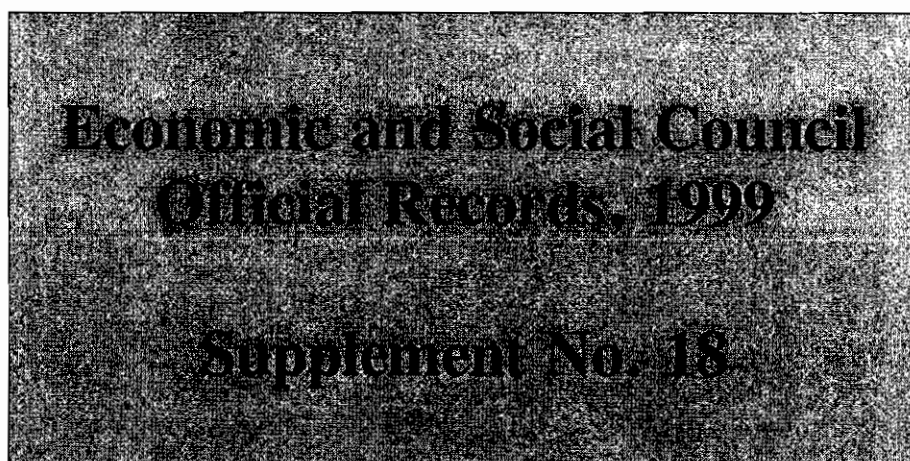


**ECONOMIC COMMISSION FOR AFRICA**

**ANNUAL REPORT**

**29 APRIL 1998 - 8 MAY 1999**



**UNITED NATIONS**

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## ABBREVIATIONS AND ACRONYMS

|         |  |         |  |
|---------|--|---------|--|
| AAPAM   | Association of African Public Administration and Management                        | ARSO    | African Regional Organization for Standardization                |
| AATA    | Association of African Tax Administrators  | ASECNA  | Agency for the Safety of Air Navigation in Africa and Madagascar |
| ACC     | Administrative Committee on Coordination   | ASYCUDA | Automated System for Customs Data Management                     |
| ACCS    | African Centre for Civil Society   | ATAC    | African Technical Advisory Committee                             |
| ACMAD   | Africa Centre of Meteorological Applications for Development                       | CADIS   | Central African Development Information System                   |
| ADB     | African Development Bank   | CMRDC   | Central African Mineral Resources Development Centre             |
| ADF     | African Development Forum  | CASD    | Coordinating Committee on African Statistical Development        |
| AERC    | African Economic Research Consortium   | CCD     | Convention to Combat Desertification                             |
| AFREXIM | African Export-Import Bank   | CEAO    | West African Economic Community                                  |
| AFCAC   | African Civil Aviation Commission  | CEEW    | Council for Economic Empowerment for Women                       |
| AFRAA   | African Airlines Association   | CGA     | Commission of Geodesy for Africa                                 |
| AFSA    | African Statistical Association  | CEPR    | Centre for Economic Policy Research in London                    |
| AFTA    | ASEAN Free Trade Area  | CILS    | Permanent Inter-State Committee for Drought Control in the Sahel |
| AFWE    | African Federation of Women  | COMESA  | Common Market for Eastern and Southern Africa                    |
| AISI    | African information Society Initiative   | CSOs    | Civil Society Organizations                                      |
| AOCRS   | The African Organization for Cartography and Remote Sensing                        | DARDIS  | Rural Development Integrated Services                            |
| APEC    | Asia-Pacific Economic Cooperation  | EAC     | East African Community   |
| APIC    | African Policy Information Centre  | EADIS   | Eastern and Southern African Development Information System      |
| ARCC    | Africa Regional Coordinating Committee for the Integration of Women in Development | EASSI   | Eastern Africa Subregional Support Initiative                    |
| ARCT    | African Regional Centre for Technology   | ECA     | Economic Commission for Africa                                   |
| ARCDem  | African Regional Centre for engineering, design and Manufacturing                  | ECALOC  | ECA Library on-line Catalogue                                    |

|         |  |        |  |
|---------|--|--------|--|
| ECCAS   | Economic Community of Central African States                           | IDRC   | International Development Research Centre                            |
| ECLAC   | Economic Commission for Latin America and the Caribbean                | IITA   | International Institute of Tropical Agriculture                      |
| ECOWAS  | Economic Community of West African States                              | ILRI   | International Livestock Research Institute                           |
| EDI     | Electronic Data Interchange  | ILS    | Integrated Library System  |
| EDIFACT | Electronic Data Interchange for Administration, Commerce and Transport | IOC    | Indian Ocean Commission  |
| ESAMI   | Eastern and Southern African Management Institute                      | ISI    | International Statistical Institute                                  |
| ESAF    | Enhanced Structural Adjustment Facility                                | ITU    | International Telecommunication Union                                |
| ESTNET  | ECA's Science and Technology Network                                   | IULA   | International Union of Local Authorities                             |
| FAO     | Food and Agriculture Organization of the United Nations                | KBO    | Kagera Basin Organization  |
| FEMNET  | African Women's Development and Communications Network                 | LDCs   | Least Developed Countries  |
| GATT    | General Agreement on Tariffs and Trade                                 | MIGA   | Multilateral Investment Guarantee Agency                             |
| GDDS    | General Data Dissemination System                                      | NADIS  | North African Development Information System                         |
| HABITAT | United Nations Centre for Human Settlements                            | NAFTA  | North American Free Trade Area                                       |
| HIPCS   | Highly Indebted Poor Countries   | NICI   | National Information and Communication Infrastructure                |
| HITD    | Harnessing Information Technology                                      | OAU    | Organization of African Unity  |
| IAEA    | International Atomic Energy Agency and Development                     | OECD   | The Organization for Economic Cooperation                            |
| IATA    | International Airlines Transport Association                           | OPAC   | On-line Public Access Catalogue                                      |
| IBRD    | International Bank for Reconstruction and Development                  | OPIC   | Overseas Private Investment Corporation                              |
| ICAO    | International Civil Aviation Organization                              | PICTA  | Partnership for Information and Communication Technologies in Africa |
| ICE     | Intergovernmental Committee of Experts                                 | PMAESA | Port Management Association of Eastern and Southern Africa           |
| IDDA    | Industrial Development Decade for Africa                               |        |  |

|         |   |           |  |
|---------|---|-----------|--|
| RCSSMRS | Regional Centre for Services in Surveying, Mapping and Remote Sensing                       | UNCHS     | United Nations Centre for Human Settlements (Habitat)                            |
| RECTAS  | Regional Centre for Training in Aerospace Surveys   | UNCTAD    | United Nations Conference of Trade and Development                               |
| RIPS    | Regional Institute for Population Studies   | UNCSTD    | United Nations Commission on Science and Technology for Development              |
| SADC    | Southern Africa Development Coordination Conference   | UNCT      | United Nations Country Team  |
| SADCC   | Southern Africa Development Coordination Conference   | UNDCP     | United Nations International Drug Control Programme                              |
| SADIS   | South African Development Information System  | UNDP      | United Nations Development Programme   |
| SAERP   | Sustainable Agriculture and Environmental Rehabilitation Programme                          | UNEP      | United Nations Environment Programme   |
| SATCC   | Southern African Transport and Communications Commission                                    | UNESCO    | United Nations Educational, Scientific and Cultural Organization                 |
| SDA     | Social Dimension of Adjustment  | UNESIS    | United Nations Economic and Social Information System                            |
| SIDS    | Small Island Developing States  | UNFPA     | United Nations Population Fund   |
| SMIs    | Small-and Medium-Size Industries  | UNHCR     | United Nations High Commissioner for Refugees                                    |
| SNA     | System of National Accounts   | UNICEF    | United Nations Children's Fund   |
| SOES    | State-owned Enterprises   | UNIDO     | United Nations Industrial Development Organization                               |
| SRDC    | Subregional Development Centre  | UNIFEM    | United Nations Development Fund for Women  |
| SSATP   | Sub-Saharan Africa Transport Programme  | UN-PAAERD | United Nations Programme of Action for African Economic Recovery and Development |
| TSS/CST | Technical Support Services/Country Support Teams (of UNFPA)                                 | UNRPTC    | United Nations Regular Programme of Technical Cooperation                        |
| UAR     | Union of African Railways   | UN-SIA    | United Nations System-wide Special Initiative on Africa                          |
| UEMOA   | West African Economic and Monetary Union  | UNTACDA   | United Nations Transport and Communication Decade in Africa                      |
| UMA     | Maghreb Arab Union  | UPU       | Universal Postal Union   |
| UNAFRI  | United Nations African Institute for the Prevention of Crime and the Treatment of Offenders | WADIS     | West African Development Information System                                      |
| UNAIDS  | United Nations Programme of HIV/AIDS  | WFP       | World Food Programme   |

|      |  |     |                          |
|------|--|-----|--------------------------|
| WIPO | World Intellectual Property Organization | WTO | World Trade Organization |
| WLEA | Women and Law in Eastern Africa          | WWW | World-wide Web           |
| WMO  | World Meteorological Organization        |     |                          |

## INTRODUCTION

1. The present annual report of the Economic Commission for Africa covers the period 29 April 1998 to 8 May 1999. It has been prepared in accordance with Paragraph 18 of the Commission's terms of reference and was adopted by the Commission on 8 May 1999.

### CHAPTER I

#### MATTERS CALLING FOR ACTION BY THE ECONOMIC AND SOCIAL COUNCIL OR BROUGHT TO ITS ATTENTION

##### A. Resolutions calling for action by the Council

2. At its thirty-third session, held in Addis Ababa, Ethiopia from 6 to 8 May 1999, the Economic Commission for Africa (ECA) adopted the following draft resolutions for action by the Council:

##### Draft Resolution I

833 (XXXIII) Programme of Work and priorities for the biennium 2000-2001

##### The Conference of Ministers,

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

Recalling further its resolution 809 (XXXI) of 8 May 1996 on new directions for the Economic Commission for Africa, and in particular the programme structure which was characterized by congruence between substantive organizational charts and programmes to foster synergy and achieve greater efficiency and impact in the delivery of service,

Taking note of General Assembly resolution 53/207 of 18 December 1998 on Programme Planning by which the Assembly adopted the proposed revisions to the medium-term plan for the period 1998-2001 submitted by the Secretary-General, as amended by the Committee for Programme and Coordination,

Having noted the Report on the work of the Commission 1996-1998, and having examined the proposed programme of work and priorities for the biennium 2000-2001 contained in document

Convinced that the proposals contained in the proposed programme of work and priorities for the biennium 2000-2001 will enhance ECA's role as an important contributor in the process of Africa's economic and social re-birth,

Recognizing, however, that the economic development of Africa and the reduction of poverty are severely affected by, among other factors the socio-economic impact of conflicts and the resulting large-scale population displacements, and realizing that the challenge of post-conflicts reconciliation, rehabilitation and reconstruction require re-orientation of development strategies and resource arrangements,

1. Commends the Executive Secretary and the staff of the Commission for the considerable work that has been undertaken in the last three years to advance institutional reforms and renewal at ECA to enable it to remain at the forefront of policy innovations for Africa's socio-economic development;



2. Endorses the work programme and priorities of the Commission for the biennium 2000 2001 as contained in document E/ECA/CM.24/7, taking into account the discussion and related recommendations made at the present meeting;

3. Requests the Executive Secretary of the Economic Commission for Africa and member States in collaboration with bilateral and multilateral partners to undertake a special initiative to examine issues related to the socio-economic impact of conflicts on the region's development, based on a research project and to organize a meeting to discuss the findings and make recommendations aimed at defining appropriate post-conflict assistance programmes and financing strategies;

4. Requests the Executive Secretary of the Economic Commission for Africa and member States in collaboration with development partners to undertake the necessary studies that would provide a better appreciation and limit the effects of the WTO agreements and of globalization on the region's economies;

5. Requests the Secretary-General of the United Nations, in making his proposals for the 2000 2001 programme budget, to give special consideration to the development needs of the African region by providing the Commission with adequate resources to enable it to adequately respond to the new development challenges facing Africa;

6. Calls upon the General Assembly of the United Nations and its second and fifth Committees to ensure that adequate resources are made available to the Commission for the implementation of this work programme.

## **DRAFT RESOLUTION II.**

834 (XXXIII) The third United Nations Conference on the Least Developed Countries

### The Conference of Ministers,

Recalling General Assembly resolutions 52/187 of 18 December 1997 and 53/182 of 15 December 1998 in which the General Assembly decided to convene the third United Nations Conference on the Least Developed Countries (LNCs) in the first semester of the year 2001 and accepted the offer of the European Union to host the Conference,

Recognizing the important role played by ECA in the preparatory process for the first and second United Nations Conferences on Least Developed Countries,

Noting that the mandate of the Conference is to assess the results of the Programme of Action for LDCs during the 1990s at the country level, review the implementation of international support measures, particularly in the areas of ODA, debt, investment and trade and to consider the formulation and adoption of appropriate national and international policies and measures for sustainable development of Least Developed Countries and their progressive integration into the world economy,

1. Requests the Executive Secretary to provide, in collaboration with the Secretary-General of UNCTAD in his capacity as the Secretary-General of the Conference, support to African Least Developed Countries in their preparation for the Conference at the country, regional and global levels;

2. Invites the Executive Secretary to ensure that ECA makes substantive technical contributions to the Conference and its preparatory process;

3. Requests the Least Developed Countries' bilateral, regional and multilateral development partners, in particular the European Union, the host of the Conference, and UNDP, to provide adequate technical and financial assistance to Least Developed Countries to ensure a substantive and effective preparatory process for the Conference at the country level;

4. Also requests the Secretary-General of the Conference to intensify his efforts to mobilize resources for the participation of representatives of the Least Developed Countries in the envisaged regional expert level meetings, the meetings of the Intergovernmental Preparatory Committee and the Conference itself.

#### **B. Matters brought to the attention of the Council**

3. The thirty-third session of the Commission also adopted two other resolutions, a motion of support, and a Ministerial statement, which are summarized as follows:

##### **Resolution 831 (XXXIII)**

##### **The Economic Report on Africa, 1999**

In this resolution, the Commission appreciated the quality of the Economic Report on Africa, 1999, particularly, the new orientation, findings of the report and the new indicators which provide a better understanding of the region's economies from the African perspective as essential elements for formulating appropriate policies. It commended the secretariat for its work on the development of a set of indicators on which short- and long-term economic performance and sustainability can be measured and evaluated. It also requested the Executive Secretary of ECA to continue on refining the indicators developed in the report in collaboration with member countries and the region's development partners. The resolution finally called upon other development partners to collaborate with the Commission on furthering the development of appropriate strategies to address Africa's socio-economic challenges including those generated by conflicts.

##### **Resolution 832 (XXXIII)**

##### **HIV/AIDS in Africa**

In this resolution, the Commission recalled the declarations and decisions of the Heads of State and Government of the Organization of Africa Unity in which they committed themselves to take specific actions to prevent the transmission of HIV in their respective countries. It appreciated the initiative of the Executive Secretary of ECA to have this major issue on the agenda of the present session. It requested the Executive Secretary of ECA to work closely with UNAIDS and co-sponsors and any other institutions to gather, analyze and disseminate data on the economic impact of HIV to facilitate policy development and programme planning. It also called upon member States to intensify their efforts in the fight against AIDS and to prevent transmission by making available adequate resources and involving all concerned sectors of the economy and all interested partners, governmental and non-governmental organizations.

##### **Motion of support on the impact of currency devaluation on pension benefits of General Service and National Officers of the Economic Commission for Africa**

The session moved a motion in which it took note of the statement made by the ECA Management on staff-management relations at ECA and the presentation of the President of the ECA Staff Union on the adverse impact of currency devaluation on pension benefits of General Service and National Officers in Addis Ababa and other duty stations away from Headquarters. It expressed its support for all actions that are required to effectively resolve the pension problem of this category of staff.

##### **Ministerial Statement**

At the end of the session, the Commission adopted a Ministerial Statement in which it was acknowledged that the session was taken place at a key time in Africa's development history: a time of recovery and fragile growth; a time of globalization of trade, investment and financial markets; a time of caution – due to the aftermath

of the economic crisis in Asia and its contagious effects; a time when new analysis of Africa's development situation presented a way forward; and a time when Africa's development partners were seriously considering the resolution of Africa's debt crisis.

The Statement welcomed the recommendations of the 1999 **Economic Report on Africa** and particularly noted the new focus on fundamental factors which needed to be addressed in order to reduce poverty by half by the year 2015. After noting that the continent lacked the fundamentals for sustained future growth at rates required to realize the poverty reduction targets, the Statement underlined the fact that it was appropriate to make poverty reduction the overarching objective of development efforts. While continuing their macroeconomic reform programmes, African countries should simultaneously pay attention to human capital development and to building requisite institutions and infrastructure to achieve sustainable growth, poverty reduction and macroeconomic stability. The Statement also noted that HIV/AIDS had become a scourge and a fundamental factor in Africa's economic and social prospects, thus requiring concerted and decisive action on the part of member States through the adoption of concrete measures for fighting the disease.

**Lesson from the Recent Financial Crisis.** In the Statement, the Ministers agreed that one of the key lessons for Africa of the current crisis is the need to strengthen supervisory and regulatory mechanisms to ensure transparency in financial transaction and improve corporate governance, in consonance with the principles of financial liberalization and the development of financial and capital markets. They welcomed the formation, at the initiative of G-7 countries, of an ad-hoc intergovernmental Working Group to address issues relating to the proposed reform of the international financial and monetary system, and stressed the importance of adequate African representation in this group or any other group set up for a similar purpose. The Statement added that the reforms envisaged should facilitate a steady provision, by the global financial system, of development finance to the less developed countries to cushion the effects of financial crises, when they occur.

**Financing Development.** Recognizing the importance of domestic resource mobilization in ensuring sustainable development, the Ministers reaffirmed their commitment to raising private savings, including strengthening and improving reliability of thrift institutions and incentives to save, as well as broaden the range of financial savings instruments. Having reviewed and shared experiences with tax reforms in their various countries, the Ministers agreed to reinforce macroeconomic stability and deepen financial market and institutional reforms, as well as ensure sound interest and exchange rates policy management, to enhance private and public savings. The Ministers stressed the critical role of capital markets in raising the level of domestic savings, attracting foreign private investment, and stemming and reversing capital flight. In this regard, the session proposed the development of a sub-regional approach to capital markets development.

On the external side, the Ministers particularly welcomed new proposals for addressing Africa's debt crisis, noting that these proposals reinforced the call made at their meeting in 1997, on reviewing the terms of the HIPC Initiative, to enable more countries benefit from debt relief. The proposals coming from a number of G-7 countries, UNCTAD and other UN agencies underscore the need to resolve Africa's debt crisis within a holistic and integrated framework of financing development and reducing poverty. Beyond the need to improve the present debt relief arrangements, the Ministers took note of the idea of referring the issue of debt sustainability to an independent body composed of eminent persons with thorough understanding of financial, development and social issues, and whose selection would be by mutual agreement between creditors and debtors, with a commitment from creditors to consider cancellation of all debts deemed unsustainable.

**Official Development Assistance.** Against the backdrop of a reduction in levels of ODA flows, the Ministers noted that while there is a need to reduce dependency on aid in the long term, aid levels should be increased because of the improving policy environment across Africa, and also because of the importance of aid in achieving fundamental development objectives. To improve the effectiveness of aid and thus ensure sustained aid flows, the Ministers emphasized the need to foster a new donor-beneficiary relationship in which multi-donor programmes would focus on an African-driven agenda, the need for strengthening institutional aid delivery mechanisms, the importance of a strategic vision of aid.

**Trade and Foreign Investment.** While deploring the continent's marginalization in an era of increased globalization and liberalization of the world economy, the Ministers urged African countries to assume primary responsibility for restructuring their economies to meet the challenges and seize opportunities offered by the new global trading and economic environment. Further convinced that trade and investment are essential components of any credible strategy to accelerate Africa's development and sustain the high rates of economic growth needed to reduce poverty, the ministers reaffirmed their commitment to regional economic cooperation and integration, in line with the exigencies of expanding markets, and as an essential step for integration into the global economy and as a means of enhancing the competitiveness of African economies. The Ministers emphasized the need for deepening political and economic reforms (including financial sector reforms) to create an appropriate policy framework and improve the image of Africa as a safe place for trade and investment. They also emphasized the need to strengthen institutional capacity as well as improve information flows for economic development.

**Capital Flight and its Impact on Development.** The Ministers noted with concern that while striving to attract foreign investment for development, Africa has a larger proportion of wealth held overseas by residents than any other continent. They urged that increasing domestic investment as well as repatriating these financial resources should be a priority for African governments, in view of their important contribution to financing the continent's development. They also noted that in many respects, the requirements for attracting foreign capital are the same as for mobilizing African capital: creating an enabling environment. They resolved to take the necessary steps to stem and reverse capital flight, focussing on policies that create and sustain a consistent and stable macroeconomic policy environment and promoting capital and financial markets development, as well as resolving the problem of unsustainably high external debts.

The Ministers recognized that corruption is an impediment to investment and development, as it increases transaction costs and its unpredictability makes returns on investment uncertain. They resolved to strengthen measures to fight it, using political, economic, and legal policy instruments, including pushing for reforms in certain aspects of the banking regulations of countries that create a "safe haven" for corruptly obtained funds.

**Programme of Work of the Economic Commission for Africa.** The Ministers were pleased to note that ECA had completed its reform and restructuring programme. They observed that the 1999 Economic Report on Africa was a major output of a revitalized ECA. They encouraged member States, as well as, Africa's development partners to incorporate some of the recommendations of the report into their policies and programmes, and make useful suggestions to the ECA on improving the report in the future. The Ministers also commended ECA for strengthening its operations at headquarters and in extending its outreach to member States through the Subregional Development Centers. They noted that the Programme of Work and Priorities of ECA for the period 2000-2001 was not only appropriate, but was also germane to the concerns and requirements of member States. They, however, expressed concern that the budgetary provisions of the United Nations may not be sufficient to carry out these programmes. In this regard, the Ministers called on Africa's development partners to support the programme of work with appropriate financial resources to ensure its success.

## **CHAPTER II**

### **WORK OF THE COMMISSION DURING THE PERIOD 29 April 1998 TO 8 May 1999**

#### **A. Activities of subsidiary bodies**

4. The list of meetings of subsidiary bodies held during the period under review is contained in Annex II of this report.

#### **B. Other activities**

5. During the period under review, the Economic Commission for Africa (ECA) completed its strategic reorientation to a more focused, research-based and result-oriented institution, which involved a rationalization of its operations and modernization of its modus operandi to enhance delivery capacity and impact.

6. As a part of the reforms, the work of the Commission was reorganized around five subprogrammes, namely: facilitating economic and social policy analysis, ensuring food security and sustainable development, harnessing information for development, and promoting regional cooperation and integration, with two cross-cutting themes underpinning the five areas, namely: promotion of women in Africa and building capacity in all the areas. However, following the revision to the Commission's Medium-Term Plan in 1998, two additional subprogrammes were created—one dealing with gender issues and the other on supporting subregional activities for development. These two new subprogrammes will take effect in the 2000-2001 biennium. The Commission implemented its work programmes through various modalities, which included ad hoc expert group meetings, advisory services of training, workshops, seminars, fellowships and operational field projects.

#### **Facilitating economic and social policy analysis**

7. The main thrust of the work of this subprogramme was promoting greater understanding of key issues in Africa's development and ownership with particular emphasis on sustained growth and macroeconomic stability, trade and investment promotion, debt sustainability, social policy analysis and poverty reduction strategies.

8. In the area of economic policy analysis, the secretariat undertook several studies on various issues. These included the decline and slow growth of African countries; growth strategies for Africa: lessons from Asia and Latin America; best practices in growth of African countries: setting the issues; review of fiscal institutional framework; instruments and process in the implementation of fiscal policy in African countries; and savings mobilization in Africa: processes, institutional and cultural factors.

9. The studies generally noted that in spite of the unrelenting implementation of the International Monetary Fund (IMF) and World Bank supported adjustment programs (SAP/ESAP) in several African countries over the past decade, most countries continued to perform below their potential. The studies pointed out that this disappointing performance largely reflected shortcomings in a number of policy areas, both macroeconomic and structural, and emphasized the importance of developing institutional capacity in policy formulation and implementation.

10. In addition, the Commission undertook studies on topical issues relating to Africa's development. The study on "Savings Mobilization in Africa: Process, Institutional and Cultural Factors", was aimed at influencing policy debate on mobilization of domestic resources and revising incentive systems and laws at the national level, while the report entitled, "Financial Intermediation in Africa: Broadening Local Participation in

the Market for Public Securities and in Privatization of Public Assets" describes and analyzes the technical and institutional methods used to broaden local participation in the privatization of public assets.

11. In the area of surveys and policy coordination, the secretariat prepared and published the 1997-1998 Survey of the Economic and Social Conditions in Africa; the Economic Report on Africa, 1998; and the Economic Report on Africa, 1999.

12. The 1997-1998 Survey reviewed Africa's growth performance and macroeconomic policy stances and concludes that in spite of the significant growth momentum in many countries, Africa's standard of living declined in absolute terms in the period under review. Currently about 50 percent of the population of sub-Saharan Africa (about 350 million people) continue to live below the poverty line; malnutrition and hunger, disease and lack of shelter are widespread; a sizeable number of adult Africans were not productively employed and as such were unable to meet their basic needs; and millions of lives have been lost and families disintegrated through armed conflicts and civil strife, which have been on the rise in the period under review. In this context, the survey examined the issues of financing Africa's development through an appropriate mix of aid, debt reduction, foreign investment and trade; accelerating human resource development through education (particularly for girls and women) as the bedrock of reducing poverty; improving health (including responding to the HIV/AIDS pandemic); harnessing the enormous potential of information technology to help leapfrog Africa's development; strengthening regional cooperation and integration; and improved governance through broader stakeholders' participation to minimize conflict.

13. The Economic Report on Africa 1999 stressed that in spite of the modest improvement in overall regional economic performance, the social situation continued to deteriorate, as the growth rate is not high enough, nor sufficiently broad-based, or sustained long enough, to achieve poverty reduction in the short to medium term. This fact is worsened by the devastating impact of HIV/AIDS, which is reversing decades of social progress and worsening the poverty profile; not to mention increasing dislocations associated with armed conflicts and governance problems.

14. While noting the importance of macroeconomic stabilization in economic growth, and particularly in the recent good performance observed across several African countries, the report highlighted the mistake of the past two decades as being the focus on macroeconomic reform at the expense of "capacity, structural and institutional" reforms, and concluded with recommendations on the urgent tasks before African leaders and policy makers--to deepen economic and social progress and to sustain it at levels necessary to reduce poverty over the next two decades, by adopting policies with the twin goals of macro economic stability and growth sustainability.

15. In reviewing the financial implications of a broad-based attack on poverty, the report noted the inability of African countries to mobilize external resources of such magnitude in light of continued shrinkage in official development assistance (ODA) and low levels of foreign direct investment (FDI) flows. In view of these realities, the report emphasized the need for African countries to intensify efforts in mobilizing domestic resources for sustainable development and poverty reduction. In particular, there is urgent need for policies and measures to raise domestic savings and reverse capital flight, find a lasting solution to the African debt problem, respond to declining ODA, by addressing the issues of aid effectiveness and aid relationships, and diversify African economies to reduce their vulnerability to exogenous shocks.

16. The Economic Report on Africa 1999 introduced a new feature in reviewing the performance of African economies. Countries are ranked according to annual performance, economic sustainability and economic policy stance indices. The Annual Economic Performance Index (AEPI) measures improvement or decline in current account balance, inflation and per capita income on a year to year basis. Its results can be



presented from two perspectives—country performance and population benefiting from performance improvements or negatively affected by decline.

17. To complement the short-term focus of the AEPI, the Economic Sustainability Index (ESI) measures a country's capacity to maintain long-term economic growth. The ESI is presently composed of 21 different indicators covering five categories: human capital development, structural diversification, dependency, transaction costs, and macroeconomic aspects of sustainability. The Economic Policy Stance Index (EPSI) measures the appropriateness of government monetary and fiscal policy. Indicators relate to budgets, taxation, monetary growth, and interest rates. Correlation analysis is used to test the linkages between the performance, sustainability and policy stance indices.

18. The Report analyzed the policy implications of these indices from the perspective of achieving the developmental objective of reducing poverty by half over the next fifteen years. The report's conclusion is clearly that the majority of African countries are yet to establish conditions for sustained growth and for most of the countries now on the verge of recovery, the capacity to sustain growth and development over time is fraught with uncertainty, as most of them remain vulnerable to exogenous economic and non-economic shocks, such as movements in international commodity prices, erratic weather conditions and armed conflicts. Additionally, decline in ODA flows, the debt overhang and the lack of competitiveness for African products make it impossible for African economies to sustain the level of growth needed to achieve poverty reduction.

19. In its deliberations on the Report, the Joint Conference of African Ministers of Economic Planning and of Finance held in May 1999, applauded the quality of the report, noting that it was an improvement over previous reports, as it provided a comprehensive review of national, subregional and regional performances as well as addressed the challenges of reducing poverty by half by 2015. The Conference appreciated the idea of identifying "best practices" in African development to facilitate peer exchanges of information among policy makers, and took note of the new focus on fundamental factors which needed to be addressed in order to achieve sustainable poverty reduction by 2015. The Conference further underlined the need for ECA to improve subsequent editions of the report, quantitatively and qualitatively, in view of its utility to policy-makers.

20. Reflecting the importance of financing for development, ECA organized, in May 1999, a Joint Conference of African Ministers of Finance and Ministers of Economic Development and Planning under the theme, "The Challenges of Financing Development in Africa." The conference theme was aimed at encouraging dialogue among senior African policy makers and Africa's development partners on the issues related to the impact of recent developments in the international financial system and particularly the Asian financial crisis on African economies, the trend in aid flows, aid effectiveness and aid dependence; recent developments on the African debt problem and the need for a lasting solution as well as problems being encountered by many African countries in trying to raise domestic savings and investment. The key message from the Conference was that African countries needed to intensify efforts at mobilizing domestic resources, boost economic efficiency and productivity in the utilization of scarce resources, not just to offset possible reduction in external resource flows, but also to enhance Africa's attractiveness as a destination for international financial resource flows particularly the non-debt creating type in the new era of intensified competition for global savings. At the same time, Africa's partners in development have a crucial role to play by lending enthusiastic support to the region's political and economic reforms and by maintaining adequate flows of vital complementary external financial resources that are required to sustain Africa's recovery, growth, transformation and sustainable development.

21. In the area of Trade, Debt and Investment Policy, the Commission prepared a number of background papers, published as Working Paper Series, to support African countries in their negotiations in the context of ongoing multilateral trade negotiations within the World Trade Organization (WTO) and other fora. The

papers discussed the challenges of promoting trade and investment in Africa through policies that increase private foreign investment, public savings and domestic investment, competitiveness of African economies and regional cooperation and integration. Other studies focused on issues of globalization, trade liberalization and competition policy in Africa, with the aim of strengthening Africa's position in the new global economic and trading environment. The paper on the Dynamic Impact of External Debt Accumulation on Private Investment and Growth in Africa highlighted the magnitude of the debt problem in Africa and the impact of external debt on investment and growth, with the purpose of strengthening institutional capacity for debt management in the member States.

22. The secretariat also organized or participated in the following meetings and seminars on key issues in Africa's development: the High-Level Symposium on Trade and Development organized by WTO in March 1999; the Technical Group meeting of the Committee for Development Policy, held in London in March 1999 to evaluate the criteria for inclusion in and graduation from the list of LDCs; the forum on the future competitiveness of African economies held in Dakar, Senegal in March 1999, which discussed ways of improving the competitiveness of African economies; African consultations on World Development Report for 2001 on poverty which was held in Johannesburg, South Africa in January 1999; a forum to promote the participation of women and girls in all facets of science and technology held in Ouagadougou, Burkina Faso in January 1999; the subregional follow-up conferences to the World Social Summit for Central and West Africa held in Ouagadougou in January 1999, for East and Southern Africa held in Nairobi, Kenya in March 1999 and for North Africa, held in Marrakech, Morocco in March 1999; the Conference of African Ministers of Education, organized by the Organization of African Unity (OAU) in Harare, Zimbabwe in March 1999, to deliberate on the role of teachers in improving the quality of education, the development of educational publishing in Africa and the use of technology in education; and the seminar on the future of the CFA franc and its linkage to the European Monetary Union, organized by Council for the Development of Economic and Social Research in Africa (CODESRIA) in Dakar, Senegal.

23. ECA co-sponsored a conference under the theme, "Poverty in Africa-A Dialogue on Causes and Solutions", which took place at the Centre for the Study of African Economies at the University of Oxford (United Kingdom) in April 1999. The conference focused on such issues as the impact of FDI on poverty, the impact of structural adjustment on the poor and the need to design social safety nets to cushion the effects of adjustment for the most vulnerable groups in society.

24. The Commission's activities in the area of Social Policy and Poverty Analysis were designed to foster efficient macroeconomic and sectoral policies for sustained growth and poverty reduction, analyze the empirical evidence and policy implications of the linkage between poverty, gender and ethnicity, promote strategies to ensure that public expenditure in Africa is pro-poor; building capacity for poverty analysis and monitoring, as well as promoting policies that support human capital development and capacity building. A major study in this area focused on the impact of anti-poverty policies and programmes, and underscored the need to define poverty reduction as the central objective in designing and implementing public policies in Africa.

25. Under the regular programme of technical cooperation, the Commission responded to a number of requests for advisory services. Advisory services rendered in the period under review were aimed at strengthening the capacities of member States and their intergovernmental organizations in such areas as: financial and monetary integration; international trade and financial negotiations; the formulation and programming of projects in the areas of trade, tourism, and economic cooperation and integration; capacity building for effective debt management and promotion of the development of capital markets; issues related to the implementation of the Uruguay Round Agreements and follow-up to the WTO Ministerial Conferences, including provision of assistance in trade negotiations; support for the implementation of global programmes



and plans of action, such as the programme of action for the LDCs for the 1990s, as well as region-specific programmes, such as the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) and the United Nations System-wide Special Initiative on Africa (UN-SIA). In addition, a three-person Technical Assistance Mission was sent to Uganda to assess the training needs of the Ministry of Foreign Affairs.

26. The secretariat worked closely with various United Nations agencies, and other organizations such as the United Nations Development Programme (UNDP) on National Long-Term Perspective Studies (NLTPS); the United Nations Children's Fund (UNICEF) on the report, "State of African Children"; and the United Nations Conference on Trade and Development (UNCTAD) on the African Capital Markets project. The areas of collaboration included attending meetings, provision of consultancy services and training, planning joint publications and exploring future cooperation in the service of Africa.

### **Ensuring food security and sustainable development**

27. During the period under review, ECA's activities in support of ensuring food security and sustainable development were aimed at raising African policy makers' awareness of the interrelationships between food, population and environmental concerns in development planning; improving water resources management; strengthening cooperation among agencies concerned with sustainable development issues; and the application of science and technology to agriculture and sustainable development concerns. To achieve these objectives, the secretariat produced or initiated 22 policy reports, participated in seven workshops and seminars, serviced and/or attended a total of nine meetings and collaborated with various United Nations agencies and organizations.

28. The policy reports covered such issues as best practices in the management of the nexus issues; trade in agricultural products within the context of ensuring food security and poverty alleviation; and the impact of population growth on food security. Emphasis was also placed on the analysis of specific issues concerning the state of the environment and water resources management as well as policy responses aimed at creating sustainable cities in Africa. Some of the reports provided an assessment of the progress made in the implementation of various global and regional plans of action--on the food security aspects of Agenda 21, on the World Food Summit Plan of Action, the DND/ICPD-PA, and follow-up to the implementation of the Habitat Agenda--at the national level. Other reports underscored the need to build capacity in science and technology to ensure food security and sustainable growth.

29. Building the capacity of member States to ensure food security and sustainable development constituted an important component of the secretariat's activities in the period under review. In this regard, several workshops and seminars were organized for policy makers and experts working in the areas of population, environment and sustainable development of transboundary water resources at the national and sectoral levels, international organizations and research institutions. These included a workshop on integrating wetlands and water resources management held in Dakar, Senegal in November 1998; a workshop on environmental and natural resources accounting held in Addis Ababa, Ethiopia in October 1998; a capacity-building workshop on environmental impact assessment for sub-Saharan Africa held in Nairobi, Kenya in July 1998. The secretariat also participated in a United Nations Population Fund (UNFPA) Round Table on reproductive health and reproductive rights held in Kampala in June 1998; a forum on the implementation of the United Nations Convention to Combat Desertification which was held in Recife, Brazil in October 1998 and an awareness workshop on the mechanics of the Population-Environment-Development-Agriculture (PEDA) model.

30. The secretariat participated in a number of meetings and contributed to the work of the various inter-agency committees and task forces, including the ACC sub committee on demographic estimates and

projections. Other meetings held during the period under review included a meeting of the Committee on Sustainable Development in Addis Ababa in January 1999; a dialogue of Ministers and leaders of the private sector on science and technology for Africa's development in Addis Ababa in January 1998; a meeting of the Intergovernmental Committee of Experts of the Southern Africa SRDC; the third meeting of the African follow-up Committee on the implementation of the DND and the ICPD-PA held in Addis Ababa in September 1998 and the third General Assembly of the African Population Commission which took place in Abuja, Nigeria in May 1999.

31. The secretariat collaborated with other United Nations agencies and organizations as well as with regional and subregional intergovernmental organizations (IGOs) and non-governmental organizations (NGOs). The collaborative efforts involved the exchange of data and information, attending conferences, meetings and workshops. The collaborating agencies included OAU, African Development Bank (ADB), United Nations Environment Programme (UNEP), UNFPA, United Nations Centre for Human Settlements (Habitat) (UNCHS) (Habitat), Shelter-Africa, Commission on Sustainable Development (CSD), United Nations Department of Statistics, the International Commission on Irrigation and Drainage (ICID), Wetlands International (WI), World Wildlife Fund (WWF) and the International Union for the Conservation of Nature (IUCN). The secretariat also undertook a mission to the Food and Agriculture Organization of the United Nations (FAO) Regional Office for Africa in Accra, Ghana in March 1999, to identify areas of collaboration and cooperation between ECA and the FAO Regional Office.

32. In support of its advocacy work, the secretariat established two websites for disseminating information on population and science and technology issues in the region and on Africa's follow-up activities to the DND and ICPD-PA. The POPIN web home page was created in partnership with the UNFPA/Global POPIN in New York. In the period under review, the secretariat also launched an ECA Science and Technology Network (ESTNET) which will soon be available on the Internet.

#### **Strengthening development management**

33. Activities in support of strengthening development management put particular emphasis on fostering public-private sector partnership in support of development, promoting public sector reforms for enhanced effectiveness and efficiency; promoting policies and practices of the public sector in fostering an enabling environment for private sector development; and enhancing the role of civil society organizations in development and governance.

34. As a contribution to promoting public sector reforms and enhancing its efficiency, the secretariat prepared three technical publications namely, civil service reform policies: strategies and effectiveness in other countries and lessons for Africa; and effective systems of ethics and accountability in African public services. These publications analyzed and documented various public sector reform strategies and best practices and were aimed at enhancing institutional, organizational and administrative capacities, promoting the understanding of ethics and accountability in African public services.

35. As micro-and small-scale enterprises assume a greater role in Africa's private sector development, the secretariat devoted efforts on defining programmes that allow access by formal and informal micro-operators to financial schemes and practices to enable them acquire the necessary resources for their operations. Credit for micro projects was analyzed through a study carried out to promote improved access to loans by operators of small-scale enterprises through the effective use of formal and informal micro-financing systems. The study reviewed ongoing practices and programmes of micro financing in selected African, Asian and Latin American countries, assessed policies and strategies as well as constraints encountered in the implementation of these programmes and made appropriate recommendations to governments, financial institutions, NGOs,

informal sector associations and micro-and small entrepreneurs. A publication on the review of experiences in privatization proposed measures to promote privatization in strategic sectors of African economies such as telecommunications, transport and tourism.

36. Several background documents were also prepared for presentation to the fourteenth meeting of the Conference of African Ministers of Industry (CAMI), focusing on current trends, approaches and strategies for the development of the private sector. In addition, a background document on proposals for linking selected private sector actors to existing information networks, was prepared for presentation at an ad-hoc expert group meeting. A publication entitled, "Enhancing the effectiveness of selected indigenous African CSOs and NGOs: Capacity-building challenges and opportunities", was also presented at an expert group meeting held in October 1998.

37. During the period under review, the secretariat issued the Development Management Newsletter, a recurrent publication which focused on issues of public sector management, private sector development and civil society participation in development and governance.

38. Other activities aimed at strengthening the policy analysis and advocacy capacity of NGOs included: A national workshop, jointly organized by ECA and the National Association of Non-Governmental Organization (NANGO) of Zimbabwe in October 1998 in Harare; a consultative meeting held in April 1999 between ECA and the African Civil Society community to discuss the modalities for the participation of CSOs in the programmes and activities of the African Centre for Civil Society.

39. ECA also organized the first Meeting of the Committee on Human Development and Civil Society, which took place in Addis Ababa in June 1999. The meeting discussed issues from the subregional follow-up conferences to the Copenhagen Summit, as well as the report on ECA's activities on human and social development issues, including civil society. Advisory and training services were provided to member States, subregional economic groups and their IGOs in building capacity for development management, as well as monitoring and evaluating the performance of public enterprises.

40. During this period, the secretariat also strengthened its collaboration with United Nations agencies and other organizations through the implementation of joint activities. As part of these efforts, the secretariat presented papers at several workshops to which it was invited. These papers included: a paper at a workshop organized by the United Nations Centre for Regional Development (UNCRD) on the theme of governance and public sector management reforms in Africa; a paper presented at the second biennial conference of the Commonwealth Association for Public Administration and Management which took place in Kuala Lumpur, Malaysia in September 1998 on the scope and limitation of the market in the public sector and measures to be adopted to improve the quality of service delivered by the public sector; a paper on methods and techniques of policy analysis in development at the fourth African workshop on local and regional development planning, organized by the United Nations Centre for Regional Development at Karen, Kenya in November 1998; participation at a workshop on the changing role of government in adjusting economies which was held at the University of Birmingham, UK in March 1999.

41. The secretariat prepared a background paper for a conference sponsored by the Africa Leadership Forum in Cotonou, Benin Republic in November 1998. Based on some of the recommendations in the paper, the newly elected government in Nigeria has requested ECA for assistance in organizing a series of seminars for senior officers in the federal civil service. Similarly, ECA presented material on a broad range of governance and public sector management reform issues to participants of a Senior Executive Programme, organized by the Swaziland Institute of Management and Public Administration in February 1999.

42. Other activities undertaken during the period included the following: advisory mission to Swaziland in November 1998 to redefine the strategic objectives of civil service reform programme; a mission to Lesotho to review the institutional support requirements of the Faculty of Health Sciences at the National University of Lesotho; organizing and servicing the second Pan African Conference of Ministers of Civil Service in Rabat, Morocco in November 1998 in collaboration with the Government of Morocco and CAFRAD; participation in a World Health Organization (WHO)-sponsored consultative meeting held at ISS, the Hague in December 1998 which focused on the policy, institutional and management implications of decentralization in the health sector; preparation of a report on the policies, incentives and support mechanisms for small-scale enterprises in Zambia; organizing a regional workshop on decentralization in Banjul in February 1999; in collaboration with the Government of the Gambia, UNDP and the African Centre for Administrative Training and Research for Development (CAFRAD), the Common Market for Eastern and Southern Africa (COMESA) in the assessment of its professional staff training needs.

### **Harnessing information for development**

43. Activities in support of harnessing information for development focused mainly on the following: statistics, geographical and information technology for development. Under the statistics component, the main areas of emphasis included: maintenance, networking and dissemination of the ECA multi-sectoral regional database and the derived products; expansion; international cooperation; policy coordination, liaison and harmonization of standards and methods, and technical cooperation in capacity building for data collection, processing, analysis and dissemination in the region.

44. Three major studies were undertaken in support of promoting information technology for development, with the collaboration and assistance of the International Development Research Centre of Canada (IDRC). In addition, four country studies (covering Ethiopia, Senegal, Uganda and the United Republic of Tanzania) were undertaken to measure the impact of electronic connectivity and Internet on development. The studies noted the growing spread of these communication media in the region and underlined the need to make them more accessible to the people of the region. Similarly, ECA began a major study in 1999 entitled, "ICT-SCAN on the status of information and communication technologies for Africa". Six studies on the relationship between gender and information technologies for development were completed during the period, and presented at the ECA fortieth Anniversary Conference on African Women and Economic Development.

45. Other major publications and technical material prepared and issued by the secretariat during the period included the 1997 and 1998 African Statistical Yearbooks; 1998 Africa in Figures; Statistical Annex to the Survey of Economic and Social Conditions in Africa, 1998; printouts on integrated national and subregional economic, social and environment indicators for 1997 and 1998. Two technical publications were also issued for the benefit of member States namely, " Best practices in the formulation of statistical development plans" and "the use of the Internet to bridge the information gap."

46. ECA organized the eight meeting of the Coordinating Committee on African Statistical Development in May 1998, to review the activities of the secretariat for the preceding year, particularly the work of the task force set up to monitor the implementation of the Addis Ababa Plan of Action.

47. The secretariat organized four training workshops at both national and regional levels with the aim of improving the quality of African statistics. The workshops covered various topics in statistics, ranging from the implementation of the 1993 System of National Accounts to estimating gross capital formation. In all, about 124 experts from various countries and IGOs participated in these workshops. Several detailed technical publications were prepared by the secretariat for the workshops.

48. In view of the importance of enhancing land information management in member States, ECA organized an ad hoc experts group meeting in Addis Ababa in November 1998, to discuss a working document on integrated geographic information systems with special attention to cadastre and land information systems for African decision makers. The meeting was attended by 10 experts from various national institutions, including Habitat and AOCRS. The experts discussed the background document prepared by the secretariat and produced a revised version of the document with recommendations on improving existing land information systems in Africa.

49. In the area of information and communication technologies for development, the secretariat participated in and jointly organized a number of major meetings and conferences, such as the global connectivity for Africa conference held in Addis Ababa in June 1998, and jointly sponsored by ECA and the World Bank. More than 300 participants from ministries of communications, user groups and the private sector met to discuss the implications of wireless and fibre optic communication technologies. The secretariat also co-organized workshops or symposia on the following topics: the development of national information and communication infrastructure (NICI) plans in Namibia in May 1998; International telemedicine symposium for the Arab world, Europe and Africa in Tunis, in September 1998; information society policy awareness and NICI plans in Kigali in December 1998; a conference on information technology and social inequality which also served as the preparatory meeting for the African Development Forum 1999 to be held in Addis Ababa in October 1999 on the theme: "The Challenge to Africa of Globalization and the Information Age;" and a subregional workshop for Internet node operations held in Bulawayo in August 1998. A number of courses were also organized on new information technologies, the Internet and on the development of websites for the African Institute for Economic Development and Planning (IDEP) in Dakar, the Southern Africa Development Community (SADC) and for the Southern Africa SRDC and other United Nations agencies based in Lusaka, Zambia, during the period under review. In addition, the secretariat organized and hosted the first meeting of the Committee on Development Information (CODI) in June, 1999.

50. In the area of information and communication technologies for development and implementing the African Information Society Initiative (AISI), a number of operational activities were undertaken which included advisory services on AISI, electronic technology and to a limited extent on statistics, geographical information systems and database management. The secretariat provided technical advisory services in the area of connectivity, and information systems development to Comoros, Ethiopia, Lesotho, Mali, Morocco, South Africa, Uganda, and Zambia. Advisory services in the area of statistical development, database management and geographical information systems were also provided to Mauritius, South Africa, Ghana, Nigeria, Democratic Republic of Congo, Ethiopia, Ghana, Seychelles, Zimbabwe, PMAESA, Regional Centre for Training in Aerospace Surveys (RECTAS), Regional Centre for Services in Surveying, Mapping and Remote Sensing (CSSMRS) and AORS.

51. ECA's major collaborative activities in the area of promoting information and communication technologies for development and in implementing the African Information Society Initiative were through the Partnership for Information and Communication Technologies in Africa (PICTA), an informal association of United Nations, bi-lateral and NGO donor and executing agencies as well as the Global Information Infrastructure Commission (GIIC) representing the private sector. Throughout the period under review, PICTA met online through a closed electronic discussion list supplemented by a website. The association also held an annual meeting in Tunisia in the same period, and participated in several other global meetings relating to ICT development.

52. Through PICTA, the secretariat developed strong partnerships with other institutions to ensure effective implementation of the AISI. For example, the secretariat worked closely with the United Nations Educational, Scientific and Cultural Organization (UNESCO), in organizing seminars, workshops and other



activities for the promotion of the CDS-ISIS and IDAMS software; with UNDP on the implementation of the African Internet Initiative (AII), and in organizing the Africa Internet governance meeting in Cotonou in December 1998, as well as in the conceptualization of the African Regional Strategic Decision Information System. As a member of the GIIC Africa Steering Committee, ECA also worked with the global private sector in telecommunications in the organization of the Global Connectivity for Africa conference and the presentation on AISI to the African Business and Development Forum, which was held in Marrakech in May 1999. ECA's work with NGOs included collaboration with ENDA to provide advisory services on connectivity for NGOs in Africa, as well as organizing a regional telehealth conference in Nairobi in February 1999. The secretariat worked with its PICTA partners in the Global Knowledge Partnership on the organization of the Global Knowledge II Conference which will be held in Malaysia in 2000.

53. In the area of statistics for policy coordination and harmonization of standards, concepts and methods, several activities were jointly undertaken with the United Nations Statistics Division and other organizations including AFRISTAT, the Organization for Economic Cooperation and Development (OECD), IMF and the World Bank. The activities included the implementation of the 1993 System of National Accounts, international trade statistics, economic classifications, development of manuals, development of indicators, development of minimum statistical standards (PROSMIC) with AFRISTAT, implementation of the United Nations Economic and Social Information System (UNESIS), building national and regional live databases. In the same period, the secretariat participated as an observer, in the deliberations of the thirtieth session of the United Nations Statistical Commission. The secretariat also cooperated with the Office for Outer Space Affairs on some UN-SIA activities, including UNISPACE III; and with HABITAT on land management issues.

54. Several databases were developed and maintained by the secretariat. Among these were the ECA multi-sectoral regional statistical database; bibliographic databases developed in the context of the former PADIS project; directory of educational and training facilities in Africa in the area of spatially referenced information; status of mapping and spatial baseline information on Africa; and cartographic inventory atlas for Africa.

### **Promoting regional cooperation and integration**

#### **Facilitating and enhancing the process of regional integration**

55. Activities in support of regional cooperation and integration in Africa were aimed at achieving the following objectives: facilitating the implementation of existing cooperative arrangements between African countries; strengthening the capacities of regional economic communities to formulate, implement and monitor integration programmes; and upgrading Africa's position in the global economy. The activities can be broadly categorized as follows: facilitating and enhancing the process of regional integration; promoting the coordinated building and effective utilization of regional networks of transport and communication infrastructures; promoting and enhancing policies and financing mechanism for mining and energy projects; and promoting cooperation for the management, development and utilization of transborder water resources, including river and lake basins.

56. Activities undertaken in support of facilitating the implementation of existing cooperative arrangements included the first biennial meeting of the Committee on Regional Cooperation and Integration, which was held in April 1999. The greeting reviewed the state of regional economic integration on the continent with particular emphasis on such key issues as tariff and non tariff barriers and their impact on the regional integration process, trade liberalization and production factor mobility, distribution of the costs and benefits of regional integration and resource mobilization to support the economic integration process; an ad

hoc experts group meeting on trade liberalization and production factor mobility within Africa and the promotion of complementarities as a basis for the expansion of intra-African trade in November 1998; a training workshop to review a study on the analytical framework for the assessment of the costs and benefits of regional economic integration in October 1998. As a member of the joint OAU/ECA/ADB Secretariat, ECA participated in the meetings and activities of the Secretariat, which included co-organizing the ninth Consultative Meeting of the Chief Executives of the Joint Secretariat which took place in Ouagadougou in February 1999.

57. Technical support was also provided to member States and their intergovernmental institutions on the institutional and substantive issues of economic cooperation and integration, particularly as they relate to the establishment of the African Economic Community. For example, assistance was provided to COMESA and SADC in the preparation of two feasibility studies on the establishment of a self-financing mechanism. The studies were designed to identify sources and mechanisms to ensure that the financing of the integration process in these subregions was reliable, predominantly tax-based and minimally inflationary. In addition, the following activities were undertaken during the period under review: an advisory mission was undertaken to the SADC secretariat in Gaborone to identify areas of assistance on the management of debt-related issues; assistance was provided to the Economic Community of West African States (ECOWAS) in the formulation of a regional development programme; a study on transport development on Lake Victoria and assistance in programme development was provided to the East African Community; the Desert Locust Control Organization (DLCO) received assistance in the development of its funding proposals.

58. Finally, activities carried out with a view to upgrading Africa's role in the world economy were aimed at responding to concerns that Africa could be further marginalized in international trade under the new rules introduced by the Uruguay Round Agreements. In this regard, a number of studies and policy briefs were prepared to enable African countries gain a better understanding of the WTO framework and its requirements and improve their negotiating position. The studies were intended to prepare African countries for compliance with WTO provisions while pursuing their regional integration objectives, and also making the required adjustments to attune the integration process to the WTO provisions. A new issue of the policy brief was published in 1998, while two issues are being finalized. Each issue addresses a specific theme and provides general information on topics of relevance to international trade. In addition, several workshops are planned for the rest of 1999 on analytical, communication and negotiation skills for African negotiators under a UNDP funded project on the promotion of Africa's economic integration through the establishment of the African Economic Community (AEC).

#### Promoting the coordinated building and effective utilization of regional networks of transport and communication infrastructures

59. The major activities in this area focussed on the following: building management capacities for infrastructure development and operations; improving regional transport linkages and facilitation of traffic; building transport data systems; and developing intellectual partnership and strategic alliances.

60. With regard to building management capacities for infrastructure development and operations, ECA undertook three major activities, namely the preparation of policy framework reports; the organization of policy meetings to promote awareness and build consensus on various issues aimed at promoting the development of transport and communications in Africa; and advisory services to member States.

61. Five studies were carried out on the following topics: the impact of improved rural transport on women in Africa; needs assessment for modernization of rail track rolling stocks, telecommunications and signalling equipment in West and Central Africa; framework report for the development and implementation of transit agreements in Africa; determination and definition of performance indicators for the railway and port

sub-sectors; and assessment of the implementation of the Yamoussoukro Declaration on a new African air transport policy.

62. ECA, in collaboration with the Economic Commission for Latin America and the Caribbean (ECLAC) and the Port Management Association for Eastern and Southern Africa (PMAESA), organized a series of workshops on port commercialization issues in Dar-es-Salaam, Maputo and Mombassa between April and July 1998. The objective of these workshops was to bring together all concerned stakeholders from the subregion to discuss and prepare the most appropriate programme for the gradual privatization of the various ports.

63. ECA organized the following ad hoc experts group meetings: meetings of the working group of experts set up to prepare for the special regional meeting of African Ministers responsible for Civil Aviation; ad hoc experts group meeting on transit facilitation and harmonizing performance indicators for ports and rail transport in Central Africa; and meetings of the ad hoc committee for the creation of a Pan-African Association for Port Cooperation (PAPC), which brought all the subregional port management associations to collectively agree on modalities for setting up the association and on its draft constitution.

64. Technical advisory services were provided to several member States on policy reforms in the field of transport and communications. Comoros, Ethiopia and Sierra Leone received assistance in the development of national transport data banks and policy reforms in the transport and communications sector within the context of the UNTACDA II Transport Database Programme. At the request of the Djibouti-Ethiopia Railways Corporation, the secretariat fielded a mission in December 1998, together with the European Union, to Djibouti to assist both parties in restructuring and modernizing the jointly owned railways corporation. Both countries have now embarked on the implementation of the recommendations of ECA.

65. In the area of improving regional transport linkages and facilitation of traffic, the major activity undertaken by ECA during the period under review related to the coordination of the implementation of the Yamoussoukro Declaration on a new African air transport policy, aimed at creating an enabling environment for cooperation and coordination among African air transport operators and for gradual liberalization of traffic rights within Africa. As lead agency for the coordination of the implementation of the Yamoussoukro Declaration, ECA set up a working group of experts preparatory to the special regional meeting of African Ministers responsible for Civil Aviation scheduled to take place in November 1999.

66. As part of the implementation of the resolution on the development of railways in Africa adopted by the eleventh Conference of African Ministers of Transport and Communications, ECA undertook a joint mission, with the Union of African Railways (UAR), to the Sudan, Egypt and Tunisia to provide the countries with information on the implementation of the master plan for interconnection of railways in Africa with particular emphasis on the North African subregion.

67. In order to minimize duplicative efforts across sectors as well as subregions, a number of joint activities with various key actors in the field of transport and communications were undertaken. In this regard, ECA participated in the technical meetings of major partners and also assisted in the preparation of documents on issues of concern to Africa. Among these partners were the World Bank, in the implementation of the Sub-Saharan Transport Programme (SSATP) and the launching of the Global Road Safety Partnership; African Airlines Association (AfrAA), African Civil Aviation Commission (AfCAC), Agency for Air Navigation Safety in Africa and Madagascar (ASECNA), South African Transport and Communications Commission (SATCC), COMESA, ECOWAS and ICAO, within the framework of the implementation of the Yamoussoukro Declaration and the Communication Navigation Surveillance/Air Traffic Management (CNS/ATM) systems; PMAESA and ECLAC, in the field of ports; UAR and UIC, within the framework of



the implementation of the Cairo Ministerial resolution on railways development, PAPU, PATU and ITU, in the field of postal services and telecommunications; and GTZ, in the field of road transport.

Promoting and enhancing policies and financing mechanism for mining and energy projects

68. During the period under review, the secretariat prepared the following four studies to promote and enhance policies and financing mechanism for mining and energy projects: Best practices in policy, legal and regulatory framework for sustained development of mineral resources; case studies of alternative approaches to financing energy and power development; contribution of transnational corporations in the mining and energy sectors in four African countries; and modalities for accessing new sources of capital for the development of Africa's mineral resources. The studies concluded that the flow of investments into the sub-Saharan mining industry remains insufficient, in spite of the improved policy environment in most African countries and the favourable regulatory framework for private investments in these sectors. Consequently, the studies underscored the need to intensify efforts to attract higher levels of private investment to these sectors. In addition, two ad hoc expert group meetings were organized in December 1998 to review and improve the content of these publications as well as formulate guidelines for the implementation of the recommendations contained in the studies.

69. Advisory services were also provided to subregional economic groupings, IGOs and member States. These included assistance to ECOWAS in the formulation of an action plan for the interconnection of energy grids in the subregion; assistance to UEMOA in the formulation of a common subregional programme for the development of energy and mineral resources; support to the Southern and Eastern Mineral Centre (SEAMIC), in the definition of its work programme and backstopping its activities; and assistance to Benin, Burkina Faso and the United Republic of Tanzania in the areas of utilizing solar energy, promoting investment in the mining sector and improving conditions for small-scale mining.

70. In order to strengthen subregional and regional cooperation in mineral resources development and utilization, the secretariat collaborated with African IGOs (such as ECOWAS, SADC and UEMOA), regional organizations, including OAU and ADB, as well as with other United Nations agencies. In collaboration with MIGA, the secretariat organized a conference on investment in the African mining sector in Marrakech, Morocco in November 1998. ECA also participated and contributed to the International Labour Organisation (ILO) Tripartite meeting on social and labour issues in small-scale mining which was held in Geneva in May 1999.

Promoting cooperation for the management, development and utilization of transborder water resources, including river and lake basins

71. Several reports and discussion papers were prepared for presentation at various international fora on water resources management. They included a report assessing existing transboundary river/lake basin organizations in Africa; a report on a 1997 study on intercountry cooperation for integrated development of water resources of the Zambezi river basin; a report on the activities of ECA in the water sector in Africa; and a paper on the role of ECA in promoting cooperation for the Nile water development.

72. The secretariat also participated in and contributed to various international meetings and conferences on water resources management. These included the fifth joint UNESCO/WMO International Conference on Hydrology and Water Resources, held in Geneva in February 1999; and the seventh meeting of the Nile 2002 series of conferences held in Cairo, Egypt in March 1999. As the secretariat of the Interagency Group for Water in Africa, ECA finalized and disseminated the report of the sixth annual meeting of the Group, which was held in May 1998.

73. The Lake Chad Basin Commission (LCBC) received assistance from the secretariat in the funding of a mission to ECA headquarters by the Executive Secretary of LCBC.

### **Promoting Women in development**

74. ECA's activities for promoting the advancement of women were aimed at achieving the following objectives: Mainstreaming gender issues into policies and programmes of member States; economic and social empowerment of women; and information dissemination on progress made on the implementation of globally and regionally agreed plans for action. The modalities for achieving these objectives included meetings, publications, training, surveys and advisory services.

75. As part of its mandate to monitor the implementation of recommendations from global and regional conferences on Women, the secretariat organized the East and Southern Africa subregional follow-up meeting on the implementation of the global and regional platforms for action in Seychelles in February 1999. Similar meetings had been organized for West Africa in November 1997, Central Africa in June 1998 and North Africa in October 1998. The meetings focused on the state of formulation of national plans of action, the importance of monitoring the process and developing guidelines for monitoring the implementation as well as the preparation of national reports on progress made in the implementation of the platforms for action. The various subregional follow-up meetings will culminate in the sixth African regional conference on women in November 1999, which will carry out a review of progress made in the implementation of the platforms. In this respect, a technical preparatory committee was set up to advise on the substantive and logistical preparation for the conference.

76. The first meeting of the Committee on Women and Development also addressed issues related to modalities for participation at the forthcoming regional conference on Women, as well as ensuring equitable subregional representation on the Committee and urged member States to accelerate implementation of the recommendations of the platforms for action.

77. Leadership skills development in enterprise was the focus of a training workshop organized in Entebbe, Uganda in December 1998 and attended by 22 women from eight African countries. A follow-up meeting to the study tour of women entrepreneurs to India and Sri-Lanka is planned for Bujumbura, Burundi in June 1999. The meeting is expected to lay the foundation for the establishment of business centres and guarantee schemes for women entrepreneurs as well as strengthen the cooperation between African and Asian women entrepreneurs.

78. In the area of promoting the economic and social empowerment of women, ECA conducted six surveys on women's access to land and agricultural technologies in the East and West Africa subregions. The surveys highlighted constraints faced by women in accessing these resources and suggested relevant measures and actions to address the problems. Follow-up actions to the surveys were initiated in November 1998, when an experts group meeting was held to share views on the findings of the survey and adopt strategies to promote access to productive resources by women. Similarly, the survey findings were discussed at the East and Southern Africa subregional follow-up meeting on the Beijing Summit, held in February 1999.

79. Following the decision taken at ECA's International Conference on Women in May 1998, to establish a mechanism for women to channel their inputs into the peace process at the decision-making level, a 16-member African Women's Committee on Peace and Development was formally launched in November 1998 with advisory status to the highest bodies of ECA and OAU. ECA, in collaboration with OAU organized and

hosted the first meeting of the Committee in December 1998, at which it elected its first Bureau, and formulated and adopted a two-year programme of work.

80. Several NGOs and member States benefited from the secretariat's advisory services in the areas of women's economic empowerment and the promotion of women's legal and human rights. In the area of women's economic empowerment, the secretariat provided assistance to Mauritius in designing a micro-credit programme for women entrepreneurs and formulating a national gender plan of action; and to the African Federation of Women Entrepreneurs (AFWE), in organizing the second global trade fair and investment forum. Assistance was also provided on gender mainstreaming to IDEP, ADB, the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), the Uganda Police Force and the Government of Malawi. With regards to women's legal and human rights, the secretariat provided assistance to Guinea and two NGOs in both the Niger and Botswana on the adoption of appropriate strategies to improve women's awareness of their legal and human rights and have access to services to facilitate full enjoyment of those rights, as provided for in the CEDAW and other international legal instruments.

81. During the period under review, various activities were jointly undertaken with other United Nations agencies as well as bilateral partners to promote the advancement of women. These partnerships are expected to be strengthened further by the collaborations entailed in the preparation and organization of the forthcoming sixth regional conference on women.

#### **Supporting subregional activities for development**

82. In response to the decision taken by the Conference of Ministers at their meeting in 1997, to rationalize and strengthen ECA's Subregional Development Centres, significant steps were taken to vigorously enhance the capacities of these Centres for programme delivery. In this regard, the secretariat accelerated the decentralization of staff and activities to SRDCs in the period under review. Based in Central, East, North, West and Southern Africa, SRDCs play a pivotal role in rendering services more effectively to regional economic communities and have thus improved the Commission's capacity to support regional cooperation and integration efforts at the subregional level.

83. The work programme of the SRDCs was implemented in the framework of the subprogramme on supporting subregional activities for development in accordance with the first revision to the Medium Term Plan, 1998-2001 of the Commission. Accordingly, these activities focused on providing technical support to and cooperation with the regional economic communities; facilitating development networking and information exchange among governments, civil society and the private sector at the subregional level; coordinating the operational activities of United Nations agencies, in collaboration with UNDP and the United Nations Resident coordinator system at the national level; and strengthening ECA's outreach in the subregions. Highlighted below are some of the major activities undertaken by the SRDCs in their respective subregions in the period under review:

#### **North Africa -SRDC**

84. North Africa - the SRDC made considerable effort at widening the scope of its activities and services to promote subregional cooperation, integration and socio-economic development of countries in the North African subregion. In this context, the Centre participated in several meetings and conferences organized by other United Nations agencies on pertinent issues of African development, in addition to organizing its own meetings, conferences and workshops. For example, the Centre was actively involved in the preparation and conduct of the subregional follow-up meetings for North Africa, on the implementation of the recommendations of both the Beijing Summit on Women and the Copenhagen Summit on social development. Organized in collaboration with UNDP and the Moroccan Government, the follow-up meeting to the Social

Summit adopted the Marrakech Declaration, in which member States reaffirmed their commitment to implement the Copenhagen Plan of Action for the attainment of the social objectives of employment generation, poverty reduction, education and health.

85. The Centre also organized the fourteenth meeting of the Intergovernmental Committee of Experts (ICE), which discussed the management of both external debt and the nexus issues. The meeting adopted a subregional policy framework for action in dealing with the question of external debt. The meeting recommended, among other things, that a seminar on irrigation and water management be convened in the near future.

86. As an arid area, the North African subregion is subject to land degradation and deforestation – trends that are intensified by rapid population growth. Consequently, the subregion faces the challenges of food security and a fragile vegetation. The objective of the Centre, therefore, is to sensitize decision makers on these issues, and to make appropriate recommendations based on best practices. It is expected that sharing of views and experiences on the nexus issues will contribute to a better knowledge of the interaction between population, environment and food security. This will, in turn, lead to the formulation and adoption of sound and more effective population, science and technology and environment policies, as well as strategies for increasing production and agricultural productivity to ensure food security.

87. To this end, the Centre prepared several publications, reports and background papers on various issues pertaining to the development of countries in the subregion. Among the publications were the following: a yearbook of studies on the management of the nexus issues, which contains political and strategic guidelines for Governments and NGOs to strengthen activities for sustainable development; annual report on the economic and social conditions in North Africa as well as seven country reports; second bulletin on development issues; a paper on service trade between Africa and the Arab world presented by the Centre at the Afro-Arab trade fair in April 1999; and a document on forestry production excluding wood and food security is being prepared for the fifteenth meeting of ICE scheduled for the year 2000. The Centre also took part in the preparation of the annual activity report of the United Nations system in Morocco.

88. The following studies and projects are planned for the remaining part of 1999: long-term perspective studies in North Africa; subregional seminars on small-scale irrigation and on the management of external debts; a draft study on the production of appropriate seeds for arid zones in North Africa, to be supported by IFAD, Convention to Combat Desertification (CCD) and the School of Forestry Studies in Madrid; a project on the best essay and artistic work on the theme of gender.

89. Consultations and data collection missions were undertaken in several countries of the subregion, with a view to setting up a macroeconomic, social and sectoral data bank. In addition, several meetings took place between the Centre and Moroccan Government on the issue of a Headquarters agreement culminating in the signing of the agreement between ECA and the Moroccan Government in March 1999 during the visit of the Executive Secretary.

90. The Centre strengthened its collaboration with other United Nations agencies as well as other organizations. In this regard, the Centre participated in the inter-agency meetings organized by the United Nations Resident Coordinator in Morocco, and represented ECA at various other meetings in the subregion. These included the Conference of African Ministers responsible for Civil Service held in Rabat in December 1998; the National Conference on Employment in Marrakech in December 1998; a workshop on poverty reduction in Tangiers in June 1999 and the Afro-Arab Trade Fair in Dakar in April 1999. The Centre also participated in the third meeting of the Follow-up Committee on the Implementation of the Dakar-Ngor Declaration on the International Conference on Population and Development (ICPD), organized by the Joint

OAU/ECA/ADB Secretariat in Addis Ababa in October 1998. Similarly, the Centre participated and contributed to the following meetings and conferences: the FAO meeting on the development and coordination of regional activities on forestry products excluding wood in the Middle East; a conference on the theme, "Science and Technology in Africa in the twenty-first century", organized by the African Academy of Sciences in Tunisia in April 1999.

91. The Centre also continued to play its role as an important liaison between ECA and the member States of the subregion, thus enhancing the Commission's outreach in the subregion. In this regard, the Centre participated in various meetings at ECA Headquarters – on programme review and preparatory meetings to subregional meetings on the follow-up to global and regional conferences, as well as preparatory meetings to the Conference of African Ministers responsible for Economic Development and Finance.

#### West Africa - SRDC

92. During the period under review, the West African SRDC produced the report on the economic and social conditions in West Africa. The report reviewed socio-economic performance in 1998 and prospects for 1999, as well as examined conditions for sustainable development in the subregion. The report concluded that in spite of the positive growth rate of 4.9 percent for 1998, sustainable human development still eluded most of the countries of the subregion.

93. The Centre also published two issues of the West African SRDC Development Bulletin, 1998 edition of the Directory of West African IGOs, and a Compendium of the Results of West African Research Centres in the Field of Improved Seeds and Modalities, 1998 edition.

94. Several meetings were organized by the centre. Among them was the second meeting of the Intergovernmental Committee of Experts of the West African-SRDC, which was held in Conakry, Guinea in March 1999. The meeting reviewed the following reports: report on economic and social conditions, the promotion of gender perspectives and sustainable database network, techno-economic study of a pilot laboratory project for the production and utilization of gum xanthan, experiences of river and lake basin development organizations and a report on the prevalence, causes and consequences of HIV/AIDS. The meeting recommended the promotion of subregional integration through the strengthening of food security programmes.

#### Central Africa - SRDC

95. The activities of the Central Africa SRDC during the period under review, were aimed at promoting regional cooperation and integration by providing effective technical support to the regional economic communities to promote synergy in the subregion and ensure the achievement of regional integration objectives. In this regard, the Centre provided assistance in developing a programme for relaunching the Economic Community of Central African States (ECCAS), following a request made to ECA by the ECCAS Conference of Heads of State and Government in February 1998.

96. In continuation of its efforts at strengthening regional cooperation in mineral resources development and utilization, the Centre and the Ministry of Mines, Energy and Petroleum of Gabon signed a technical cooperation agreement in October 1998, under which the Centre will provide assistance in the relaunching of the Central Africa Mineral Resources Development Centre (CAMRDC) in 1999. The Centre also provided assistance to the Central African Customs and Economic Union/Communauté économique et monétaire de l'Afrique Centrale (UDEAC/CEMAC) in formulating the terms of reference for a study on the harmonization of mining policies and legislation in Central Africa.

97. Other activities undertaken included the organization of ad hoc experts group meetings, seminars, training workshops as well as the preparation of reports and policy brief notes. In this regard, the Centre organized and serviced the meeting of ICE for SRDC-CA in May 1999; an ad hoc experts group meeting on the challenges of regional integration was organized, in partnership with other United Nations agencies; and an ad hoc experts group meeting on developing a framework for the integration of the Central African subregion.

98. During the period under review, the Centre produced the 1998 report on the economic and social conditions of Central Africa under the theme, "The impact of cooperation agreements on the subregion's development". Work is already underway in the preparation of the report for 1999 which will be published under the theme, "Convergence, Globalization and Integration in Central Africa".

99. The Centre has been very active within the United Nations coordination system in the subregion, and serves as the lead agency in promoting regional integration and cooperation and internet connectivity for United Nations agencies. Its collaboration with other United Nations agencies in this regard has involved the organization of meetings, conferences and preparation of reports such as the report on the economic and social conditions in Africa, which focused on such topical issues as liberalization and privatization, the Uruguay Round, the CFA franc and the European single currency, as well as integration and cooperation in the subregion. The Centre is also planning a seminar for 1999 on the role of SMEs/SMIs in fostering regional integration and cooperation in Central Africa.

#### East Africa - SRDC

100. During the period under review, the Centre provided technical support and advisory services to various regional economic communities and Intergovernmental Organizations (IGOs) in the formulation and implementation of policies and programmes related to opening up of landlocked countries and integrating island countries to the continent, as well as harmonization of policies and programmes in the transport and communications sector. In this regard, the following major publications were prepared: market study on transportation on the Tanganyika and Kivu lakes and an assessment of the waterways of Tanganyika and Kivu lakes, for COMESA/CEPGL/Transit Transport Coordination Authority-Northern Corridor (TTCA-NC); a study on subregional cooperation in the maintenance and buoyage of navigable waters; and an assessment of Lake Victoria ports for EAC, and the Transit Transport Coordination Authority-Central Corridor (TTCA-CN). The Centre also provided support to IGAD and COMESA in the development of a framework for monitoring gender mainstreaming.

101. In the area of facilitating networking and information exchange, the Centre published a survey of economic and social conditions in the subregion, which provided useful data and information for country assessment reports prepared by the United Nations and other development agencies. Other activities in this area included the organization of a high-level seminar on information technology; organization of a conference on Gender and Law; a seminar on the development of leadership skills for women; a symposium on capacity building for gender initiatives and subregional cooperation; and surveys on women's human and legal rights and women's access to productive assets in Kenya, the United Republic of Tanzania and Uganda.

102. In addition, the Centre contributed to the organization of the East and Southern Africa subregional follow-up meetings to the World Social Summit and the fourth World Summit on Women, by preparing a paper on the progress made by member States of SRDC-EA in the implementation of the various recommendations and action plans adopted by these conferences.

103. The Centre also collaborated with other United Nations agencies in the common country assessment of countries in the subregion and in the harmonization of programming cycles and the elaboration of a common



assistance framework. In addition, the SRDC-EA undertook a number of activities in collaboration with subregional IGOs such as COMESA, EAC, IGAD, IOC KBO, CEPGL and TTCA-NC, which were aimed at promoting policy harmonization to accelerate economic growth and regional cooperation and integration.

#### Southern Africa - SRDC

104. During the period under review the Southern Africa SRDC provided technical support to the COMESA, SADC, and to member States in the following areas: macroeconomic policy, transport and communications, information technology, development management, gender mainstreaming, and on the nexus issues of population, food security and environment for sustainable development.

105. The assistance took the form of organization or participation at workshops meetings, conferences, and training. For example, the Centre contributed to the preparation of the SADC Annual Economic Survey for 1999. The Centre also assisted in programme development on road safety for Zimbabwe, in the formulation of a national transport and communications policy for Zambia, and participated in the meetings of the policy organs of COMESA and SADC.

106. The Centre convened the fifth meeting of the ICE for Southern Africa. The meeting, which was attended by eight out of the eleven member States, as well as the key regional economic communities and other organizations, recommended the following: effective coordination between ECA and the regional economic communities in order to increase synergy; harmonization of requirements and streamlining of modalities for data collection between ECA and the regional economic communities in order to minimize demand on member States; adoption of a new approach to the debt problem which involved identifying critical development areas to benefit from savings realized from debt cancellation; the development of an institutional framework for cooperation in minerals development in southern Africa; and the integration of the East and Southern African Development Information System (ESADIS) project into the regular programme of the Centre when the current agreement with the Government of Zambia expires.

107. Activities on facilitating networking and information exchange included organizing an ad hoc experts group meeting on the management of the nexus issues, in collaboration with FAO, UNEP, and UNFPA, which developed a draft regional policy framework for integrating population, food security and environmental issues into the national development strategies of member States.

108. The Centre also facilitated information exchange through publications. Key among these publications were the Report on Economic and Social Conditions in Southern Africa, 1996-1997, focussing on national programmes for poverty alleviation; a report on the institutional framework for cooperation in minerals development in Southern Africa; two issues of the Southern Africa Development Bulletin were also published, focussing on the implementation of UN-SIA in Zambia, the outcomes of the follow-up meeting to the World Summit on Social Development and the second Tokyo International Conference on African Development (TICAD II).

109. The centre participated in the organization of follow-up meetings on the fourth World Summit on Women and the World Summit on Social Development for the Eastern and Southern Africa subregions. These meetings were jointly organized with other relevant ECA divisions, the SRDC-EA, in collaboration with UNFPA, UNIFEM and the Government of Seychelles.

110. The Centre also collaborated closely with the United Nations Country Team in Zambia in undertaking activities in support of the implementation of UN-SIA and other selected activities such as the coordination meetings of Heads of agencies and the activities of the United Nations Task Force on HIV/AIDS.

111. In support of strengthening ECA's outreach in Southern Africa, the Centre provided backstopping to the project on promoting informal sector development in Zambia, which is executed by ECA's Development Management Division, by hosting workshops and media briefs. The Centre also participated in the fifth Southern Africa Trade and Investment Forum organized by The International Herald Tribune.

#### **Implementation of UN-NADAF and the United Nations System-Wide Special Initiative on Africa**

112. Within the context of the role entrusted to it to monitor the implementation of UN-NADAF, ECA has made significant contributions to Africa's economic recovery through the United Nations System-wide Special Initiative on Africa (UN-SIA), the vehicle for the implementation of UN-NADAF. In this regard, ECA undertook several activities aimed at promoting economic cooperation and integration, as well as strengthening Africa's position in the global economy. These activities included organizing the conferences and meetings of African Ministers responsible for Finance, Economic Development and Planning; analytical studies undertaken in the context of providing technical and advisory services to member States; and collaboration with other United Nations agencies and non-United Nations agencies.

113. As part of activities in support of the implementation of UN-SIA, the seventh ACC Steering Committee of the Initiative convened an informal consultation meeting between the World Bank, UNDP and ECA in New York in October 1998 to explore appropriate resource mobilization strategies for the identified sectors at the country level. The meeting emphasized that resource mobilization strategies were best defined at the country level and produced an issues note on how best to transform the SIA into a more relevant instrument for improved programme coherence at the country level, for ensuring aid effectiveness through technical assistance to African countries to improve the policy environment, and ensure increased external resource flows, in the light of declining levels of ODA to Africa. The meeting also suggested that "best practices" in resource mobilization efforts in areas where the Initiative had recorded remarkable success be replicated in other priority areas.

114. A number of activities were undertaken as part of the SIA secretariat's communications and outreach strategy, which was designed as a comprehensive advocacy and outreach tool on the activities of the SIA and the work of the United Nations in Africa. The activities included the following: a briefing to participants of the TEPCOW meeting in May 1999 on SIA's work programmes and activities; a presentation on the use of the Internet in fund raising in May 1999; publication of the second issue of the SIA newsletter in November 1998; the development of a database on African development issues on the Internet, including relevant sections of a Journalist's Sourcebook on Africa; and an in-house briefing organized for ECA staff on the use of cold-fusion web interface software to publish ECA databases on the Internet, using the MMEA database as a test case.

115. Other SIA-related activities included organizing the technical working meeting on the SIA cluster on poverty reduction through the promotion of the informal sector, which was jointly organized by ECA-SIA secretariat and the ILO in March 1999; capacity-building training on the Internet and Web Publishing techniques was provided to ECA's SRDC in Lusaka and to COMESA in September 1998. The secretariat also provided an "SIA Power-Point Briefing" for a presentation by the EA-SRDC Director at the United Nations-Zambia Retreat held in August 1998. In addition, two discussion papers were prepared for the eight ACC Steering Committee meeting held in May 1999. The first paper was on enhancing the role of the United Nations in Africa, and the second one on the SIA.



## CHAPTER III

### THIRTY-THIRD SESSION OF THE COMMISSION/TWENTY-FOURTH MEETING OF THE CONFERENCE OF MINISTERS/SEVENTH SESSION OF THE CONFERENCE OF AFRICAN MINISTERS OF FINANCE

#### A. Attendance

116. The thirty-third session of the Commission/twenty-fourth meeting of the Conference of Ministers and seventh session of the Conference of African Ministers of Finance was held in the United Nations Conference Centre, Addis Ababa, Ethiopia from 6 to 8 May 1999. The meeting was formally opened by H.E. Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia. The Secretary-General of the United Nations sent a message that was read to the Conference. Statements were also delivered at the opening ceremony by K.Y. Amoako, Executive Secretary of the Economic Commission for Africa, and H.E. Ambassador Vijay S. Makhan, Assistant Secretary-General of the Organization of African Unity (OAU). The representative of Uganda, Honorable Gabriel Opio, Minister of State for Finance and Economic Planning (Planning and Investment) made some opening remarks on behalf of the outgoing Chairman of the thirty-second session of the Commission/twenty-third meeting of the Conference of Ministers.

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

118. Observers from the following Member States of the United Nations were present: Australia, Belgium, France, Germany, Greece, Iran, Ireland, Italy, Japan, Norway, Russia, Spain, Sweden, Romania, Turkey, the Republic of Korea, United Kingdom, United States of America, Yugoslavia and Palestine.

119. The Holy See and Switzerland, not members of the United Nations, were also represented.

120. The following United Nations bodies and specialized agencies were represented: United Nations Regional Commissions New York Office (RCNYO), United Nations Children's Fund (UNICEF), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), Office of the United Nations High Commissioner for Refugees (UNHCR), World Food Programme (WFP), International Labour Organisation (ILO), Food and Agriculture Organization of the United Nations (FAO), United Nations Educational, Scientific and Cultural Organization (UNESCO), World Health Organization (WHO), World Bank, World Meteorological Organization (WMO), International Telecommunications Union (ITU), International Monetary Fund (IMF), United Nations Programme of HIV/AIDS (UNAIDS), United Nations Population Fund (UNFPA), and United Nations Industrial Development Organization (UNIDO).

121. The Organization of African Unity (OAU) and the African Development Bank (ADB) were represented.

122. Observers were present from the following intergovernmental organizations: Association of African Trade Promotion Organizations (AATPO), African Centre for Applied Research and Training in Social Development (ACARTSOD), African Centre of Meteorological Applications for Development (ACMAD), African Organization of Cartography and Remote Sensing (AOCRS), African Regional Centre for Engineering

Design and Manufacturing (ARCEDEM), Arab Maghreb Union (AMU), African Regional Organization for Standardization (ARSO), *Banque Central des Etats de l'Afrique de l'Ouest (BCEAO)*, Common Market for Eastern and Southern Africa (COMESA), Economic Community of West African States (ECOWAS), Eastern and Southern African Management Institute (ESAMI), Institut de formation et de recherche démographiques (IFORD), International Organization for Migration (IOM), Regional Centre for Training in Aerospace Surveys (RECTAS), Regional Centre for Services in Surveying, Mapping and Remote Sensing (RCSSMRS), South African Development Community (SADC), Regional Institute for Population Studies (RIPS), United Nations African Institute for the Prevention of Crime and Treatment of Offenders (UNAFRI) and African Institute for Economic Development and Planning (IDEP).

123. Observers were also present from the following international organizations: European Union (EU), Swedish International Development Agency (SIDA), Christian Relief Development Agency (CRDA), Path Finder International Ethiopia, Global Coalition for Africa, National Agricultural Resource Organization, *Organisation internationale de la francophonie (OIF)*, Organization for Economic Cooperation and Development (OECD), CIDA - Canada, and the United States Agency for International Development (US-AID).

#### B. Agenda and Organization of Work

124. On 6 May 1999 the Conference adopted the following agenda and organization of work:

1. Opening of the meeting.
2. Election of the bureau.
3. Adoption of the agenda and organization of work.
4. Theme of the Conference: The Challenges of Financing Development in Africa.
  - (a) Panel presentations and discussion on "Policy Reforms and Aid Effectiveness"; and
  - (b) Panel presentations and discussion on a "Review of the African Debt Situation".
5. Report on the current economic and social situation in Africa.
6. Ministerial policy debate on the economic and social situation and challenges of financing development in Africa.
7. Consideration of the Report and recommendations of the nineteenth meeting of the Technical Preparatory Committee of the Whole (TEPCOW) and Intergovernmental Group of Experts of the seventh session of the Conference of African Ministers of Finance.
8. Consideration of the Draft Ministerial Statement on "The Challenges of Financing Development in Africa".
9. Any other business.
10. Adoption of the Report and Closure of the Meeting.

125. The Conference elected the following officers:

|                       |                                 |
|-----------------------|---------------------------------|
| Chairman:             | Nigeria                         |
| First Vice-Chairman:  | Namibia                         |
| Second Vice-Chairman: | Morocco                         |
| Third Vice-Chairman:  | Cameroon                        |
| Rapporteur:           | The United Republic of Tanzania |

## C. Account of Proceedings

### Opening Addresses

126. In his opening statement, H.E. Ato Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia, welcomed participants to Addis Ababa and to the twenty-fourth meeting of the Conference of Ministers and the seventh session of the Conference of African Ministers of Finance. He said that Africa today had opportunities for social revitalization which it could ill afford to squander, as a failure would affect not only the continent's economic and social conditions, but the very sovereignty of African countries. He invited member States to seek solutions to the daunting challenges they were facing, mostly by relying on their internal resources and on their own resolve and determination. In this regard, he noted that the recovery had not been sufficiently robust to justify overly exaggerated optimism. None the less, the improved performance made it abundantly clear that, with the proper mix of realistic economic policies, hard work and resolve, and a suitable political context, sustainable development was not beyond reach.

127. The Prime Minister said that the theme of the present Conference was important and timely. He hoped that the Conference would result in concrete proposals which would help African countries address the challenges of financing development so as to achieve sustainable development in Africa. The Prime Minister underscored the fact that there was no better option for African countries than to ensure wholesome development, by mobilizing domestic resources for development in a context of declining resource flows particularly official development assistance (ODA). He underlined the need to enhance domestic savings; manage and judiciously allocate national resources; set up an appropriate legal and policy framework to promote private sector development and encourage investment initiatives; and to build infrastructure while fostering the development of human resources. As African countries promoted viable and sustainable economic conditions alongside a vibrant domestic private sector, to encourage foreign direct investments (FDI), it was to be hoped that their efforts would send a clear signal to foster mutually advantageous partnerships.

128. Africa's image as a continent perennially wallowing in conflicts and irrevocably enmeshed in instability would have to be dispelled if it was to be perceived externally as a reliable partner in business. By creating a more secure political environment, Africa would be able to mobilize domestic and external resources for sustained development. However, it behoved all development partners to ensure respect for international law, as its breach would hardly build confidence. A partnership for peace was needed in Africa and such a partnership should be grounded in international law. It was the collective responsibility of the international community to assist in that regard.

129. The Prime Minister said that another major issue calling for effective and active international cooperation and assistance was the debt overhang. While appreciating all the measures taken including the Highly Indebted Poor Countries (HIPC) initiative to eliminate this debt overhang, he found most of them half-hearted and far from adequate. He particularly deplored the stringent conditions governing those initiatives and called for a new development approach that would actually enable indebted countries to successfully engage in the process of sustainable development. He strongly urged the international financial institutions not to enforce the present economic orthodoxy in debt-ridden countries as that had proved "unviable and even immoral". The type and nature of the partnership with Africa's partners, most particularly with the existing international financial institutions, needed to be scrutinized carefully by all concerned with a view to instituting a smooth working relationship. Such a partnership was obviously critical for Africa's transition as most of its countries had yet to achieve a level at which they could rely on FDI, export earnings and domestic savings for resource mobilization.

130. In a message read on his behalf by Ms. Lalla Ben Barka, the Deputy Executive Secretary of the Economic Commission for Africa (ECA), the Secretary-General of the United Nations, Mr. Kofi Annan, observed that at the threshold of the millennium, Africa was witnessing many positive changes, which had generated a renewed sense of hope, resulting from economic reforms, transitions to democratic systems of governance, and the growing dynamism of the private sector. He noted, however, that the feeling of optimism was tempered by conflicts, which resulted in massive displacement of populations, lack of economic diversification, and population and ecological pressures in combination with poor agriculture productivity, which had exacerbated poverty. He emphasized that peace and development were inextricably linked particularly in Africa. He reminded the Conference that since taking office he had placed peace and development among his priorities. Further in his report to the Security Council in April 1998, on **The Causes of Conflict and the Promotion of Durable Peace and Sustainable Development in Africa**, he underlined the fact that Africa faces complex economic, social and political challenges which required comprehensive response.

131. The Secretary-General said that the theme of the Joint Conference was topical and timely. He observed that tasks in mobilizing and managing financial resources for development were enormous, and were hampered by a combination of adverse external economic environment and by domestic policies and institutional weaknesses. In that regard, in his report to the Security Council, he recommended several measures to improve the external economic environment in support of Africa's development efforts covering the following areas: official development assistance, Africa's external debt, ensuring access for competitive African goods, and coordination among donors, both bilateral and multilateral. He informed the Conference that since the report was issued, a number of developed countries in particular the Group of seven industrialized countries had announced initiatives to reduce the debt burden of Africa.

132. He noted that as African governments demand improved access to foreign markets, seek to attract foreign direct investments, and urge debt cancellation, they needed to adopt such crucial measures as promoting transparency and better information dissemination on economic policy makers, the strengthening of their institutions for upholding accountability, and imposing severe penalties on public sector officials and private sector agents who engage in corrupt practice.

133. In conclusion, the Secretary-General reminded the Conference that the United Nations was an essential and reliable partner in contributing to the development efforts of African countries. ECA will play a crucial role in that process and that the meeting under the aegis of ECA was a crucial and vivid testimony to that commitment of realizing a peaceful and prosperous Africa.

134. In his statement, Mr. K. Y. Amoako, Executive Secretary of ECA welcomed participants and expressed his appreciation to the distinguished guests who had responded to his invitation to this important meeting. He informed the participants that H.E. Mr. Alpha Konaré, President of the Republic of Mali, Keynote Speaker of the Conference, who had originally accepted his invitation, has not been able to attend the meeting due to a conflicting schedule. He thanked Ato Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia for his insightful statement and expressed his deep appreciation to him for his continuing support for the work of the Economic Commission for Africa.

135. While the significant progress that African countries had made towards economic and political liberalization could still be termed fragile, they were largely in place. However, economic growth remained far below the level required to make any meaningful dent in poverty. He informed the Conference that ECA's 1999 Economic Report on Africa, introduced many new ways of measuring the continent's economic performance. Those additional measurements included rankings of overall economic performance, policy stance and economic sustainability indices as they related to prospects for reducing poverty. Reviewing the

financial implications of a broad-based attack on poverty, he noted eight factors that deserved particular attention. These factors included: (a) integration of population, environment, and science and technology policies into national development strategies; (b) promotion of investments in the social sectors that target and reach the poor; (c) the HIV/AIDS epidemic; (d) gender dimension of poverty in Africa; (e) global information and knowledge systems; (f) regional integration and international competitiveness; (g) Africa's best practices and experiences in governance; and (h) conflict prevention.

136. Turning to the theme of the Conference, the Executive Secretary underlined the need for policy makers to promote domestic resource mobilization, reverse capital flight and attract foreign direct investment. While aid dependency was admittedly deplorable, aid itself should not be reduced. On the contrary, aid levels should be increased as the policy environment improved across Africa. At the same time, greater aid effectiveness would be required to boost the confidence of donor governments and their parliaments in Africa's management of development support and the cause to which aid agencies had committed themselves. Accordingly, the current Conference was expected to evolve strategies for improving aid effectiveness and development partnerships based on an Africa-driven agenda; raising savings and curtailing capital flight; enhancing debt-relief initiatives; and articulating recommendations and a common position to feed into the upcoming G-7 Summit and the next Joint Annual Meeting of the World Bank and IMF.

137. He thanked the Technical Preparatory Committee of the Whole (TEPCOW) for its in-depth review of all the issues on the agenda of the Conference, as well as its appraisal of the work of the Commission over the 1996-1998 period, the proposed work programme and priorities for the 2000-2001 biennium, and the coordination of United Nations System activities in Africa with particular reference to the role of ECA. With the support of OAU and ADB the Commission was launching the African Development Forum whose first meeting will be held in October 1999 on the topic of "The Challenge to Africa of Globalization and the Information Age."

138. In his statement, Ambassador V.S. Makhan, Assistant Secretary-General of the Organization of African Unity/African Economic Community observed that this year's conference theme which was the Challenges of Financing Development in Africa was taking place at an important time and context of the continent's history. He described it as a time of economic recovery and a paradox of resource flows: of increasing political and economic reforms but falling official development assistance (ODA), stagnant FDI inflows and increasing concern to do something about Africa's debt problem. He noted that since a good policy environment now existed in many African countries, efforts needed to focus on deepening financial sector reforms, increasing the capacity for financial intermediation through capital market development, the introduction of flexible savings instruments, appropriate interest rate policy management, suitable measures to curb capital flight, and fostering greater transparency in financial markets through the widening of the participation of African countries in the General Data Dissemination System (GDDS) and the Special Data Dissemination System (SDDS).

139. Ambassador Makhan noted that the distribution of the benefits of globalization were profoundly inequitable. He called for more meaningful cooperation between developed and developing countries in shaping a global economy in which the gains of liberalization would be more equitably shared. Bearing in mind the upcoming third World Trade Organization (WTO) Ministerial Conference, the proposed OAU/European Union Summit, the United Nations Conference on Financing for Development, the United Nations Millennium Summit, UNCTAD X, the South-South Summit, and the third United Nations Conference on Least Developed Countries, he observed that these important fora provided the opportunity to ensure that the issue of the imbalances of globalization were adequately addressed and reaffirmed OAU's commitment, in collaboration with ECA and ADB, to assist African member States in these important negotiations. He said that regional economic integration, within the framework of the Abuja Treaty establishing the African Economic Community, was the cornerstone of Africa's strategy of fuller integration into the world economy

and of achieving global competitiveness. He called on Africa and its development partners to exploit global opportunities in a gradual, step-by-step, process of integration in the world economy.

140. The Assistant Secretary-General concluded his statement by inviting member States to continue in their reform efforts. He called for a strengthened policy environment, in particular, to embark upon a new generation of financial sector reforms aimed at deepening and achieving greater transparency in African financial markets; to promote and support regional economic integration efforts as a strategy to achieve competitiveness in the global context; for urgent international support through increased official and private flows; to effectively resolve the debt crisis; foster greater coherence in global economic management and address the imbalances of globalization as the way of ensuring sustainable development and a durable improvement in living standards.

141. Honourable Gabriel Opio, Minister of State for Finance and Economic Planning (Planning and Investment) of Uganda, on behalf of the outgoing Chairman of the thirty-second session of the Commission, expressed his gratitude to the host country, Ethiopia, and the rest of the Bureau. He stated that the economic, human development and environmental challenges facing Africa were serious and that prospects for Africa's development were in many ways better now than was the case for many years. He observed that ongoing reforms in Africa were improving governance and economic performance in more countries, civil society was burgeoning and women were becoming more prominent in development and government.

142. He observed that the ECA reforms, embarked upon three years ago had encompassed reforming the administration of its operations, setting relevant programme priorities, restructuring the organization and reforming intergovernmental machinery, and decentralizing activities from its headquarters to the Subregional Development Centres (SRDCs) to bring its services closer to member States. Further, he noted that ECA was increasingly using African experts and African institutions.

143. Referring to the Report of the work of the Commission 1996-1998 and the proposed programme of work and priorities for the biennium 2000-2001, he noted with satisfaction that the activities of the Commission covered the key issues of concern in Africa's development including poverty reduction, fostering regional cooperation and integration within the framework of the Abuja treaty; promoting good governance; building Africa's information and technology infrastructure; promoting human-centered development; better management of the interlinked issues of food security, population and environmental sustainability; promoting women in development; and capacity building through an expanded programme of advisory services to member States. He also expressed appreciation to the Committee of Experts (TEPCOW) for its excellent work.

#### Panel presentations and discussions (agenda item 4)

144. Under this agenda item, there were two panel presentations. The first panel presentation was on **Policy Reforms and Aid Effectiveness**. The panel was composed of H.E. Ms. Eveline Herfkens, Minister for Development Cooperation of the Netherlands; Ms. Carol Lancaster, former Deputy Administrator of the United States Agency for International Development (USAID) and a current member of faculty of the School of Foreign Service at Georgetown University; and Professor Paul Collier, Director of the Development Research Group of the World Bank. The panel discussion was moderated by Mr. Y. Seyyid Abdulai, Director-General of the OPEC Fund.



145. There was a second panel presentation on **A review of the African Debt Situation and Domestic Resource Mobilization in Africa**. The panel was composed of Mr. Rubens Ricupero, Secretary-General of UNCTAD; Mr. Ernesto Hernandez-Catta, Associate Director of the Africa Department of IMF; and Mr. Jeffrey Katz, Principal Economist, Africa Regional Office for Economic Management and Social Policy of the World Bank. The panel discussion was moderated by Mr. Ahmedou Ould Abdallah, Executive Secretary of the Global Coalition for Africa.

146. The summary of the panel presentations and discussions is contained in document E/ECA/CM.24/L/Add.1.

#### Report on the Current Economic and Social Situation in Africa (agenda item 5)

147. Under this agenda item, the Conference took note of the presentations made by both the Executive Secretary and Dr. Peter Piot, Executive Director of UNAIDS, on the Economic Report on Africa 1999 and on HIV/AIDS in Africa, respectively.

148. The Executive Secretary informed the Conference that the Economic Report on Africa 1999, which assessed the economic performance in Africa and highlighted its short-to-medium term prospects, had introduced new approaches by developing a new set of indices to assess the sustainability of the performance outcome and policy efforts of countries in terms of progress towards well-defined long term development goals. The Conference noted the central message of the Report, which underlined that despite the recent rather impressive economic growth and progress in economic policy reforms, most of the countries of the continent lacked the fundamentals of sustained growth at rates required to realize the poverty reduction targets. It particularly noted the new focus on fundamental factors, which needed to be addressed in order to create sustainable reduction of poverty by 50 per cent as required by the internationally agreed target date of 2015. One of the major challenges facing Africa was the HIV/AIDS epidemic.

149. The Executive Secretary said that the secretariat was encouraged by TEPCOW's warm reception of the Report. He explained each index in turn. The indices were: the Annual Performance Index, the Annual Performance Index; the Economic Sustainability Index; and the Economic Policy Stance Index. He assured the Conference that the indices would be refined and that future editions of the Report would be more useful. He invited member States to forward their comments and observations to the secretariat of the Commission. He informed the Conference that the secretariat would field missions to member States to hold discussions with national experts on the policy implications of the Report.

150. In his message, Dr. Peter Piot examined the current social situation in Africa as it related to the AIDS epidemic. He particularly underlined the impact of AIDS on African socio-economic development prospects. The Conference noted with dismay that, along with armed conflicts, the AIDS epidemic had become the greatest obstacle to development in much of sub-Saharan Africa. It also noted with concern that at least 9 million Africans had already died of AIDS, while over 22 million Africans are currently living with HIV or AIDS. Moreover, the AIDS crisis had continued to worsen in the region, as 3.5 million African adults were newly infected with HIV in 1998, while another half a million African children were newly infected at birth because their mothers already carried the HIV virus.

151. The Executive Director stressed the fact that the AIDS epidemic was not a health but a development problem. Although families of the victims were the first to suffer the socio-economic consequences, AIDS also impacted negatively on the overall performance of African economies and adversely affected human capacity building. This would result in loss of competitiveness in a global economy increasingly dependent on knowledge. Moreover, several recent studies in Africa showed that company profits decreased from 7 to 20 per cent as a direct result of HIV/AIDS and that countries with high HIV prevalence were likely to lose 1 per cent of GDP growth per capita annually.

152. With respect to an international partnership against HIV/AIDS in Africa, Dr. Peter Piot indicated that the key features of such a partnership included actions to: raise high level of political support for intensified national AIDS programmes; develop strong national plans; mobilize greatly increased financial resources for these plans; and develop strong country-based and regional technical platforms to assist programme design and implementation. He emphasized that, in order to be effective, such an international partnership against HIV/AIDS should go beyond African governments and United Nations agencies, to include the NGOs, the private sector and the international donor community.

153. During the discussions on AIDS, participants acknowledged that AIDS was a major challenge for Africa as its impact on the population development action and on the macroeconomic performance on the Continent had been disastrous. Participants noted with satisfaction that a lot could be done to mitigate the adverse effects of HIV/AIDS in Africa. They took note of the experiences of Senegal and Uganda, where a combination of strong political support, broad institutional participation, and carefully selected programme interventions actually led to declines in the number of new HIV infections and improved care for those who are ill. They underlined the need to put in place in each African country a wide national coalition against AIDS bringing together several sectors of the society. In this regard, participants noted the approach taken by USAID which focuses on four principles, namely to: adopt concrete measures against AIDS; provide health care and support to HIV carriers; reduce the impact of the pandemic; and promote the establishment of new NGOs whose objectives are to prevent AIDS; and strengthen the existing NGOs.

154. Certain participants requested information on the progress of research concerning the establishment of a vaccine against AIDS. In this connection, the Conference was informed that such a vaccine would probably not be developed within five to 10 years and that emphasis should now be placed on mass awareness campaign.

155. However, participants underlined the need for African governments to provide increasing financial resources in their national AIDS programme while at the same time requesting additional funds from multilateral and bilateral donors.

156. Participants also underlined the fact that AIDS cannot be resolved exclusively by the Ministries of Health and that it should be an integral part of the national development strategies. However, they recognized that young people were the most affected by the pandemic and that the spread of AIDS had been encouraged largely by the movement of peoples. Several participants indicated that countries had established AIDS programmes with the assistance of UN-AIDS as well as bilateral and multilateral donors. Furthermore, despite budgetary constraints, some African governments have established special funds to provide access to treatment for HIV carriers, such as tritherapy and the subvention of new pharmaceutical products.

157. The Conference noted with appreciation that UNDP was prepared to provide financial assistance to African governments who have established anti-AIDS programmes including monitoring mechanisms for effective programme execution.

158. The Conference also noted with satisfaction that Canada was prepared to take the necessary measures to ensure that part of the personnel that it had trained in respect of its programme of assistance to African countries would be made available in the anti-AIDS programme.

#### Ministerial Policy Debate on the Economic and Social Situation and Challenges of Financing Development in Africa (agenda item 6)

159. Participants paid tribute to ECA's efforts at deepening the analysis and enriching the content of the economic and social conditions in Africa. Participants noted the qualitative leap the 1999 Economic Report on Africa made over earlier reports. They noted that the Report not only made a comprehensive review of national, subregional and regional performances but also addressed the challenges of reducing poverty by half



by 2015. Further reflecting on the 1999 Report, participants appreciated the basic idea of using African "best practice" as the benchmark, for the measurement of country efforts and comparison of their achievements in terms of economic performance, human and social development and the management of public affairs and using indices for this purpose.

160. Participants took note of the development and application of new performance indices by ECA, namely: the Annual Performance Index; the Economic Sustainability Index; and the Economic Policy Stance Index, which provide insights into the interactions between policy choices and short term, as well as long term economic outcomes. However, participants observed that there was need for further technical work as well as improvement on background data. Participants noted and supported ECA's plans to develop and refine these analytical tools further, working closely with member States. They acknowledged the potential utility of the three indices developed by ECA to track the performance, sustainability and the policy stance of African economies. However, they underlined the fact that this was a novel exercise and as such there would be a need to refine and fine tune the indices qualitatively and quantitatively.

161. While the quality and timeliness of the statistical data used may have weakened the robustness of the indices, participants pointed out that these weaknesses were not unique. In this regard participants noted the importance of updating the statistics used to measure poverty and explore the state of income distribution in the region. As a result, quantitative measures of poverty and the state of income distribution contained in the Report may fail to reflect the current situation in these countries.

162. Participants also commented on the choice and relevance of variables used in the calculations of the indices. In this regard they pointed out that: structural diversification should have been measured by an average indicator covering several years; food balance and export/import ratios would have been better measures of dependency rather than food imports to total imports budget deficit/GDP ratio should have been included in the economic sustainability as well as the economic performance index; and the transaction cost index should have included the time it takes for goods to be cleared from customs since it proxys other factors that cannot be quantified but have decisive bearing on investment and profitability particularly when it comes to bureaucratic formalities and institutional efficiency.

163. Participants felt that the Economic Report on Africa 1999 was an improvement on the previous reports and urged ECA to continuously upgrade and deepen the sustainability analysis contained therein for broader understanding of the economic and social conditions of the region.

164. While recognizing the need to reduce dependency on aid in the long term, participants were unanimous in their view that aid levels should be increased in order to reduce poverty and resuscitate economic performance in African countries. Participants urged the need for resource flows-aid, debt and foreign direct investment - to be viewed in a holistic and integrated framework for financing the continent's development. The reality, however, has been that ODA continued to decline as a proportion of GDP, in spite of the improving policy environment in most African countries. Delegates noted that at the end of the cold war the adoption of market-oriented economic structures by formally centrally planned economies and globalization of the world economy had increased demand for ODA by other regions. Furthermore, it was noted that the crisis in the Balkan region could result in further cuts in aid to Africa.

165. Participants observed that several factors have contributed to aid ineffectiveness in Africa, among them, lack of a stable macroeconomic policy environment, lack of good governance, lack of recipient ownership, ineffective management of aid resources by donors and recipients, the prevalence of donor-driven programmes, and a shortage of resources for recurrent operations and maintenance. For these reasons, participants noted that corrective measures would need to include the sustenance of a stable macroeconomic environment, good governance, strong institutions and capacity-building to enhance aid effectiveness, which are currently in place in most African countries. Above all, participants emphasized the need for a new "donor-beneficiary" relationship based on partnership and a shared vision. If implemented, such measures are

likely to improve the quality of management of aid resources by donors and recipients and enhance coordination, cohesion, focus and impact of donor-supported programmes and development assistance in general. More importantly, it was emphasized that the new relationship should focus on African-driven agenda, to foster a sense of ownership in the recipient countries.

166. Participants noted that over time, aid should constitute a smaller proportion of total financing requirements, as it is only a vital complement to the resources that African countries must generate themselves to finance their development. Aid should be viewed as part of an integrated framework for development financing which must include domestic savings, FDI flows and debt reduction to free resources for development financing. Generating trade surpluses must be made part of the important source of resource inflows.

167. In view of the poor prospects for future increases of ODA flows, participants stressed the need for reliance on domestic resources. In this regard, they underlined the imperatives for increased domestic resource mobilization by making use of the formal as well as the informal financial institutions and forging a strong link between the two. While increased domestic resource mobilization was fundamental for sustained financing of development in the long-run, countries must pay equal attention in the use of these resources. In particular, to conserve scarce resources and maximize their social and economic benefits, participants underscored the necessity of targeting these sectors and activities that would yield resources for reinvestment, reduce unemployment and expand opportunities.

168. While acknowledging the importance of attracting private foreign direct investment in achieving sustainable development, participants noted that Africa had not benefited from the phenomenal growth in foreign investment, in spite of the reforms undertaken by several countries, and that limited flows went to a few mineral-rich countries. Participants therefore emphasized the need for the establishment of a supportive macroeconomic policy, legal and regulatory frameworks, the rule of law and the enforcement of contracts; well-functioning social and economic infrastructures; financial sector reforms, support to capital markets development; and deliberate and explicit attention to investors' perception of risk.

169. While striving to attract foreign investments, participants noted that Africa had the largest share of wealth held overseas by residents than any other continent (39 per cent *vis à vis* 6 per cent for East Asia before the crisis). Participants observed that stemming and reversing capital flight could go a long way to solving Africa's development finance problem. To that end, participants called for measures to be undertaken by African countries to stem capital flight.

170. Participants noted Africa's current weak position in the new global economic environment and urged that measures be taken to enable African countries to benefit from the new round of trade by improving the competitiveness of African products in world markets. Even more importantly, participants noted that regional integration was an important first step in achieving full integration into the global economy. To that end, participants underscored the need for formulating and implementing appropriate policies based on the factor endowments of each country and the comparative advantage these vests on them, as a way of promoting economic integration and trade at subregional and regional levels.

171. Participants welcomed a new international climate for addressing Africa's debt crisis. They particularly noted that the developments were in line with their recommendation two years ago at their Ministerial meeting, to revise the terms of the HIPC's Initiative. Proposals coming from a number of G-7 countries, UNCTAD and high level United Nations groupings, and the recent reviews by the Bretton Woods Institutions bespoke a new realism that much of the debt was unpayable, that altogether it was a very significant impediment to Africa's orderly growth, and that current debt resolution mechanisms, particularly the HIPC's initiative, were far too slow, far too selective in coverage, and far too conditioned. However, they noted with satisfaction that Uganda had benefited from debt relief under the HIPC initiative and that commitments had been made for Burkina Faso, Cote d'Ivoire and Mozambique.

172. Participants recalled the understanding reached at TICAD II, where it was agreed that durable solutions be found for the debt problem, which should include debt cancellation, and debt service relief. One of the proposals to be put forward at the forthcoming G-7 Summit in Cologne was that the G-7, together with other creditor countries, should increase the current Paris Club debt relief ceiling from 67 per cent to 100 per cent for bilateral ODA loans to HIPC, giving full consideration to the principle of fairness to burden sharing.

173. Participants felt that the HIPC Initiative needs to take into account the priorities of African countries. It was noted that the problems of some of these countries are compounded further by a very heavy internal debt stock. There is a need to have a comprehensive integrated plan to help poor countries achieve the 32 per cent of investment needed to alleviate poverty by a half by 2015. In this context, advanced countries should provide assistance to African countries as they did in the case of the Marshall Plan framework; there is need to have a viable and credible partnership. Debt cancellation by the year 2000 cannot be achieved if Africans do not mobilize themselves globally to put their case forward to the forthcoming G-7 meeting.

174. Participants reiterated the fact that no amount of debt relief can by itself, generate sustained economic growth. To ensure debt relief, African countries need to adopt policies that create a climate attractive for investment and conducive to vibrant and sustained economic growth, responsible fiscal and monetary policies, reduced corruption, a transparent regulatory environment, adherence to the rule of law, and investment in human capital and physical infrastructure.

175. Participants noted that African countries are making progress toward macroeconomic reforms and the liberalization of their markets to enable them play a significant role in the global economy. On the other hand, the donor countries are considering forgiveness of bilateral concessional loans, rather than rescheduling, to provide at least 90 per cent of new development assistance to HIPC on a grant basis, and grant exceptional relief in exceptional cases. Other new innovative approaches included the assistance to countries emerging from conflicts that need immediate relief and concessional financing; gold sales by IMF and additional contributions to the World Bank's HIPC Trust Fund might be used to help meet the cost of this initiative.

176. Participants reiterated the fact that capacity building or investment in human resources is essential in every aspect of development ranging from the analysis and planning to the debt management and monitoring policies and programmes. Some donors offered training programmes to enhance debt management capability in cooperation with other developing countries as well as international organizations.

177. Participants also observed that the impact of the recent East Asian financial crisis has not gone unfelt in Africa, transmitted to it mainly through commodity prices. The lesson learnt is that globalization is a matter of contemporary life and will become more so in the twenty-first Century. The positive effect of globalization include its stimulus to foreign investment, the transfer of technology and the emergence of dynamic capital markets in emerging economies. African countries should therefore be encouraged to embrace globalization while working more assiduously to make sure that the benefits are spread and negative consequences are mitigated. In this respect, the Committee observed that efforts are presently being made by some advanced countries to develop a new international financial architecture that would involve the restructuring of the Bretton Woods institutions and relying more on accepted codes of conduct to improve overall financial transparency and bank supervision. Portfolio capital, derivatives and hedge fund should play an important role in global financial markets.

Consideration of the Report and recommendations of the nineteenth meeting of the Technical Preparatory Committee of the Whole (TEPCOW) and the Intergovernmental Group of Experts (agenda Item 7)

178. The Chairman of the nineteenth meeting of TEPCOW and the Intergovernmental Group of Experts presented the report of the Committee, as well as the draft resolutions the Committee had recommended for adoption by the Conference, as contained in document E/ECA/CM.24/9.

179. The Conference took note of the presentation and examined the report of the Committee and the draft resolutions contained therein. In considering the report, participants made both general and specific observations and suggestions in respect of the discussions and proposals made by TEPCOW under some of the agenda items it had considered.

180. Under agenda item 5 relating to the Economic Report on Africa, 1999, the representative of Morocco referred to the submission that he had sent to the Executive Secretary related to his Government's comments on the Economic Report on Africa 1999. The quantitative data used to assess the current performance of his country were truncated, heterogeneous and basically out of date. He noted that the data on political freedoms relating to his country were inaccurate, and particularly objected to the fact that Morocco's performance on political freedom had been based on data for 1994, when the situation in the Kingdom had evolved significantly since that time. He urged the secretariat to revise Table (A.III.11): Index of Political Freedoms (1994) accordingly or delete Morocco from the table.

181. The Executive Secretary, in commenting on the observations of the Moroccan delegation, acknowledged receipt of the submission of the Moroccan Government. He informed the Conference that ECA will shortly field missions to African countries to work closely with national experts on all aspects of the Economic Report including the revision of the data it contained. Member States were also encouraged to send to the secretariat all their comments and observations in order to enable it review the Economic Report. In the meantime, the Conference requested the secretariat to delete all data related to Morocco in Table (A.III.11).

182. The Conference amended paragraph 60 to read as follows:

"The Committee noted with satisfaction that the intention of developing these sets of indices was to generate an African measure and to provide a more realistic appraisal of where each country stood relative to other African countries. However, the Committee observed that the current indices were developed on the basis of a limited number of variables and that the indices so obtained may not have correctly assessed the well-being of the people, or have not properly reflected the potential and therefore the sustainability of the countries. In this regard, the representative of Cameroon contested the fiscal index classification appearing in Table (A.III.12): Corruption Perception Index (1998) contained in Document E/ECA/CM.24/3 of 29 April 1999".

183. Under agenda item 8 relating to the progress report on the rationalization of the ECA-sponsored institutions, the Conference amended paragraph 97 of the TEPCOW report to read as follows:

"The Committee noted that a study had been carried out which clustered these institutions into five groupings: (a) Cartography, Mapping and Remote Sensing; (b) Engineering and Industrial Technology; (c) Economic and Social Development; (d) Finance and Trade; and (e) Minerals and Transport. Under the first category, it had been recommended to merge the Regional Centre for Training in Aerospace Surveys (RECTAS) and the Regional Remote Sensing Centre (CRTO). Some participants expressed the wish that the issues of CRTO staff and debts should be clarified before considering its merger with RECTAS. In that regard, they recommended that an audit exercise be conducted on CRTO. The Committee was informed that AOCRS would be holding its conference of plenipotentiaries at Ouagadougou in September 1999. AOCRS could take advantage of that opportunity to convene, immediately after, the meeting of its Governing Council. A joint meeting of the Governing councils of CRTO and RECTAS could then be held before the end of 1999".

184. The Conference further amended paragraph 102 to read as follows:

"The Committee was informed that the new relationship between ECA and the institutions would be based on three key principles, namely: relevance of programmes of the institutions to ECA's

new strategic directions and programme focus; relevance in terms of present operational capacity or potential for effectiveness; and the extent to which the institution was provided regular support by member States. In this connection, the Committee noted the classification of the institutions into three different categories, namely: those with which ECA would develop strong cooperation provided the proposed rationalization measures were implemented by member States; the second category of institutions which also meet the criterion of relevance to ECA's strategic directions but with comparatively limited support from member States or not adequately self supporting; and the third category of institutions consisting of those that were paralyzed and practically non-operational. The possibility of institutions graduating from third to second and first categories was also pointed out. During the ensuing discussions, it appeared that the information on some of the institutions had not been updated. This specifically applied to IFORD whose operational activities had been strengthened following the implementation of ECA's recommendations to the most recent meeting of the IFORD Governing Council. The information basis of the classification was, therefore, inaccurate and the Committee invited the ECA secretariat to reconsider the classification of the sponsored institutions in light of updated information".

185. The representative of Algeria, commenting on operative paragraph 6 of resolution 813(XXXIII) on the Economic Report on Africa, 1999, expressed reservations to the call made on the Executive Secretary of the Economic commission for Africa to ensure the widely distribution of the Economic report. He observed that the data on his country was not accurate and grossly misleading and should be deleted from the tables of the annex to the Report. The Conference accepted his request.

186. The Conference adopted the report of the Technical Preparatory Committee of the Whole/Intergovernmental Group of Experts and the resolutions contained therein in the light of its own comments, observations and amendments.

Consideration of the Draft Ministerial Statement on "The Challenges of Financing Development in Africa"  
(agenda item 8)

187. Participants asked whether ECA as a United nations institution was in a position to transmit the Ministerial Statement on their behalf to the President of the next G-7 Summit scheduled for Cologne. The concern related to the most appropriate channel to transmit the statement which is a common position adopted by the African Ministers on a matter of crucial importance to the economic and social development of Africa.

188. In his intervention on this matter, the Executive Secretary recalled the importance of the Ministerial Statement which had been crafted to attain several objectives and targets simultaneously. Since it constituted a coherent and pragmatic African position, every available channel afforded by OAU, the United Nations General Assembly, the Joint Annual Meeting of the Bretton Woods Institutions and the G-7 should be used to reach and influence the intended audience in order to achieve the desired impact. The Conference took note of the statement made by the Executive Secretary and requested him to use his good offices to present the Ministerial Statement to the host country of the June 1999 Summit of the G-7 countries to be held in Cologne.

189. The Conference then considered and extensively reviewed the Draft Ministerial Statement submitted to it by TEPCOW. The adopted Ministerial Statement as amended is annexed to this report.

Any other business (agenda item 9)

190. There was no issue raised by the Conference under this agenda item.



191. Under this agenda item, a suggestion was made to proceed directly with the closure of the Conference and skip the item on the adoption of the report. After long deliberations on this issue, a consensus was reached that the final version of the Ministerial Statement will be hand-delivered to each delegation before their departure from Addis Ababa. ECA was entrusted with the responsibility of finalizing the report based on the deliberations of the Conference and forwarding it to each member State within 10 days for their comments and observations.

192. In his closing remarks, the Executive Secretary, on behalf of ECA, and on his own behalf, extended his thanks to all participants particularly to the Ministers of Finance and Ministers of Economic Development and Planning as well as the Governors and Deputy Governors of Central Banks who participated in this important meeting. He further expressed his gratitude for their excellent and decisive contribution to the deliberations of this Conference, which was indeed the only forum of its kind to gather Ministers in charge of finance, development planning and Governors of Central Banks. In that respect, he recalled that this approach, which was pioneered three years ago by members States had started to yield fruit.

193. He also highlighted the fact that ECA was already providing a prime intergovernmental machinery for dialogue and consultation among its member States. Nevertheless, at the instance of the United Nations Secretariat, a new dimension to concerted action had been added which closely worked with key ministries of member States and development partners. In this respect, he stressed the fact that ECA intended to use its convening power to be a centre of intellectual debate on key issues of interest for member States. He assured the Conference that its report together with the resolutions and Ministerial Statement would be forwarded to the relevant policy making organs of the United Nations Secretariat and the development partners of Africa.

194. He extended his heartfelt thanks to His Excellency the Honourable Etuk-Udo, Chairman of the Conference for his able leadership, and participants for the excellent work carried out. He also extended special appreciation to the eminent panelists and personalities who agreed to be part of the Conference deliberations and had made valuable contributions in the ensuing discussions. He finally acknowledged the proposal made by the Government of the Federal Republic of Nigeria to host the next Joint Ministerial Conference of Ministers of Finance and Ministers of Economic Development and Planning in Abuja, Nigeria.

195. The Chairman stated that the theme of the Conference: "The Challenges of Financing Development in Africa" has helped African countries to exchange views on various aspects of their development experiences, dialogue with Africa's development partners and articulate a common position on several issues through the Joint Ministerial Statement that had just been adopted.

196. He emphasized that this meeting came at an opportune time, just before the Summit of the G-7 during which the Ministerial Statement would be conveyed by the ECA Executive Secretary.

197. On the renewal process launched by ECA three years ago, the chairman witnessed that this process started to yield dividends with the introduction of improved documentation formats, and better outreach programmes through SRDCs.

198. The Chairman expressed his appreciation to the Executive Secretary for his commendable leadership and to the secretariat, for making the Conference a success.

199. The chairman then declared the meeting closed.



**LIST OF RESOLUTIONS, MINISTERIAL STATEMENT AND MOTION  
OF SUPPORT ADOPTED BY THE CONFERENCE OF MINISTERS  
AT ITS TWENTY-FOURTH MEETING/SEVENTH SESSION OF  
THE CONFERENCE OF AFRICAN MINISTERS OF FINANCE**

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## CHAPTER IV

### RESOLUTIONS, MINISTERIAL STATEMENT AND MOTION OF SUPPORT ADOPTED BY THE CONFERENCE OF MINISTERS AT ITS TWENTY-FOURTH MEETING/SEVENTH SESSION OF THE CONFERENCE OF AFRICAN MINISTERS OF FINANCE

#### A. Resolutions

831(XXXIII)      The Economic Report on Africa, 1999

##### The Conference of Ministers,

Having deliberated extensively on the current economic and social situation and having noted that despite recent economic gains in per capita income, the overall position is that long-term sustainable development and poverty reduction are proving elusive to many African countries and should feature as a major objective in the region's long-term agenda,

Aware that despite the recent improvement in the economic situation of many African countries, the number of people living under extreme poverty has increased, necessitating the need for strategically addressing this situation based on sound analysis and assessment,

Reaffirming the resolve of our countries to reverse the declining socio-economic situation, in particular, through focusing in the coming years on poverty eradication as the overarching objective of all development efforts,

Recognizing the urgency of developing a global approach to mitigate the multi-faceted negative consequences of globalization and liberalization taking into account the specific vulnerabilities, concerns and needs of African countries,

Desirous that the region takes urgent and appropriate measures to forestall any further increase in poverty by addressing the issues of unemployment, low life expectancy, low literacy, high population growth and the socio-economic impact of involuntary population displacement as a result of conflicts,

Noting with satisfaction the emphasis placed on the reduction of poverty in the 1999 Economic Report on Africa prepared by the Economic Commission for Africa,

1. Appreciates the quality of the Economic Report on Africa, 1999, particularly, the new orientation, findings of the Report and new indicators providing a better understanding of the region's economies from the African perspective as essential elements for formulating appropriate policies as well as the analysis of the challenges of poverty reduction and sustainability in the next two decades;

2. Commends the secretariat for its work on the development of a set of indicators on which short- and long-term economic performance and sustainability can be measured and evaluated, which could be valuable instruments for designing policies for addressing the developmental challenges, including the incidence of poverty in the continent;

3. Requests the Executive Secretary of the Economic Commission for Africa to put at the disposal of member States an explanatory note on the methodology and technical approaches used, to enable

member States to study the findings of the Economic Report and the proposed economic performance indicators as well as refine and internalize them in their assessments, analysis and policy-making;

4. Requests the Executive Secretary of the Economic Commission for Africa to continue on refining the indicators developed in the Report in collaboration with member countries and the region's development partners;

5. Calls upon other development partners, especially research institutions to collaborate with member States and the Economic Commission for Africa on furthering the development of appropriate strategies to address Africa's socio-economic challenges, including those generated by conflicts as well as economic integration;

6. Calls on the Executive Secretary of the Economic Commission for Africa to ensure that the Economic Report is distributed widely among the Commission's various constituencies.

304<sup>th</sup> meeting,  
8 May 1999.

832 (XXXIII) HIV/AIDS in Africa

The Conference of Ministers,

Recalling the declarations and decisions of the Heads of State and Government of the Organization of African Unity in Dakar in 1992, in Tunis in 1994 and Ouagadougou in 1998 committing themselves to take specific actions to prevent the transmission of HIV in their respective countries,

Taking note of the fact that in 1998 alone, nearly 4 million persons in Africa were newly infected with HIV, over 22 million Africans are living with HIV, that millions of others are affected indirectly, economically and socially by the virus, and that in 1998, 1.5 million African adults died of HIV/AIDS,

Deeply concerned with the devastating impact the AIDS pandemic is having on Africa's socio-economic development prospects,

1. Appreciates the initiatives of the Executive Secretary of the Economic Commission for Africa to have this major issue on the Agenda of the present Conference;

2. Requests the Executive Secretary of the Economic Commission for Africa to work closely with UNAIDS and co-sponsors and any other institutions to gather, analyse and disseminate data on the economic impact of HIV to facilitate policy development and programme planning;

3. Calls upon member States to increase their efforts in the fight against AIDS and to prevent transmission by making available adequate resources and involving all concerned sectors of the economy and all interested partners, governmental and non-governmental organizations;

4. Further calls upon member States to be even more open, and intensify their efforts in educating the general public about the HIV/AIDS pandemic.

304<sup>th</sup> meeting,  
8 May 1999.

The Conference of Ministers,

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

Recalling further its resolution 809(XXXI) of 8 May 1996 on new directions for the Economic Commission for Africa, and in particular the programme structure which was characterized by congruence between substantive organizational charts and programmes to foster synergy and achieve greater efficiency and impact in the delivery of services,

Taking note of General Assembly resolution 53/207 of 18 December 1998 on Programme Planning by which the Assembly adopted the proposed revisions to the medium-term plan for the period 1998-2001 submitted by the Secretary-General, as amended by the Committee for Programme and Coordination,

Having noted the Report on the work of the Commission 1996-1998, and having examined the proposed programme of work and priorities for the biennium 2000-2001 contained in document E/ECA/CM.24/7,

Convinced that the proposals contained in the proposed programme of work and priorities for the biennium 2000-2001 will enhance ECA's role as an important contributor in the process of Africa's economic and social re-birth,

Recognizing, however, that the economic development of Africa and the reduction of poverty are severely affected by, among other factors the socio-economic impact of conflicts and the resulting large-scale population displacements, and realizing that the challenge of post-conflicts reconciliation, rehabilitation and reconstruction require re-orientation of development strategies and resource arrangements,

1. Commends the Executive Secretary and the staff of the Commission for the considerable work that has been undertaken in the last three years to advance institutional reforms and renewal at ECA to enable it to remain at the forefront of policy innovations for Africa's socio-economic development;

2. Endorses the work programme and priorities of the Commission for the biennium 2000-2001 as contained in document E/ECA/CM.24/7, taking into account the discussions and related recommendations made at the present meeting;

3. Requests the Executive Secretary of the Economic Commission for Africa and member States in collaboration with bilateral and multilateral partners to undertake a special initiative to examine issues related to the socio-economic impact of conflicts on the region's development, based on a research project and to organize a meeting to discuss the findings and make recommendations aimed at defining appropriate post-conflict assistance programmes and financing strategies;

4. Requests the Executive Secretary of the Economic Commission for Africa and member States in collaboration with development partners to undertake the necessary studies that would provide a better appreciation and limit the effects of the WTO agreements and of globalization on the region's economies;

5. Requests the Secretary-General of the United Nations, in making his proposals for the 2000-2001 programme budget, to give special consideration to the development needs of the African region by providing the Commission with adequate resources to enable it to adequately respond to the new development challenges facing Africa;

6. Calls upon the General Assembly of the United Nations and its second and fifth Committees to ensure that adequate resources are made available to the Commission for the implementation of this work programme.

304<sup>th</sup> meeting,  
8 May 1999.

834 (XXXIII)      The third United Nations Conference on the Least Developed Countries

The Conference of Ministers,

Recalling General Assembly resolutions 52/187 of 18 December 1997 and 53/182 of 15 December 1998 in which the General Assembly decided to convene the third United Nations Conference on the Least Developed Countries in the first semester of the year 2001 and accepted the offer of the European Union to host the Conference,

Recognizing the important role played by ECA in the preparatory process for the first and second United Nations Conferences on Least Developed Countries,

Noting that the mandate of the Conference is to assess the results of the Programme of Action for the LDCs during the 1990s at the country level, review the implementation of international support measures, particularly in the areas of ODA, debt, investment and trade and to consider the formulation and adoption of appropriate national and international policies and measures for sustainable development of Least Developed Countries and their progressive integration into the world economy,

1. Requests the Executive Secretary to provide, in collaboration with the Secretary-General of UNCTAD in his capacity as the Secretary-General of the Conference, support to African Least Developed Countries in their preparation for the Conference at the country, regional and global levels;

2. Invites the Executive Secretary to ensure that ECA makes substantive technical contributions to the Conference and its preparatory process;

3. Requests the Least Developed Countries' bilateral, regional and multilateral development partners, in particular the European Union, the host of the Conference, and UNDP, to provide adequate technical and financial assistance to Least Developed Countries to ensure a substantive and effective preparatory process for the Conference at the country level;

4. Also requests the Secretary-General of the Conference to intensify his efforts to mobilize resources for the participation of representatives of the Least Developed Countries in the envisaged regional expert level meetings, the meetings of the Intergovernmental Preparatory Committee and the Conference itself.

304<sup>th</sup> meeting,  
8 May 1999.

## B. Ministerial Statement

1. The thirty-third session of the Commission/twenty-fourth meeting of the Conference of Ministers Responsible for Economic and Social Development and Planning, and seventh session of the Conference of African Ministers of Finance, met at a Joint Conference from 6 to 8 May 1999, at the headquarters of the Economic Commission for Africa (ECA), under the Chairmanship of H.E. Akpan Wilson Etuk-Udo, Minister of State, in the Ministry of Finance, Nigeria. He was assisted by Vice-Chairperson, Ms. Saara Kuugongelwa, Director-General, National Planning Commission, Namibia. The Joint Conference was held under the theme: "The Challenges of Financing Development in Africa". The Conference was preceded by the nineteenth meeting of the Technical Preparatory Committee of the Whole and the seventh meeting of the Intergovernmental Group of Experts, which met from 30 April to 4 May 1999.

2. Ministers met at a key point in time in Africa's development history: a time of recovery and fragile growth; a time of globalization of trade, investment and financial markets; a time of caution--due to the aftermath of the economic crisis in Asia and its contagion effects; a time when new analysis of Africa's development situation presents a way forward; and a time when Africa's development partners are seriously considering the resolution of Africa's debt crisis.

### ***Report on the Economic and Social Situation in Africa***

3. Ministers welcome ECA's Economic Report on Africa 1999, which assessed the performance in Africa during the recent past and highlighted its short-to-medium term prospects using new approaches. They particularly note the new focus on fundamental factors, which need to be addressed in order to create sustainable reduction of poverty by 50 per cent by the internationally agreed target date of 2015. They take note of the development and application of new performance indices by the Economic Commission for Africa, namely: the Annual Performance Index; the Economic Sustainability Index; and the Economic Policy Stance Index, which provide insights into the interactions between policy choices and short-term, as well as long-term economic outcomes. However, Ministers observe that there is need for further technical work as well as improvement on background data. Ministers note and support ECA's plans to develop and refine these analytical tools further, working closely with member States.

4. Concerned that despite the recent economic growth and progress in economic policy reforms, most of the countries of the continent lack the fundamentals for sustained future growth at rates required to realize the poverty reduction targets, Ministers conclude that:

(a) Most fundamentally, it is now appropriate to restore poverty reduction as the focus of our development;

(b) While the majority of African States are carrying out economic reforms, and many need to continue the process, they must simultaneously pay major attention to human capital development and to building requisite institutions and infrastructure to achieve long-term sustainability in growth, poverty reduction and macroeconomic stability;

(c) The challenges of globalization and liberalization make it imperative that African countries modernize and adapt their productive, regulatory and administrative structures to be better integrated in the world economy;



(d) Africa's economic recovery remains fragile and requires major efforts, particularly to expand exports and to create an environment that is more conducive to investment and trade;

(e) HIV/AIDS has become a scourge and a fundamental factor in Africa's economic and social prospects, requiring that the challenge of the disease and its impacts be part of core planning in almost all parts of the continent; and

(f) The need exists to continue and deepen economic reforms, taking into account lessons from the decades of adjustment programmes, and the conclusions of past Enhanced Structural Adjustment Facility (ESAF) reviews with a view to re-examining the content and time span of the economic reform programmes.

### ***The Global Picture: Lessons from the Recent Financial Crisis***

5. Ministers take note of the need for solutions to the kind of financial crisis that has occurred. They recognize that integration into the global financial world remains a fundamental objective, but that a globalized financial economy carries risks, which must be managed both domestically and internationally. Both in solidarity with the affected countries and because increasingly as Africa develops, it will need the protections now sought to forestall crisis like the most recent one:

(a) Ministers agree that the lesson for Africa from the current global crisis is to have appropriate supervisory regulations within national financial settings, in tandem with the pace and content of financial liberalization and the development of financial institutions. Ministers underscore their support for their recommendations at the sixth session of the Conference of African Ministers of Finance (31 March to 2 April 1997) on the need for financial sector reform in Africa. ("Resolution on Growth and Development Finance in Africa and Financial Sector Reforms") which preceded the financial crisis in Asia;

(b) Ministers recognize the need for both the liberalization and the institutional strengthening of capital markets, but as the G-24 has just concluded, "the pace and content of liberalization should be aligned with the ongoing process of strengthening the prudential supervisory regulations as they apply to financial institutions and to their corporate customers, especially the more highly leveraged ones. Capital account liberalization should be properly sequenced, taking into full account individual country circumstances." Ministers also stress the need for policies to encourage investment;

(c) Ministers endorse strengthening the response of the global community to financial crises by the establishment of the Contingency Credit Line as a follow-up to the Supplementary Reserve Facility at IMF, to protect countries with sound fundamentals from the potential risks of financial contagion. Ministers also endorse the call of the G-24 in their Communiqué dated 26 April 1999 for "the necessity of comprehensive reforms of the international monetary and financial systems, geared to preventing costly economic crises and managing them effectively when they occur". Ministers add that the reforms envisaged should facilitate a steady provision of development finance to the poor developing countries by the global financial system; and

(d) Ministers welcome the formation, at the initiative of G-7 countries, of an ad hoc intergovernmental Working Group to address issues relating to the proposed new architecture of the international financial and monetary system. Ministers stress the importance of adequate representation of Africa and its views on this working group, and on other international, intergovernmental bodies that may be set up to consider reforms to the international financial architecture.

### ***Financing Development: The Domestic Side***

6. Ministers agree that the financing gap towards meeting agreed poverty reduction goals are quite large, equivalent to 9 per cent of GDP on average. Ministers recognize that major subregional and national

differences in resource gaps exist, which call for differentiated policy responses both domestically and internationally. Ministers emphasize that no nation can afford not to close their resource gaps, although some will have a much more difficult time than others. Recalling the Declaration at the thirty-second session of the Commission/twenty-third meeting of the Ministers of Planning and Economic and Social Development in May 1997, Ministers emphasize that sustainable development in the medium-to-long term, will require more emphasis on the self-help paradigm, including the mobilization of higher levels of domestic resources, targeting the informal sector in particular, to raise its contribution to savings.

7. Stressing the need to strengthen thrift institutions and incentives to save, Ministers agree to reinforce macroeconomic stability and financial market reforms, and to carry out financial deepening through institutional reforms, innovative and flexible financial savings instruments, and prudent interest and exchange rate policy management. Having reviewed and shared experiences with tax reforms in their countries, Ministers reaffirm the goals of tapping further into the potential for tax reforms to enhance private and public savings. Recognizing the need to stretch public resources, Ministers agree to identify and exploit opportunities for cost sharing and enhancement of public expenditure productivity. Noting that cyclical demand for commodity exports can generate unexpected booms, Ministers stress the importance of better management of the terms of trade-related booms in public domestic resource mobilization. Furthermore, they note that with an appropriate economic, financial and investment environment, Africans in the diaspora can play an important role in the mobilization of development finance through their remittances.

8. Ministers stress the critical role of capital markets in raising the level of domestic savings, attracting foreign private investment and stemming and possibly reversing capital flight. Recalling the recommendations of the major conference organized in Accra, Ghana, by ECA in June 1997 on "Reviving Private Sector Partnerships for Growth and Investment", Ministers agree to pursue strategies to support capital markets development at the country and subregional levels.

### ***Financing Development: The International Side***

#### ***Debt Reduction and the G-7 Meeting in Cologne***

9. Ministers welcome a new international climate for addressing Africa's debt crisis. They particularly note that the developments are in line with their recommendation two years ago at their Ministerial meeting, to revise the terms of the Highly Indebted Poor Countries (HIPC) Initiative. Proposals coming from a number of G-7 countries, UNCTAD and high level United Nations groupings, and the recent reviews by the Bretton Woods Institutions bespeak a new realism that much of the debt is unpayable, that altogether it is a very significant impediment to Africa's orderly growth, and that current debt resolution mechanisms, particularly the HIPC Initiative, are far too slow, far too selective in coverage, and far too conditioned.

10. Ministers note with increased appreciation and with satisfaction that there is consensus both with agreement on the defects of current arrangements to cope with the debt crises and the need to substantially revise and augment these arrangements. A consensus is forming on how to resolve Africa's debt crisis, which Ministers strongly urge should include the following features, that are vital to Africa's future development:

(a) The HIPC initiative should be restructured to provide deeper, broader and faster relief, with greatly relaxed eligibility criteria, greatly shortened period required to benefit under the initiative, and substantially greater resources;

(b) The G-7 donors should take the lead within the bilateral donor family by agreeing to complete cancellation of the debts arising from bilateral aid for the poorest countries;

(c) The G-7 should also lead by raising the reduction of all other bilateral debt of the poorest countries by at least 90 per cent;

(d) Leading countries in the World Bank and IMF should agree to raising substantially the resources of HIPC's through gold sales—without hurting the interests of Africa's gold exporting countries, issuance of SDRs and other means. In particular, Ministers stress that the proceeds of IMF gold sales should be fully utilized to finance the HIPC Initiative;

(e) But debt relief for the poorest countries should not be provided at the expense of ODA funding for development programmes and projects in these and other countries. Nor should the financial standing of the multilateral development banks be harmed through such financing. In this regard, Ministers believe that debt relief should be financed by resources that are additional to previously envisaged budgetary allocations for ODA;

(f) A properly refinanced HIPC can assure that unsustainable debt to multilateral sources can be substantially reduced; and

(g) Exceptional debt relief is also seen as necessary for post-conflict countries, particularly those with protracted arrears. Ministers believe that the concept of such countries in crises may well need to be expanded to include not only countries in post-conflict, but countries quite adversely affected by conflict situations and by serious natural disasters. Ministers recommend that debt relief for such countries should also include the cancellation of debts.

These recommended actions should be carried out within a framework that is aimed at poverty reduction.

11. While Ministers believe that HIPC's are the priority for the international community's debt relief efforts, they are also cognizant of debt problems of middle income countries that need to be addressed. Ministers recommend that for heavily indebted middle income countries there should be expanded use of debt swaps and conversion, and more generous refinancing terms. Ministers note that as a result of the East Asian crisis, some middle income commodity exporting countries, whose incomes have fallen substantially, are at risk of reverting to low income status. Ministers recommend debt reduction to the more hard pressed countries, including cancellation of official debt.

12. Ministers take note of the idea of referring the issue of the sustainability of Africa's debt to an independent body composed of eminent persons conversant with financial, social and development problems. Such persons would be selected by mutual agreement between creditors and debtors, with creditors committing themselves to considering cancellation of such debts as are deemed unpayable.

13. Ministers underscore that the need for more pervasive and effective reforms of debt relief undertaken by the international lending community does not diminish the need for African States to better manage their debts and to receive appropriate technical assistance in this task.

### ***Official Development Assistance***

14. Ministers note that despite pressures within the donor community to reduce aid levels, Africa's growing recovery and its adherence to structural reforms (32 countries undergoing reform), should indicate a basis for expansion, not contraction of aid. They believe that aid is important and essential in achieving fundamental development objectives.

15. Ministers note that increasing the effectiveness of aid expenditures, within a context of increasing productivity and efficiency of overall resources, is in the interest both of the donors and Africa. Aid has not been as effective as is desirable, and may have nurtured a culture of aid dependency. In addressing this mutual problem, Ministers stress the importance of improved partnership and African ownership and commitment to aid-funded projects and programmes, the need for strengthening institutional aid delivery mechanisms, the importance of a strategic vision of aid-funded activities, and the importance of reforming the current consultative fora. Ministers also note the need to rationalize the use of technical assistance aid, emphasizing the building of local capacities and productivity enhancement. Ministers stress the need to focus technical assistance on technology transfer, upgrading of research institutions and of training centres.

16. In this regard, Ministers applaud the focus of the OECD Development Assistance Committee on poverty and on meeting commonly agreed international targets of development. Ministers call upon donors individually and collectively in the OECD/DAC to implement their joint priorities on poverty and development and to regularly report to the international community on their progress towards orienting their programmes to achieve these targets.

17. Ministers agree on the need to deliberate on the substance and prospects of new aid modalities, which emphasize a holistic and comprehensive approach. They recognize the importance of fostering a new donor-beneficiary relationship in which multi-donor programmes will focus on an African-driven agenda. Ministers further underscore the critical need for a more transparent and predictable partnership between Africa and its development partners on the basis of a clearly understood relationship.

18. Ministers request that the above positions be conveyed by ECA from this meeting to the Chairman of the up-coming G-7 meeting (Cologne) in their name.

### ***Foreign Investment***

19. Ministers note with disappointment that notwithstanding the commendable efforts made by many African countries to implement economic and financial reforms, FDI flows to most of them remain marginal. Recalling the Declaration at the May 1997 meeting of the Conference of Ministers of Planning and Economic and Social Development, and having shared experiences on implementing FDI-friendly policies in different African countries, Ministers reaffirm their 1997 agreed actions to accelerate trade and investment in Africa. Ministers reiterate that trade, development investment and its financing—including ODA, debt relief and private domestic and foreign financial flows, are intertwined. Ministers further agree to stay on course with reforms to strengthen macroeconomic policy and legal and regulatory frameworks, social, economic and institutional infrastructure, the rule of law, the enforcement of contracts, security of property rights, financial sector reforms and to ensure central bank independence.

20. Recognizing that even within an appropriate policy framework, high-risk rating is a major impediment to investment in Africa, Ministers call for the development of appropriate risk management instruments. They particularly call for the reform of the Multilateral Investment Guarantee Agency (MIGA) and the establishment of other appropriate risk management mechanisms.

21. Reaffirming the potential of privatization as an instrument for attracting private capital, Ministers raise some concerns on the possible downside of privatization — the political risk associated with the declining share of national assets in the total domestic capital stock. Ministers express the desire for greater local ownership of privatized public assets. Ministers express their strong support to the development of capital markets as a key to attracting long-term investment, including venture capital, and footloose portfolio investment with prudent evaluation and control. Recognizing the risks associated with globally mobile capital, Ministers further reaffirm the conclusions reached at the 1997 Conference of Ministers of Planning, including the strengthening and deepening of financial sector reforms.

22. Ministers note that the rapidly changing global environment offers African countries an opportunity and a challenge to expand exports as an essential element in raising resources to finance development. In this respect, they agree to strengthen regional integration and international competitiveness as essential steps for successful participation in the global economy. Ministers also agree to help local entrepreneurs to seek export opportunities and to engage OECD countries with a view to accelerating the access of African products to European markets. Ministers call for the establishment of a special international fund to enable the restructuring of enterprises to enhance value added and competitiveness, so as to cope with globalization.

#### ***Capital Flight and its Impact on Development***

23. Ministers note with concern that while striving to attract foreign savings for development, Africa has a larger proportion of wealth held overseas by residents than any other continent. They resolve to take the necessary steps to stem and reverse capital flight, including preventing macroeconomic policy lapses or policy inconsistencies, which are likely to trigger, or contribute to capital flight. They also resolve to be more sensitive in policy and programme design to factors that lead to adverse investor risk ratings, and to actively get their message across on resolving the unsustainably high external debts. Ministers particularly note the key role of capital markets in mobilizing and retaining domestic resources by improving opportunities for profitable investments, and reaffirm their support to capital and financial markets development.

24. Ministers recognize that corruption is an impediment to investment and development, and that large amounts of corruptly obtained funds are likely to be stashed overseas, much as the funds could also be retained domestically. Ministers resolve to strengthen measures to fight corruption with all available means, using political, administrative, diplomatic, legal and economic policy instruments, targeting the bribing agents, who are resident overseas in partner States, and the recipients of corruptly obtained funds in Africa.

#### ***Programme of the Economic Commission for Africa***

25. Ministers are pleased to see ECA continue its progress of reform, focus, capacity building and enhanced quality of its services. They particularly commend ECA for its progress in its programme areas of focus and in strengthening its operations in headquarters and in its subregional offices. Ministers endorse this process. Noting the recent major outputs of ECA, Ministers encourage member States as well as Africa's international partners to study the *1999 Economic Report on Africa* to incorporate its conclusions in their policies and programmes, and to provide ECA with feedback, which could be useful in strengthening and moving the analysis forward.

26. Ministers note that they have examined the 2000-2001 Programme of Work and Priorities of ECA and have found it not only appropriate, but germane to their concerns and requirements. Ministers are concerned that the budgetary provisions of the United Nations may not be sufficient to carry out these programmes fully. Attaining a more optimal level of service from ECA is not just a matter of good institution building, but is of importance to reinforcing capacities in member States. Therefore, Ministers urge international partners to support the Programme of Work with appropriate financial resources to help make the programme a success, and to help with ECA's capacity building activities, particularly to strengthen human resources.

Done at Addis Ababa, Ethiopia,  
8 May, 1999.

C. Motion of support

Impact of Currency Devaluation on Pension Benefits of  
General Service (GS) and National Officers of the  
Economic Commission for Africa

The Conference of Ministers,

Taking note of the statement made by the ECA Management on staff-management relations at ECA and the detailed presentation made by the President of the ECA Staff Union on the adverse impact of currency devaluation on pension benefits of GS and National Officers in Addis Ababa and other duty stations away from Headquarters,

Concerned about the adverse impact of currency devaluation on the pension benefits of this category of staff and the need for the Commission to be able to secure and retain high caliber GS and National Officers,

1. Expresses its support for all actions that are required to effectively resolve the pension problem of this category of staff;

2. Calls upon the Secretary-General and all the appropriate organs and bodies of the United Nations dealing with pension issues to actively and urgently come up with a lasting solution to the pension problem of GS and National Officers of the Organization.

Done at Addis Ababa, Ethiopia,

8 May 1999.



## Annex I

### **REPORT OF THE NINETEENTH MEETING OF THE TECHNICAL PREPARATORY COMMITTEE OF THE WHOLE/SEVENTH INTERGOVERNMENTAL COMMITTEE OF EXPERTS AS ADOPTED BY THE THIRTY-THIRD SESSION OF THE COMMISSION/TWENTY-FOURTH MEETING OF THE CONFERENCE OF MINISTERS/SEVENTH SESSION OF THE CONFERENCE OF AFRICAN MINISTERS OF FINANCE**

Addis Ababa, Ethiopia  
30 April – 4 May 1999

#### **A. Attendance**

1. The nineteenth meeting of the Technical Preparatory Committee of the Whole (TEPCOW)/seventh Intergovernmental Group of Experts was held in the United Nations Conference Centre, Addis Ababa, Ethiopia, from 30 April to 4 May 1999. The meeting was formally opened by H.E. Mr. Mekonnen Manyazewal, Vice-Minister of Economic Development and Cooperation of the Federal Democratic Republic of Ethiopia. Mr. K.Y. Amoako, Executive Secretary of the Economic Commission for Africa, delivered a statement at the opening ceremony of the meeting. The representative of Uganda, outgoing chair of the Committee presided over the opening ceremony.
2. The meeting was attended by representatives of the following member States of the Commission: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Chad, the Congo, the Democratic Republic of the Congo, Côte d'Ivoire, Egypt, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guinea, Kenya, Lesotho, the Libyan Arab Jamahiriya, Madagascar, Malawi, Mauritius, Morocco, Namibia, the Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, the Sudan, Togo, Tunisia, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe.
3. Observers from the following Member States of the United Nations were present: Japan and Palestine.
4. Switzerland, not a member of the United Nations, was also represented.
5. The following United Nations bodies and specialized agencies were represented: United Nations Regional Commissions New York Office (RCNYO), United Nations Children's Fund (UNICEF), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), Office of the United Nations High Commissioner for Refugees (UNHCR), World Food Programme (WFP), International Labour Organisation (ILO), Food and Agriculture Organization of the United Nations (FAO), United Nations Educational, Scientific and Cultural Organization (UNESCO), World Health Organization (WHO), World Bank, World Meteorological Organization (WMO), International Telecommunications Union (ITU), International Monetary Fund (IMF), United Nations Programme of HIV/AIDS (UNAIDS), United Nations Population Fund (UNFPA), and United Nations Industrial Development Organization (UNIDO).
6. The Organization of African Unity (OAU) was represented.
7. Observers were present from the following intergovernmental organizations: Association of African Trade Promotion Organizations (AATPO), African Centre for Applied Research and Training in Social Development (ACARTSOD), African Centre of Meteorological Applications for Development (ACMAD), African Regional Centre for Engineering Design and Manufacturing (ARCEDEM), *Banque Central des Etats de l'Afrique de l'Ouest* (BCEAO), Common Market for Eastern and Southern Africa (COMESA), *Institut de formation et de recherche démographiques* (IFORD), International Organization for Migration (IOM), Regional Centre for Services in Surveying, Mapping and Remote Sensing (RCSSMRS), South African Development Community

(SADC), Regional Institute for Population Studies (RIPS), United Nations African Institute for the Prevention of Crime and Treatment of Offenders (UNAFRI) and African Institute for Economic Development and Planning (IDEP).

#### B. Agenda and organization of work

8. On 30 April 1999, the Committee adopted the following agenda:

##### **Conference Theme: The Challenges of Financing Development in Africa**

1. Opening of the meeting.
2. Election of the bureau.
3. Adoption of the agenda and organization of work.
4. Discussion on Conference Theme: **"The Challenges of Financing Development in Africa"**.
5. Discussion on the current economic and social situation in Africa.
6. Report on the work of the Commission 1996-1998.
7. Coordination and collaboration among the United Nations agencies at the regional and subregional levels in Africa.
8. Rationalization and harmonization of ECA-sponsored institutions: A progress report.
9. Proposed programme of work and priorities of the Economic Commission for Africa (ECA) for the biennium 2000-2001.
10. Statutory issues:
  - (a) Reports from intergovernmental committees of experts of SRDCs; and
  - (b) Reports from other subsidiary organs of the Commission.
11. Any other business.
12. Adoption of the report.
13. Closure of the Meeting.

9. The Committee elected the following members of the bureau:

|                       |                                 |
|-----------------------|---------------------------------|
| Chairman:             | Nigeria                         |
| First Vice-Chairman:  | Namibia                         |
| Second Vice-Chairman: | Morocco                         |
| Third Vice-Chairman:  | Cameroon                        |
| Rapporteur:           | The United Republic of Tanzania |

10. The Committee established an open-ended subcommittee on resolutions which was chaired by Namibia. The following were the core members of the resolutions subcommittee:

|                 |   |   |
|-----------------|---|---|
| North Africa    | - | Algeria, Egypt and Tunisia                                |
| West Africa     | - | Côte d'Ivoire, Ghana and the Niger                        |
| Central Africa  | - | Angola, the Democratic Republic of the Congo and Cameroon |
| East Africa     | - | Kenya, Mauritius and Uganda                               |
| Southern Africa | - | South Africa, Zambia and Zimbabwe                         |

#### C. Account of Proceedings

##### **Opening Addresses**

11. In his opening statement, H.E. Mr. Mekonnen Manyazewal, Vice-Minister of Economic Development and Cooperation of the Federal Democratic Republic of Ethiopia welcomed participants to the meeting. He said that the theme of this year's biennial session "The Challenges of Financing Development in Africa" was

one of the critical issues that needed to be continuously reviewed and addressed if African countries had to sustain the implementation of their respective development programmes. Noting that Africa's development indicators had steadily improved since 1995, he said that this was made possible by African governments' resolve to create a stable macroeconomic environment and structural adjustment for growth and development. However, he cautioned against too much optimism, for weaknesses had been observed in a number of countries in 1998. He said that many challenges laid ahead of African countries in their quest of ensuring food security, health, education, infrastructural transformation and enhancing private sector development. In this context, financing development had a critically important role to play. Unfortunately, the low level of domestic savings was hampering sustained economic recovery.

12. The Vice-Minister pointed out that it was not the first time finance issues were discussed by the Committee. In the meantime, the situation had worsened and the challenges had become more complex. He invited the meeting to come up with adequate and profound answers to the continued lack of improving capacity for financing development of African countries. In this regard, he invited African Governments to promote a political environment, free of conflicts to foster democratization and good governance and to respect the democratic rights of the people as well as enhance accountability. Each national government should also pursue economic policies in line with longer-term development needs so as to release the entrepreneurial energies of the people. Giving special support to domestic capital would eventually ensure the internalization of the economic development process.

13. Turning to the external factors which brought about economic hardship, the Vice-Minister noted that while some of Africa's development partners had substantially raised their assistance, overall resource inflows, in real terms, had declined because of the end of the cold war and changing donor priorities. Other factors contributing to this shift were weak national coordination and management of aid and disbursement modalities reinforced by donor-driven aid management. Emphasizing the need to draw lessons from both the East Asian crisis and the globalization phenomenon, he said that while Africa needed much stronger international support, African Governments should resolve to move forward and squarely face the challenges of mobilizing domestic resources. This should be Africa's long-term guiding principle in its development endeavour.

14. The Vice-Minister informed the meeting of the political and economic measures adopted by his country to promote growth and development. In 1991, Ethiopia issued a New Economic Policy which was subsequently elaborated into a series of stabilization and adjustment programmes. The results of the programme have been quite encouraging. The prevalence of peace and stability for the first time in nearly two decades, together with liberalization policies have enabled a quick economic upturn. In order to prepare the ground for future growth of the economy, his country had prepared a long-term development strategy oriented towards "agricultural development-led industrialization" (ADLI). The current economic policy envisages that the private sector would play the leading role in economic activity. The role of the government would be essentially to ensure macroeconomic stability, to put in place appropriate regulatory framework, and to provide social services and economic infrastructure. New political measures had been taken for creating a conducive framework for participatory development through devolution of power.

15. The Vice-Minister concluded his statement by inviting the meeting to give particular attention to domestic resource mobilization and rationalization of government expenditure in order to effectively enhance Africa's economic development and eradicate poverty on the continent. He called for a strengthened policy environment to harness private savings, ensure good governance and put in place an effective system for the coordination and management of aid to Africa. To this end, he urged the Committee to critically examine the various impediments to sustained implementation of the various plans of action and agenda for Africa's development and draw up concrete proposals for the consideration of the Commission.

16. In his statement, Mr. K.Y. Amoako, Executive Secretary of ECA, welcomed participants to this year's meeting of the Technical Preparatory Committee of the Whole (TEPCOW) and the Intergovernmental

Group of Experts. He expressed ECA's gratitude to the Government of the Federal Democratic Republic of Ethiopia for its continued support of the work of the Commission. He also thanked TEPCOW for its pragmatic guidance on salient policy issues and major challenges of Africa's development, as a key step in shaping a responsive work programme for the Commission. Recalling that the 1997 sessions of the Commission and of the Conference of Ministers of Finance focused on issues of trade, investment and financial sector reforms and debt management in Africa, he said that this year's conference theme "The Challenges of Financing Development in Africa" was intended to build on the outcomes of these 1997 meetings. He observed that this year's session of the Commission was organized as a Joint Conference of African Ministers Responsible for Economic Development and Planning, and the Ministers of Finance, to emphasize the convergence of the development, finance and planning functions, and to enable the Ministers and Central Bank Governors to reflect on this important theme, together with Africa's development partners.

17. He noted that on the eve of a new millennium, Africa was faced with several challenges, key among which were poverty reduction and sustainable development. African Heads of State and Government had endorsed the United Nations target of reducing poverty by half by the year 2015. He said that this would imply a reduction of poverty by 4 per cent per annum. However, in order to meet these targets Africa would need to raise its GDP growth rates to an average of 7 per cent per annum for the region as a whole, compared to an average of 4.5 per cent annually during 1995-1998. He said that the magnitude of external resources required to attain these poverty reduction targets were so massive that ECA had concluded that they were not likely to be attained. This was also made difficult by the relatively small inflows of private capital and the continued shrinkage in official development assistance (ODA).

18. The Executive Secretary invited African countries to step up their efforts to mobilize domestic resources for sustainable development and poverty reduction. He also recommended the holistic and integrated framework for financing the continent's development advocated by the United Nations Secretary-General, in his Africa report to the Security Council last year. He said that Africa's partners could play a crucial role in supporting Africa's development by maintaining adequate flows of ODA, increasing resources for financing the Highly Indebted Poor Country (HIPC) Initiative, further debt cancellation, and enhancing market access for Africa's exports.

19. Referring to the other agenda items of the meeting, the Executive Secretary informed participants that the Economic Report on Africa 1999 would provide a useful backdrop for discussion of the Conference theme by examining the African economy and reviewing the social and economic situation in the past year. The report had a new feature. Countries were ranked according to annual performance, economic sustainability and economic policy stance indices. There was also an analysis of the policy implications of these indices from the perspective of achieving the developmental objective of reducing poverty by half over the next 15 years. ECA was committed to identifying the best cases within Africa's development to facilitate peer exchanges of information between policy leaders. He hoped that these indices would help in that regard.

20. He noted that the major mistake of the past two decades had been the focus on macroeconomic stabilization to the neglect of "capacity, structural and institutional" elements. While stabilization was necessary, it had entailed sacrificing resources needed to build the requisite institutions and infrastructure, and to invest in human capital development and retention, to the peril of Africa. The urgent task before African leaders and policy makers was, therefore, to formulate policies with the twin goals of macroeconomic stability and growth sustainability.

21. To help its stakeholders address those challenges, ECA had spent the past three years strengthening its capacity to focus on the changing development agenda of African countries. Its outreach and service to member States was increasing as the Commission strove to realize its potential as a regional policy centre, a networking hub, and a clearing-house for best practices and development information. As shown in the report on the Work of the Commission (1996-1998), the reform process had crystallized policies to expand partnership with other international and regional organizations; use ECA's convening power to foster dialogue

and consensus on Africa's development and focus on the key policy issues. He said that an International Conference on Women and Development was held as part of the fortieth anniversary of ECA. Participants to that Conference had evolved strategies for removing the constraints imposed on women, as a means of achieving poverty reduction and sustainable growth in the long term.

22. The Executive Secretary noted that the Proposed Programme of Work and Priorities for the biennium 200-2001 of the Commission aimed at assisting member States to meet many of their key challenges. Having enhanced its operational capacities, ECA would become more results-oriented in the coming biennium. For enhanced programme delivery and impact, the proposed work programme had built-in mechanisms in the form of stronger links between desired results and resource – for member States and programme managers, to monitor and determine its implementation, effectiveness, and relevance. He said that the need for enhanced collaboration and coordination was particularly compelling in Africa, where the activities of United Nations agencies had witnessed significant expansion at the national and regional levels. He added that the need to streamline existing coordination mechanisms was widely recognized by the agencies as well as member States. There was also need for the Committee to examine the report on the harmonization and rationalization of the 30 ECA-sponsored institutions.

Discussion on Conference Theme: The Challenge of Financing Development in Africa (agenda item 4)

23. The Committee had before it the document entitled “The Challenges of Financing Development in Africa”, (E/ECA/CM.24/2). In its discussion, the Committee examined the overall challenges of financing development in Africa, with particular focus on prospects and outlook of official development assistance to Africa; other sources of non-ODA external financing; the magnitude of capital flight and its implications on Africa's development; African debt problem in the light of the various debt relief initiatives and the need to find a durable solution and take into its “political dimensions” importance of domestic resource mobilization in raising savings in Africa; and impact of the recent global financial crisis, triggered by the East Asian crisis, on African economies.

24. **Overall challenges of financing development in Africa:** The Committee acknowledged that formidable challenges face Africa in mobilizing development finance to support long-term sustainable development and poverty reduction. In this respect, the Committee emphasized the importance of mobilizing development finance in Africa, by:

- (a) Adopting policies and implementing measures that promote capital formation;
- (b) Modifying financial structures to improve mobilization of development finance;
- (c) Creating a conducive environment to attract foreign direct investment; and
- (d) Enhancing measures for domestic resources mobilization in order to reduce Africa's aid dependency.

25. The Committee emphasized the need for African countries to focus on improving the overall performance of national economies and building capacities in important sectors of their economies. A holistic approach to a country's development process is needed, which should include enhancing productive capacities; fiscal and banking reforms; liberalization of the trade sector; institutional, legal and regulatory reforms; and rationalization and coordination of external assistance.

26. Noting that Africa would continue to depend on ODA to finance the resource gap in the short to medium term, the committee, nonetheless, urged Africa to strive to become self-reliant and mobilize non-ODA development finance.

27. The Committee noted that in spite of major reforms and deep restructuring efforts, many African countries continued to face serious difficulties in securing finance for their development. They stressed that there was no lack of “development visions or strategies in Africa”. However, the most difficult problem was

that of translating such visions and strategies into action. It was observed that mobilization of development finance would be much easier if Africa's economic development track record was good and internal conflicts were resolved.

28. **Official development assistance:** While observing that large increases in ODA were unlikely to materialize in future, even as the prospects for aid effectiveness in Africa were improving, the Committee noted the importance of ODA in terms of strengthening governments' ability to make long-term investments, which were vital for private-sector-led economic growth. The Committee, however, observed the fact that aid had not been as effective as desired and might have nurtured a culture of aid dependency. To enhance aid effectiveness in the continent, it was suggested that the following corrective measures should be adopted: (a) maintaining a stable macroeconomic environment; (b) improving the efficiency and impact of public expenditures financed with aid resources and "optimizing" aid's share in development expenditures, so as to reduce aid dependency in the long run; (c) emphasizing a "holistic and comprehensive approach" for new aid modalities; and, (d) initiating a new donor-beneficiary relationship in which multi-donor programmes focus on supporting an African-driven agenda.

29. The Committee underscored the vital importance of ODA to financing development in Africa, given the low rates of national savings, the decline of export commodity prices and deterioration of the terms of trade. African countries were reminded that ODA was temporary in nature and therefore limited in time. It was necessary, therefore, to plan for long-term scenarios of decreasing Africa's dependency on ODA. The Committee observed that given the prevailing environment in the donor countries and increased competing demands for ODA, flows of ODA to Africa are unlikely to increase significantly.

30. The Committee noted that at the end of the cold war adoption of market-oriented economic structures by formerly centrally planned economies and globalization of the world economy had increased demand for ODA. Furthermore, it was noted that the crisis in the Balkan region and the associated refugee problem could result in further cuts in aid to Africa. The Committee suggested that aid to individual countries should be complemented by targeted aid to regional or subregional integration groupings.

31. **Other sources of finance:** In considering other sources of external finance, the Committee noted that Africa had not been a major beneficiary of the huge movements of private sector capital flows to developing countries that had taken place during the last two decades. A number of key conditions to attracting foreign investment included: (a) supportive macroeconomic environment, legal and regulatory framework; (b) the rule of law and the enforcement of contracts; (c) functioning social and economic infrastructure, financial sector reforms and support for capital markets development; (d) deliberate and explicit attention to the concerns of investor-risk-rating agencies; and, (e) privatization of public enterprises; and, (f) liberalization of trade and payment regimes.

32. The Committee recognized the importance of non-ODA external finance in supporting development in developing countries. In this respect, the Committee emphasized the importance of creating a conducive environment and implementing appropriate policies needed to attract foreign direct investment. The importance of developing properly functioning capital markets in mobilizing development finance was acknowledged. However, the Committee cautioned against the rapid liberalization of the capital account. The recent East Asian financial crisis has confirmed the dangers associated with volatility of international capital flows. It was important that African countries not only open their financial markets gradually to minimize speculative attacks but also that liberalization of financial markets should be matched with significantly improved capacity for surveillance and regulations.

33. **Capital flight:** In examining the magnitudes of capital flight out of Africa and its implications on financing development, the Committee noted that Africa had a larger proportion of wealth held overseas by residents than any other continent (39 per cent of GDP, compared with 6 per cent for Asia before the crisis). It was observed that adverse investor-risk -ratings, unsustainably high external debt and macroeconomic policy



errors were root causes of capital flight. Instead, corruption, lack of accountability and transparency and the absence or weakness of capital markets were the main triggers for capital flight in Africa. The Committee acknowledged the problem of capital flight in many African countries. It was observed that although unstable macroeconomic and financial environments had contributed to capital flight out of Africa, a large proportion of the source was from illicit funds obtained illegally by officials or the business community. It was observed that in some African countries non-repatriation of export earnings by exporters had contributed to the problem of capital flight. The Committee identified measures for stemming the flow of resources out of the continent, as including: (a) policies for creating and sustaining a consistent and stable macroeconomic environment; (b) simpler administrative procedures in key areas, such as taxation, export and import licensing; (c) elimination of market distortions or discretionary powers of government officials; (d) elimination of corruption; and (e) introduction of changes in the banking regulations of developed countries, where resources obtained illegally were invested.

34. **Africa's external debt:** The Committee also examined the African debt problem in the light of the various debt relief initiatives. It was observed that Africa's debt had become difficult to service and certainly unsustainable in many African countries, under any sensible growth-oriented macroeconomic scenario. The Committee recognized that the external debt problem continued to be a major constraint to Africa's development. Furthermore, the debt overhang remained a major disincentive to foreign direct investment. The Committee noted that despite recent debt relief initiatives, servicing of debt continued to absorb a large proportion of Africa's resources.

35. Any credible solution to Africa's debt problems must entail substantial debt cancellation. The Committee noted that during the first two years of the implementation of the HIPC Initiative, 10 countries were reviewed for eligibility, and a number of other countries were in the pipeline. However, so far only one African country had received actual debt relief through the Initiative and thereby justifying calls for improvements to be made to the Initiative to allow more countries to benefit from it. The committee welcomed new initiatives by the key Group of Seven (G-7) creditors, which could entail substantial debt cancellation. The Committee noted that five variants of enhanced debt relief proposals had been put forward for consideration at the next G-7 Summit in Cologne, Germany in June 1999. The proposals were aimed at strengthening and accelerating the implementation of the HIPC Initiative, with a view to enabling as many countries as possible to make the necessary adjustments and receive debt relief quickly and comprehensively. The proposals if adopted could significantly reduce the waiting period before debt relief was granted and enlarge the number of eligible countries. The Asian crisis had demonstrated, through the sharp fall in demand of commodity prices, the vulnerability of some highly indebted middle-income countries to external shocks in the increasingly globalized world economy. Also demonstrated was the precarious nature of their role in impelling subregional or regional growth. This might well enlarge the number of HIPCs and further intensify their need for resources to implement the various mechanisms of the Initiative. The specific situation of these highly indebted middle-income countries will have to be addressed through debt reduction and investment promotion measures.

36. The Committee stressed the need to: (a) consider the various proposals that will be laid before the next G-7 Summit in Cologne, Germany, as well as those of other stakeholders that are geared towards finding a lasting solution to the debt problem; (b) consider the applicability of the UNCTAD proposal of applying established national insolvency procedures, with independent assessment to determine a country's sustainability and calling for a write-off of all non-collectable debts; and (c) share experiences of the application of non-HIPC debt relief instruments, such as debt conversions and debt swaps.

37. African countries were called upon to draw lessons from past mistakes made in contracting external debt and to take appropriate actions and also adopt better methods of debt management.

38. **Domestic resource mobilization:** The Committee also examined the importance of domestic resource mobilization in raising savings rates in Africa, and more specifically on the need to ensure macroeconomic

stability, implement financial sector and capital market reforms, adopt appropriate interest and exchange rate policies as well as fiscal reforms and expenditure rationalization.

39. The Committee underlined the importance of African countries intensifying their efforts to mobilize domestic resources in order to raise domestic saving rates, which are currently at very low levels in many African countries. Given the goal of reducing poverty in Africa by half by the year 2015, the magnitude of domestic resources to be mobilized would be significant and require greater effort by African countries.

40. The Committee urged African countries to implement appropriate strategies and policies needed to raise domestic savings rates. Such policies would invariably have to include: maintaining macroeconomic stability; promoting sustainable growth; reducing rates of inflation; expanding financial structures and financial instruments in order to mobilize both urban and rural savings; utilizing informal financial institutions to mobilize such savings; and promoting both national and subregional capital markets. Furthermore, the Committee called for an examination of the factors which contribute to the shift by some investors from, the "formal sector" to the "informal sector" with dire consequences on government revenues and savings. The Committee also called on African countries to examine modalities for providing micro finance to urban and rural people. Furthermore, it was observed that in view of the role played by the "informal sector" in many African countries, due attention should be paid to this sector and to how surpluses generated by this sector could be mobilized to support the development process. In the course of encouraging investments environmental aspects should be given due consideration.

41. **Recent global financial crisis and Africa:** The Committee discussed the global financial crisis, triggered by the Asian financial crisis, and its effects on the world economy, in particular on African countries. It was observed that most African economies were relatively less integrated in the world economy and accordingly the impact of the crisis on these economies in terms of financial flows had been rather minimal. Nonetheless, some of the negative effects on African economies had shown up: (a) the weakening of commodity prices, with serious consequences on prices of primary products on which most African countries depend; (b) the decrease in Asian investments in Africa; and, (c) a reduction on demand for Africa's commodity exports due to currency realignment. At the international level, the global financial crisis had raised serious questions as to whether the current international financial system was capable of effectively dealing with systemic imbalances and more importantly promoting long-term sustainable development.

42. The Committee noted the calls being made to reform and restructure the "international financial system", in the aftermath of the Asian financial crisis. The Committee stressed the need for Africa to be involved not only in the debate on the "new financial architecture" but also in the implementation of the restructuring of the institutional framework to ensure that the new international financial structure that will emerge will have to contribute to improved "development finance" as one of its core elements and functions.

43. In this respect, the Committee welcomed calls by the Group of Seventy-Seven (G-77) and the Group of Twenty-Four (G-24) for a working group to be established to review the "international financial architecture" and submit recommendations for its reform and restructuring. The Committee noted that a Group of Twenty-Two (G-22) had been established by the G-7 to undertake this work, but that only one African country was a member of this Group. It was, therefore, necessary to deal with this imbalance by expanding the G-22 to allow more African countries to participate in the review.

44. The Committee raised the need to: (a) share experiences of the direct and indirect impact of the recent East Asian crisis on African economies, especially trade and investment; (b) consider strategies for forestalling an East-Asian-type crisis in Africa; and (c) propose measures to prevent loss of markets due to currency realignment in Asia. Furthermore, the need for the "new financial architecture" to accommodate the legitimate needs of poor developing countries for development finance, in a situation of volatile trade, finance and capital markets was raised. The Committee stressed the need for Africa to examine carefully the options currently

under debate in the international community on how best to restructure, reform and strengthen the international financial architecture.

45. The Committee took note of the report in the light of the above observations.

#### Discussion on the Current Economic and Social Situation in Africa (agenda item 5)

46. Under this agenda item, the Committee considered document E/ECA/CM.24/3 entitled **“Economic Report on Africa 1999: The Challenge of Poverty Reduction and Sustainability”**. The Committee noted that Africa’s economy in 1998 showed a significant turn around, with regional GDP growing by 3.3 per cent, compared to 2.7 per cent in 1997. The growth rate was impressive considering that it was obtained under difficult external environment marked by the financial crisis in the Asian emerging markets. The Committee noted with satisfaction that this was the highest rate of growth recorded in the world for the year and that the performance showed an increase in per capita income for the fourth year in a row.

47. However, the Committee noted that despite the satisfactory regional growth, there was marked diversity in performance at the subregional and country levels. Of the five subregions, three experienced marked deceleration and only two recorded positive growth in GDP, namely: the North Africa subregion where GDP growth doubled from 2.1 per cent in 1997 to 4.4 per cent in 1998, and the Central African subregion where it increased from 4 per cent in 1997 to 4.9 per cent in 1998.

48. On the basis of economic groupings, growth in the 11 oil-exporting countries declined from 3.6 to 2.4 per cent, while the 42 non-oil-exporting countries increased their rate of growth from 2.3 to 2.9 per cent. Performance in the 33 Least Developed Countries increased from 2.4 to 4.1 per cent. Growth in the G-5 countries of South Africa, Nigeria, Morocco, Algeria and Egypt (which together account for 59 per cent of the regional GDP and 37 per cent of the population), increased from 2.2 to 3.1 per cent.

49. The Committee observed that the economic recovery in 1998 relative to 1997 was spearheaded by the revival of agriculture, whose rate of growth increased from 1.7 to 3.5 per cent. On the other hand growth of the industrial sector declined from 3.8 per cent in 1997 to 3.2 per cent in 1998. The service sector continued on its positive trend, growing by 3 per cent in 1998 relative to the 2.5 per cent in 1997.

50. The Committee noted the significant structural transformation in the African economy during the last decade and half. While the share of agriculture in GDP declined from 22 per cent in 1980 to 19 per cent in 1997, it observed that this fall was not compensated by an increase in the industrial sector, whose share declined from 39 per cent in 1980 to 36 per cent in 1997. The decline in the share of agriculture and industry was offset by the service sector whose share in GDP increased from 38 per cent to 45 per cent respectively. The Committee also observed that, if this trend continued, the African economy may be transforming itself into service oriented economy rather than expanding its commodity producing sectors.

51. The Committee noted that the major factor behind the burgeoning deficit in the balance- of-payments position of the region in 1998 was the decline in world commodity prices. The decline in external resource inflows, especially from private sources, forced countries to draw down their reserves to fill the payments gap. The Committee also noted the continued increase in the debt burden of the region, which increased from \$US344 billion in 1997 to \$US350 billion in 1998. At the same time debt service increased from \$US33 billion in 1997 to \$US36 billion in 1998. The debt stock amounted to 66 per cent of GDP and a staggering 303 per cent of exports of goods and services. The Committee further noted that of the 40 HIPC’s in the world, 32 were African and called for the significant revision of the HIPC initiative.

52. The Committee noted with satisfaction that the objective of reducing poverty of African governments was shared by their development partners. In this regard the Committee welcomed the commitment of Africa’s development partners expressed in various international fora, the latest of which was at the second Tokyo

International Conference on African Development (TICAD II) held in October 1998. The Committee, however, underlined the enormity of the challenge of reducing poverty by underscoring the fact that 44 per cent of Africans, and 51 per cent of those in sub-Saharan Africa lived in absolute poverty.

53. The Committee was informed that Africa needed to increase its growth rate to 7 per cent and maintain this level for the duration of the target period in order to reduce poverty by half by 2015. The required rates of growth per subregion were 5.6 per cent for North Africa; 7.6 per cent for West Africa; 6.7 per cent for Central Africa; 8.1 per cent for Eastern Africa and 6.2 per cent for Southern Africa. These growth targets called for an investment of 33 per cent of GDP in Africa as a whole. At the subregional levels the corresponding figures for investment were 21 per cent for North Africa; 37 per cent for West Africa; 49 per cent for Central Africa; 46 per cent for Eastern Africa and 38 per cent for Southern Africa.

54. Considering the financial implications, the Committee noted that there was a large gap between resources that are available from domestic sources and the required volume of investment to make an impact on poverty reduction. Examining the possible avenues for closing the gap, the Committee reviewed past ODA flows into the region. It noted with concern that ODA flows were most likely to decline in the years ahead. It further noted that, even if ODA flows were maintained at their current levels, it would still leave a large gap between available resources from domestic savings and ODA and the required volume of investment. Further exploring ways of filling the gap, the Committee observed that Africa's share of FDI was not only very small but was declining as a proportion of global FDI. The Committee also noted that the distribution of FDI in Africa was uneven, favouring the mineral - and more so the oil-rich countries.

55. In view of these realities, the Committee underlined the need to increase the mobilization of domestic resources, including the stemming and reversal of human and financial capital flight; increasing domestic savings, (although this was deemed to be difficult in light of the large proportion of people living in or close to absolute poverty); improving the productivity of existing resources; and devising an intelligent and targeted use of the resources that are to be mobilized. The Committee invited member States to formulate and implement policies conducive to the building of institutions that would assist and support national efforts to meet the objective of reducing poverty in their respective countries.

56. The Committee was appraised of the four new indices that were developed by ECA for evaluating the performance and sustainability of African economies. These were the Borda Index, the Annual Economic Performance Index (AEPI), the Economic Sustainability Index (ESI), and the Economic Policy Stance Index (EPSI). The Borda Index was constructed to measure the state of well-being of the African people. Scores for countries were obtained by summing the rank of each of these countries relative to other African countries. On the basis of the Borda index so obtained, Seychelles, Mauritius, South Africa, the Libyan Arab Jamahiriya and Tunisia were the countries with the highest scores and ranked first to fifth respectively.

57. The Annual Economic Performance Index (AEPI) was designed to measure improvements that countries made or failed to make on a year-to-year basis. The index is based on current account as per cent of GDP, changes in the rate of inflation, and change in per capita income. On the basis of the AEPI, Equatorial Guinea, Mauritius and the Congo were rated the countries with the highest turn-around in 1998.

58. The Economic Sustainability index (ESI) was designed to measure the long-term prospect of African economies. The index is derived from the five indices of human capital development; structural diversification; dependency; transaction cost and macroeconomic indicators of sustainability. On the basis of the ESI index so obtained, the countries with the highest score and therefore the highest probability to attain and sustain a high rate of growth were Equatorial Guinea, South Africa, Botswana, Mauritius, Tunisia and Egypt respectively.

59. The Economic Policy Stance Index (EPSI) was designed to measure the policies pursued by countries. The index was derived from the indices of fiscal index and monetary policies. The fiscal policy index was

derived from government deficit as a percentage of GDP; taxes on income and profit as a percentage of government revenue; taxes on international trade as per cent of government revenue and indirect taxes as a percentage of government revenue. Monetary policy indices were based on the growth rate of money (M2) supply; commercial banks interest rate on deposit and the spread between lending and deposit rates. On the basis of the indices Seychelles, South Africa, Ethiopia and Egypt were the highest ranked.

60. The Committee noted with satisfaction that the intention of developing these sets of indices was to generate an African measure and to provide a more realistic appraisal of where each country stood relative to other African countries. However, the Committee observed that the current indices were developed on the basis of a limited number of variables and that the indices so obtained may not have correctly assessed the well-being of the people, or has not properly reflected the potential and therefore the sustainability of the countries.

61. The Committee also observed that the approach itself raises questions on the appropriateness of some of the indicators. In particular the "annual performance indices" did not reflect the very good performance of those countries that already maintained an excellent track record. For example, a country that has succeeded in controlling its inflation at a low or constant rate would have either very small or zero value for changes in inflation. This would tend to adversely affect its overall ranking among the countries. Such an approach tends to penalize those countries that have taken the trouble to maintain low inflation and low deficits in the current account. The Committee recommended the inclusion of a composite index in the report, using relevant weights based on their economic and social importance. The Committee called on ECA to undertake appropriate revision of the methodology such that countries with good track records are also reflected in the ranking.

62. The Committee felt, therefore, that further work was required and expressed the need for deepening the analysis on different sectors, in particular the informal and services sectors, which were included in GDP calculations. Analysis at household levels was needed to help design policies for poverty alleviation. In this regard, the Committee observed the need to examine the accessibility to water, basic services in health and education, as well as food security by the poor. Poverty gaps revealed in the report required focusing on productivity and efficiency enhancement of human resources, on the one hand, and the development of macro, small and medium size projects, on the other, targeting the maximization of value added derived from national resources. The role of development banks in such activities is to be encouraged.

63. Furthermore, the Committee requested that other indicators be included to reflect progress in important development fields such as infrastructure, and economic integration and also broaden the variables that make up the policy indices by including exchange rate. There is also a need to develop different indices for LDCs by looking at the quality of life, per capita GDP and vulnerability. Consideration should also be given to the construction of other indices that would incorporate such factors as demography, good governance and political issues. However, it was observed that the goal of constructing indices for the purpose of intercountry comparison required the adoption of a standardized and an integrated information system in Africa. The Committee noted that in the computation of the various indices, due consideration should be given to balance of payments.

64. In designing appropriate methods that would help to improve the quality of these indicators, the Committee recommended that ECA should work with other United Nations bodies using evaluation methods considered pro-active and reliable such as the UNDP evaluation method based on sustainable human development. Such cooperation could be considered at three different levels: regional, subregional and national. In this regard, the Committee welcomed the proposal to: (a) develop and maintain subregional database; (b) develop and maintain a bank of analytical tools to help monitor progress as well as guide development in the subregions; (c) develop at subregional levels common country assessments on the theme of globalization and (d) establish a network of experts within and among SRDCs.



65. The Committee encouraged ECA to hold a series of workshops, seminars and conferences both to popularize the indices and to acquaint and get advice from professionals on these new indices. The Committee reiterated its appreciation for the excellent report, which brought the new indices relating to well-being performance, sustainability and policy. In this regard, the Committee commended ECA for having fulfilled its previous request to prepare an analytical rather than a descriptive report. The use of official data in the report including for the development of the new indices was appreciated. In this regard, the Committee recommended that the ECA secretariat should involve the SRDCs more in statistical data and information collection and pursue the improvement of the report and eventually come up with a study that presents practical recommendations to member States.

66. However, the Committee regretted the fact that the report was not sent to member States well in advance to give them ample time to study it and participate actively in the discussions.

67. On the subject of conflicts affecting more than 20 African countries, the Committee noted the adverse impact of large-scale population displacement on the economic development and on the efforts aiming at alleviating poverty on the continent. Special attention was also given to the specific development and financing needs of countries emerging from conflict, and the challenge to create a link between humanitarian assistance and sustainable development. The committee noted, further, that lack of stability resulting from conflicts makes it unlikely for these countries to attract investment. Given the gravity of these issues, the Committee requested ECA to undertake an in-depth study on the impact of conflicts and displacements of populations on economic development.

68. The committee noted the destructive effects of HIV/AIDS on life expectancy, GDP, labour productivity and all other aspects of human life, and urged African countries to pay particular attention to contain it. The Committee urged ECA to study the economic consequences of HIV/AIDS on Africa's economic recovery and development prospects, and requested member States, Civil Society Organizations and the international organizations to raise public awareness by and through education to elicit behavioural change. Efforts to reduce spread of the endemic have proven to be cost effective.

69. The committee took note of the report in the light of the above observations.

#### Report on the Work of the Commission 1996-1998 (agenda item 6)

70. Under this agenda item, the Committee considered document E/ECA/CM.24/4 entitled "**Report on the Work of the Economic Commission for Africa 1996-1998**", which provided an overview of the activities undertaken by the Commission in implementing its programme of work and priorities during the period under review and of the availability and utilization of resources within ECA.

71. The Committee noted that the report covered a three-year period because of the decision taken in 1997 to hold the Conference of Ministers on a biennial, rather than an annual basis. In particular, the Committee noted that the reform and renewal of the Commission, which began in 1996 was almost completed, and the current report was a product of these efforts. These reforms coincided with and fulfilled the General Assembly instructions in resolutions 50/227 of 24 May 1996 and 52/12B of 1997 to the regional commissions to rationalize their operations.

72. The renewal process encompassed four types of institutional reforms, namely: (a) programmes and priority setting, which led to a streamlined programme structure of five subprogrammes, reflecting the key issues on Africa's development agenda; (b) organizational restructuring, focusing on the realignment of the secretarial structure to the new programme orientation, managerial improvement, and strengthening of ECA's subregional presence; (c) reform of the intergovernmental machinery, which led to a reduction in the number of Ministerial level conferences, and the other subsidiary organs with the aim of promoting greater coherence



and coordination; and (d) improving programme impact, by developing guidelines for monitoring programme implementation and measuring results and impact.

73. These reforms also entailed streamlining and strengthening programme planning functions, budgeting, financial control, monitoring and evaluation, the building of a team-based approach to task management; improved management of physical facilities, procurement and general services; as well as an effective internal and external communications strategy which includes greater use of electronic networks, computers, e-mail, Internet, improved publications programme and dissemination strategy.

74. The Committee also noted that the reform of the Commission had begun to yield tangible results, as there was now evidence of significant improvement in the impact of its services to member States. The Economic Report which was presented at this year's TEPCOW meeting, was another tangible evidence of this improvement. ECA had used its comparative advantage effectively through such modalities as conferences, seminars and workshops to disseminate information on best practices and promote advocacy as well as build consensus on key issues in Africa's development.

75. The Committee further noted that the activities of the Commission during the period under review spanned the entire gamut of development concerns, and was implemented by six substantive divisions and supported by three service divisions. These activities included such essential issues as poverty reduction, fostering regional cooperation and integration, promoting good governance, building Africa's information and technology infrastructure through the implementation of the African Information Society Initiative which was endorsed by the Conference of Ministers in 1996, promoting human-centered development, better management of the interlinked issues of food security, population and environmental sustainability, as well as promoting women in development and building capacity of member States on the various issues through the provision of advisory services and group training.

76. The Committee was informed that all these activities were carried out under severe resource constraints owing to the reduction in both regular and extrabudgetary resources, occasioned by the financial crisis in the United Nations and the strategic shift by some partners in their funding arrangements, which emphasized financing projects executed at the national level instead of projects at the regional level. In this regard, the Committee also took note of the clarifications provided by the representative of UNDP with regard to their financial assistance, which had declined over the years, and pointing out the availability of other resources and suggesting that ECA and UNDP work together on modalities for accessing these resources in order to generate greater synergies.

77. The Committee was further informed that following the lifting of the freeze on recruitment, the Commission was speeding up the process of filling the vacant posts which resulted from the freeze and assured that in doing so, gender parity and geographical balance would be taken into account.

78. It was observed that, in spite of ECA's efforts at strengthening its subregional presence, the SRDC-SA presently lacks sufficient expertise in the mineral and energy, as well as trade and investment sectors. He noted that this was a serious deficiency, given that trade and investments in the minerals sector constituted the major economic activity of the subregion. In addition, it was pointed out that the position of Director of the SRDC-SA was vacant and some of the delegates wished to know what the Commission was doing to fill it.

79. In response to the concerns raised regarding staff deployment to the SRDCs, the secretariat informed the Committee that steps had already been taken to appoint Directors for ECA's five SRDCs and assured that it was looking into the issue of deploying relevant expertise to the SRDC-SA. The Committee was also informed that gender focal points had been deployed to all ECA substantive divisions, as well as the SRDCs.

80. Above all, the committee noted that one of the guiding principles of the reform--effective partnership would remain crucial in the Commission's work, as there was wider recognition that Africa's development

objectives can only be achieved through effective partnership with other development actors. In this regard, ECA had done a lot of work in coordinating and harmonizing the activities of other United Nations agencies, bilateral, multilateral and private partners.

81. The Committee raised questions on such issues as globalization, measures to improve Africa's position in the post-Uruguay trading and economic environment, debt reduction, poverty alleviation and good governance. The Committee emphasized the need for ECA to undertake studies on the modalities for establishing an African Monetary Fund to serve as a financial buffer for financially distressed African countries, and the need for ECA to organize seminars and workshops to create a better understanding among member States of the mechanisms of WTO and provide assistance to member States in understanding the phenomenon of globalization and coping with it.

82. In response, the secretariat reminded the delegates that the proposal for setting up an African Monetary Fund had been on the agenda of the Conference of Ministers in the past, but the idea had to be shelved due to lack of consensus on the issue. However, the secretariat promised to undertake the necessary studies in view of the strong support from member States.

83. The secretariat also informed the Committee of the extensive work it had done in the past three years to assist member States benefit from the new global economic environment through its seminars, workshops and technical advisory services. Specifically, the secretariat pointed out that its assistance on the WTO arrangements to Africa's Least Developed Countries (LDCs) will continue. In addition, ECA has organized several symposia, seminars and workshops, aimed at examining the implications of various international trading arrangement, such as the Marrakesh Agreement.

84. The Executive Secretary pointed out that ECA's activities in the past three years had focused extensively on various aspects of globalization and promised that the Commission would do more in future to promote a better understanding on key issues in Africa's development. He said that future ECA publications and reports will focus on various aspects of globalization and informed the Committee that the first meeting of the African Development Forum, would have as its theme Globalization and Information Age. He said that ECA's activities in the area of governance were increasing and a State of Governance Report would be published by ECA beginning in the year 2000. He also informed the Committee that ECA in collaboration with UNDP had successfully organized the African Governance Forum. Two have already been held, and a third one is planned for June/July 1999 in Mali.

85. The Committee noted with appreciation the comprehensiveness of the report and the clear and concise manner in which it was presented, adding that it provided useful information for policy makers in Africa. The Committee however emphasized that future reports should pay attention to issues and proposals for improving the competitiveness of African economies and better distribution of the benefits of growth.

86. The Committee took note of the report in the light of the above observations.

#### Coordination and Collaboration among United Nations Agencies at the Regional and Subregional Levels in Africa (agenda item 7)

87. The Committee considered document E/ECA/CM.24/5 entitled **"Coordination and Collaboration Among United Nations Agencies at the Regional and Subregional Levels in Africa"**. The Committee noted that three patterns of coordination and collaboration among United Nations agencies were discernible at the regional level in Africa. These included the system-wide programmes and initiatives adopted by the United Nations to address Africa's economic and social development problems, the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) and the United Nations System-wide Initiative for Africa (UN-SIA,); the regionally agreed programmes adopted by the African member States and endorsed by the United Nations (AIS, UNTACDA, IDDA, and Addis Ababa Plan of Action for Statistical Development);

and collaboration/partnerships arrangement among agencies developed as pragmatic response to the specific needs of African countries (SPA, NLTPS, IGWA, UNAIDS and WMO).

88. At the subregional level the Committee observed that four patterns of cooperation arrangements existed: those relating to instances where United Nations agencies organized subregional programmes around specific issues of concern to selected or affected countries; those involving programmatic collaboration between various United Nations agencies and the subregional intergovernmental organizations; Subregional Development Centres of ECA whose work encompassed the full gamut of development spectrum including fostering subregional cooperation and integration; and those relating to situations where United Nations agencies are engaged in cooperation with a regional or subregional technical organization specializing in a particular field.

89. The Committee noted the key findings of the report. The first finding was that the United Nations Inter-Agency Task Force established for UN-NADAF had been helpful in facilitating and mobilizing inter-agency team effort for implementing various programmes and initiatives. The second finding was that there is a plethora of coordinating mechanisms developed around specific regional programmes. The need to streamline these mechanisms is widely recognized by the agencies as well as the member States. The third finding was that the thematic programmes represented an important framework for collaboration among the United Nations agencies, on the one hand, and between the United Nations agencies and other stakeholders, including the private sector organizations, on the other. The fourth finding was that there is a virtual absence of mechanism for coordination at the subregional level in Africa. The fifth finding was that many agencies are developing closer links with the subregional intergovernmental organizations. The sixth was that the decentralization of activities by various agencies to the subregional level in Africa is yet to induce the much hoped for improved coordination among the agencies.

90. The Committee welcomed the effort being made by United Nations agencies to work closer together and for more effective collaboration in all their activities. The recent regional coordinating meeting held at the United Nations Office in Nairobi (UNON), Kenya on 5 March 1999 offered an important opportunity for renewed and effective coordination and collaboration among United Nations agencies in Africa. That meeting concluded that the vision for the United Nations' work in Africa must be shaped and determined by Africa's development agenda and that UN-SIA would provisionally constitute an appropriate mechanism for the coordination of the United Nations system's work in Africa.

91. The Committee took note of the activities, constraints and accomplishments UN-SIA. Launched in March 1996, UN-SIA singled out Africa's key advancement challenges, defined in 13 development clusters and enlisted the international community's assistance in meeting them through a coordinated development commitment. UN-SIA underscored the importance of consolidating support for positive continental, political and economic trends initiated during the 1990s. Since the launching of UN-SIA, the separate lead agencies, each of which had accepted commitments in specific target areas, have made significant headway in their respective sectors which they were assigned lead role. United Nations Country Team Retreats have facilitated in-country consultation on UN-SIA's benefits. The outstanding challenges include deepening and widening country coverage and rallying additional partners in support for UN-SIA.

92. Questions were raised regarding the adequacy of the financial resources allocated for implementing the UN-SIA programme, the United Nations agencies awareness of the severity of such problems as high illiteracy, lack of water and social amenities confronting African countries; and how ECA could support country level operations especially through its network of subregional development centres. It was explained that although UN-SIA had envisaged mobilizing some additional resources, the main strength of the Special Initiative was in improving coordination and collaboration among United Nations agencies. This reflected the recognition that coordination among the agencies could produce results that exceeded the sum total of each individual agency's contribution and magnify the overall impact of the United Nations system at the country level in each of the 13 clusters of the Initiative. In this regard, it was emphasized that various programmes

developed by the agencies where continuously being reviewed to respond to the development challenges of the region.

93. The committee stressed the importance of ECA's active involvement in supporting member States in national programme formulation and implementation. In this regard it was noted that SRDCs were increasingly involved in national level activities as part of the United Nations country team, as evidenced in the growing collaboration between some of the SRDCs and other United Nations agencies in their respective subregions. It was emphasized that this enhanced participation of SRDCs in country team work reflected the spirit of the consensus reached at the Turin Staff College Seminar on improved harmonization of programmes of United Nations agencies.

94. Some participants noted that ECA was well placed to play a lead role in regional coordination both because it is part of the landscape of regional institutions and because it is the regional arm of the United Nations in Africa. Other participants emphasized that the assistance provided by United Nations agencies to member States at the national level should adhere strictly to the principles of national ownership and national execution of programmes. It was a matter of concern that all agencies had not fully adhered to these principles in the implementation of their programmes. Moreover it was observed that different agencies imposed different procedures for programme implementation, thus imposing high transaction costs on governments. The committee urged United Nations agencies to simplify their rules relating to programme implementation.

95. The Committee took note of the report in the light of the above observations.

#### Rationalization and Harmonization of ECA-sponsored Institutions: A Progress Report (agenda item 8)

96. Under this agenda item, the Committee considered document E/ECA/CM.24/6 on the rationalization and harmonization of ECA-sponsored institutions. It recalled resolution 827(XXXII) of the twenty-third meeting of the Conference of African Ministers Responsible for Economic and Social Development and Planning held in Addis Ababa, Ethiopia in May 1997, which had called for a merger, conversion and/or closure of such institutions, and for ECA to redefine its relationship with the institutions which would henceforth be called "regional development institutions".

97. The Committee noted that a study had been carried out which clustered these institutions into five groupings: (a) Cartography, Mapping and Remote Sensing; (b) Engineering and Industrial Technology; (c) Economic and Social Development; (d) Finance and Trade; and (e) Minerals and Transport. Under the first category, it had been recommended to merge the regional Centre for Training in Aerospace surveys (RECTAS) and the Regional Remote Sensing Centre (CRTO) and the Committee was informed that a joint meeting of the two Centres was expected to be held in September 1999 after the meeting of plenipotentiaries to be held in Ouagadougou.

98. Under the second category, the Committee noted that the Governing Councils of the African Regional Centre for Technology (ARCT) and the African Regional Centre for Engineering Design and Manufacturing (ARCEDEM) had agreed to merge subject to certain conditions and a Memorandum of Understanding had been signed. The African Regional Organization for Standardization (ARSO) and the African Regional Industrial Organization (ARIPO) had decided to maintain their separate identities. As for the African Institute for Higher Technical Training and Research (AIHTTR) and the African Regional Centre for Solar Energy Research (ARCSE), their Governing Councils had not met to consider their fate because the institutions had virtually closed down.

99. Under the third category, the Committee observed that the Institute for Economic Development and Planning (IDEP) and the African Centre for Applied Research and Training in Social Development (ACARTSOD) had been urged to take a collective decision on the merger. Meanwhile, the Committee expressed appreciation to the Government of the Libyan Arab Jamahiriya which had been strengthening

ACARTSOD through financial contributions and was informed that a Director had recently been appointed. With regard to the Eastern and Southern African Management Institute (ESAMI), the Committee noted that its Governing Council met in July 1997 and had accepted the recommendation that it be transformed into a regional institution to cover the whole of Africa.

100. Under the fourth category the Committee took note of the report that the Governing Boards of the Association of African Trade Promotion Organization (AATPO) and the Federation of African Chambers of Commerce (FACC) had agreed to merge and the instruments of a merger would be finalized at the end of May 2000.

101. Finally, under the last category of minerals and transport, it was reported that the Central African Mineral Resources Development Centre (CAMRDC) was virtually non-functional. However, SRDC-CA in Yaounde was ready to assist in its reactivation. With respect to the Southern and Eastern Africa Mineral Resources Development Centre (SEAMIC), the Committee observed that it had been agreed that its relationship with SADC and COMESA be addressed through a Memorandum of Understanding.

102. The Committee was informed that the new relationship between ECA and the institutions would be based on three key principles, namely: relevance of programmes of the institutions to ECA's new strategic directions and programme focus; relevance in terms of present operational capacity or potential for effectiveness; and the extent to which the institution was provided regular support by member States. In this connection, the Committee noted the classification of the institutions into three different categories, namely: those with which ECA would develop strong cooperation provided the proposed rationalization measures were implemented by member States; the second category of institutions which also meet the criterion of relevance to ECA's strategic directions but with comparatively limited support from member States or not adequately self supporting; and the third category of institutions consisting of those that were paralyzed and practically non-operational. The possibility of institutions graduating from third to second and first categories was also pointed out.

103. Finally, the Committee noted the new modalities for a new relationship between ECA and the institutions, and urged member States to pay their assessed contribution to these institutions. The Committee also recognized the crucial role that viable institutions could play in strengthening the capacities of member States while serving as centres of excellence and promoting south-south cooperation.

104. The Committee was appraised of current developments in some of the institutions and particularly took note of the difficulties they were facing in spite of the initiatives and efforts being undertaken by these institutions to remain operational. These included new approaches and policies aimed at meeting their staffing requirements, consolidating functions and operations, restructuring and re-engineering these institutions. In this regard, The Committee took note of the case of UNAFRI as a regional body which benefits from a United Nations grant in light of its mandate and efforts to promote and coordinate regional technical cooperation activities related to crime prevention and criminal justice systems in Africa. However, the support provided by the United Nations grant and donor grants in relation to specific projects need to be supplemented by demonstrated payment of the assessed contribution of its member States in order for the Institute to have the necessary resources for its effective functioning.

105. The Committee also examined the question of settling financial obligations as a prerequisite of any merger between institutions. It recognized that the problems encountered by the institutions still persisted in spite of the efforts made by some member States and by development partners to put these institutions at least on a sound financial footing. ECA was commended for having implemented the mandate given it by the ECA Conference of Ministers in May 1997.

106. Some participants indicated their readiness to strengthen the institutional capacities of these institutions which should play an important role to speed up economic and social development. The Committee recognized



that the institutions affected by the rationalization were not given all the attention they deserved in accordance with the objectives established for them at their inception.

107. The Committee, indeed, pointed out that the lack of financial support by member States had prevented the institutions from implementing their respective work programmes and, in some cases, led to their complete paralysis. While not overlooking the efforts made by some countries to give financial support to the institutions based in their countries (for example staff deployment, provision of office buildings), the Committee urged member States to find lasting solutions to the financing problems, especially for those institutions recognized by both the report of ECA and the member States themselves as relevant and important for Africa's development.

108. The Committee took note of the concerns expressed by the Deputy Executive Secretary of ECA about the seriousness of the financial situation of the institutions whose Governing Councils ECA has been a member. Concerning the rationalization proposals made by the secretariat, the Committee noted that the proposals were quite objective since they were based on scrupulously selected criteria. The Committee also noted the appeal made by ECA to maintain some of these institutions in view of their importance for the economic and social development of Africa.

109. The Committee invited member States to meet their commitments by taking practical steps to provide the institutions with the resources required for their optimal operation.

110. The Committee took note of the report in the light of the above observations.

#### Proposed Programme of Work and Priorities of ECA for the Biennium 2000-2001 (agenda item 9)

111. Under this agenda item, the Committee considered document E/ECA/CM.24/7 entitled "Proposed Programme of Work and Priorities for the Biennium 2000-2001."

112. To ensure that the present proposals were seen in their proper context in the programming cycle in the United Nations, it was explained that the cycle started with the establishment of the Medium-Term Plan. The Plan was an expression of the broad objectives of the Organization, the modalities by which these objectives were pursued and the expected results at the end of the plan period. The present Medium-Term Plan was for the period 1998-2001. The Plan is organized around programmes and sub-programmes with each Department in general responsible for one programme. ECA's programme consisted of five sub-programmes until the Plan was revised in 1998 when two new sub-programmes were added. The Medium-Term Plan was translated into a programme budget with concrete activities and detailed cost implications on a biennial basis. The present programme proposals were, therefore, for the second biennium of the current Medium-Term Plan. Departmental legislative organs are requested to review only the programme aspects of the programme budget. This was why the document before the Committee did not contain information on the budgetary implications of the programme proposals.

113. It was further explained that because of the tight schedule reserved for the preparation and review of the programme budget, the present proposals were being submitted for the consideration of the Committee at the same time as they were being reviewed by the Programme Budget Division at United Nations Headquarters along with the proposals from all other Departments for submission to the relevant review bodies of the General-Assembly namely, the Committee for Programme Coordination (CPC) and the Advisory Committee for Administrative and Budgetary Questions (ACABQ). The comments and observations of the Conference on the ECA proposals would be brought to the attention of these review bodies.

114. In considering the proposals, the Committee noted that they were being made at the threshold of the twenty-first century in the context of many positive signs in Africa's development prospects but at the same time with many daunting challenges still facing member States. Among those challenges was that the



incidence of poverty was showing no sign of receding. Conflicts in some countries of the region were undercutting the promise of accelerated growth and development. The process of globalization was progressing apace with the Africa region not yet properly positioned to reap maximum benefits from the process. Social and economic, including information and technology, infrastructures remained inadequate and inefficient in the face of daunting population dynamics and ecological degradation. External debt continued to exercise a major constraint on the region's development. And the challenge of expanding and consolidating good governance was as critical as ever. All these have to be seen against the immense natural resources with which the region was endowed.

115. The Committee welcomed the proposals and considered them relevant and consistent with member States' needs and priorities. It was suggested that consideration should be given to prioritizing the activities in the programme to ensure that the limited resources available for the implementation of the programme were effectively used. The need to forge effective partnerships in the implementation of the programme was also emphasized.

116. Several participants underscored the importance of the impact of HIV/AIDS and armed conflicts on the economies of the region. In doing so, they acknowledged that there were other organizations directly responsible for the prevention and control of these phenomena. It was, however, underlined that ECA had a special role to play in analyzing the socio-economic dimensions of both HIV/AIDS and conflicts, as well as the issue of refugees and displaced people. It was emphasized that this role should be more specifically reflected in the work programme. ECA should also strengthen its intervention in the reconstruction and development of countries in post-conflict situations through the programmes of technical cooperation it was already developing with some of these countries.

117. Some participants felt that debt and domestic resource mobilization should have been more explicitly treated in the programme. Others also felt that there was a lot of work the Commission could do to sensitize member States to the implications of globalization and to support them in terms of building capacity in economic diplomacy and market analysis. Yet others felt that issues pertaining to higher education including enhancing cooperation between African universities, the development of inter-African trade and the informal sector, as well as, promoting networking among entrepreneurs should have been more adequately reflected in the programme.

118. One participant cautioned that it was important to ensure focus and impact. While many issues were important and urgent priorities, not everything could be included in the work programme. There was need to prioritize.

119. A number of participants made specific suggestions in respect of the timing and scope of some activities in the programme. These were well noted by the secretariat.

120. The Executive Secretary expressed appreciation for all the comments and observations. He pointed out that the programme had been established on the basis of wide consultations with member States and ECA's development partners. Through the intergovernmental machinery of the Commission, the secretariat sought advice and guidance during the meetings held by the subsidiary organs of the Commission such as the Committee on Sustainable Development, the Committee on Women and Development, the Committee on Regional Cooperation and Integration, and the Intergovernmental Committees of Experts of the SRDCs. He said that the Committees which had not yet met would do so shortly. He also said that those consultations had enabled the secretariat to define its priority activities and allocated resources for their implementation. He recalled the guiding principles underlining the programme, namely strategic focus, cost-effectiveness and effective partnerships. In this regard, he agreed with the call for prioritization. He informed the Committee that ECA was also seeking synergies with African intergovernmental organizations, the United Nations bodies and specialized agencies, donor countries, African Universities, research centres, and civil society

organizations. The secretariat had also enhanced its media and communication outreach and was increasingly using policy fora to share experiences and best practices.

121. He assured the Committee that issues such as HIV/AIDS and post-conflict reconstruction and development were high on the agenda of the secretariat. It was because of this that an invitation was extended to the Executive Director of UNAIDS to make a special presentation at the ministerial session of the present meeting.

122. He also invited member States to ensure that ECA's role and action are well known by their citizens and partners.

123. The Representative of Zambia informed the meeting that his country would host an international conference on HIV/AIDS and sexually transmitted diseases in Lusaka in September 1999. He invited ECA to substantively contribute to the organization and deliberations of the Conference.

124. The Committee took note of the proposed programme of work for the biennium 2000-2001 in the light of the above observations and comments.

Statutory Issues: Reports from Intergovernmental Committee of experts of SRDCs and Report from other subsidiary organs of the Commission (agenda item 10(a) and (b))

125. Under this agenda item, the Committee was informed of the deliberations, conclusions and outcomes of the meetings of the following subsidiary organs which were held since the last session of the Commission: Intergovernmental Committee of Experts (ICE) of SRDCs; Committee on Sustainable Development; Committee on Women and Development; and Committee on Regional Cooperation and Integration; the Conference of Ministers of Transport and Communications; and the Conference of Ministers of Mineral Resources and Energy. The Committee was also appraised of the recommendations and conclusions of the two follow-up meetings to the World Social Summit. The reports of all this meetings were made available to the Committee in documents E/ECA/CM.24/8, Add.1 and Add.2.

126. The Committee noted with appreciation the report of the fourteenth meeting of ICE of the SRDC-NA, and endorsed the recommendations regarding the implementation of several activities including:

- (a) A perspective study of priority areas in the subregion;
- (b) A seminar on the irrigation to be held in Egypt;
- (c) An analytical study on the economic and social conditions of the subregion, with emphasis on the issues of agriculture and debt; and
- (d) A study and seminar on the debt issue in North Africa. In that regard the Committee welcomed the technical support to be provided by UNCTAD and the World Bank on debt management in the subregion. The committee also took note of the readiness of the Islamic Development Bank to provide support for the organization of a seminar on debt management. The Committee further took note of the Egyptian government's acceptance to host a seminar in Cairo on irrigation schemes and water management. The committee noted with satisfaction the scientific contribution extended by the Spanish Agency for International Cooperation and the Spanish Supreme Council for scientific research in the organization of the seminar on the irrigation schemes.

127. The Committee observed that the 1999 ICE meeting should be held and future annual meetings of ICE of North Africa should be convened before the session of the Conference of Ministers and the Follow-up

Committee. It was suggested that efforts be made to ensure that the ICE meetings are held before the Conference sessions.

128. The Committee endorsed the recommendations made during the two ICE meetings of the SRDC-WA held in March 1998 and March 1999 respectively. The Committee expressed satisfaction with the emphasis placed on issues such as enhancing food security in West Africa; formulating technological policy and strategies for the subregion; developing databases for sustainable development management in West Africa; promoting gender perspective; trade policy management in the subregion; informal sector development; and water resources and Lake Basin development and management. It particularly welcomed the initiative to undertake a study on the social and economic impact of HIV/AIDS on the economies of the West Africa subregion.

129. A question was asked about whether an activity of the SRDC-WA on informal sector could not be brought forward from 2001 to 2000, given the growing importance of that sector in many West African countries. The Committee was informed that the activity would be brought forward.

130. The Committee observed that, although there were several intergovernmental organizations in West Africa, the coordination and harmonization of the work programmes, especially in the area of regional cooperation and integration was not very evident. It was explained that in the past the SRDC has played an important role in fostering coordination among the subregional intergovernmental organization through the association of West African intergovernmental organizations. However, this mechanism had become dormant and effort will be made to revitalize the mechanism.

131. The Committee noted that the ICE for Central Africa, which had not been able to convene, will meet in June 1999 in Malabo, Equatorial Guinea. The Committee welcomed the planned relaunching of regional integration in the subregion as the main focus during this meeting, where a high-level forum on the diplomacy of regional integration will be organized. It further endorsed that the 1999 report on socio-economic conditions in the subregion will be a joint endeavour between United Nations coordination agencies, IGOs and member States. The main theme of the report would be globalization.

132. The Committee was informed that a study on external debt was launched by SRDC-CA, within the framework of the United Nations Resident Coordination System and with focus on the responsibility of Africa's development partners in the cancellation of debt. The first case study has been completed. UNDP underlined the importance of the proposed study and indicated its willingness to support the preparation and dissemination of the findings of the study.

133. The Committee welcomed the effective transfer of the offices of the SRDC-EA from Addis Ababa to Kigali in October 1998 with the assistance of the government authorities in Rwanda and the Resident Coordinator of the United Nations System. It was noted that, due to this recent relocation of the Centre, the ICE meeting for the SRDC-EA had been postponed to October 1999. Despite these constraints, the Committee observed that the Centre had been able to provide technical assistance not only to member States but also to regional economic groupings such as COMESA, EAC, CEPGL and IGAD in such areas as institutional reform for regional cooperation and integration, harmonization and monitoring of financial and trade policies, development of physical and social infrastructures, inclusion of gender issues into development policies and private sector promotion.

134. The Committee took note of the activities carried out by the SRDC-EA on the facilitation of trade and transport issues which are of paramount importance in a subregion with four land-locked countries, one semi land-locked country and three island states. It acknowledged support from UNDP, the World Bank, the Permanent Secretariat of Transit Coordination Authority of the Northern Corridor (TTCA), EAC, CEPGL and COMESA. It further commended the Centre for the initiative taken to elaborate joint activities with bilateral and multilateral partners in the area of post-conflict reconstruction and development. In this regard,

the Committee endorsed activities planned for the biennium 2000-2001 in promoting constructive dialogue between government authorities and civil society organizations for achieving good governance.

135. Questions were asked about what activity SRDC-EA was undertaking or planning to implement to curtail the destructive impact of water hyacinth on Lake Victoria and in what activities the SRDC-EA was collaborating with IGAD. It was explained that the SRDC's strategy has switched from destroying water hyacinth to harnessing its economic value. Additionally, ECA was examining ways to support the development of the ports infrastructure around Lake Victoria, to enhance its contribution to the economy of the countries bordering the Lake. The Committee was informed that the SRDC-EA and IGAD were collaborating closely on a range of issues, including gender, economic integration and environment. The Committee was informed that UNCTAD was planning to hold a Conference on land-locked countries from 22 to 26 August 1999 in New York and that the SRDC-EA should participate at the meeting given that the SRDC-EA counted many land-locked countries among its members.

136. The Committee endorsed the recommendations of the fifth meeting of ICE of the SRDC-SA held in October 1998 which particularly called for the development of an improved mechanism for enhanced coordination between ECA and the regional economic communities, on the one hand, and amongst the regional economic communities themselves, on the other, to achieve better synergy in their respective programmes; the streamlining and harmonization of modalities for data collection between ECA, the regional economic communities and other interested parties. In this regard, the Committee noted the responsibility entrusted to ECA for establishing a subregional database on key economic and social indicators in the member countries for use by all United Nations agencies.

137. The Committee also endorsed the recommendations made to support the SADC mining unit for developing an institutional framework of cooperation in mineral development in Southern Africa; the termination of the Eastern and Southern African Development Information system (ESADIS) project and its integration of activities into the SRDC's regular programme of work; the streamlining of the SRDC's work programme priority with those of the subregion.

138. The Committee took note of the activities carried out by SRDC-SA in the areas of gender and development, the management of the nexus issues of population, food security and environment, and the development of informal sector in the subregion.

139. The Committee took note of the fact that no member State had offered to host the sixth meeting of ICE scheduled for November/December 1999 and therefore appealed to those countries which had so far not hosted the meeting to give it further consideration.

140. In response to a question about whether there was a general framework for all the SRDCs to promote coordination and harmonization of the work of the regional economic communities (RECs) and intergovernmental organizations (IGOs) in the field of regional integration, the Committee was informed that the main mandate of the SRDCs was to work closely with the RECs and IGOs in fostering regional integration and to facilitate the coordination of the other United Nations agencies in the subregions to better respond to the challenges in each subregion.

141. With regard to the conclusions emanating from the other subsidiary organs of the Commission, the Committee took note of the resolution and decision made by the eleventh Conference of African Ministers responsible for Transport and Communications held in Cairo, Egypt in November 1997. It endorsed the framework of action for accelerating the implementation of UNTACDA II programme during the period 1998-2000 and beyond. The Committee underscored the need to put greater emphasis on railways development in Africa as well as to strengthen railway reforms and interconnection and extend support to the Union of African Railways. The Committee further endorsed the creation of the African Initiative on road safety issues initiated by ADB and ECA within the framework of the Global Road Safety Partnership (GRSP) and UNTACDA in

order to address the negative effects of road accidents in Africa which are estimated at 2 per cent of GNP (\$10 billion).

142. The Committee was informed that the Conference of African Ministers of Mineral Resources and Energy at its meeting held in Durban, South Africa in November 1997 had adopted a declaration including a number of recommendations on the need to deepen economic reforms and reforms in the mineral and energy sectors, capacity-building in the area of mining and energy; the need to emphasize the construction of cross-border oil and gas pipelines; the establishment of relevant databases and information networks; a call on ADB to continue its support to the African Energy Programme; and for OAU to establish the African energy Commission.

143. The Committee was informed that the Committee on regional cooperation and integration held its first session from 27 to 29 April 1999 in Addis Ababa and discussed important issues such as harmonization of regional economic groupings and policy convergence; compensation/equalization mechanisms; and self-financing mechanisms for the funding of the integration process in support of trade liberalization; regional programmes and projects; and the impact of the Uruguay Round Accord on regional integration.

144. The state of regional integration in Africa was reviewed through sectoral presentations made by the representative of ECOWAS on transport and communications infrastructure development; UDEAC/CEMAC on policy harmonization and policy convergence in Central Africa; SADC on its electrical power pool arrangements; UMA on the state of integration in the Maghreb countries and related programmes as well as the efforts being deployed by its leadership for the implementation of such programmes; and CEPGL on the need to assist in post-conflict reconstruction programmes in the launching of joint undertakings in such areas as electricity and banking.

145. The Committee noted the progress made in furthering the regional economic integration process in the various groupings.

146. The Committee urged the secretariat to continue its support to regional economic communities in furthering their trade, infrastructure development and macroeconomic policy harmonization and convergence. It further insisted on the need to define variables and indices for the measurement of progress in regional economic integration in Africa.

147. The Committee took note of the various recommendations made during the first meeting of the Committee on Women and Development particularly those related to modalities of renewal of membership and introduction of registration fees for participants. The Committee further endorsed the recommendation presented to the current OAU Chairman for the acceleration of the implementation of the Dakar and Beijing Platforms.

148. The Committee noted with satisfaction the success of the two subregional follow-up meetings to the World Summit for Social Development held in Marrakech (Morocco) and Nairobi (Kenya) in March 1999. It acknowledged the support extended by the host countries concerned as well as assistance from UNDP, GTZ, UNICEF and ILO in the organization of the meetings. The committee fully endorsed the recommendations of these conferences. The Committee noted that a similar meeting was to be held for the West and Central Africa subregions in Burkina Faso. This meeting was scheduled to take place in March 1999, but had to be postponed at the last moment because of technical difficulties. The meeting will be held later in the year.

149. The Committee took note of the recommendation made by some participants to formulate a proposal on the establishment of an African Monetary Fund with the assistance of ECA.

150. The Committee endorsed all the resolutions and decisions emanating from the subsidiary organs and sectoral bodies as contained in document E/ECA/CM.24/8. Add.1 and Add.2.

Any other business (agenda item 11)

151. Under this agenda item, the Deputy Executive Secretary informed the Committee of the importance that the management of the secretariat of ECA attached to improving staff welfare, through training and enhanced motivation among others. This effort reflects the recognition that the staff were the main assets for implementing the activities of the Commission. To foster better management-staff relations, there were several committees through which management and staff consulted periodically to address various issues of concern to both management and staff. At present, there was one outstanding problem which required the support of member States for its resolution, namely the declining value of the pension and salaries of local staff, as a result of devaluation.

152. The Deputy Executive Secretary requested that the President of the Staff Union Committee (SUC) of ECA be given an opportunity to address the Committee on the issue. In his statement, the President of the Staff Union Committee observed that in the recent past, in many developing countries, the phenomenon of currency devaluations had become prevalent. These devaluations had direct adverse effects on the salaries, pension and other benefits of the General Service and National Officer staff of the Organization in view of the fact that these benefits were denominated in local currencies. Because pension contributions are a percentage of the salary, every currency devaluation has the immediate and continuing effect of reducing all salaries that are denominated in local currencies including pension contributions. The problem is common in the United Nations System and therefore affects staff in Latin America, Africa, Middle East and Asia.

153. The devaluation in the host country has led to a salary decrease of 56 per cent, pension contribution decrease of 45 per cent and pension entitlement loss of 55 per cent for the local staff. Member States could assist to alleviate the situation, by asking their representatives on the Board of Pension Fund to support the adoption of corrective or remedial measures; and by supporting, in the fifth Committee of the United Nations General Assembly, a review of existing rules and regulations governing pay and pension of local staff especially by agreeing to the denomination of salaries in \$US while actual payments are effected in local currencies.

154. The Committee agreed to adopt a motion in support of the effort of the staff Union Committee to alleviate the plight of the local staff of ECA.

155. On another issue, the Committee was reminded that as part of the reform of the intergovernmental machinery of ECA, it was decided that Least Developed Countries (LDCs) would be an item on the biennial session of the Commission. Since this session of the Commission would be the last before the third United Nations Conference on LDCs, the Committee needed to adopt a resolution regarding Africa's preparation for the third United Nations Conference in 2001. The Committee agreed that a draft resolution on this issue be submitted to the Drafting Group for consideration.

Adoption of the Report (agenda item 12)

156. On 4 May 1999, the Committee adopted the present report and draft resolutions annexed to this report for consideration by the Conference.

Closure of the Meeting (agenda item 13)

157. The Chairman expressed appreciation to all the participants for their cooperation.

158. He then declared the meeting closed.



Annex II

**MEETINGS OF SUBSIDIARY BODIES HELD DURING THE PERIOD UNDER REVIEW**

**(29 APRIL 1998 – 8 MAY 1999)**

| <b>TITLE OF THE MEETING</b>   | <b>MEETING, DATE &amp; VENUE</b>                         | <b>DOCUMENT SYMBOL</b> |
|---|--|------------------------|
| Meeting of the Intergovernmental Committee of Experts of the Subregional development centre for North-Africa    | Fourteenth meeting, 26-30 June 1998, Tangier, Morocco    | E/ECA/CM.24/CRP3       |
| Meeting of the Intergovernmental Committee of Experts of the Subregional development centre for West-Africa     | First meeting, 25-29 May 1998, Niamey, the Niger         | E/ECA/CM.24/CRP4       |
| Meeting of the Intergovernmental Committee of Experts of the Subregional development centre for Eastern-Africa  | Fifth meeting, 26-28 May 1998 Addis Ababa, Ethiopia      | E/ECA/CM.24/CRP5       |
| Meeting of the Intergovernmental Committee of Experts of the Subregional development centre for Southern Africa | Fifth meeting, 5-8 October 1998, Lusaka, Zambia          | E/ECA/CM.24/CRP7       |
| Meeting of the Committee on Sustainable Development   | First meeting, 25-29 January 1999, Addis Ababa, Ethiopia | E/ECA/CM.24/CRP9       |
| Meeting of the Intergovernmental Committee of Experts of the Subregional Development centre for West Africa     | Second meeting, 1-6 March 1999, Conakry, Guinea          | E/ECA/CM.24/CRP6       |
| Meeting of the Committee on Women and Development   | First meeting, 2-5 April 1999, Ouagadougou, Burkina Faso | E/ECA/CM.24/CRP/10     |

# Annex III

## LIST OF DOCUMENTS

| Symbol  | Title  |
|---|--|
| E/ECA/TPCW.19/1/Rev.1<br>E/ECA/ESPD/EXP.7/1/Rev.1 | Provisional Agenda   |
| E/ECA/TPCW.19/1/Add.1                             | Annotated Provisional Agenda   |
| E/ECA/CM.24./1/Rev.2<br>E/ECA/CAMF.7/1/Rev.2      | Provisional Agenda   |
| E/ECA/CM.24/2                                     | The Challenges of Financing Development in Africa  |
| E/ECA/CM.24/3                                     | Economic Report on Africa 1999   |
| E/ECA/CM.24/4                                     | Report on the work of the Commission 1996-1998   |
| E/ECA/CM.24/5                                     | Coordination and collaboration among United Nations agencies at regional and subregional levels in Africa  |
| E/ECA/CM.24/6                                     | Rationalization and Harmonization of ECA-sponsored institutions: A progress report   |
| E/ECA/CM.24/7                                     | Programme of work and priorities of ECA 2000-2001  |
| E/ECA/CM.24/8                                     | Issues from subsidiary organs calling for action by the Conference   |
| E/ECA/CM.24/9                                     | Report of the nineteenth meeting of the Technical Preparatory Committee of the Whole and the seventh meeting of Intergovernmental Group of Experts             |
| E/ECA/CM.24/CRP3                                  | Report of the meeting of the Intergovernmental Committee of Experts of the Subregional Development Centre for North Africa                                     |
| E/ECA/CM.24/CRP4                                  | Report of the meeting of the Intergovernmental Committee of Experts of the Subregional Development Centre for West Africa                                      |
| E/ECA/CM.24/CRP5                                  | Report of the meeting of the Intergovernmental Committee of Experts of the Subregional Development Centre for Eastern Africa                                   |
| E/ECA/CM.24/CRP6                                  | Report of the meeting of the Intergovernmental Committee of Experts of the Subregional Development Centre for West Africa                                      |
| E/ECA/CM.24/CRP7                                  | Report of the meeting of the Intergovernmental Committee of Experts of the Subregional Development Centre for Southern Africa                                  |
| E/ECA/CM.24/CRP8                                  | Report of the Committee on Regional Cooperation and Integration  |
| E/ECA/CM.24/CRP9                                  | Report of the meeting of the Committee on Sustainable Development  |
| E/ECA/CM.24/CRP10                                 | Report of the meeting of the Committee on Women and Development  |
| E/ECA/CM.24/CRP11                                 | Report of the eleventh meeting of the Conference of African Ministers of Transport and Communications  |
| E/ECA/CM.24/CRP12                                 | Report of the first meeting of the Ministerial Follow-up Committee of the Conference of Ministers Responsible for Economic and Social Development and Planning |