of the World Summit on Sustainable Development (WSSD); the Monterrey Consensus on Financing for Development; the Brussels Programme of Action on the Least Developed Countries (LDCs); and the Millennium Development Goals (MDGs) in Africa.

66. The Committee welcomed the progress report and commended ECA's efforts in assisting member States to track the implementation of the numerous commitments emanating from the global conferences and summits. Such reports were useful in identifying progress, challenges and gaps related to the achievement of set goals and targets. The Committee, however, noted with concern that many African countries were not on track to meet most of the set targets and goals within the specified timeframe. A number of binding constraints needed to be urgently addressed not to mention the pursuit of appropriate policies and strategies, as well as the mobilization of additional resources to scale up interventions in various areas. Going by the various country experiences recounted, many participants had had to contend with those issues. A number of other United Nations agencies also took the opportunity to brief the Committee on their work in support of member States in the follow-up to the global conferences.

67. Turning to the individual conference outcomes, the Committee commended ECA's efforts in facilitating, promoting and monitoring the implementation of WSSD commitments through the organization of Regional Implementation Meetings (RIM) aimed at adopting common positions on the key policy issues to be included in the African Consensus Agenda for the global Commission on Sustainable Development (CSD). Recent activities in that context had focused on issues related to energy, industrial development, climate change, and atmospheric pollution, which would be taken up by the global CSD in May 2007. Additional to those sectoral issues were crosscutting concerns that had to do with mobilizing resources, building partnerships and developing policy, legal and institutional frameworks.

68. With regard to policy options on the WSSD, the Committee requested ECA to assist the Africa Group to review the draft CSD document in order to ensure that priority issues of special interest to Africa and related policy options were adequately taken into consideration

69. The Committee noted with concern that Africa was increasingly vulnerable to climate change effects such as recurrent droughts and floods, and underlined the need for measures to be taken to prevent and mitigate such natural disasters.

70. Noting that a sustainable development strategy would require pro-poor approaches to achieving the internationally agreed development goals, the Committee emphasized the need for strategies and policies targeting agriculture, rural development, health, education and social infrastructure in order to protect the most vulnerable in society. Because country ownership of such policies and programmes was essential, the Committee stressed the need for home-grown solutions in meeting developmental objectives.

71. On the Monterrey Consensus, the Committee acknowledged the progress made in scaling up resources for development, particularly in terms of increased official development assistance (ODA), further debt relief and higher foreign direct investment (FDI). However, the Committee noted that wide gaps still remained between commitments and achievements and most African countries needed to do more to mobilize domestic and external resources to meet their financing needs. More FDI was needed in sectors that would have the largest impact on employment, and hence, on poverty reduction. In addition, the Committee recommended that efforts should be made to address the challenges of absorptive capacity, aligning aid with national development objectives and priorities so as to enhance aid effectiveness. Increased resources could be invested

in areas such as infrastructure and human capital development and further progress made in monitoring the relevant commitments. In that regard, ECA had designed a survey to assist member States in tracking progress on the commitments in the Monterrey Consensus and would highlight the obstacles faced in the process.

72. The Committee emphasized the importance of mobilizing more domestic resources and using them more efficiently. In this respect, the Committee was informed by UNCTAD and other organizations of activities to support member States to achieve this goal.

73. On the Brussels Programme of Action for the Least Developed Countries (BPOA), the Committee noted that five years into the decade (2001-2010), progress remained quite limited. The Committee welcomed ECA's capacity-building efforts targeting African LDCs and called on the Commission not only to enhance its support to those countries but also to extend such support to non-LDCs.

74. The Committee noted the importance of translating the recent gains in the economic growth into improvements in the social sectors and infrastructure development, in order to make further progress towards achieving MDGs. The Committee expressed concern that many African countries were unlikely to achieve the goals by the target date of 2015 and underscored the need for urgent action to be taken by African countries as well as their development partners in order to accelerate progress.

75. For faster, sustainable and inclusive growth to happen, care should be taken to improve the environment for investments and private sector activity (including scaled up investments in the agricultural, transport and energy sectors at national and regional levels, health care delivery and education) and to promote diversification in emerging sectors such as ICTs.

76. Since continuous monitoring and evaluation would be essential for making greater progress towards the MDGs, the Committee noted that improved statistics and data for monitoring the MDGs would be of immeasurable value. In that regard, the Committee requested ECA to increase its assistance to member States in improving their national statistical capacities and called for additional resources to be made available to the ECA and African countries for that purpose. The Committee further underlined the need to adapt the indicators and measures to individual country characteristics and specificities and to review the timeframes for meeting the targets and goals.

Presentation and discussion on the theme of the Conference – *Accelerating Africa's growth and development to meet the MDGs: emerging challenges and the way forward* [Agenda item 9]

77. The secretariat presented the document entitled "*Accelerating Africa's growth and development to meet the MDGs: Emerging challenges and the way forward*"(E/ECA/COE/26/6) which highlighted the context, challenges and the way forward for African countries. In order to meet the MDGs, five main challenges needed to be urgently addressed, namely growth, employment and inequality; scaling up financing for public sector investments; improvement of the planning and policy environment; partnerships to benefit from globalization; and peace and

security. With only seven years remaining to the target date of 2015, the secretariat emphasized the urgency of scaling up interventions and made a number of proposals for discussion by the Committee.

78. The secretariat's presentation was discussed by AUC and UNDP. AUC highlighted the limitations of poverty assessments, including failure to take into account different dimensions such as rural poverty and access to services. UNDP informed the Committee of its programme to assist member States, including activities of the Millennium Project. They comprised: reinforcing national commitment and leadership; accelerating and sustaining pro-poor growth; resource and capacity development; and MDG-based planning based on MDG needs assessment.

79. The Committee commended the secretariat for the high quality of the presentations and applauded the efforts of international partners to support Africa in improving MDG-based planning and preparation of second-generation PRSs. It urged the AfDB, AU and ECA to remain engaged in the monitoring and evaluation of Africa's social development on a regular basis. In that regard, the Committee felt that the strengthening of ECA's subregional presence would make for better tracking of progress.

80. While recognizing the importance of the MDG agenda, the Committee noted several economic, historical, and cultural factors in African countries that needed to be taken into consideration if the goals were to be achieved.

81. The Committee recognized the need to better align the PRSs with the MDGs as stated in the 2005 World Summit Outcome document. Noting that many African countries had developed or were designing MDG-based national development plans, it highlighted the need to consider other dimensions of social development. In that regard, the Committee strongly recommended that particular attention should be given to assisting conflict and post-conflict countries. In general, development plans were based on a participatory process and included an assessment of resource requirements as well as capacity development. Through that process, countries recognized the need for better coordination across ministries and among sectors. Given the importance of success stories, the Committee pointed out that the international community should continue to support successful countries, even as they graduated from LDC status. Furthermore, it called on Pan-African development institutions to undertake a study on how to harmonize the PRSs with the MDG framework.

82. On the broader theme of accelerating growth to meet the MDGs, the Committee agreed with the presenters that growth, while increasing, had not been broad-based and high enough to reach the goals. Nonetheless, the Committee also recognized that the equitable distribution of the benefits of growth was essential to accelerating progress towards the MDGs. In that respect, growth must be sustained for a long period of time and employment generated in order to have a significant impact on poverty reduction. At the same time, tackling inequality would pay off in terms of growth promotion and poverty alleviation. The Committee stressed that the multi-dimensional nature of poverty should be reflected in the working definition of development and assessment of progress.

83. The Committee noted the adoption of various economic measures by oil- and mineral-exporting countries to better manage the resource windfall in order to promote sustained socio-economic development. The representative of the AUC informed the Committee that the AU Assembly of Heads of State had approved the establishment of the African Petroleum Fund with assistance from AfDB. The main objective would be to mobilize resources to assist African oil-importing countries to absorb oil price shocks and facilitate the financing of their oil imports.

84. The Committee called for greater flexibility in setting macroeconomic policies to respond effectively to changes in economic fundamentals. In particular, it recognized that countries needed some policy space to deal with short-run inflationary shocks without jeopardizing long-term development objectives.

85. On resource requirements for meeting the MDGs, the Committee underscored the need to further mobilize domestic and external resources, exploiting all sources including remittances, public-private partnerships and civil society organizations. It would also be necessary to foster public sector capacity to absorb financing and to negotiate and manage public-private partnerships effectively.

86. The Committee stressed that member States needed better and more disaggregated statistics for assessing resource requirements, monitoring and evaluating progress and instituting appropriate policies. It noted that local communities had a role to play in data collection and assessment of progress. The Committee strongly recommended increased financial support to the African Centre for Statistics (ACS) and called upon ECA to closely monitor and evaluate progress in African countries.

87. The Committee underscored the need to address rural poverty through measures aimed at improving agricultural productivity. It urged African countries to increase resource allocation to agriculture in line with the Maputo Imperative. In particular, it was recommended that African governments should promote investment in agriculture and rural infrastructure, improve access to credit for small-scale producers (e.g. through guarantee schemes), and adequately involve farmers' associations in identifying agricultural development priorities. It further recommended that African countries should adopt a "Grassroots Fund" to deal with the problem of poor infrastructure, which hindered private sector investment in rural areas. However, Africa should not underemphasize the role of industry, especially agro-processing and manufacturing to increase the value of exported goods and create jobs. In addition, the meeting stressed the need for countries to undertake actions to adapt to and mitigate the impact of climate change on the exploitation of their natural resources and on the structural transformation of their agricultural systems.

88. On the role of governance and institutions, the Committee emphasized that political will and commitment of national leaders as well as full cooperation between decision-makers and peoples were necessary preconditions for the achievement of the MDGs. Furthermore, the Committee noted that socio-cultural values might have a negative influence on the speed of progress, an important issue for designing effective policies. The Committee also recommended that ECA and political leaders should engage in dialogue to further refine required actions and activities at all levels, to meet the MDGs.

89. To ensure transparency and accountability in the use of resources, the Committee stressed the need to strengthen the role of democratic institutions (including legislative organs that can monitor the executive) and checks and balances in decision-making. In that context, interventions should be identified to reinforce the procedures of public finance management to ensure efficient use of resources. The Committee identified and recommended fiscal decentralization as a means to reach that objective. For decentralization to work, stronger capacities at the level of local governments and communities were necessary. Therefore, ECA and other pan-African institutions should provide training for capacity building to local government officials.

90. On peace and security, the Committee recognized the economic and social costs of war and social unrest and called for renewed efforts to foster stability and peacefully resolve conflicts. The Committee identified two important prerequisites for peace and security: respect for human rights, in full adherence to the UN Charter and the Millennium Declaration, and democratic governance. Accordingly, the meeting called on ECA to provide special technical assistance to conflict and post-conflict countries. Such assistance should be undertaken in collaboration with the United Nations Peace-building Commission, the AUC and AfDB.

91. The Committee also stressed the importance of regional integration as a means to foster trade and increase the bargaining power of African countries against the backdrop of globalization and multilateralism. In view of the impact of technological progress on the growth potential of an economy, it underscored the importance of creating the conditions to facilitate technological transfers and develop research and development (R&D) activities.

92. Observers contributed to the discussion by supporting and reinforcing the comments made by the Committee. They identified issues such as civil society participation, respect of human rights, human-rights-based approach to development, and reproductive health as important components of MDG-based development strategies.

93. The Executive Secretary stressed the importance of the MDGs as internationally-agreed development goals which provided a framework for African countries to focus their development efforts. He added that the major challenge that remains would be to align the PRSs, now widely used as national development plans, with the MDGs.

Statutory issues [Agenda item 10]

- **Review of the Intergovernmental Machinery of the Commission**

94. Under this agenda item, a representative of the secretariat presented document *E/ECA/COE/26/10 entitled Review of the Intergovernmental Machinery of the Economic Commission for Africa – Note by the Secretariat.*

95. Following the ECA repositioning exercise, its new programme structure was articulated around 10 subprogrammes, namely: Trade, finance and economic development; Food security

and sustainable development; Governance and public administration; Information, science and technology; Economic cooperation and regional integration; Gender and women in development; Subregional activities for development; Development planning and administration; Statistics; and Social development.

96. To complete this phase of the ECA repositioning and comply with ECA Resolution 844(XXXIX) – *Repositioning ECA to better respond of Africa’s priorities* – adopted by the ECA Conference of Ministers in Ouagadougou in May 2006, the intergovernmental machinery of the Commission, including the legislative organs and subsidiary bodies of the Commission would need to be aligned with its new strategic orientation and programme structure.

97. ECA, therefore, is seeking the Conference’s endorsement of the following proposals:

- 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.
- iii. Structuring the subsidiary organs of the Commission around seven sectoral committees.

Discussions

98. The Committee commended the reform and repositioning exercise of the ECA to better respond to Africa’s priorities, and expressed general understanding of the necessity for the ongoing reforms and realignments in the Commission. While some members who took the floor endorsed the proposals, others expressed the following concerns:

- Their need to be given more time to sufficiently review the proposals and its legal, financial and other implications.
- Their need to consult their capitals before making pronouncements on such important proposals.

99. More clarifications were also sought on what some delegates saw as duplication of the Conference of Ministers by the proposed Subregional Ministerial Conferences. Other issues included the need to further rationalize the areas covered by the sectoral committees and ensure that youth and employment were given due prominence in the Committee on Human and Social Development.

Clarifications by the secretariat

100. On proposal No.1, the ECA Executive Secretary explained that the joint AU-ECA Conference of African Ministers of Finance, Planning and Economic Development would provide a platform to address and debate Africa’s main development challenges. ECA statutory

issues would remain the exclusive mandate of the annual session of the Commission/ Conference of African Ministers of Finance, Planning and Economic Development, which ECA would convene with its member States at the same time and venue.

101. The format of that joint conference would be similar to existing United Nations-AU joint meetings such as the AU-FAO joint conference on agriculture.

102. The proposal to organize a joint meeting of AU-ECA Annual Conference had already been endorsed by the AU Conference of African Ministers of Economy and Finance (CAMEF II) in Yaounde in November 2006 (AU/CAME/Rpt (II)); and was now being presented to the current conference for its concurrence.

103. On Proposal No.2, the Executive Secretary explained that the subregional ministerial meetings would not duplicate ECA's Conference of Ministers, but would ensure that ECA's work programme at the subregions was informed by the issues and the economic and social developments priorities of each subregion. Those meetings would be convened in the subregions in conjunction with the existing annual meetings of the conferences of ministers of the subregions.

104. ECA's proposal was in line with the United Nations Secretary-General's report on "Enhancing the role of the subregional offices of the Economic Commission for Africa" (A/61/471) in response to the United Nations Office of Internal Oversight (OIOS) report, regarding the limited impact of the intergovernmental committees of experts that governed the subregional offices. The report had been championed by the African Permanent Representatives, Ambassadors to the United Nations in New York and has been approved by the General Assembly in its resolution A/RES/61/234.

105. Given those explanations, paragraph 15 of document E/ECA/COE/26/10 on the review of the Intergovernmental Machinery of ECA should read as follows: "*That the Intergovernmental Committee of Experts be converted to Subregional Ministerial Conference, It is further proposed that these meetings be convened in conjunction with and at the same locations as the meetings of the policy organs of the respective Regional Economic Communities of each Subregional Offices. In addition, subregional ministerial caucuses would be held for the five subregions during the annual meetings of the Conference of Ministers to follow through on issues of interest to the different subregions*"

106. Proposal No. 3 was meant to align the sectoral committees to the approved programme structure of the Commission. In accordance with **rule 105.5 of the Programme Planning, Budgeting and Monitoring and Evaluation (PPBME)**, it is required that the intergovernmental machinery should be congruent with the biennial programme plan as well as the programme structure of the Commission. Furthermore, UN Departments (including ECA) should comply with the request of the General Assembly and the provisions of the PPBME rules and regulations regarding the need to submit the intergovernmental machinery, which mirrors the programme structure as contained in the proposed programme of work and priorities for the biennium 2008-2009.

107. While there was some convergence on, and majority support of the proposal for a joint AU-ECA Annual Conference of Ministers of Finance, Planning and Economic Development and its Committee of Experts (proposal no.1), some delegates refrained from making recommendations on proposals 2 and 3 because they needed more time to review the proposals. A few delegates had strong reservations to taking any decision on the proposals before consulting with their capitals.

Recommendation

108. After a lengthy debate, the Committee recommended that the proposals should be presented to the Conference of Ministers in session for their consideration.

- **Report on the external review of the African Institute for Economic Development and Planning (IDEP)**

109. Under this agenda item, a member of the external review panel presented document *E/ECA/COE/26/11* entitled, *Report on the External Review of the African Institute for Economic Development and Planning (IDEP)*.

110. The review focused on the relevance, structure, financial, human and overall management of IDEP, in line with the decisions made by the 39th session of the Commission held in Ouagadougou, Burkina Faso in May 2006. The background, findings and major recommendations were submitted to the Committee of Experts for review and consideration. The review addressed, in particular, key issues such as IDEP's comparative advantage and its niche in Africa's institutional architecture, the current structure of its training programmes, its governing structure, and its contribution towards strengthening collaboration between ECA and AU.

111. The Committee welcomed the findings of the panel and discussed some of the challenges facing the Institute. It was observed that since the establishment of IDEP in 1962, it had not been able to sufficiently update its training programmes and services to keep pace with the changing priorities and needs of the continent. The Committee also underscored the need for increased diversification of IDEP's programmes and outreach in all subregions and requested that IDEP's management should disseminate its products more effectively.

112. Turning to the issue of resource constraints, the Committee expressed concern about the huge amounts of arrears due from member States and the lack of adequate human resources, which hampered the capacity of IDEP to fulfill its mandate. In that regard, the Committee encouraged IDEP to explore new ways of increased financing such as the introduction of user fees for some services provided. In addition, the possibility of setting up scholarship schemes for some member States should be explored.

113. Despite those challenges and the fact that member States and African regional institutions were providing similar services, the Committee stressed the continued relevance of IDEP as the

only Pan-African institution on the continent, which provided research and training services on development planning.

114. The Committee endorsed the recommendations of the review panel and requested that adequate funds should be made available to the panel to enable it complete its work and submit a final report to the next session of the Commission in 2008.

115. In that connection, a thorough needs assessment as well as a management audit should be conducted to bring new vigour, focus management, skills and commitment to fulfill the vision and mission of the Institute. Member States were also urged to pay their assessed contributions and arrears.

- **Proposed programme of work and priorities for the biennium 2008-2009**

116. Under this agenda item, a representative of the secretariat presented document *E/ECA/COE/26/12* entitled, *Proposed Programme of Work and Priorities for the Biennium 2008-2009*.

117. In preparing the proposed programme of work, the secretariat was guided by the ECA repositioning, the Programme Plan for 2008-2009, the *ECA Business Plan 2007-2009* and the Secretary-General's report on enhancing the role of the subregional offices. The Programme was structured around 10 subprogrammes and was in line the results-based management framework which would enable ECA and its member States to monitor and measure results based on predefined performance indicators and baseline targets.

118. The Committee congratulated the secretariat for a well-designed and focused work programme and noted with satisfaction that the programme elements were detailed, clearly articulated and addressed such relevant emerging issues, and cross-cutting issues, as regional, subregional and national development priorities.

119. The Committee also made the following observations:

- The availability of funding was too often identified as an external factor that could constrain ECA's ability to fully implement its proposed work programme;
- Member States of the North African subregion observed that the proposed outputs under paragraph b (iii) for the subprogramme 7 *Subregional Development Activities for North Africa* were not in line with the priorities set at the last session of the Intergovernmental Committee of Experts of the subregion.

120. Taking into account the above observations, the Committee recommended the ECA Proposed Programme of Work and Priorities for the biennium 2008-2009 to the Conference of Ministers for its consideration. The Committee also recommended full support for the operationalization of the *ECA Business Plan 2007-2009* in response to the appeal made by the Executive Secretary.

Any other business [Agenda item 11]

121. Under this agenda item, the Committee noted that given the duration of the meeting, it had been difficult to address thoroughly the many points on the agenda. In that regard, some delegates expressed the need to revisit the format of the meeting of the Committee of experts and consider breakout sessions to enable participants to analyse in detail such specific issues as the Overview of Economic and Social Developments in Africa. In his intervention, the Executive Secretary noted that structuring the meeting into breakout sessions could prove very cumbersome and might delay discussions and consensus building in plenary, as some experts might not be able to attend some specific sessions.

122. It was agreed that ECA should invite resident ambassadors in Addis Ababa to exchange views on the themes and issues to be addressed in future sessions of the Commission before finalizing the draft agenda. That would allow for a common understanding and a sharper focus during the meetings.

123. The secretariat then informed the meeting that in 2008, ECA would be celebrating its 50th anniversary. In that respect, the Executive Secretary would be consulting with member States on the type of commemoration activities and events to be organized to mark the occasion.

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

124. Under this agenda item, the Committee considered the draft report of its meeting (as contained in document E/ECA/COE/26/L) together with five draft resolutions for consideration and adoption by the Conference of African Ministers of Finance, Planning and Economic Development. Several delegations made comments, observations and proposed amendments to the report. Some delegations also expressed reservations with specific issues in the report. After lengthy discussions and explanations provided by the secretariat, the Committee adopted the draft report, including the draft resolutions as amended, for consideration by the Conference of Ministers.

Closure of the meeting [Agenda item 13]

125. On behalf of Mr. Abdoulie Janneh, Mrs. Josephine Ouédraogo, Acting Deputy Executive Secretary of ECA, expressed her deep appreciation and gratitude to all the participants for their contribution to the discussions. She commended them for the purposeful way in which they addressed the issues on the agenda of the meeting, and expressed satisfaction for the high quality and constructive dialogue throughout the sessions. She then thanked the African Union Commission, the African Development Bank, as well as the United Nations agencies, for their collaboration in organizing the Meeting. She assured participants that the various observations, comments, and suggestions would be fully taken into consideration when finalizing the Report as well as other related documents of the Meeting. She extended her appreciation to the Bureau and to its Chairman for the efficient manner in which he conducted the deliberations. She also thanked the secretariat for its commitment and hard work in making the meeting a success.

126. In his closing remarks, the Economic Affairs Commissioner of the AU Commission thanked the Chairperson and all the distinguished delegates for their active participation and

leadership in discussing the issues on the agenda of the Conference, particularly in charting the way forward for the achievement of the MDGs. In that regard, he stressed the need to move from recommendations to actions. His gratitude went to the ECA Executive Secretary for associating the African Union in the organization of the Meeting and he called on the Conference of Ministers to endorse the idea of the AU/ECA Joint Conference of African Ministers of Finance, Planning and Economic Development.

127. The representative of the Government of Mauritius moved a vote of thanks on behalf of the Committee.

128. To conclude, the Chairperson thanked all the distinguished delegates for their support of ECA's work. He then declared closed the twenty-sixth Meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development.