

**Economic Commission for Africa  
African Union Commission**

## **Proceedings of the First Joint Annual Meetings**

**African Union Conference  
of Ministers of Economy  
and Finance and**

**United Nations Economic  
Commission for Africa  
Conference of African  
Ministers of Finance,  
Planning and Economic  
Development**

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*Third session of CAMEF*

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- **First Joint Annual Meetings of the African Union  
Conference of Ministers of Economy and Finance  
and the Economic Commission for Africa  
Conference of African Ministers of Finance, Planning  
and Economic Development**
- **Commemoration of ECA's 50<sup>th</sup> Anniversary**



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



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## A. Attendance

1. The first session of the Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development was held in Addis Ababa, Ethiopia, from 31 March to 2 April 2008. The Conference was formally opened by His Excellency, Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia and Chairperson of the NEPAD Heads of State Implementation Committee and the African Peer Review Forum of Heads of States and Government. His Excellency, Mr. Jakaya Kikwete, President of the United Republic of Tanzania and Chairperson of the African Union also addressed the opening session on the theme of governance and the capable State. Brief opening remarks were made by Mr. Essimi Menye, Honourable Minister of Finance of Cameroon and Chairperson of the outgoing Bureau of the AU Conference of Ministers of Economy and Finance and Ato Sufian Ahmed, Honourable Minister of Finance and Economic Development of Ethiopia and outgoing Chairperson of the ECA Conference of African Ministers of Finance, Planning and Economic Development. Statements were also made by Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of ECA, Mr. Donald Kaberuka, President of the African Development Bank, Mr. Patrick Mazimhaka, Deputy Chairperson of the African Union Commission, on behalf of His Excellency, Mr. Alpha Oumar Konare, Chairperson of the Commission of the African Union and Mr. Ban Ki-moon, Secretary-General of the United Nations.

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

3. The following AU recognized Regional Economic Communities were also represented:

Community of Sahel-Saharan (CEN-SAD), the Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), Economic Community of Central African States (ECCAS), Economic Community of West African States (ECOWAS) and the Southern African Development Community (SADC). Also attending the Conference was the NEPAD Secretariat.

4. The following United Nations bodies, specialized agencies and international organizations were also represented: Food and Agriculture Organization of the United Nations (FAO); International Labour Organisation (ILO); International Monetary Fund (IMF); International Telecommunication Union (ITU); United Nations Children's Fund (UNICEF); United Nations Convention to Combat Desertification (UNCCD); United Nations Conference on Trade and Development (UNCTAD); United Nations Development Programme (UNDP); United Nations Educational, Scientific and Cultural Organization (UNESCO); United Nations Human Settlements Programme (UN-HABITAT); United Nations Environment Programme (UNEP); United Nations Department of Safety and Security (UNDSS); United Nations Population Fund (UNFPA); United Nations Industrial Development Organization (UNIDO); United Nations High Commissioner for Refugees (UNHCR); United Nations Office of High Commissioner for Human Rights (UNOHCHR); United Nations Development Fund for Women (UNIFEM); United Nations Liaison Office to the African Union (UNLO-AU); World Food Programme (WFP); World Health Organization (WHO); World Intellectual Property Organization (WIPO); World Meteorological Organization (WMO); World Trade Organization (WTO); International Civil Aviation Organization (ICAO); International Fund for Agricultural Development (IFAD); International Organization for Migration (IOM); Joint United Nations Programme on HIV/AIDS (UNAIDS); Universal Postal Union (UPU); and the World Bank.

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

6. Observers were present from the following organizations: Action Aid International; African

Capacity Building Foundation (ACBF); African Center for Development and Strategic Studies (ACDSS); African Center for Applied Research and Training in Social Development (ACARTSOD); African Public Health Development Trust; African Center of Meteorological Applications for Development (ACMAD); African Committee of Experts on the Rights and Welfare of the Child (ACERWC); African Futures Institute (AFI); African Forum and Network on Debt and Development (AFRODAD); Africa Monitor; African Research and Resource Forum (ARRF); Association of Central Banks; Arab Bank for Development in Africa (BADEA); Bank of Central African States (BEAC); Central Bank of West African States (BCEAO); Central Africa Economic and Monetary Community (CEMAC); Indian Ocean Commission (IOC); Economic Community of Great Lakes Countries (CEPGL); West African Economic and Monetary Union (UEMOA); Department for International Development (DFID); Friends of ECA; Global Call to Action Against Poverty; International Food Research Institute (IFRI); Japan International Cooperation Agency (JICA); League of Arab States (LAS); International Organization of the Francophonie (OIF); Organization for Economic Cooperation and Development (OECD); United States Agency for International Development (USAID); Nile Basin Initiative (NBI); and the United Nations Millennium Campaign.

## **B. Opening of the Conference and Presidential Reflections (Agenda item 1)**

7. The opening of the Conference featured a Presidential segment, which was organized as part of the activities to commemorate the 50<sup>th</sup> Anniversary of ECA. The segment provided an opportunity for some Heads of State and Government to provide some reflections on the theme of the Conference and set the tone for the discussion. The segment featured statements by the Prime Minister of Ethiopia and the President of Tanzania.

8. In a brief statement by the Honourable Minister of Finance of Cameroon, Mr. Essimi Menye, outgoing Chairperson of the Second Session of the AU Conference of Ministers of Economy and Finance (CAMEF II), which was read on his behalf by Mr. Ousman Matar Breme, Honourable Minister

of Economy and Planning of Chad, he indicated that during his term of office, important progress had been made in the implementation of the three major recommendations of CAMEF II namely: the rationalization of the regional economic communities (RECs), the preparation of an African Statistical Charter, and the creation of the three continental financial institutions as stipulated in Article 19 of the Constitutive Act of the African Union.

9. The recommendations of the study on the rationalization of the RECs had been presented to the AU Summit of Heads of State and Government in January 2008. The Minister indicated that consultations were also underway between the Chief Executives of the RECs and the AU to take stock of the current situation of the RECs, based on the recommendations of the study. On the African Statistical Charter he indicated that a preliminary draft of the Charter had been prepared for submission to the Executive Council of the AU as requested by that body. Regarding the three financial institutions, a preparatory committee to oversee the establishment of the African Investment Bank would be set up in May 2008 in Tripoli, Libya, the proposed host country of the Bank. On the creation of the African Central Bank, consultations were underway between the Association of African Central Banks and the AU Commission. The Protocol establishing the Preparatory Committee of the African Monetary Fund, would be signed by the end of April 2008 between the AUC and Cameroon, the host country.

10. In his statement to the Conference, the outgoing Chairperson of the ECA Conference of African Ministers of Finance, Planning and Economic Development, Ato Sufian Ahmed, Honourable Minister of Finance and Economic Development of the Federal Republic of Ethiopia, briefly reviewed Africa's recent economic performance, and noted with concern that the impressive growth in recent years neither generated employment nor contributed to poverty reduction. In this regard, he called on African countries to set a new time frame for achieving the MDGs and make greater efforts to promote good governance, regional peace and security, increase investment in human capital and address the issues of climate change while improving the overall environment to mobilize more financial resources for development.

11. In his welcoming remarks to the Conference, Mr. Abdoulie Janneh, Executive Secretary of ECA,

said that the current Conference was a landmark, because it was the first major meeting to be convened jointly by the African Union and ECA, and also coincided with ECA's 50<sup>th</sup> anniversary. He indicated that the anniversary celebration would be marked by a series of activities and events involving Member States over the next one year, which would provide the opportunity to look back and take stock of ECA's many achievements over the past 50 years, and look forward to face the challenges that lie ahead. He noted with satisfaction that in its fifty years of existence, ECA had made remarkable strides in its mandate of promoting the economic and social development of Africa and generated ideas and knowledge to underpin Africa's development through its research, advocacy, technical cooperation and consensus-building activities.

12. The Executive Secretary noted that ECA's greatest legacy remained its independent thinking on African development issues, which had informed Africa's policy stances over the years. Other notable achievements of the Commission included support in the establishment of the African Development Bank, the RECs and subregional centres of excellence. In its fifty years of existence, ECA also contributed to building regional capacities in trade negotiation, statistics and information and communications technologies and had developed useful policymaking tools like the African Gender Development Index and the MDG Mapper; and continued to provide technical backstopping to African initiatives such as the NEPAD and the African Peer Review Mechanism (APRM).

13. ECA had consistently espoused African ownership of its development agenda, an idea that found expression in the Lagos Plan of Action and was now embodied in the NEPAD programme. The constant message in all those landmark initiatives was that Africa's development must be underpinned by growth with equity and social justice, reduction in poverty, greater opportunities for women and a brighter future for its children. To this end, efforts must be geared towards building the capable state in African countries, one which is accountable and democratic, and Africa must derive its priorities and legitimacy from popular participation and mobilize societal resources behind common objectives.

14. Despite these achievements, Africa continued to confront challenges of a global nature like HIV/AIDS and climate change, which could

reverse decades of development efforts and continued to pose significant risks to Africa's growth prospects. Rising food and oil prices, were also breeding social tension in several African countries and across the globe.

15. The Executive Secretary informed the Conference that the ECA's secretariat continued to make progress in implementing its new strategic orientation and Business Plan in the areas of environment, finance, gender, governance, ICTs, natural resources, regional integration, science and technology, statistics, trade, and the MDGs. He noted that the present Conference was evidence of the strong partnership ECA was building with the Africa Union and, together, both institutions continued to strengthen the tripartite relationship with the African Development Bank (AfDB). ECA continued to provide direct support to the NEPAD Secretariat and the APRM process, while ECA's sub-regional offices were being strengthened with additional resources from the United Nations General Assembly to enhance their operational activities in support of the Regional Economic Communities.

16. On other recent developments, the Executive Secretary informed the Conference of the ongoing work by ECA and AfDB to establish a successor arrangement to the Global Coalition for Africa, to be called "Coalition for Dialogue on Africa" (CoDA). He also hinted that the Sixth African Development Forum (ADF VI) would be convened in late 2008 on the theme of gender. This would provide an opportunity to review progress made since the ECA Conference on Women, convened in 1998 as part of the fortieth anniversary of the Commission.

17. He called on African intellectuals and activists to use the opportunity of the activities that would be organized as part of ECA's golden jubilee during the course of the year to reflect on whether the positive story of growth in Africa was a short-term occurrence or a long-term trend; whether Africa was poised to make the 21<sup>st</sup> century its own; what Africa would look like in the next fifty years; and whether Member States and their RECs were harnessing regional resources to meet Africa's development priorities.

18. Turning to the theme of the Conference, Mr. Janneh highlighted four overarching messages that have emerged from ECA's work in recent years. These included the need for regional unity in tackling



common challenges; the imperative of economic and structural diversification, the case for African ownership of its development agenda; and the need to strike a balance between different development policy options. The importance of African unity to meet global and regional challenges had resonated at the first meeting of the Commission in 1958 and continued to find expression in the regional integration agenda of the continent since then. The Executive Secretary said Member States should not perceive growth or development in national terms alone, but in a broader regional context. He said he was delighted to note that the sharp ideological debates of the past, had given way to a new consensus for development and the need for a good balance between State and market.

19. In concluding his remarks, Mr. Janneh indicated that as Africa's leading development forum, the Joint Conference had a crucial role to play in articulating clear strategies and concrete actions in confronting the challenges facing Africa, and called on the Ministers to seize the opportunity to help shape the future of the continent. He also called on all stakeholders to continue to ensure that Africa's story in fifty years was not one of marginalisation but one of a strong and diversified economy, supported by first-class infrastructure and institutions with a highly-skilled and fully-employed workforce living in peaceful conditions.

20. In his opening statement by videoconference, the President of the African Development Bank (AfDB), Mr. Donald Kaberuka, congratulated ECA on the celebration of its Golden Jubilee and expressed regrets for not being able to be physically present in Addis Ababa. He, however, noted with satisfaction that, despite turbulence in world markets, African economies have, to a large degree, remained resilient, among well endowed natural resources rich countries; among strongly reforming ones; and among those emerging from conflicts. In spite of these encouraging signs, the AfDB President observed that Africa still had pockets, often large ones of political and economic challenges coupled with massive poverty. He attributed this situation to recent population growth and to internal and external shocks that sometimes made growth patterns volatile. Hence, he saw the need to sustain the current growth phase in order to move away from setbacks, reversals and decline. Such growth would however, need to be equitable so as to avoid social tensions that often translate to unsustainability.

21. Mr. Kaberuka felt that Africa consequently needed to improve and invest in logistics and in infrastructure of all types, especially energy. Hence, the renewed emphasis on regional integration programmes: corridors, transit systems, energy power pools, regional IT centres and policy coordination and harmonization. While Africa has a huge agricultural potential, its capacity to manage water is often a constraint. In the face of skyrocketing food prices, emphasis should be placed today on irrigation, large and small as well as rural infrastructures. In addition, Africa must build capacities to design and deliver quality policies; combat abuse of office; ensure improved management of natural resources and that debt is proactively managed. Africa must also prepare the coming generation – predicted to be of the size of India or China, in the next 20 years, with mostly young and urbanized population - to be a skilled one, especially with the help of Science and Technology. In this regard, Mr. Kaberuka assured the Conference of AfDB's determination to support African countries in progressively building institutions and capable states to do so.

22. In concluding his statement, Mr. Kaberuka thanked AfDB's partners in the donor community for providing the African Development Fund (ADF) with the largest increase ever in the history of the Bank, to support the development agenda of the continent over the next three years, particularly in the areas of regional integration, regional infrastructures and assisting countries emerging from conflicts and other crises. He also commended South Africa, the only African country to contribute to the Fund and for doubling its contribution as well as Nigeria for renewing the Nigerian Trust Fund for another 10 years. This would help the Bank in increasing its support and expanding its operations, especially if more African countries were to follow suite in the name of African solidarity.

23. In a brief statement delivered by videolink to the Conference, Mr. Ban Ki-moon, Secretary-General of the United Nations indicated that ECA occupied a unique place on the continent as the first intergovernmental pan-African organization. In its 50 years of existence, he noted that ECA had made remarkable progress in its mandate of promoting Africa's social and economic development. It had generated ideas, helped to establish other development institutions and continued to provide support to its member States in addressing challenges, ranging from the Millennium Development Goals to climate

change, from women's empowerment to job creation and from governance to HIV/AIDS. He concluded with a call on the AU and ECA to continue working together so that they could make the 21<sup>st</sup> century the African century.

24. Addressing the Conference on behalf of H.E. Mr. Alpha Oumar Konaré, Chairperson of the Commission of the African Union, Mr. Patrick Mazimhaka, Deputy Chairperson of the Commission noted that the convening of the Joint Conference gave concrete expression to the decisions taken by African Heads of State and Government to establish a unique and coherent platform for sharing experiences and taking decisions on economic and social issues of concern to Africa and to help member States better manage their programmes in order to achieve development objectives.

25. Mr. Mazimhaka noted with disappointment that the relatively high economic growth in most African countries in recent years, had not made a dent on poverty reduction. The challenge lay in how to close the gap between perceived and real growth. He observed that growth that did not improve the standards of living of the people would only result in destabilisation of the continent. He called on African governments to take concrete actions to transform Africa into a land of prosperity, peace and well-being by mobilizing all the continent's human resources and potential. Only by mobilizing all their forces and harmonizing and coordinating their actions can African countries overcome the development challenges and build prosperous societies and improve the living conditions of their people.

26. Noting that employment creation was a major challenge in Africa, Mr. Mazimhaka called on African countries to take concrete action within a subregional and regional framework to reduce the level of unemployment and meet the target of 11 million jobs per year set by the ILO. He further noted that the Ouagadougou Plan of Action adopted by the Extraordinary Assembly of the African Union on Employment and Poverty Reduction in September 2004, already provided the framework for this.

27. Mr. Mazimhaka observed that, the primary responsibility for Africa's development lay with African countries themselves, supported by the international community to mobilize their citizens and the diaspora and initiate actions of solidarity between countries and regions of the continent in

order to achieve common objectives of economic and social advancement. He suggested that the role of the State should remain one of providing the enabling environment, including an effective regulatory framework for private sector-led development. He also called for enhanced public-private partnerships for creating wealth and employment.

28. Mr. Mazimhaka further observed that the NEPAD initiative which had initially raised hopes for Africa, was not making the progress expected, and the low level of intra-African trade, which fell below 10 per cent of the continent's overall trade, showed just how much, Africa needed to do to jointly overcome, the challenges the continent was facing. Regrettably, the many initiatives taken to promote Africa's development, had neither resulted in the mobilization of the necessary resources, nor attracted private capital to Africa, notwithstanding the macro-economic reforms undertaken and their extremely high costs.

29. In conclusion, Mr. Mazimhaka noted that it behooved African countries to rely first on the mobilization of their own resources in order to avoid dependence on external assistance to ensure their development. New initiatives were, therefore, needed to mobilize key actors and human and financial resources required for development. Such initiatives must focus on building and expanding infrastructure, diversifying and intensifying production, strengthening the educational, training and health systems, as well as creating employment to reduce poverty.

30. In his opening statement, His Excellency Mr. Meles Zenawi, Prime Minister of the Federal Republic of Ethiopia, and Chairperson of the NEPAD Heads of State Implementation Committee and the African Peer Review Forum of Heads of State and Government welcomed participants to Addis Ababa and to the Conference. He noted that the meeting was important, not only because it was the first joint meeting of the AU and ECA, but because it also coincided with the 50<sup>th</sup> Anniversary of ECA. In this regard, the Prime Minister paid tribute to ECA for the important role it had played in shaping development policies in Africa and promoting the continent's development agenda. He singled out ECA's distinctive role in the formulation of the landmark African Alternative Framework to Structural Adjustment Programmes (AAF-SAP), which had a major impact on policy formulation

at the international level, especially with respect to the human dimension of structural reforms and adjustment. He underscored the growing importance of the Conference as one of the key fora for tackling development issues in Africa.

31. In introducing the theme of the Conference “*Meeting Africa’s New Challenges in the 21<sup>st</sup> Century*”, he identified growth and employment, good governance, climate change, poverty and HIV/AIDS among the key challenges. He, however, noted that these were recurrent challenges in Africa’s development. In the view of the Prime Minister, it was only the circumstances and the landscape for meeting the challenges that were new.

32. The Prime Minister noted that the extraordinary developments in China and India presented both challenges and opportunities to Africa – a challenge because of rising commodity prices and the associated brisk growth in African economies and an opportunity because both China and India could be sources of new investment opportunity and technology for Africa. The rise of India and China in the global economy had resulted in a significant increase in Foreign Direct Investment (FDI) and contributed to the rapid growth witnessed in Africa in recent years. The Prime Minister, however, expressed concern that China and India’s growing appetite and demand for food, raw materials and commodities could be a mixed blessing for Africa.

33. In concluding his remarks, the Prime Minister observed that the external environment was more conducive for the continent’s development with a significant change in attitude among Africa’s traditional development partners as exemplified by the Europe-Africa Summit of Lisbon, which resulted not only in an important boost in FDI from traditional partners, but also in a greater willingness on their parts to tolerate alternative paths to development in Africa. This improvement in the external environment was providing African countries with more latitude to be authors of their own destiny. The Prime Minister also noted signs of improvement in the internal environment with African economies performing better than ever before as a result of decades of experimentation on what worked and what did not work. He remained confident that because of these new circumstances, Africa would be able to tackle recurrent challenges in a new way at the dawn of the 21<sup>st</sup> Century.

34. His Excellency Mr Jakaya Kikwete, President of the United Republic of Tanzania sent a keynote message to the Joint Conference, which was delivered on his behalf by the Honourable Minister of Finance and Economic Affairs of Tanzania, Mr. Mustapha Mkullo. President Kikwete provided some reflections on the theme of good governance and capable state, a central theme of the Joint Conference. He observed that the founding fathers of Africa had fought to promote the dignity of the black race through political freedom and independence. However, he noted that four decades after political independence, Africa was still waging a battle for social and economic emancipation and development. He acknowledged ECA’s role in the historic struggle for the economic emancipation of Africa, and commended it for its work in the articulation of many of the home grown and profound economic development policies and paradigms in Africa. Some examples of these included the Lagos Plan of Action and Final Act of Lagos, not to mention, the African Alternative Framework to the Structural Adjustment Programme (AAFSAP). He also noted with satisfaction that ECA had made considerable progress in supporting member States in many areas of their economic and social development, including the key areas of democracy and good governance. However, despite these efforts, Africa remained a region with the highest level of poverty and underdevelopment, characterized by high prevalence of HIV/AIDS and other diseases, an unsustainable debt overhang, raging wars and political conflicts, resulting in population displacements, refugee flows and social disruption. The President noted that these remained a major challenge for regional institutions such as the ECA and the African Union to redouble their efforts in support of the economic and social development of Africa.

35. On the theme of “*Governance and the Capable State*,” the President noted that good governance remained critical to achieving economic development and went on to define some of the essential characteristics of a well-governed and capable state. A well governed and capable state was one endowed with the capacity to steer society towards the realization of collectively-defined goals and objectives by ensuring that public institutions functioned, the potentials of the private sector were unleashed, civil liberties and the rule of law were guaranteed, the right of the people to choose their leaders through the ballot box was respected,

administration of state affairs was predictable, the role and contribution of civil society in development was recognized, and national consensus was achieved in the national vision of development. Good governance could only be realized in a democratic environment. On the other hand, a capable state formed part of the equation for good governance. Hence a capable state was one with functional institutions that could effectively deliver services, provide public security, entrench the rule of law, formulate sound economic policies and project their national strategic interest abroad. Fundamentally therefore, Africa needed capable State and good governance to forge ahead and break the barriers to its development.

36. He wondered why Africa had not been able to construct and entrench good governance and why Africa was the most backward continent with its people engaged in the daily struggle for survival, while other parts of the world were moving ahead. While Africa must accept responsibility for its part of the problem, especially its governance challenges, there were serious external dimensions to Africa's development challenges. Among these were the asymmetries in the global economy, particularly the lopsided international trade regime, which limited the amount of resources available to countries to pursue development; the debt overhang; and the period of structural adjustment programmes which exerted a heavy toll on African countries.

37. The President said it was heartening to note that Africa's regional and sub-regional institutions were striving to promote the norms and values of good governance, democracy, rule of law, and accountability. He cited as recent examples, the development of the African Union Charter on Democracy, Elections and Governance on the continent, Convention on Corruption and the APRM process, all of which should be speedily ratified and implemented. He called on African countries to intensify efforts towards building capable States and promoting good governance in all its dimensions. Key institutions, which would strengthen State capacity and make a difference in governance, included political parties, which needed to be strengthened. He urged ECA to undertake comparative analyses and provide policy recommendations on these issues. He identified other strategic institutions necessary for building capable States and promoting good governance, including a virile and independent judiciary and justice system, a public security institution, an impartial electoral institution, and a functional public bureaucracy. On

the persistent problem of corruption, the President noted that corruption remained a lingering issue in governance.

## C. Election of the Bureau (Agenda item 2)

38. The following Member States were unanimously elected by the Conference to form the new Bureau:

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

## D. High-level thematic debate (Agenda item 3)

39. The discussion under this agenda item covered four themes, namely, empowering the poor; growth, employment and poverty; climate change and development and HIV/AIDS: keeping the promise. The discussion was led by a panel of eminent persons composed of H.E. Mr. Benjamin Mkapa, former President of the United Republic of Tanzania and member of the Commission on Legal Empowerment of the Poor; Professor Adebayo Adedeji, former Executive Secretary of ECA and Chairman of the APRM Panel of Eminent Persons; Mr. Rajendra Pachauri, Noble Laureate and Director General of The Energy and Resources Institute of India (TERI); and Dr. Peter Piot, Executive Director of the joint United Nations Programme on HIV/AIDS (UNAIDS).

- *Empowering the Poor*

40. The presentation by former President Mkapa, on the theme, "*Empowering the Poor*", highlighted the importance of the legal empowerment of the poor for Africa's development. Mr. Mkapa stressed that Africa would make little progress in its economic and social development aspirations if it did not empower the poor. He recalled that the end of colonial rule on the continent brought high hopes of a bright and prosperous future for Africa, but such hopes were soon replaced by despair and disillusionment as the majority of African people were still trapped in abject poverty.



41. He noted that, by definition, the poor were essentially powerless; with no legal identity, or standing and were not able to access acceptable legal structures to protect their rights and economic activities. They were generally uneducated, ignorant of the laws governing economic activities, and operated in the informal sector. Hence any credible strategy for poverty reduction must focus on the link between exclusion, poverty and law.

42. The Conference acknowledged the importance of empowering the poor for achieving sustainable development of the developing world, including Africa. In this regard, the Conference welcomed the initiative of the Commission on Legal Empowerment of the Poor to make legal protection and access to economic opportunities not only the privilege of a few but the right of all peoples. It was noted that the Commission had identified three areas of key importance for Africa: accelerating progress towards the MDGs, where legal empowerment of the poor would serve as a tool for mobilizing domestic resources; negotiating the Economic Partnership Agreements (EPAs); and implementing the Aid-for-Trade initiative.

43. The following recommendations emerged from the discussions: recognition of legal empowerment of the poor as a central challenge in Africa, which called for new and systemic actions; further discussion on new and existing frameworks with local and international partners; launching of the final report of the Commission on Legal Empowerment of the Poor at an AU Summit; the need for African countries to emphasize legal empowerment of the poor as a leading agenda item for Group of 77 and China at the next United Nations General Assembly; and the need for good economic and political governance in Africa to alleviate poverty.

- *Growth, employment and poverty*

44. In his presentation, Professor Adebayo Adedeji, former Executive Secretary of ECA and Chairman of the APRM Panel of Eminent Persons highlighted the importance of the growth-employment-poverty nexus in policy making. He argued that while employment had been the main concern for governments in developed countries since the end of the Second World War, developing countries including Africa had been denied the right to have employment as an ultimate goal of economic policies. He indicated that the

prevailing economic development paradigms in the 1980s, which focused more on growth and income poverty, led to the exclusion of human development and issues of equity such as full employment.

45. It was noted that ECA's activities during the 1980s highlighted the importance of human-focused development. UNDP espoused the human development concept only in the 1990s, when it first published its well-known Human Development Report. In the 1990s, human-centred development had become an imperative, with social policies (health, education, job creation) strongly emphasized. MDGs and NEPAD were launched, based on the same principles as the previous frameworks.

46. In the general discussions that followed, the Conference acknowledged the importance of employment to poverty reduction and the need for African countries to pursue human-centred development, which emphasizes such factors as full employment, education for all, availability of universal access to health services and social and economic empowerment. Several ministers shared their countries' experiences in addressing the triple challenge of growth, employment and poverty using an integrated approach.

47. Following the discussion, a consensus emerged on the need for a human-centred development, focusing on improving the quality and quantity of education and health as important factors for human development and poverty eradication. The Conference also emphasized the importance of employment promotion and job creation. Tackling unemployment and poverty required multi-dimensional policies targeting human resources development, basic services for the poor, infrastructure and microfinance. The need to legally empower the poor engaged in the informal sector was also highlighted.

48. In this regard, the Conference called on African countries to formulate and implement broad-based economic strategies involving all segments of the population. Those strategies should i) be both market and socially friendly, ii) strengthen the link between human development and social development and iii) combine the market economy with social development.

- *Climate change and development*

49. Dr. Rajendra Pachauri, Chair of the UN Intergovernmental Panel on Climate Change (IPCC) warned that climate change would have severe consequences for Africa unless appropriate adaptive actions were taken to address the problem. Climate change could impede the achievement of the MDGs and sustainable development in Africa because of its adverse impact on basic needs such as food, health and security of settlement. Climate change would also likely reduce the length of growing seasons and force large swathes of marginal agricultural land out of production. Further climate change could alter the ecology of some disease vectors, increasing by 5 to 7 per cent the distribution of malaria in Africa by 2100, and the likelihood of epidemics due to the lack of protective genetic modifications in the newly affected populations. To mitigate some of these impacts, Dr. Pachauri suggested that a new development paradigm was needed to stabilize the climate as well as adapt and mitigate against its effects. Such a paradigm should include strategies to increase income levels, education and technical skills for improving disaster preparedness and management as well as healthcare systems.

50. The discussion stressed the importance and urgency of addressing the challenge of climate change. In this regard, the Conference noted with concern that even though Africa contributed least to greenhouse gas emissions, the main cause of global warming, its countries were among the most vulnerable to climate change in the world due to multiple stresses and low adaptive capacity. It was stressed in this connection that countries most responsible for pollution and climate change should bear a greater part of the burden and compensate those that would be most affected.

51. The Conference recommended that adaptation strategies should include measures to increase income levels and education; better information and awareness of the cost of climate change; improved disaster preparedness and management; improved healthcare systems, good governance and empowerment of communities. Adequate long-term response to climate change would also require further examination of vulnerabilities and impacts, incorporating indigenous knowledge into climate change policies, mainstreaming adaptation into national development strategies, and increasing international cooperation, including South-South

cooperation. The discussion also emphasized the need for a coordinated African position and response to climate change. It was further emphasized that more work needed to be done to educate polluters and victims alike of their rights and responsibilities and that climate change issues be incorporated in educational curricula, especially in geography and ecology textbooks.

52. Noting that Africa's limited capacity and lack of climate-related information and data hampered efforts in addressing climate change, the Conference commended ECA for its ongoing work on climate change, and welcomed the proposal to set up a climate policy centre at ECA, in collaboration with the AU Commission and UNEP. In this regard, the Conference further requested ECA and other partners to assist member States in building appropriate capacities for analysing the impact of climate change, particularly as it affects agriculture and other climate sensitive sectors.

- *HIV/AIDS: Keeping the Promise*

53. Dr. Peter Piot, Executive Director of the Joint United Nations Programme on HIV/AIDS, made a presentation entitled "*HIV/AIDS: Keeping the Promise*", in which he provided an overall assessment of the magnitude of HIV/AIDS epidemic across Africa, highlighted new developments, analysed the underlying reasons for extremely high prevalence and incidence rates and underlined the challenges ahead.

54. It was noted with concern that despite the tremendous advances in the provision of antiretroviral therapy in recent years in many African countries, AIDS continued to be the leading cause of death among African adults, with over 6000 people lost to the pandemic on daily basis. Besides, Africa had the highest HIV prevalence rate in the world, concentrated among wealthier and more educated groups with serious implications for the skill base and development in many African countries. The disease imposed a heavy burden on public finances as a result of rising costs for healthcare and social welfare and at the same time depleted the work force.

55. However, there had been many positive developments in recent years in ameliorating the impact of the disease. Two million of the seven

million Africans afflicted by the disease were on anti-retroviral treatment, while universal access to such drugs had been achieved in a number of countries, such as Rwanda, Botswana and South Africa. Countries like Cote d'Ivoire, Burkina Faso and Mali were also making progress with a noticeable decline in new infections.

56. Moreover, the Conference noted with satisfaction that the response to HIV/AIDS had entered a new phase, moving from a crisis-management approach to a strategic response, centred on long-term commitment and capacity building. The view was expressed that it was taking too long to implement such commitments as the Abuja Declaration urging countries to allocate 15 per cent of Government expenditure to the health sector. It was equally important to increase efficiency and to better coordinate interventions initiated by the health, finance and other related ministries to address HIV/AIDS challenges.

57. Ministers also felt that prevention and treatment measures alone remained insufficient to address the multiple challenges of the pandemic and noted that a growing number of African health workers were migrating to developed countries, thus creating severe shortages in the already scarce human resources of the continent. Some participants expressed the view that young people were mostly contaminated by adults, often deliberately. HIV/AIDS policies and interventions were not fully integrated into national development strategies.

58. The Conference agreed that Africa needed to develop capacities for improved data collection and more robust methodologies to analyse the effects of HIV/AIDS. While acknowledging the critical role of anti-retroviral drugs in the prevention and control of the pandemic, it urged the international community to set norms, standards and guidelines to ensure their safe use.

59. Given the significant bearing of the pandemic on other health-related objectives, the general view was that there was need for an integrated health system response to HIV/AIDS and that national multi-sectoral HIV/AIDS strategies and response should be mainstreamed into overall development strategies. Further dialogue would be needed between ministries of health and sector ministries, like those of finance for greater policy coordination. Streamlining

national AIDS strategies, harmonizing and aligning donor support to the agreed action framework would reduce transaction costs and improve efficiency of the HIV/AIDS response. For that, active and visible national leadership eliciting the involvement of all partners and stakeholders was required.

60. Against this background, the Conference observed that several challenges remain to be addressed in combating the HIV/AIDS pandemic in Africa, and made a number of important recommendations on the way forward. The discussion highlighted the following concerns and recommendations:

- The need for international norms, standards and guidelines to insure the safe use of antiretroviral medicines;
- The need for better coordination between various sectors in addressing the challenge of HIV/AIDS, particularly between the health and finance sectors to ensure adequate financing for HIV/AIDS interventions;
- National multi-sectoral HIV/AIDS strategies and responses need to be mainstreamed into overall national development strategies because of the impact of the disease on other health-related objectives;
- The need for incentives and innovative measures to increase the supply of healthcare workers and mitigate the negative effects of brain drain in the healthcare sector of many African countries;
- The need to sustain and increase the financing for HIV/AIDS, and in this regard, access to ODA should take on board the scale and trends of the pandemic and not only national track record in implementing economic and structural reforms;
- Prevention and treatment efforts should be complemented by further education and sensitisation, including measures aimed at addressing HIV/AIDS related stigma and discrimination;

- New laws and stronger enforcement of existing penal laws to make deliberate transmission of the disease a criminal act.

## E. Adoption of the agenda and programme of work (Agenda item 4)

61. The Conference adopted the following agenda:

1. Opening of the Conference and Presidential Reflections
2. Election of the Bureau
3. High-level thematic debate
  - *Empowering the poor*
  - *Growth, employment and poverty*
  - *Climate change and development*
  - *HIV/AIDS: Keeping the promise*
4. Adoption of the draft agenda and programme of work
5. Ministerial policy debate on the theme: *Meeting Africa's New Challenges in the 21<sup>st</sup> Century*
6. Launching of the 2008 edition of the Economic Report on Africa (ERA 2008)
7. Ministerial panel discussion on topical social and economic issues:
  - *Impact of recent rise in oil and food prices on Africa's economies; and*
  - *Africa's debt situation*
8. Regional review of Financing For Development
9. Regional review of the ECOSOC Annual Ministerial Review (AMR)
10. Consideration of the report and major recommendations of the meeting of the Committee of Experts of the Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development
11. Any other business
12. Consideration and adoption of the draft Ministerial Statement and draft resolutions
13. Closing of the Conference

## F. Account of Proceedings

### Ministerial policy debate on the theme: Meeting Africa's New Challenges in the 21st Century (Agenda item 5)

62. Dr. Maxwell Mkwezalamba, Commissioner for Economic Affairs of the African Union made a presentation on the theme of the Conference, "*Meeting Africa's New Challenges in the 21<sup>st</sup> Century*", based on the background issues paper on the theme of the Conference. The presentation highlighted the following challenges that Africa needed to address in order to achieve the goal of poverty reduction and the MDGs: growth and employment, climate change, emerging social sector challenges, and governance, in addition to the overall challenge of meeting the MDGs. The presentation also highlighted several issues for discussion and made a number of important policy recommendations for addressing the challenges identified.

63. The discussions that followed picked up on many of the issues highlighted in the presentation. Within the context of the theme of the Conference, the salient points that emerged from the discussions are summarised below.

- *Growth and employment*

64. On the issue of growth and employment, the Conference noted with concern that promoting job-creating growth remained a major challenge for Africa, as the recent economic growth on the continent had not led to any meaningful employment opportunities and poverty reduction. Achieving job-creating growth would require a focus on a number of key areas, including trade: regional integration; enhancing investment and resource mobilization; infrastructure development; agricultural and rural development; private sector development, including supporting micro, small and medium enterprises; and scaling up investment in human capital development, including education and science and technology. The growing partnerships with India and China was also highlighted as an important opportunity for Africa to increase employment and promote faster growth and development.



65. The discussion also underscored the importance of natural resources in promoting equitable growth, and the need for appropriate policies to address the enclave nature of extractive industries in Africa. In this regard, the Conference stressed the need for African countries to implement the recommendations of the Big Table Meeting organized by ECA in February 2007 on managing Africa's natural resources. The Conference also underscored the need for appropriate population policies to monitor population growth and ensure that it did not undermine the benefits of economic growth.

66. The Conference underlined the importance for adequate resource mobilization to finance the essential public investments in agriculture, health, education and infrastructure to strengthen capacity for production and trade, sustain high growth rates and create employment. In this regard, the Conference emphasized the need to implement measures to enhance domestic resource mobilization through greater savings to reduce dependence on ODA and other forms of external assistance. The Conference similarly called on the G8 countries to follow through on their existing commitments to scale up assistance and double aid to Africa by 2010, including improving aid quality and predictability. Also in this context, the Conference underscored the need to improve the efficiency and effectiveness of public expenditure to achieve poverty reduction.

- *Climate change*

67. On the issue of climate change, the Conference noted with concern that it could have serious economic and social impacts, which could impede progress towards the MDGs in Africa. The Conference further noted that addressing the challenge of climate change would require a new approach to make it an integral part each of country's development strategy. The Conference also highlighted the need to develop and promote the use of cleaner and sustainable energy and technologies such as hydropower, wind and solar energy to adapt to and mitigate the impacts of climate change. The Conference also emphasized the importance of mobilizing adequate resources to finance appropriate technologies to help mitigate the effects of climate change, including investing in controlling land degradation and improving soil productivity as a means of promoting agricultural transformation.

- *Promoting good governance and the capable state*

68. The Conference underlined the centrality of good governance and the capable state for broad-based, equitable growth and development. It was acknowledged that Africa had made considerable progress in promoting good governance as reflected in the growing pluralism and democratisation process in many countries. Nonetheless, the Conference observed that there were still some challenges to be addressed in order to consolidate the achievements made in recent years. In this connection, the Conference stressed the need for more inclusive development, with more active participation of the private sector and civil society, including youth and women in decision-making processes, and the need to promote peace and security as well as resolve conflicts. The Conference further called on member States to enhance their commitment to the NEPAD programme in general and the APRM in particular.

- *Legal empowerment of the poor*

69. The Conference noted that legal empowerment of the poor was essential to achieving poverty reduction in Africa. It was also noted with concern that poverty in Africa was most prevalent in rural areas, with women being most affected. In this regard, the Conference underscored the need to empower the poor by strengthening their property and economic rights, promoting women's rights and gender equality. The Conference also recognized the need to improve access to credit and information for the poor, and invest in rural infrastructure to increase productivity and market access for the poor.

70. In the context of emerging social sector challenges, the Conference noted that the HIV/AIDS epidemic remained a major challenge to development in Africa, which would require long-term financing for health in general and HIV/AIDS in particular. In this context, the Conference underlined the need for enhanced intersectoral coordination, particularly between the health and finance ministries to explore ways for mobilizing adequate resources for the health sector, including exploring new international financing mechanisms and private sector financing. Some concerns were expressed that the tendency to earmark budgetary resources for specific sectors such as health could reduce policy space and distort priorities.

71. Regarding the MDGs, the Conference observed that the main challenges related to the implementation of national development plans or poverty reduction strategies, and mobilization of additional resources to scale up public sector investments, in order to reach the MDGs by the target date.

72. Finally, the Conference noted that regional integration was imperative in the strategy for addressing Africa's development challenges in the 21<sup>st</sup> century, and underscored the need to intensify efforts to deepen the integration process through the AU's NEPAD programme and other initiatives, including the rationalization of the RECs. Efforts should also be intensified in promoting regional infrastructure development and intra-African trade. The Conference also called on the AU Commission and ECA to continue to assist the member States and strengthen their capacities in addressing the challenges that they confront, including supporting their efforts towards meeting the MDGs.

### **Launching of the 2008 edition of the Economic Report on Africa (ERA 2008) (Agenda item 6)**

73. Under this agenda item, a brief side event was organized to launch the 2008 edition of the Economic Report on Africa (ERA), jointly published by the AU Commission and ECA, on the theme, "*Africa and the Monterrey Consensus: Tracking Performance and Progress*". In addition to a review of regional economic trends, the report provided an assessment of progress in Africa in the implementation of the 2002 Monterrey Consensus on Financing for Development (FfD). The report noted that African economies continued to sustain the growth momentum of previous years, recording an overall real GDP growth rate of 5.8 per cent in 2007, driven mainly by robust global demand and high commodity prices, consolidation of macroeconomic stability and improving macroeconomic management, increased private capital flows, debt relief and increased non-oil exports. Furthermore, the report forecasts a growth rate of 6.1 per cent in 2008 based on the same economic and other fundamentals as in 2007. Key challenges to Africa's growth in 2008 include the risk of sharper slowdown in the world economy and a fall in global commodity demand and prices. Also high oil prices will hurt oil importers through current account and inflationary pressures, unpredictable

capital inflows, adverse weather conditions, inefficient infrastructure and unreliable energy supply.

74. On the Monterrey Consensus, the report noted that substantial progress had been achieved in the area of external debt relief. However, very limited progress had been made in the other core areas of the Monterrey Consensus, namely, mobilizing domestic financial resources for development; mobilizing international resources for development; promoting international trade as an engine of development; increasing international financial and technical cooperation for development; and addressing systemic issues. The report, thus, underlined the need for measures to boost savings and domestic resource mobilization, support micro-finance, integrate regional capital markets and align trade reforms with fiscal policies. The report also underscored the importance of monitoring commitments made by African countries and their development partners to ensure that the objectives of the Monterrey Consensus were achieved. The Conference welcomed the report as an important tool for tracking Africa's economic performance, identifying challenges affecting the continent and promoting better understanding of key development issues of concern to Africa.

### **Ministerial panel discussion on topical social and economic issues (Agenda item 7)**

75. Under this agenda item, a Ministerial Panel discussion was organised on two topical issues of concern to African countries: Impact of recent rise in oil and food prices on African economies; and Africa's debt situation.

- *Impact of recent rise in oil and food prices on African economies*

76. Ms. Josette Sheeran, Executive Director of the United Nations World Food Programme (WFP) made a presentation on the impact of the recent rise in oil and food prices on African economies. She noted that there was a correlation between rising oil prices and the increase in food prices due to the impact of oil price on the entire value chain of food production. This was exacerbated by an increase in demand for food commodities in emerging economies like India, China and Brazil; the use of food crops as a source of bio-fuel; climate shocks like droughts in Australia and Southern Africa as well as the general rise in income in developing countries. Ms. Sheeran

argued that these trends could continue as the increase in food prices might not be a cyclical event, but a structural shift with long-term implications on economic growth, peace and stability in Africa. She further noted that the world could be witnessing a new phase of hunger with more intensity and severity in urban areas. She informed the Conference that WFP had taken steps to transform and strengthen its operations in response to this challenge. She also called for an international food summit to address the issue of rising food prices.

77. Notwithstanding the challenges, it was noted that the increase in food prices and demand could portend new opportunities for African farmers to harness the potential of agriculture for poverty reduction and sustainable development in Africa. For this to happen, however, there was a need for structural transformation of the agricultural sector in Africa, anchored on better use of science and technology, infrastructure expansion and market access to increase yields and productivity. In this regard, Africa's efforts could be informed by successful agricultural transformation experiences in other parts of the world. Addressing the new forms of hunger would also require local solutions similar to the WFP '80-80-80' approach, which aims to achieve a target of 80 per cent in local purchase of food, procurement of goods and services and staff in food assistance. This would contribute to strengthening local capacity to address the challenges related to high food prices as well as promote intran-Africa trade and regional integration.

78. In his brief intervention, Honourable Dr. Toga Gayewea McIntosh, Minister of Finance and Economic Affairs of Liberia noted that the challenges affecting Africa in the 21<sup>st</sup> century were not new, stressing that the fact that there recurring was because a failure to address them. In his view, the main challenge for Africa was to develop appropriate solutions and strategies for addressing its development challenges. In this regard, he observed that Africa could benefit from the expanded latitude and policy space provided by the external environment and development partners. He indicated that escalating oil prices had a domino effect on both oil and non-oil producing countries. This included the impact on macroeconomic stability of oil producing countries because of excess liquidity, and rising costs in oil importing countries, particularly landlocked countries. For the oil producing countries, high oil prices could over-heat their economies, lead to the

Dutch disease, and result in difficult policy choices, particularly in ensuring inter-generational equity.

79. The discussion underlined the crucial link between increasing oil and food prices and its long-term impacts, which had been compounded by changes in weather conditions, increased consumption due to population growth and increase in incomes in both developed and developing countries. The Conference noted with great concern that such inflationary pressures could trigger social unrest and political instability in Africa. However, it was also noted that the discussions on the impact of oil prices on food prices needed to be nuanced somewhat, because in real terms, current oil prices were lower than they were in the 1970's as a result of the depreciation of the US dollar. In addition, the Conference also noted that, in general, there had been an increase in the price of other goods and services, as well as in other commodities, including solid minerals and food commodities, and that speculators were behind some of the increases of oil prices.

80. The Conference noted that responses to the increase in oil prices needed to be contextualised and should include the use of appropriate fiscal and investment policies; diversification of the sources of growth and export base; investment in alternative sources of energy; rationalizing and managing oil consumption; utilizing excess oil proceeds to expand infrastructure and build human capital. The Conference requested regional institutions such as the AUC and ECA to provide member States with platforms and networks for exchange of experiences on natural resources management. The possibility of formulating a shared regional oil research, exploration, production, and marketing policy framework was also suggested with a view to expanding access and availability of oil to African nations. Effort to establish an African oil fund was welcomed as a step in the right direction.

- *Africa's debt situation*

81. Mr. Trevor Manuel, Honourable Minister of Finance of South Africa, made a short presentation on the debt issue. The Minister acknowledged that initiatives such as the Highly Indebted Poor Countries (HIPC) had contributed to the reduction of Africa's debt. Some recipient countries had seen a significant reduction in their debt stock with improvements in the debt service to export ratios of several African

countries. Debt management capacity in Africa had also improved. The Minister, however, noted that the HIPC framework had significant shortcomings and highlighted some key issues of concern to Africa: depth of debt relief; lack of new resources to meet development targets; declining terms of trade; increased vulnerability of African countries to exogenous shocks; impact on sovereignty and policy space for countries; lack of involvement of non-Paris bilateral and commercial lenders in HIPC; and inadequate funding of the Multilateral Debt Relief Initiative (MDRI).

82. According to the Minister, the overriding objective for African countries should be a permanent exit from debt towards growth, and poverty reduction. Instead of accumulating more debts and requesting debt relief thereafter, he suggested that African countries could strengthen their tax collection systems, encourage prudent public expenditure, a sustainable macroeconomic policy mix and ensure greater accountability. Reliance on local taxation would make African governments more directly accountable to their electorates. Furthermore, capacity to manage debt should be strengthened to ensure that debt relief provides a basis for sustained, long-term relief, broad-based growth and the development of competitive and diversified economies. The Minister also observed that Africa's growing partnership with India and China offered a window of opportunity for the continent to use its vast natural resources endowments to expand its infrastructure and diversify its sources of capital, as China could be a source of grants, soft loans and concessionary lending. He, however, noted that China's involvement in Africa created new challenges, which needed to be understood and properly managed.

83. In the ensuing discussion, the Conference observed that while domestic resource mobilization should remain the primary focus of African countries, external debt remained an important source of financing for many low-income countries. In this regard, the Conference noted that if properly managed, debt could play an important supportive role in promoting diversification of African economies to boost the productive sector and expand infrastructure and the tax base. The Conference underlined the need for debt resources to be used efficiently to finance development programmes, such as infrastructure development and education, and not

to finance recurrent expenditures and consumption. The Conference also called on member States to improve public expenditure management and procurement rules, and strengthen debt management capacity to better understand the costs, benefits, and implications of incurring debt. Peer learning and exchange of experiences on debt-management between African member States was considered vital to building the capacity of African policy makers in this area. In this regard, the AUC and ECA were requested to provide support to Member States.

84. The Conference recognized the vital role of the informal sector in promoting sustainable development in Africa, and stressed the need for policies targeted at promoting and harnessing the contribution of the informal sector to internal revenue collection through taxation, while also ensuring that its creative dynamism was not hampered by excessive regulation and control.

### **Regional review of Financing For Development (Agenda item 8)**

85. Under this item, the Conference discussed the outcomes of the Africa regional review on Financing for Development, organized by ECA in response to a UN General Assembly mandate. The outcome of the review would serve as an input to the global review of the Monterrey Consensus to be held in Doha, Qatar in November 2008.

86. The review highlighted progress in the six core areas of the Monterrey Consensus using published macroeconomic data as well as the ECA Survey of African policymakers. It was noted that overall progress in the implementation of the Monterrey Consensus had been limited, except on external debt, where there had been significant progress because of the large debt relief packages approved for several African countries in 2005. Performance in the area of international trade remained disappointing due to supply side constraints and limited market access for products of special export interest to Africa. Domestic resource mobilization had increased marginally, but remained below the level required to meet the MDGs, while overall FDI flows remained insufficient and confined to only a few countries and sectors.

87. The recent increase in ODA flows was due largely to debt relief and emergency assistance and did



not result in any new additional resources for Africa. While some progress had been made in improving aid efficiency and the proportion of tied aid, however, aid effectiveness still remained a challenge, which continued to undermine development efforts in recipient countries. On systemic issues, it was noted that while Africa's participation in WTO decision-making processes had improved, more effort was needed to enhance its voice and participation in international economic policymaking and norm-setting, including adequate representation in the governance structures of international financial and monetary institutions, particularly the IMF and the World Bank.

88. The review also made the following recommendations:

- Non-bank financial institutions such as pension funds and long-term insurance schemes should be strengthened to boost domestic resource mobilization.
- The potential of postal services and networks should be harnessed to provide vital services in mobilizing savings, and lower transaction costs of remittances in areas not covered by formal financial institutions.
- Debt relief should be extended to heavily indebted non-HIPCs and the eligibility criteria applied flexibly to enable heavily indebted poor countries to benefit from debt relief under HIPC and MDRI.

89. The Conference noted with concern that the 0.7 per cent of GNI commitment by donors had not been met several years after Monterrey. In this connection, the Conference emphasised the need to improve: (i) South-South cooperation; (ii) international trade through enhanced capacity for negotiations; and (iii) domestic resource mobilization. The discussion also highlighted three priority areas for effective utilization of resources, namely, physical, social and institutional infrastructure. Furthermore, the discussion recommended that resources should be effectively utilised through results-based management of budgeting, programme approach, regional implementation of projects, and statistical tools for monitoring and evaluation.

90. The ECA Executive Secretary thanked the Governments of Egypt and Norway for their support in facilitating the review of the Monterrey Consensus and appealed to member States to remain engaged in the process.

### **Regional review of the ECOSOC Annual Ministerial Review (AMR) (Agenda item 9)**

91. Under this agenda item, the Conference was briefed by Ambassador Léo Mérorès, President of the United Nations Economic and Social Council (ECOSOC) on the Annual Ministerial Review (AMR) of ECOSOC. The AMR is a new function of ECOSOC mandated by Heads of State and Government at the 2005 World Summit. It assesses progress made towards the MDGs and the implementation and targets agreed at the major UN conferences and summits. The AMR could contribute to scaling-up and accelerating actions to realize the UN development agenda at the country level, by serving as a global high-level forum with multistakeholder participation, where lessons learned are exchanged and successful practices and approaches that merit scaling-up are identified.

92. Ambassador Mérorès noted with satisfaction that ECOSOC successfully held the first AMR in July 2007, which focused on the eradication of poverty and hunger. Ministers and senior officials from three African countries (Cape Verde, Ethiopia, Ghana) participated and presented the progress their countries had made in formulating and implementing their national development strategies. Participants had the opportunity to learn from policy makers, practitioners and academics through the roundtable discussions, national voluntary presentations and general debate, about strategies and approaches to effectively reduce poverty. This also entailed exchange of experiences and lessons learned about overcoming obstacles encountered in implementing national development strategies. The 2008 AMR will be held in July, during the high-level segment of ECOSOC on the theme, *"Implementing the internationally agreed goals and commitments in regard to sustainable development"*. The Conference was informed that the United Republic of Tanzania had already volunteered to present its national development programme at the next AMR. The President of ECOSOC encouraged other member States to participate in the AMR, including the regional consultations. He assured the Conference that ECOSOC would continue to

support African countries in their efforts to eradicate poverty, including meeting the MDGs.

93. The three African countries that participated in the first AMR shared their experiences with the Conference, noting that the exercise had been rewarding for them as it provided an opportunity for countries to exchange experiences and learn from best practices in mainstreaming the MDGs in national development strategies. They called on other African countries to take advantage of this review to showcase their achievements and learn from the experience of other countries.

94. The ECA Executive Secretary informed the Conference that the AMR was an innovative and credible exercise similar to the APRM and recommended that all countries participate in the review. The Executive Secretary also informed the Conference that ECA would continue to lend its expertise and support to member States participating in future reviews. He invited member States to endorse the regional consultations on the AMR and pledged ECA's support in its organization. He thanked the ECOSOC Chairperson for his leadership in carrying the AMR forward.

**Consideration of the report and major recommendations of the meeting of the Committee of Experts of the Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development (Agenda item 10)**

95. The Chairman of the meeting of the Committee of Experts presented the report of the Committee together with eight (8) draft resolutions as contained in document E/ECA/CM/41/2 – AU/CAMEF/EXP/Rpt (III) for consideration and adoption by the Conference. He indicated that the report contained the summary of the main discussions and recommendations on the issues as reflected in the adopted agenda of the meeting of the Committee.

96. The Chairman indicated that the Committee discussed at length recent economic and social developments in Africa, as highlighted in the 2007 Survey of Economic and Social Conditions in Africa conducted by the AUC and ECA in the context of

addressing the main theme of the Conference. While noting with satisfaction the recent high growth of non-oil sectors such as tourism and agriculture, the Committee was concerned with the adverse effect of rising oil prices on oil-importing countries as well as the increase in food prices. He said the Committee had recognized that, overall the global economic environment was impeding the growth of African economies. The Committee had also considered progress in the continent's integration efforts, particularly in the areas of trade, macroeconomic convergence, infrastructure and ICTs and welcomed the Grand Debate on the Union Government for Africa and the Accra Declaration to speed up economic and political integration of the continent.

97. With regard to the follow-up actions to major African Union and United Nations conferences and summits as well as to CAMEF II and the 2007 Conference of Ministers of ECA, the Committee had considered and reviewed several issues relating to the African Charter on Statistics; Climate Change; Financing for Development; the MDGs; and the regional review of the ECOSOC Annual Ministerial Review (AMR). The Committee also discussed key sectoral issues such as EPAs, Aid-for-Trade, statistics and science and technology. He indicated that the deliberations of the Committee led to the adoption of eight resolutions revolving around priority areas identified by the Committee. He then invited the Conference to consider and adopt the report of the Committee together with the eight draft resolutions annexed to it.

98. The Conference took note of the presentation and commended the Committee for the quality of the report. In considering the report of the Committee, the Conference made some general and specific observations on various aspects of the report.

99. The Conference welcomed the initiative to establish the African Climate Policy Centre at ECA and underlined the need for close collaboration between the Centre and existing institutions dealing with climate issues such as the African Centre of Meteorological Applications for Development (ACMAD). The Conference also underlined the need for ECA to continue to support ACMAD and ensure effective participation of relevant African institutions in other initiatives on climate change and development such as Clim-Dev.

100. The Conference took note of the draft African Charter on Statistics and requested the AU Commission to undertake further consultations with legal experts on the Charter, particularly on issues related to penalties for the violation of fundamental principles.

101. The Conference questioned the rationale for accelerating the establishment of the African Investment Bank, the African Central Bank and the African Monetary Fund. In that regard, the AU Commissioner for Economic Affairs explained that this was part of the implementation of the AU Constitutive Act as well as a decision of African Heads of State and Government to speed up the process.

102. The Conference also expressed some reservations about the tendency to earmark funds, through the allocation of national budgets to priority sectors. It was felt that this could result in neglecting certain sectors that were equally important to the economic and social development of African countries.

103. The Conference then endorsed the report of the Committee of Experts and the resolutions contained therein in the light of its own comments, observations and amendments. The full report as originally adopted by the Committee is attached to this report as Annex II.

#### **Any other business (Agenda item 11)**

104. Under this agenda item, the Conference noted that African countries were not deriving maximum benefits from their natural resources. In this regard, the Conference underscored the need for capacity building to improve the terms of trade between Africa and its trading partners and requested the AUC and ECA to negotiate favourable terms and contracts with foreign investors exploiting the continent's natural resources.

105. The Conference called on the AUC and ECA to continue to provide support to African countries on strengthening their negotiation capacity, particularly as it related to the ongoing negotiations of EPAs with the EU.

106. The Conference also requested the AUC and ECA to ensure that the standard of conference documents in Arabic were the same as those in

English and French. In particular, it stressed that efforts should be made to align the documents in all official languages. It was suggested in this regard, that some member States could assist in ensuring the timely delivery of quality documents in Arabic during future sessions of the Conference.

#### **Consideration and adoption of the draft Ministerial Statement and draft resolutions and solemn declaration on ECA (Agenda item 12)**

107. Under this agenda item, the Conference considered for adoption, the draft Ministerial Statement together with eight draft resolutions, and a draft solemn declaration for the 50<sup>th</sup> anniversary of the United Nations Economic Commission for Africa (ECA).

108. The draft Ministerial Statement was introduced by the Rapporteur of the Bureau of the First Joint Annual Meetings of the African Union Conference of Ministers of Economy and Finance and the Economic Commission for Africa Ministers of Finance, Planning and Economic Development. In his presentation, he highlighted the main sections of the draft statement, which include an introductory part and nine sections, covering the following: Growth and employment; Rising oil and food prices; Governance and the capable state; Legal empowerment of the poor; Millennium development goals; Long-term financing of HIV and AIDS; Financing for development; Climate change; and Imperative of regional integration. The Ministerial Statement also contained a section on vote of thanks.

109. In considering the draft Ministerial Statement, the Ministers commended the Rapporteur and the secretariat for the clarity and comprehensiveness of the statement and considered it in detail. Several delegations made general comments and observations on various sections of the draft statement, and highlighted specific issues discussed by the Conference, which they requested the secretariat to take into consideration in finalizing the draft. These included the following issues: (i) the key role played by the private sector in growth and employment creation; (ii) long-term financing of HIV and AIDS to cover the entire public health sector; and (iii) deforestation and desertification as major consequences of climate change in Africa.

110. The Conference of Ministers unanimously adopted the draft Ministerial Statement in light of the above observations and proposed amendments. The amended version of the Statement is attached to this report as part of Annex I.

111. The Ministers also considered and adopted unanimously the eight draft resolutions with minor amendments to be incorporated by the secretariat. The draft resolutions covered the following areas: (1) Financing for Development; (2) Climate Change and Development in Africa; (3) Science with Africa: Strengthening Research and Development, and Innovation for Africa's Socio-Economic Development; (4) Proposed Strategic Framework/Biennial Programme of Work for the Period 2010-2011; (5) Special Meeting of the Governing Council of the African Institute for Economic Development and Planning (IDEP); (6) African Charter on Statistics; (7) Millennium Development Goals; and (8) Assessment of Progress on Regional Integration in Africa. The eight resolutions, as amended, are attached to this report as part of Annex I.

112. The Conference also unanimously adopted a draft declaration for the 50<sup>th</sup> anniversary of the United Nations Economic Commission for Africa (ECA). The Solemn Declaration for the 50<sup>th</sup> anniversary of the United Nations Economic Commission for Africa (ECA) is attached to this report as part of Annex I.

### **Closing of the Conference (Agenda item 13)**

113. The Minister of Finance of Burundi gave a vote of thanks on behalf of the Ministers of Finance, Planning and Economic Development. The Minister expressed gratitude to the Government and peoples of the Federal Democratic Republic of Ethiopia for hosting the Conference, and to the secretariat for the efficient servicing of the meeting. He also commended the Chairperson for his leadership and the capable manner in which he guided the sessions.

114. The Executive Secretary of ECA, speaking on behalf of the AU Commission and ECA, congratulated the Ministers on their deliberations and noted that the debates were rich and useful. He expressed profound gratitude to both Prime Minister Meles Zenawi of Ethiopia and President Jakaya Kikwete of Tanzania and other high level personalities for their leadership and insightful

contribution to the discussions, which led to the success of the Conference.

115. He commended the Ministers for their commitment and the actionable recommendations they made on the way forward in addressing Africa's development challenges, particularly in such areas as growth and employment, rising oil and food prices, governance, legal empowerment of the poor, financing for development, climate change and regional integration. He underscored the important role of science and technology, the private sector and statistics in addressing these challenges. He noted that the outcomes of the Conference should provide a blueprint for action at the country and regional level, and assured the Ministers that AUC and ECA will continue to work closely with the AfDB and other partners to help member States in translating these into policy actions to ensure that Africa claimed the 21st century.

116. He observed that the Conference marked the beginning of the commemoration of 50 years of ECA's existence, which would continue throughout the year. He thanked the staff of the AU Commission and ECA and all those who contributed to making the Conference a success. He also thanked all participants for their valuable contribution and support.

117. In his closing remarks, the Chairperson of the Conference observed that the success of Conference marked an important step and a renewed commitment by the AUC and ECA to work closely in finding solutions to Africa's problems. In this regard, he expressed deep gratitude to the Chairperson of the AU Commission, H.E. Mr. Alpha Oumar Konare, and the Executive Secretary of ECA, Mr. Abdoulie Jannah and all their staff for their tireless effort in co-organizing the meeting. He also thanked the people and Government of the Federal Democratic Republic of Ethiopia for their warm hospitality. He then declared the meeting closed.



## Annex I

### A. Resolutions adopted by the Joint Conference

854 (XLI)

#### Financing for Development

##### THE CONFERENCE OF MINISTERS

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

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

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

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

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

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

1. Calls upon African countries to accelerate efforts to boost domestic resource mobilization, create appropriate domestic conditions for investment, take measures to stem and reverse capital flight, and lay a more solid foundation for high and sustained economic growth;
2. Requests Africa's development partners to make the Aid-for-Trade initiative operational and in addition to ensure that it is not used as a basis to obtain concessions from African countries in the ongoing Doha Round of trade negotiations;
3. Encourages donors to adopt more flexible eligibility criteria in financing for development in the context of LDCs and for debt relief under the Highly Indebted Poor Countries (HIPC) and the Multilateral Debt Relief (MDRI) Initiatives so as to enable non-HIPC African countries to address their debt problems effectively;
4. Urges donors to scale-up efforts to fulfill the commitments and pledges made to African countries on increasing the quantity and quality of aid, as reflected in the Monterrey Consensus, the Paris Declaration on Aid Effectiveness, the G-8 Africa Action Plan, and the declaration of the 2005 G-8 Gleneagles Summit;
5. Calls for increased representation and powers for African countries in decision-making structures and processes of international organizations such as the World Trade Organization, the World Bank, the International Monetary Fund, and the Bank for International Settlements;
6. Commends the Economic Commission for Africa and the African Union Commission for the research and technical support provided to African countries in the area of financing for development; and
7. Appeals to member States and their representatives at the United Nations Headquarters to actively participate in preparatory meetings and workshops on implementation and reviews of the Monterrey Consensus.

**855 (XLI)**  
**Climate Change and Development in Africa**

**The Conference of Ministers**

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

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

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

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

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

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

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

**856 (XLI)**  
**Science with Africa: Strengthening  
Research and development, and  
Innovation for Africa's socio-economic  
development**

**The Conference of Ministers**

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

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

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

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

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

1. Commends the leadership of ECA and the African Union Commission for undertaking

this timely and major event, namely the Science with Africa Conference and its far-reaching impact for strengthening the African scientific community;

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

**857 (XLI)**  
**Proposed Strategic Framework / Biennial  
 Programme Plan  
 for the Period 2010 – 2011**

**The Conference of Ministers**

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

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

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

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

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

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

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

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

**The Conference of Ministers**

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

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

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

1. Taking note of the recommendations of the report on the external review of IDEP, in particular those on the repositioning of the Institute;
2. Noting that some strategic and operational issues identified in the external review report had already been brought to the attention of the Governing Council at its forty-fifth and forty-sixth meetings;
3. Endorses the findings and recommendations of the external review, in particular those on the urgent need to reposition IDEP;
4. Reaffirms that the mandate and mission of IDEP remain relevant and stresses that the Institute should strengthen its cooperation

with other United Nations institutes and national, regional and international training institutions;

5. Reaffirms the importance of a comprehensive and coordinated approach to the training and research agenda in Africa, on the basis of consistent and effective result-based management, and on a division of labour among the major regional organizations and other training and research institutions on the continent;
6. Mandates the Executive Secretary of ECA, in his capacity as Chairman of the Governing Council, to take all the necessary measures to reposition IDEP. In this context, he should assume as a matter of priority direct responsibility for the management of the Institute, the revitalization of its deliberative organs, particularly the Governing Council and the Scientific Board, the updating of its statutes and the preparation of a programme budget over a transitional period of twelve months. The other recommendations of the external review panel and those of the special meeting of the Governing Council must also receive particular attention during this transitional period;
7. Urges the Member States to commit themselves more clearly in the process of repositioning IDEP, particularly by providing substantial support and participating in the activities of the Institute and contributing financially to its budget;
8. Requests the Executive Secretary of ECA, in consultation with the Secretary-General of the United Nations and the Governing Council to make proposals for alleviating the financial difficulties of the Institute, based on the modalities used in United Nations training institutes having similar missions;
9. Further requests the Executive Secretary to report on this mandate to the next session of the Conference.

## 859 (XLI)

### African Charter on Statistics

#### The Conference of Ministers:

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

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

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

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

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

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

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

1. Takes note of the Draft Charter and accept in principle the objectives, the aims and the professional principles of the draft Charter;
2. Requests AUC, in collaboration with members of the African statistical system,



to further consult legal experts on the draft Charter;

3. Also requests the African Union Commission to submit the revised draft Charter to the Executive Council of the AU as requested by Executive Council decisions EXCL/DEC 330 (X);
4. Further requests the African Union Commission to take all the measures necessary, working in cooperation with the United Nations Economic Commission for Africa, the African Development Bank and all members of the African Statistical System, to finalize the studies on the mechanisms for implementing the charter and creating the fund for statistical development in Africa.

## 860 (XLI)

### Millennium Development Goals

#### The Conference of Ministers

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

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

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

*Recalling further* the Declarations of ECA Conference of African Ministers of Finance, Planning and Economic Development in Abuja, Nigeria in 2005 and in Addis Ababa, Ethiopia, in 2007 on the

imperative of scaling up efforts to reach the targets of the MDGs in Africa;

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

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

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

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

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

1. Takes note of the decision of the United Nations to promote peer learning on and scale up the contribution of international cooperation to efforts to achieve the MDGs through the establishment of the UN ECOSOC Annual Ministerial Review and the Development Cooperation Forum (DCF) and urges member States to actively participate in these fora;
2. Further takes note of the resolution of the Accra and Summits directing the AUC, ECA and the African Development Bank to report on an annual basis to the Assembly of Heads of State and Government, on the region's progress towards the targets of the MDG
3. Requests ECA and the AUC to as much as possible use updated national data in the MDG report and in this connection, calls on member States to make their national data available, on a timely basis to the ECA African Centre for Statistics, the AUC Statistics Unit, and the Statistics Department of the African Development Bank;

4. Calls on Africa's development partners to fulfill their commitments to scale up official development assistance to Africa to achieve the MDGs;
5. Calls on African countries to meet their own commitments to increase budget *allocation* to MDGs-sensitive sectors, in particular meeting the 10% allocation to agriculture as agreed under the AU's Comprehensive African Agriculture Development Programme (CAADP) and the 15% of budget allocation to health as agreed in the Abuja Declaration on HIV/AIDS, TB, and other related infectious diseases;
6. Takes note of the presentation on the legal empowerment of the poor and look forward to its finalization and submission to the AU Assembly;
7. Takes note with satisfaction the efforts of the ECA, in collaboration with the AUC to promote peer learning and experience sharing on the MDGs through the African Learning Group on Poverty Reduction Strategies and the MDGs (PRS/MDGs-LG);
8. Commends the ECA for developing the MDG-Mapper and urges member States to explore its use in MDGs reporting and planning.

### 861 (XLI)

#### Assessment of Progress on Regional Integration in Africa

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

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

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

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

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

## B. Ministerial Statement adopted by the Joint Conference

We, African Ministers in charge of Finance, Planning and Economic Development held the first Joint Annual Meeting of the African Union Conference of Ministers of Economy and Finance and the United Nations Economic Commission for Africa (UNECA) Conference of African Ministers of Finance, Planning and Economic Development in Addis Ababa from 31 March to 2 April 2008.

1. We congratulate the Federal Democratic Republic of Ethiopia on its 2000 Millennium Celebration as part of our African heritage, consistent with the General Assembly Resolution A/RES/270, and the Declaration of the January 2007 African Union Heads of State and Government.
2. We also congratulate the United Nations Economic Commission for Africa on its fiftieth anniversary and commend its dedication and many contributions to the social and economic development of Africa.
3. We recall the outcomes of the 2000 United Nations Millennium Summit; the 2002 United Nations Conference on Financing for Development; the New Partnership for Africa's Development (NEPAD); 2005 World Summit; the 2005 United Nations High-Level Dialogue on Financing for Development, the African Union Conference of Ministers of Economy and Finance II (CAMEF II) and our Statement at the conclusion of the 40<sup>th</sup> session of the ECA Conference of Ministers of Finance, Planning and Economic Development as important guideposts for our efforts to improve the human conditions of our people.
4. We reaffirm our commitment to the Internationally Agreed Development Goals (IADGs), including the Millennium Development Goals (MDGs), and the

African Union's NEPAD programme as the shared framework for development and global partnership.

5. Recalling the theme of the Joint Annual Meeting, "*Meeting Africa's new development challenges in the 21<sup>st</sup> Century*", we note with subdued satisfaction that Africa's recent growth performance has been encouraging, even though its impact on poverty reduction and employment creation has been limited. There is therefore need to implement strategies to achieve sustained, shared and broad-based growth in order to accelerate progress towards the MDGs and effectively confront the challenges of the 21<sup>st</sup> century.

### Growth and employment

6. We reiterate our commitment to make employment creation an explicit and central objective of our economic and social policies at the national, regional and continental levels, for sustainable growth and poverty alleviation.
7. We recognize that scientific knowledge is a critical factor for growth, employment and poverty reduction and for the competitiveness of our economies in the 21<sup>st</sup> century and are therefore concerned by the weaknesses of our higher education, science and technology sectors. We will work closely with other sector Ministers to mobilize adequate resources to improve the quality and relevance of education, and to disseminate knowledge, science and technology, in order to develop and create new skills and capacities while building on existing capacities to prepare our economies for successful engagement with the 21<sup>st</sup> century. We also recognize the important role the private sector could play in that regard and will continue to explore and adopt measures to elicit and enhance the contribution of the private sector to growth and employment.
8. We also recognize the importance of improved natural resources management for growth and development in Africa.



In this regard, we will encourage the adoption of good governance principles in the extractive sector. Further, we support the adoption and implementation of the recommendations of the review of the African natural resources sector undertaken at the last Big Table meeting, co-organized by ECA and the African Development Bank (AfDB) in February 2007, including the mainstreaming of natural resources governance into the APRM process.

9. Further, we reiterate our recognition of the importance of statistics for growth and employment creation policies. We applaud the efforts of the AU Commission on the drafting of an African Charter on Statistics. We commend the efforts of the majority of our countries in participating in the 2010 Round Population Censuses and will promote the increased use of statistics for planning. In this regard, we commit to collaborate with ECA, the African Union Commission and the African Development Bank in all facets, including in the provision on a timely and regular basis, of national data to harmonize and promote statistics and statistics capacity-building in Africa.
10. We are aware of the constraints of weak infrastructure on growth and employment. Accordingly, we recall the decisions of the 2007 second African Ministerial Conference on Financing for Development in Accra, Ghana, on the theme of energy and infrastructure and commit to scaling-up investments in infrastructure, including the multiple modes of transport, to facilitate rapid growth and employment expansion.
11. We recognize the deep interdependence of our countries with the rest of the world and are aware that events in other parts of the world could present opportunities as well as challenges for growth and employment in our region. In this connection, we request ECA and AU Commission to undertake a study on the implications for Africa of a possible slowdown in the United States economy and the global

sub-prime mortgage crisis and to present the outcomes of this study at our next Conference.

12. We welcome the new opportunities for accelerating economic growth and employment creation resulting from the rapid expansion of South-South cooperation. We welcome the lessons on policy and fiscal space that are being provided by the successes of a number of countries in the South. We, therefore, commit to take full advantage of opportunities provided by South-South cooperation.

### **Rising oil and food prices**

13. Rising oil prices present challenges to both oil-exporting and oil-importing countries. We underscore the need for countries to pursue alternative sources of energy, in light of the finite nature of gas and oil resources. We recall the decision by our Heads of State and Government to explore the creation of an African Oil Fund to provide assistance to low-income and African oil-importing countries.
14. The recent rapid increase in international food prices, which is possibly cyclical, could represent a structural shift with long-term implications, poses significant threats to Africa's growth, peace and security. At the same time we note that the rise in food prices presents opportunities for increased food production in some of our countries. We will explore appropriate policies and measures to mitigate the effects of rising food prices on living standards, especially for vulnerable groups, while harnessing opportunities for increased food production presented by this phenomenon.
15. In response to the increase in oil prices, we urge the AU Commission and the AfDB to finalize as soon as possible, the feasibility study on the African Oil Fund and further call upon continental institutions, like the AU Commission, ECA and AfDB, to provide our countries with platforms and

networks for the sharing of experiences on natural resources management.

16. To address the escalating food prices, we commit to take vigorous measures to implement all the pillars of the Comprehensive African Agricultural Development Programme (CAADP), with a view to achieving the structural transformation of the agricultural sector as well as promoting intra-African trade and regional integration.

### **Governance and the capable State**

17. We commend H.E. Mr. Jakaya Mrisho Kikwete, the President of the United Republic of Tanzania and the Chairperson of African Union, for his very inspiring address and presentation on the imperative of good governance and the capable state as a prerequisite of an effective response to the challenges confronting our continent as we strive to achieve sustainable social and economic development.
18. We acknowledge the progress made on the continent in recent years on good governance. We note with appreciation the commitment of our leaders to good governance as clearly demonstrated by the increasing number of countries acceding to the African Peer Review Mechanism (APRM). We underscore the need to consolidate and reinforce achievements made so far. In this regard, we will explore ways to allocate sufficient resources to support the APRM process, including providing for the implementation of the resulting National Programme of Action and its mainstreaming into budgetary processes and medium-term frameworks.
19. We recognize the importance of decentralization for promoting good governance and economic growth. We also recognize the challenges to capacity-building posed by the decentralization of administrative structures. In this connection, we will undertake measures, including enhancing public sector financial management in decentralized

structures, to minimize the risks to good governance and growth that could result from decentralization.

### **Legal empowerment of the poor**

20. We commend H.E. Benjamin Mkapa, former President of the United Republic of Tanzania, for his presentation on the legal empowerment of the poor and take note of the recommendations of the Commission on the Legal Empowerment of the Poor. We recognize that empowering the poor is central to economic development and achieving the MDGs. In this regard, we take note with appreciation of the recent work of the Commission, including the development of a regional social compact for empowering the poor in Africa. We look forward to the final report of the Commission to be submitted to the Assembly of African Heads of State and Government.

### **Millennium Development Goals**

21. We commend progress made so far by some of our countries towards achieving the MDGs. We acknowledge that a majority of our countries have put in place and are implementing MDG-consistent national development plans or poverty reduction strategies. While applauding this progress, we note with concern that the majority of our countries are still not on track to meeting all the MDGs by the target date. We therefore commit to intensify the implementation of our national development plans or poverty reduction strategies, optimize the use of available resources and mobilize additional resources to scale-up public sector investments, in order to reach the MDGs by the target date.
22. We commend the United Nations Secretary-General for setting up the Africa MDGs Steering Group and Working Group. We applaud the decision of our Heads of State and Government at the January 2008 African Union Assembly to endorse this initiative and commit to support it.

23. We further commend the United Nations Secretary-General's decisions to convene a High-Level Event on the MDGs alongside the Africa's Development High-Level Meeting in September 2008 to marshal additional support for achieving the MDGs in Africa and for promoting Africa's overall development. We commit to be active stakeholders in these two high-level events.
24. We hail and endorse the new initiative of the United Nations to promote peer learning and experience sharing among Member States through the United Nations Economic and Social Council's Annual Ministerial Review (AMR). We also welcome and endorse the efforts of the United Nations to advance the role of international cooperation for development through the newly established UN-ECOSOC Development Cooperation Forum (DCF). We commit to take full advantage of the opportunities provided by these two initiatives and call on ECA to support the convening of regional AMRs and the active participation of Member States in both the regional and the ECOSOC global AMRs.

### Long-term financing of health

25. We commend the expansion of access to treatment for people living with HIV and AIDS from 100,000 in 2003 to 1.3 million in 2006. We note with concern the necessity for long-term sustainable financing of and investment in health created by this epidemic and other diseases including tuberculosis and malaria. In this regard, we undertake, in concert with sector colleagues, to explore mechanisms to expand treatment access for people with HIV and AIDS and intensify efforts to stem the further spread of the HIV and AIDS epidemic, other related infectious diseases and malaria.

### Financing for development

26. We take note of the forthcoming global review of the Monterrey Consensus on Financing for Development in Doha, Qatar, in November 2008. We appreciate the importance of this review for our efforts to mobilize additional resources to scale-up public and private sector investments and accelerate progress towards our growth and development objectives. In this regard, we underscore the need for our region to prepare for and participate actively in the forthcoming review and pledge to do so.

- *Mobilizing domestic financial resources*

27. We recognize the critical role of domestic resource mobilization for sustainable growth and development. In this regard, we commit to scale-up efforts to mobilize domestic savings, strengthen our financial systems, stem capital flight, promote Pan-African stock exchange and reduce the transaction costs of remittances. In this connection, we will explore appropriate measures to ensure that domestic resources are channeled into productive investments.

- *Promoting international trade*

28. Trade capacity-building is critical to enhancing Africa's ability to take advantage of potential opportunities created in the multilateral trading system. We have reviewed progress in the implementation of the Aid-for-Trade initiative and are concerned by the slow rate of progress. In this context, we will undertake measures to ensure that we benefit fully from this initiative.

- *Increasing international financial and technical cooperation*

29. We commend the increase in Official Development Assistance (ODA) flows to our continent from our traditional and as well as new/emerging development partners. We note, however, that the recent increase in ODA is due to debt relief and humanitarian assistance and hence does not reflect additional resources for development financing. We call on our development partners to fulfill their commitments to improving aid effectiveness as expressed in the 2005 Paris Declaration. We also call on AUC and ECA to continue to assist our countries in preparing for the forthcoming Global Review of the Monterrey Consensus in Doha, Qatar, November 2008.

- *External debt*

30. While acknowledging the positive impact of debt relief on Africa's debt burden, we remain concerned that debt levels are still too high and continue to pose a challenge to our continent's ability to finance its development agenda. We note the difficulties faced by non-HIPC countries in meeting their debt obligations, and mobilizing resources to finance their development programmes and meeting the MDGs, and call for more flexibility in the eligibility criteria for debt relief. Furthermore, worried by the wide interval between HIPC decision and completion points in recent times, we call on our creditors to review downwards the conditions for accessing debt relief in order to shorten the time-to completion point.

31. For many of our countries, debt remains a dominant mechanism for financing public sector investments, promoting diversification of production structures and ensuring broad-based growth. But in order to maximize the contribution of debt, we will improve our debt and public-sector financial management capacities and systems. We will also examine ways to improve prudence in the management of the full set of our resources, reduce the importance of debt in our fiscal profile by improving and strengthening our Inland Revenue systems, and broaden and deepen the tax base of our economies. We therefore request ECA, AUC and other relevant international organizations to

facilitate peer learning and sharing of experiences on debt management among our countries.

- *Systemic issues*

32. We recognize the importance of enhancing coherence, governance and consistency in international monetary, financial and trading systems. We call upon the international community to increase Africa's voice in the governance of international institutions that make decisions that affect our economies.

### **Climate change**

33. Climate change presents both opportunities and challenges to sustainable development on our continent. Regarding the challenges, we are particularly concerned with the phenomena of desertification and deforestation. We reaffirm our commitment to effectively integrate and implement climate change adaptation and mitigation strategies into our national and regional development frameworks. We also stress the need to support efforts to build capacities in our countries in this area, including the capacity to access such funding mechanisms as the Clean Development Mechanism and Adaptation Fund and to take advantage of new trading opportunities, including carbon trading.

34. We call on the AU Commission, in collaboration with ECA and AfDB, to support a consultative process of Africa's preparation for effective participation in the implementation of the *Bali Roadmap* of multilateral negotiations for a post-2012 global climate agreement.

35. We welcome and endorse ECA's initiative to establish the African Climate Policy Centre to serve as the policy arm of the Clim-Dev Africa programme and urge the AU Commission, ECA and AfDB to take necessary action for the effective implementation of this programme.

36. In line with the decision of our Heads of State and Government at their summit meeting in reference to drought, we call on ECA to strengthen its support to and partnership with the African Centre of Meteorological Applications to Development (ACMAD).

## Imperative of regional integration

37. We reaffirm the importance of regional integration for advancing Africa's development agenda and will undertake measures to accelerate progress through the AU's NEPAD programme and other initiatives, including the rationalization of the RECs. We will also scale-up efforts to promote regional infrastructure development and intra-African trade. To this end, we will intensify efforts to speed-up the necessary additional regional institutions in order to mobilize the necessary resources for financing of regional integration projects and programmes. We further undertake to promote macroeconomic convergence in the Regional Economic Communities.

## Vote of thanks

38. We thank H.E. Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia and Chairperson of the NEPAD Heads of State Implementation Committee and the African Peer Review Forum of Heads of State and Government, for his inspiring opening address. Our thanks also go to the people and Government of Ethiopia for the generosity and warm hospitality they accorded to us during our stay in Addis Ababa.

39. We thank H.E. Mr. Jakaya Mrisho Kikwete, President of the United Republic of Tanzania, and Chairperson of the African Union for his very motivating statement, which established the tone for the very rich and wide-ranging deliberations of our Conference.

40. We also thank our Special Guests and eminent persons who through their participation in our meeting enriched our debate:

- H.E. Mr. Benjamin Mkapa, Former President of the United Republic of Tanzania for his statement on the "Legal Empowerment of the Poor", which was on the agenda of our Conference.

- H.E. Ambassador Léo Mèrorès, President of the United Nations Economic and Social Council (ECOSOC), for his presentation on the ECOSOC Annual Ministerial Review.
- Professor Adebayo Adedeji, former Executive Secretary of ECA and current Chairman, APRM Panel of Eminent Persons for his presentation on "Growth, Employment and Poverty".
- Dr. Rajendra K. Pachauri, Chairperson of the United Nations Intergovernmental Panel on Climate Change (IPCC) and Director-General of the Energy and Resources Institute (TERI) of India for their valuable and insightful presentations at the Conference.

41. We commend H.E. Mr. Alpha Oumar Konaré, out-going Chairperson of the AU Commission, and H.E. Mr. Abdoulaye Janneh, United Nations Under-Secretary-General and Executive Secretary of the ECA for their vision and leadership.

42. Finally, we express our heartfelt gratitude to ECA and the AU Commission for successfully convening the first Joint Annual Meeting of the African Union Conference of Ministers of Economy and Finance and the United Nations Economic Commission for Africa (UNECA) Conference of African Ministers of Finance, Planning and Economic Development.







## Annex II

### Report of the Committee of Experts of the First Joint Meeting of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development

#### Introduction

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

#### A. Attendance

2. The meeting was attended by representatives of the following Member States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central Africa, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Gabon, Gambia, Ghana, Guinea, Kenya, Liberia, Libya Arab Jamahiriya,

Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome-et-Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe.

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

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



Agricultural Development (IFAD); Joint United Nations Programme on HIV/AIDS (UNAIDS); Universal Postal Union (UPU); and the World Bank.

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

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

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

7. The following agenda was adopted by the Committee:

1. Opening of the meeting
2. Election of the Bureau

3. Adoption of the draft agenda and programme of work
4. Overview of recent economic and social developments in Africa
5. Assessment of progress on regional integration in Africa
6. Follow-up to the previous conferences
  - *Follow-up to the last session of ECA Conference of African Ministers of Finance, Planning and Economic Development: ECA Annual Report, 2008;*
  - *Follow-up to the last session of the AU Conference of Ministers of Economy and Finance (CAMEF II).*
7. Follow-up to major AU and United Nations conferences and summits
  - *African Charter on Statistics;*
  - *Climate change: African perspectives for a post-2012 agreement;*
  - *Regional review of financing for development: Perspectives of African countries on the Monterrey Consensus – Survey results;*
  - *Assessing progress in Africa towards the Millennium Development Goals 2008 report;*
  - *Regional review of the ECOSOC Annual Ministerial Review (AMR).*
8. Sectoral policy issues
  - Major trade issues:
    - » *Economic Partnership Agreements negotiations: A comparative assessment of the interim agreements*
    - » *Aid-for-Trade: Progress on the initiative and report on mandate to ECA*
  - *Coordination of statistical capacity-building efforts in Africa: An Africa perspective;*
  - *Science and technology for development: Outcome and recommended actions of the Science With Africa Conference;*
  - *United Nations system-wide support to the African Union and its New Partnership for Africa's Development (NEPAD) programme.*

9. Statutory issues:

- *ECA's report on the external review of the African Institute for Economic Development and Planning (IDEP);*
- *Proposed ECA Strategic Framework / Biennial Programme Plan for the period 2010-2011.*

10. Presentation and discussion on the theme: Meeting Africa's New Development Challenges in the 21<sup>st</sup> Century

11. Any other business

12. Consideration and adoption of the draft report of the Committee of Experts and draft resolutions

13. Closing of the meeting

### Election of the Bureau

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

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

9. The election of Officers was conducted in the context of the current transitional phase of the Joint Conference, which was meeting for the first time. The African Union Commission (AUC) and the ECA secretariat would meet later to decide on the subregional distribution of member countries reflecting realities in both organizations.

### C. Account of Proceedings

#### Opening addresses

10. In his opening remarks, Mr. Paul Ekorong, Chairperson of the outgoing Bureau of Experts of the second African Union (AU) Conference of Ministers of Economy and Finance (CAMEF II), welcomed participants to the meeting and briefed them on the outcomes of CAMEF II, held in Yaoundé, Cameroon, in November 2006. The main objective of CAMEF II had been to consider and make recommendations

on major economic issues and challenges facing African countries, including: the strategy for accelerating the establishment of three major African financial institutions (as contained in Article 19 of the Constitutive Act of the African Union), namely, the African Central Bank (ACB), the African Investment Bank (AIB) and the African Monetary Fund (AMF); the roadmap for the rationalization of the regional economic communities (RECs); the report of the meeting of African Directors-General of Customs; the review of the Aid-for-Trade initiative; the development of microfinance in Africa; and the African Charter on Statistics.

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

12. Mr. Getachew Adem, Chairperson of the outgoing Bureau of the Committee of Experts of the ECA Conference of Ministers of Finance, Planning and Economic Development, welcomed participants to the meeting and noted that holding joint meetings of the two bodies was a good development, given the need for both institutions to interact on common issues and challenges. He recalled some of the important recommendations of the 26<sup>th</sup> meeting of the Committee of Experts in March 2007 and reviewed progress in implementation. The Bureau and the secretariat had made significant gains in several critical areas since that meeting. Chief among them had been: the organization of the Ministerial Meeting on Financing for Development held in Accra, Ghana in May 2007 on the theme: "Infrastructure for Growth—the Energy Challenge";

participation of some African countries in the first global Annual Ministerial Review of progress towards the Millennium Development Goals (MDGs) in Geneva; support to several countries in preparing their national development strategies aligned with the MDGs and other development goals; development of the *MDG Mapper*, a tool for planning and monitoring progress towards the MDGs at country level.

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

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

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

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

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

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

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

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

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

22. Briefing the meeting on new policy and programme initiatives taken by the secretariat, he highlighted ECA efforts on climate change, including the planned establishment of the African Climate Policy Centre at ECA, which would serve as the policy arm of the Clim-Dev Africa programme. The Centre would be established in partnership with The Energy Resources Institute (TERI) of India under an agreement to be signed with Dr. Rajendra

Pachauri, Director-General of the Institute, at the time of the Conference of Ministers. He also highlighted some of the major achievements of the secretariat in areas such as statistics, finance, trade, science and technology, gender and knowledge management, including measures taken to strengthen ECA subregional offices to enable them to provide effective support to the RECs. ECA efforts in those areas continued to be underpinned by efforts to strengthen collaboration with a wide range of partners - AU, AfDB, RECs, other United Nations agencies, bilateral partners, and research and academic institutions – in implementation of the ECA Business Plan (2007-2009).

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

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

25. While all African countries could not adopt the same blueprint, they must learn from each other's experiences, identify the key factors for success and adapt them to meet local challenges. Because development financing remained essential for accelerating growth and achieving the MDGs, African countries should do more to: enhance domestic resource mobilization; broaden and deepen reforms to push annual growth rates to around 7 per cent in order to reduce poverty; and improve the climate for broad-based, private sector-led growth by



scaling up investment in infrastructure, health care, education, gender equality and capacity-building. Africa also needed a new approach in working with its development partners to ensure that they followed through on their commitments to double aid to the continent by 2010 and that financing for Africa's development priorities would be sustainable and predictable.

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

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

27. Under this agenda item, a representative of the secretariat introduced document (E/ECA/COE/27/3, AU/CAMEF/EXP/3 (III)), entitled "*Survey of Economic and Social Conditions in Africa in 2007*", and informed the Committee that Africa's GDP growth had risen from 5.7 per cent in 2006 to 5.8 per cent in 2007, driven mainly by robust global demand and high commodity prices, along with macroeconomic stability, increased capital flows, debt relief and strong performance in non-oil sectors such as agriculture and tourism. Africa had also witnessed growing political stability, although peace remained fragile in some parts of the continent. Growth performance varied across countries and regions, and Africa's average growth rate remained below the levels required to achieve the MDGs.

Moreover, achieving broad-based growth was a key challenge as growth remained driven by a few sectors with low potential for employment creation. This was a key reason why growth had yet to translate into meaningful employment creation, poverty reduction and social development, particularly for socially vulnerable groups such as women, the youth, the elderly and persons with disabilities.

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

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

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

31. In the ensuing discussions, the Committee underscored the importance of the issues highlighted



in the Survey. It underlined the significance of diversification in promoting sustainable economic growth and poverty reduction. The Committee noted with satisfaction the recent high growth of non-oil sectors such as tourism and agriculture, and underscored the need to increase investment in infrastructure, in order to accelerate and sustain the high performance of those sectors. However, participants felt that the Survey did not adequately address certain issues such as: the nexus between economic growth and poverty eradication, and social development; rising income inequality; wealth creation as a development paradigm; the cross-cutting nature of HIV and AIDS and the feminization of the pandemic; development of financial markets; debt sustainability; and market access. The secretariat informed the Committee that, by its nature, the Survey was not meant to elaborate on all important economic and social development issues, but rather to provide an overview of recent trends in growth and social development. The secretariat also called the Committee's attention to the other specialized reports that would be presented at the meeting and that addressed specific sectoral issues, such as regional integration, the MDGs and financing for development. The Committee noted with concern that a number of countries did not have adequate statistical capacity to monitor progress towards the MDGs.

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

in the various subregions to brief Member States. Thereafter, a Ministerial meeting would be held before the recommendations were submitted to the next Conference of the African Union.

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

### **Recommendations**

34. The Committee made the following recommendations:

- a. The Survey should elaborate more on strategies that would help countries to accelerate progress towards the MDGs. More discussion was needed on the status of implementation of development commitments such as the Monterrey Consensus, Paris Declaration, Ouagadougou Plan of Action and AU's NEPAD programme, as a strategic framework for the development of the continent. It should also focus on such areas as agriculture and infrastructure development.
- b. The secretariat should also include case studies in the Survey, report on progress on regional infrastructure development, and broaden the analysis to other indicators such as the Human Development Index and the performance of non-oil sectors. Moreover, the Survey should give further consideration to country- and region-specific issues, including factors behind the recent appreciation of national currencies as well as strategies to achieve more competitive exchange rates.

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

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

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

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

37. Notwithstanding the progress achieved, a number of challenges continued to constrain the process of regional integration in Africa, especially the low level of intra-African trade; poor connectivity of the continent and other physical barriers to integration; lack of popular participation in integration processes; and the need to mainstream integration into national policies and strategies.

Moreover, more research needed to be undertaken on the impact of the Economic Partnership Agreements (EPAs) on Africa's regional integration efforts. The secretariat was called upon to assist in that regard.

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

39. Since increased intra-African trade was key to advancing Africa's integration, the continent's non-complementary productive systems constituted an obstacle to such. Moreover, measures should be taken to overcome other challenges associated with free trade, such as smuggling and other malpractices. Member States should ensure that cross-border activities were carried out within agreed rules and regulations that would build confidence among trade operators and ensure transparency and accountability.

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

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

42. In future reports, the Committee hoped to see adequate and balanced coverage of each REC, a comprehensive analysis of the main challenges to regional integration, and attention to cross-cutting issues such as governance, peace and security and their impact on the integration process. That would require

closer consultation and communication between ECA, AUC, the RECs and other institutions involved in regional integration.

### **Recommendations**

43. The Committee made the following recommendations:

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

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

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

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

45. Under this sub-item, a representative of the ECA secretariat introduced document (E/ECA/COE/27/5), entitled *ECA Annual Report 2008*, and provided an overview of the activities implemented as a follow-up to the major decisions taken at the last session of the Commission in April 2007. He highlighted the major achievements of ECA during the biennium 2006-2007, with particular focus on the two pillars of its work: Promoting Regional Integration in Support of the African Union vision and priorities and Meeting Africa's special needs and emerging global challenges. He also highlighted

ECA's efforts to enhance its partnerships with various organizations in order to achieve greater impact and improve its organizational effectiveness. The account of the results achieved in selected areas of ECA's work was a clear indication of the early gains from the repositioning exercise which began in 2006. He concluded that implementation of the decisions of the last ECA Conference of Ministers had deepened the Commission's repositioning, and called upon Member States to continue supporting ECA.

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

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

### **Recommendations**

48. The Committee made the following recommendations:

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

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

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

50. Under this sub-item, a representative of the AU Commission introduced document (AU/CAMEF/EXP/6(III)), entitled *Follow-up to the last session of the AU Conference of Ministers of Economy and Finance (CAMEF II)*, noting that CAMEF II had examined ways of accelerating the integration process in Africa and issues related to the establishment of African financial institutions. He highlighted actions taken to implement the decisions of CAMEF II, including a study on new and renewable-energy sources; a joint AU-AfDB study on the creation of an African Solidarity Fund in the face of the recent rise in oil prices; the development of the African Charter on Statistics; and the establishment of a development fund for statistics and an African stock exchange. Regarding the African financial institutions to be set up under Article 19 of the Constitutive Act of the African Union Charter, the AUC negotiations conducted with the Libyan Arab Jamahiriya in January 2008 had led to the signing of the agreement establishing the Steering Committee of the African Investment Bank. Further negotiations were to be conducted in the coming months with Cameroon and Nigeria, selected to host the African Monetary Fund and the African Central Bank respectively, in order to speed up the establishment and operation of the steering committees of both institutions. Simultaneously, plans were far advanced for the recruitment of a consultant to direct the joint AUC/ Association of African Central Banks strategy to set up the African Central Bank. That study, to be carried out before the end of 2008, would bring together stakeholders in the banking profession and speed up the establishment of those two financial institutions, which were indispensable to the economic integration and sustainable development of Africa.

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

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

52. Under this agenda item, the secretariat made five presentations on the follow-up to

major AU and United Nations conferences and summits and highlighted the following: the African Charter on Statistics', Climate changes assessment of the Bali Conference; regional review of financing for development; review of progress towards achieving the Millennium Development Goal (MDGs) in Africa; and the regional review of the ECOSOC Annual Ministerial Review (AMR).

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

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

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

55. The Committee commended AUC, ECA, AfDB and their partners for the initiative to develop an African Charter on Statistic. Regrettably some countries did not have the capability and



infrastructure to produce quality and harmonized statistics. Therefore, the priority should be to assess the statistical capacity of the countries so that they could be assisted to produce the statistical data they needed for sound policies. The Charter should aim to support countries with weaker statistical systems, and African countries should be encouraged to cooperate with one another in order to improve their statistical frameworks and develop statistical laws. To ensure data integrity and political neutrality, statistical agencies should be autonomous.

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

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

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

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

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

61. The legal adviser of the AUC reassured the Committee that there would be consultation, dissemination and awareness-raising on the Charter, and that, in situations where fundamental principles

were violated, penalties specified in the rules and regulations of the Assembly might be applied.

## Recommendations

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

- Accept in principle the objectives, the aims and the professional principles of the draft Charter;
- Request AUC, in collaboration with members of the African statistical system, to seek further legal advice on the draft Charter;
- Request the African Union Commission to submit the revised draft Charter to the Executive Council of the AU as requested by Executive Council decision EXCL/DEC 330 (X).

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

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

64. Unless appropriate adaptive actions were taken urgently, climate change would have severe negative impacts on hundreds of millions of people in the region. The direct and indirect impacts threatened to reverse decades of development efforts and the promising trends of increased economic growth experienced in the region over the previous



seven years, including efforts to reach the MDGs. The current and projected impacts of climate change on Africa's development included: exposure to increased water stress and water-related conflicts; food insecurity; energy insecurity; vector-borne diseases; degradation of coastal areas; poor infrastructure and loss of biodiversity. Africa's poor, who tended to live in environments that were most susceptible to droughts, storms and other extreme weather events, were particularly vulnerable to climate change.

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

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

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

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

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

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

### **Recommendations**

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

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

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

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

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

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

75. In terms of domestic resource mobilization, the Committee observed that domestic savings ratio in Africa had increased marginally from 20 per cent in 2001 to 21 per cent in 2005. Nevertheless, domestic savings remained low relative to the investment

required to meet the Millennium Development Goals (MDGs). Underdeveloped financial systems, including weak financial infrastructure and governance, had been serious barriers to domestic resource mobilization.

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

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

78. On the increase in ODA flows from \$US 21 billion in 2002 to \$US 43 billion in 2006, the Committee observed that the increase had been largely due to debt relief and emergency assistance, and so did not represent additional resources for development activities. Furthermore, donors had yet to meet the commitments they had made in Gleneagles and other international fora. Although investment in social sectors was necessary given the positive effect of human capital on economic growth, the key to poverty reduction in Africa

was the development of productive capacities. For this reason, the Committee stressed the need for allocating a larger proportion of ODA flows to productive sectors. Progress had also been made in terms of aid efficiency and reducing the proportion of tied aid. That notwithstanding, aid quality seriously undermined the developmental impact in recipient countries. The Committee therefore urged development partners to fulfil their commitments made in the Paris Declaration on Aid Effectiveness. It also called upon African countries to improve aid effectiveness by strengthening among other things, their public finance management systems and practices and their procurement and budget systems.

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

80. On systemic issues, the Committee emphasized the need for African countries to be given a greater voice in the governance of international financial, monetary and trading systems. Although Africa's participation in the decision-making processes of the WTO had increased, African countries were still excluded from or under represented in the decision-making processes of major international organizations, such as the IMF and the World Bank.

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

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

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

### **Recommendations**

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

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

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

85. Under this agenda item, a representative of the secretariat presented the 2008 report on assessing progress towards the Millennium Development Goals in Africa, highlighting the achievements for the year and various constraints to progress at the continental level. Notable among the constraints

were: the paucity of timely, better quality, and more disaggregated statistics for improved resource allocation; policy articulation and development; climate change; poor sanitation and urban poverty.

86. The Committee observed that some African countries were on track to achieve some of the MDGs, notably universal primary education, gender parity at primary school level and reducing poverty by half. It noted that among all subregions of the continent North Africa had made the furthest progress on the MDGs. However, the slow rate of overall progress in 2008 was cause for concern. Accordingly, the Committee endorsed several suggestions and initiatives to boost efforts in support of the continent's progress towards the MDGs.

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

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

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



would strengthen political consensus and reinforce advocacy for accelerating progress towards the MDGs at the regional level.

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

### **Recommendations**

91. The Committee made the following recommendation:

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

92. The Committee took note of the report.

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

93. Under this agenda item, Mr. Getachew Adem, a representative of the Ethiopian Government, made a presentation on Ethiopia's contribution to the Annual Ministerial Review (AMR) of the summer session of ECOSOC, held in Geneva from 3 to 5 July 2007. He highlighted the key features of Ethiopia's MDG-based Five-Year Plan for Accelerated and Sustained Development to End Poverty (PASDEP). Key pillars of the plan included: capacity-building; acceleration of economic growth and job creation; addressing

the population challenge; unleashing the potential of Ethiopian women; strengthening of national infrastructure; improving human development; and managing risks. The Committee was informed of the progress made in the implementation of the plan and achievements towards the MDG targets.

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

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

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

### **Sectoral policy issues [Agenda item 8]**

*i. Major trade issues:*

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

97. Under this agenda item, a representative of the secretariat made a presentation on the ongoing Economic Partnership Agreement (EPA) between the European Union and groups of African countries as contained in document E/ECA/COE/27/12a AU/CAMEF/EXP/12a (III), entitled *Economic*



*Partnership Agreements Negotiations: A Comparative Assessment of the Interim Agreements.* The presenter highlighted recent developments in the ongoing negotiations, indicating that the signing of the interim agreements had changed the nature and dynamics of the negotiations. After analysing the different interim EPAs and highlighting key areas of convergence and divergence, the presenter noted that controversial issues were still outstanding hence the need for caution and for adopting a coherent strategy.

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

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

### **Recommendations**

100. The Committee made the following recommendations:

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

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

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

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

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

recommended that the implementation of the AFT in Africa should focus on the key areas of infrastructure, trade facilitation and standard setting.

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

### **Recommendations**

105. The Committee made the following recommendations:

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

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

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

Statistical Commission for Africa (StatCom-Africa) as the apex body responsible for promoting statistics and statistical development in Africa; the creation of the African Statistical Coordination Committee, and the African Charter for Statistics proposed by the AU Commission.

107. In the discussions that followed, the Committee focused on a number of key issues, including the low participation of some African countries in the 2000 Round of Population and Housing Censuses. The high cost of censuses was a barrier to participation and financial and technical support would be required by some African countries to conduct censuses critical to good policy development. Associated with the lack of awareness of the value of statistics was poor demand for and weak use of statistics for policy and decision-making. Some delegates expressed concern on the issues of trust and integrity exemplified in disagreements between professional statisticians and politicians with respect to figures could result in the low profile of statistics offices, inadequate human and financial resources and a reluctance to introduce statistical legislation.

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

### **Recommendations**

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

- African States should submit information on statistical activities at both national and regional level to the ECA, AUC and partners in order to measure progress annually on statistical development in Africa. ECA, AUC and partners should assist with the monitoring and implementation of the Reference

Regional Strategic Framework for Statistical Capacity-Building in Africa and the African Charter on Statistics;

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

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

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

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

112. The Committee stressed the need for deepening reforms in the education sector in order to better integrate science at all levels in furtherance of development objectives. It also emphasized the need to harness the scientific potential of the

Diaspora. However, the pursuit of those objectives would have to be supported by an appropriate policy environment for building and retaining capacities in Africa.

### **Recommendations**

113. The Committee made the following recommendations:

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

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

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

115. The Committee underscored the importance of UN system-wide support to the AU and its NEPAD programme and commended the work of ECA in coordinating such support. It lauded the thematic cluster system of the RCM, emphasizing the need for the system to be strengthened. The Committee noted that the expansion of the thematic clusters

from seven to nine, demonstrated the commitment of United Nations agencies to respond better to AU and NEPAD priorities.

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

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

### **Recommendations**

118. The Committee made the following recommendations:

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

## Statutory issues [Agenda item 9]

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

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

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

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

122. The Committee welcomed the proposed Strategic Framework, noting that it clearly articulated the Commission's priorities for the biennium

2010-2011. The Committee also noted that the proposed strategic direction took into account some emerging challenges to Africa's development and thereby offered broad opportunities for collaboration between ECA and Member States.

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

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

125. In response to the issues raised by the Committee, ECA assured the meeting that comments and suggestions made would be taken into consideration and that concrete outputs would be derived from the proposed Strategic Framework. Those outputs were normally presented in the Programme Budget, which is a separate document. The Committee was also informed that ECA would continue its efforts to fully implement the results-based management framework, including strengthening its capacity to formulate measurable accomplishments and indicators of achievement. In addition, the Committee was informed that transport concerns were addressed under subprogramme 5 on *Economic Cooperation and Regional Integration*.

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



## Recommendations

127. The Committee made the following recommendations:

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

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

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

129. The Governing Council of IDEP recommended that a mandate be given to the Executive Secretary of ECA, in his capacity as Chairman of the Governing Council, to take all necessary measures to reposition the Institute, in close consultation with the other members of the Council. In that context, the Executive Secretary would, as a matter of priority, assume direct responsibility for

the management of the Institute, the revitalization of its deliberative organs, the updating of its statutes and the preparation of a programme budget over a transitional period of twelve months. The Executive Secretary was further requested to pay particular attention to the other recommendations of the external review and those of the Governing Council meeting during the transitional period.

130. The Committee underscored the importance of IDEP and its continued relevance in building the capacity of member States for planning and economic development. In that regard the Committee emphasized the need to reposition the Institute, review its mandate, and adapt its training programmes to new demands. Another recurrent problem associated with IDEP had to do with its financial sustainability. In that regard, it was pointed out that the low visibility of IDEP, as well as the limited awareness of its work benefits, partly explained the non-payment of contributions by some Member States.

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

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

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

## Recommendations

134. The Committee made the following recommendations:

- The process of repositioning IDEP should continue in line with new demands;
- Member States should support the Executive Secretary of ECA, in his capacity as Chairperson of the Governing Council, to implement the necessary measures for repositioning IDEP; and
- Member States should update their financial contributions to IDEP.

## Presentation and discussion on the theme of the Conference [Agenda item 10]

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

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

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

137. During the ensuing discussion, the Committee commended the secretariat for its high-quality issues paper, but noted other challenges facing the continent that needed to be addressed

with specific measures, including the following: human resource development; quality education; non-HIV and AIDS public health concerns, peace and security; access to finance; deficiency in energy resources; infrastructure; and peak oil in connection with renewable-energy resources and the obligation to consider the needs of future generations. The Committee felt that access to technologies for alternative energy generation remained a challenge to Africa. The Committee recognized that African countries had agreed on the NEPAD programme, whose objectives and priorities were in line with those identified in the Issues Paper.

## Growth and employment

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

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

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

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

142. The Committee discussed the importance of SMEs as potential drivers of broad-based

and sustainable economic growth and a source of employment. In that regard, development strategies focusing on vocational training and skills development should underpin the nexus between growth and employment.

## Recommendations

143. The Committee made the following recommendations:

African countries should:

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

- Formulate and implement well-designed, timed, sequenced, coordinated and costed comprehensive policy packages to improve employment and economic growth prospects;
- Speed up the articulation of a comprehensive social security policy, and deepen reforms in the pension sector; and
- Further develop a high-value competitive export sector.

The Committee further recommended that:

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

## Climate Change

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

145. Africa needed to generate knowledge and create greater awareness of the issues of climate change. It also needed to conduct more research in renewable-energy sources, given the finite nature of the hydrocarbons on which the continent depended. Member States were encouraged to focus on innovations in bio-fuel, wind power

and geothermal energy generation and to exploit financing opportunities for addressing issues of climate change through existing programmes and protocols such as the Water Facility, the CDM, the Adaptation Fund, the Kyoto Protocol and the UNFCCC. Those resources were hardly being used by African countries and both ECA and AU could be instrumental in assisting member countries to fulfil the eligibility criteria. The strong link between climate change and desertification resulting in land degradation which affected millions of farmers and the poorest was also reiterated. All that could be addressed by implementing the Rio Conventions.

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

## Recommendations

147. The Committee made the following recommendations:

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

## Legal Empowerment of the Poor

148. The presentation highlighted the positive economic impact that could arise from the legal empowerment of the poor, noting, however, that legal empowerment was not a substitute for development initiatives. Economic development through legal empowerment of the poor created and expanded fiscal space for the government. The State delivered on the rule of law and protection of human rights and the poor reaped the resulting benefits. The Committee appreciated that legal empowerment could be used to bring about poverty reduction.

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

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

## Recommendations

151. The Committee recommended that:

- The legal empowerment of the poor should necessarily be incorporated into the MDGs, aid-for-trade and EPA negotiations;
- ECA should conduct Africa-specific research on socially excluded and other vulnerable groups, to provide a solid knowledge base for policy and programme formulation;
- The AU Summit could be used as an occasion for launching the report of the CLEP; and

- AU should take that agenda through the G77 and China to the General Assembly for appropriate resolutions to encourage the multilateral and bilateral systems in support of developing country efforts on LEP.

### **Long-term sustainable financing of all public health issues**

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

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

### **Recommendations**

154. The Committee recommended that:

- HIV and AIDS policies should be mainstreamed into all sectoral policies and national development programmes;
- Resource mobilization should be scaled up to deal with the HIV and AIDS pandemic through such innovative financing mechanisms as an AIDS levy and the encouragement of increased private sector participation through tax incentives;
- Aid effectiveness should be improved through better alignment of support with national HIV and AIDS and health

plans and the basing of such support on programmes rather than projects;

- African countries should implement the African Health Strategy and associated health plans, including those on HIV and AIDS, tuberculosis, malaria and reproductive health, and urgently meet the Abuja pledge to allocate at least 15 per cent of their national budgets to health issues. Resources should be specially mobilized to eradicate tuberculosis in Africa by 2010. African countries should also increase their health expenditures to ensure that the life expectancy targets in the MDGs were achieved by 2015;
- African Ministers of Health and Ministers of Finance, Planning and Economic Development should organize a joint conference by late 2008 or early 2009 to agree on the specifics of sustainable health financing to implement the Africa Health Frameworks component of the MDGs; and
- The Committee acknowledged that sexual abstinence outside stable/formal relationships should be strongly promoted as a strategy for tackling the problem of sustainable long-term financing of HIV and AIDS.

### **Governance**

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



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

### **Recommendations**

157. The Committee recommended that:

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

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

### **Any other business [Agenda item 11]**

159. Under this agenda item, the Committee commended ECA and the African Union Commission for working together to organize the present meeting. It was assured that measures had been taken to ensure that both partners made technical and logistical contributions to the preparatory process. To that end, a joint technical committee that met regularly

had been established, in order to adequately reflect the views of the two institutions on the issues to be discussed, and to effectively monitor progress in the preparatory process and ensure a successful servicing of the meetings. Some delegations further requested the AUC to better inform the deliberations of the joint annual meetings by preparing and presenting more technical papers and reports. A representative of Morocco requested an information note on the costs and benefits of holding such joint meetings.

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

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

### **Closure of the meeting [Agenda item 13]**

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

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

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



