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Abbreviations and Acronyms

AAB	Arab African Business
AAI	Action Aid International
ACARTSOD	African Centre for Applied Research and Training in Social Development
ACMAD	African Centre for Meteorological Applications to Development
AEO	African Economic Outlook
AfDB	African Development Bank
AfT	Aid for Trade
AGR	African Governance Report
AMCEN	African Ministerial Conference on Environment
AMU	Arab Maghreb Union
APF	African Partnership Forum
APRM	African Peer Review Mechanism
ARIA	Assessing Regional Integration in Africa
ATPC	African Trade Policy Centre
AUC	African Union Commission
BEAC	Bank of Central African States
CAADP	Comprehensive Africa Agriculture Development Programme
CAMEF	Conference of African Minister of Economic and Finance
CBOs	Community Based Organizations
CEMAC	Central African Monetary and Economic Community
CEPGL	Economic Community of the Great Lakes Countries
ClimDev-Africa	Climate for Development in Africa
CODA	Coalition for Dialogue on Africa
COE	Committee of Experts
COMAI	Conference of African Ministers of Integration
COMESA	Common Market for Eastern and Southern Africa
DESA	Department of Economic and Social Affairs
EAC	East African Community
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African State s
EPAS	Economic Partnership Agreements
ERA	Economic Report on Africa
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
FTA	Free Trade Area
GDP	Gross Domestic Product
GNI	Gross National Income
GNP	Gross National Product
ICEs	Intergovernmental Committees of Experts
ICGLR	International Conference of the Great Lakes Region
ICT	Information and Communication Technology
IDEP	Institute for Economic Development and Planning

IFAD	International Fund for Agricultural Development
IGAD	Intergovernmental Authority on Development
ILO	International Labour Organization
IMF	International Monetary fund
IOC	Indian Ocean Commission
IOM	International Organization for Migration
ITC	International Trade Center
JEGs	Joint Expert Groups
JICA	Japan International Cooperation Agency
LAS	League of Arab States
LDC	Least Developed Country
LG	Learning Group
LLDCs	Landlocked Developing Countries
MA	Master of Arts
MDG	Millennium Development Goal
MEDA	Mesures d'accompagnement
MIP	Minimum Integration Plan
MRDE	Mutual Review of Development Effectiveness
MTEF	Medium-Term Expenditure Framework
NEPAD	New Partnership for Africa's Development
ODA	Official Development Aid
OECD	Organization for Economic Cooperation and Development
OHRLLS	High Representative for Least Developed, Land Locked and Small Island
OSAA	Office of the Special Adviser on Africa
PF	Partnership Forum
PIDA	Programme for Infrastructure Development in Africa
PPB	Proposed Programme Budget
PRS	Poverty Reduction Strategies
RBM	Results-Based Management
RCM	Regional Consultation Meeting
RCNYO	Regional Commissions New York Office
RECs	Regional Economic Communities
SADC	Southern African Development Community
SDRs	Special Drawing Rights
SRO	Sub Regional Offices
UMA	Maghreb Arab Union
UN	United Nations
UNAIDS	United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-HABITAT	United Nations Human Settlements Programme
UNICEF	United Nations International Children Fund
UNIDO	United Nations Industrial Development Organization
UNOG	United Nations Office at Geneva

UNOHCHR	United Nations Office of High Commissioner for Human Rights
UNTFAD	United Nations Trust Fund for African Development
WFP	World Food Programme
WTO	World Trade Organization

INTRODUCTION

The present annual report of the Economic Commission for Africa (ECA), which covers the period from 3 April 2008 to 1 June 2009, was adopted unanimously by the Commission on 7 June 2009. As mandated by Commission resolution 861 (XLI) adopted at the fortieth session in April 2008 and subsequently endorsed by the Economic and Social Council, ECA organized its annual session as part of the joint meetings of the African Union Conference of African Ministers of Economy and Finance and the ECA Conference of African Ministers of Finance Planning and Economic Development.

CHAPTER I

ISSUES BROUGHT TO THE ATTENTION OF THE ECONOMIC AND SOCIAL COUNCIL

The forty-second session of the Commission/Second Joint Annual Meetings of the African Union Conference of Ministers of Economy and Finance and the ECA Conference of African Ministers of Finance, Planning and Economic Development, which was held in Cairo, Egypt, from 2 to 7 June 2009, adopted eighth resolutions and a Ministerial Statement, which are brought to the attention of Council. The resolutions and Ministerial Statement are listed below (for the full text see Chapter V of the present report):

Resolutions

- 862 (XLII) Enhancing Domestic Resource Mobilization
- 863 (XLII) Proposed Programme of Work and Priorities for the Biennium 2010-2011
- 864 (XLII) Repositioning of the African Institute for Economic Development and Planning (IDEP)
- 865 (XLII) Global Financial and Economic Crises
- 866 (XLII) Millennium Development Goals

Ministerial Statement

- XLII Ministerial Statement

CHAPTER II

WORK OF THE COMMISSION SINCE ITS FORTY-FIRST SESSION DURING THE PERIOD BETWEEN MAY 2008 AND MAY 2009

A. REGULAR PROGRAMME OF WORK: MAJOR ACHIEVEMENTS AND RESULTS IN 2008-2009

1. This chapter highlights the major achievements of ECA under the 10 subprogrammes around which the work of the Commission was organized, including the main challenges and lessons learned during the past year. It also highlights the major achievements under the other programmes implemented by ECA, in particular the regular programme of technical cooperation; and the United Nations Development Account, and the progress made by the United Nations system in support of the AU and its NEPAD programme at the regional level.

• Trade, finance and economic development

2. The objective of ECA's work under this subprogramme is to contribute to the achievement of higher and sustained economic growth through enhanced capacity for macroeconomic and sectoral policy analysis, international trade and finance.

3. A major accomplishment in the area of macroeconomic policy analysis was the timely preparation and publication of the 2009 edition of the *Economic Report on Africa*, the Commission's main flagship publication. The report, which was jointly prepared with the AUC, will be launched at the annual meetings of the AU-ECA Conference of Ministers in Cairo, Egypt, in June 2009.

4. As with previous reports, the 2009 report has two main parts. The first part provides an overview of recent developments in the world economy and examines growth performance in African economies in 2008 as well as prospects for 2009, with particular emphasis on the impact of the global financial crisis. It analyses trends and patterns in regional disparities and discusses factors behind the observed disparities in economic performance in general and growth performance in particular. This part also discusses progress and challenges in the area of social development in recent years.

5. The second part of the report supplements the traditional region-wide analyses of trends with a thematic focus on agricultural development. The report highlights the need for African countries to utilize regionally integrated value chains and markets in the context of wider economic development based on the premise that increased investment in agriculture and agriculture-related industries provides the best opportunities for Africa to accelerate and sustain broad-based growth for poverty reduction. The main purpose of the report was to provide tangible support to recent commitments made by African governments on agriculture and regional integration in the context of the NEPAD Comprehensive Africa Agriculture Development Programme (CAADP), taking into consideration also the effects of the recent food crisis in Africa.

6. During the period under review, ECA also contributed to the preparation of the African Economic Outlook (AEO) for 2008/2009, providing substantive inputs to the analyses on the short-term and medium-term economic outlook. The 2009 Outlook has a special focus on innovations in information and communication technologies (ICTs). It concludes that despite low penetration rates for new technologies, innovative applications of ICT have been proliferating in areas such as e-banking, e-payments, e-agriculture, e-trade, e-government and e-education. Many of these new tools are helping to shape an improved business environment by contributing to market development, overcoming

traditional infrastructure constraints and reducing business costs. The Outlook, which is jointly published with AfDB and the Organization for Economic Cooperation and Development (OECD), was launched at the AfDB annual meetings in Dakar, Senegal, in May 2009.

7. In the area of trade, several policy inputs were provided to ongoing initiatives during the period under review. Key among these was an audit report on the interim Economic Partnership Agreements (EPAs) with the European Union (EU) and a set of draft policy recommendations on the way forward for the EPA negotiations prepared by the ECA secretariat and submitted to the AU Conference of Ministers of Trade and Finance in April 2008. This resulted in the development of an African template on the EPA negotiations, jointly drafted with the AUC, and endorsed by the AU Ministers of Trade in March 2009. The Ministers recommended that the template should be utilized by the regional economic communities as guidelines for harmonizing their EPAs.

8. To strengthen awareness of emerging trade issues and help African countries to benefit from the Aid for Trade initiative, ECA undertook several activities on related topics during the period under review. The March 2009 Conference of African Trade Ministers reviewed and endorsed the recommendations of a major ECA study on the status of implementation of the initiative in Africa. The recommendations will also inform Africa's position at the second Global Review of Aid for Trade, scheduled to take place in Geneva in July 2009.

9. ECA's African Trade Policy Centre, a field project supported by the Government of Canada, expanded its trade-related capacity-building services in 2008. More than 20 African countries benefited from training in the period under review. In addition, the Centre collaborated with GAINDE 2000 (a Senegalese customs computer system which provides automated solutions for efficiency in trade and transport) in organizing the International Single Window Conference in Dakar, Senegal, in November 2008. A major outcome of the conference was the decision to establish of an African Alliance for Electronic Trade. The Alliance, which was launched with ECA support in March 2009, will seek to boost cooperation and initiate common projects among member countries in the implementation of single windows.

10. The Commission's work in the key area of financing for development was further advanced in the period under review through a number of activities. ECA helped to organize the Third African Ministerial Conference on Financing for Development (Kigali, Rwanda, May 2009), which focused on the theme of "Climate change, an additional challenge for meeting the MDGs". The Conference sought to enhance Africa's voice on climate change issues in future international negotiations and G-8 discussions, as well as to alert African governments to climate change risks and the urgency of mainstreaming adaptation measures into national development policies and programmes.

11. Through research support and advocacy, ECA contributed to an effective and constructive participation by African countries in the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha, Qatar from 29 November to 2 December 2008. ECA also contributed to the review of commitments by African countries and made several presentations outlining Africa's views and concerns on the implementation of the Monterrey Consensus. In addition, the third African Economic Conference was jointly organized with AfDB in Tunis in November 2008, bringing together more than 300 economists and policymakers to discuss issues related to the theme of the Conference: "Globalization, institutions and economic development of Africa". The current international financial crisis was also a key focus of attention during the Conference, as a special meeting of African finance ministers and central bank governors was convened at the same venue on the first day of the Conference to discuss Africa's response to the global financial and economic crisis. Several background documents were prepared by

the ECA secretariat for the Conference, focusing on (a) the global financial crisis and its impact on African economies and policy responses; (b) the current financial crisis and the international financial architecture; and (c) a briefing note on the current financial crisis and its impact on African economies. Further, an expert group meeting on financing for development and fiscal policy in Africa was organized in collaboration with the Commission of the Economic Community of West African States (ECOWAS) in Abuja, Nigeria, in February 2009 to deepen understanding of the nexus between fiscal policy and domestic resource mobilization for purposes of development finance. In particular, the meeting provided an opportunity for experts and African policymakers to engage in dialogue on the challenges of as well as the prerequisites for successful mobilization of domestic resources, and the role that fiscal policy in this area could have for development finance.

- **Food security and sustainable development**

12. The objective of this subprogramme is to strengthen the capacity of member States to formulate and implement policies, strategies and programmes that take into account the synergies between agriculture and environment with a view to fostering sustainable development in Africa.

13. During the period under review, ECA made significant progress in the preparation and implementation of its climate and development programmes, and provided member States with important support towards assisting them to respond effectively to the urgent challenges posed by climate change. The Climate for Development in Africa (ClimDev-Africa) programme, a joint AU-ECA-AfDB initiative developed in collaboration with the secretariat of the Global Climate Observing System, was also presented to and approved by the African Ministerial Conference on the Environment at its twelfth session, held in June 2008 in Johannesburg, South Africa. ClimDev-Africa seeks to facilitate the development of policies, practices, services, observation networks and communication with stakeholders to enable effective climate change mitigation and adaptation in Africa. The operational design of the programme consists of two key elements, the African Climate Policy Centre and ClimDev-Africa Special Fund.

14. Against this background, ECA played an important role in organizing Preparatory Meeting on Climate Change for African National Focal Points and Negotiators and the African Conference of Ministers in Charge of Environment on Climate Change, which took place in November 2008 in Algiers, Algeria. Prior to the Algiers meetings, ECA actively participated in climate change negotiations which took place in Accra, Ghana, from 21 to 27 August 2008. The Accra meeting advanced work on a strengthened and effective international climate change deal under the United Nations Framework Convention on Climate Change, as well as work on emission reduction rules and tools under the Kyoto Protocol.

Jointly with the United Nations Development Programme (UNDP) Drylands Development Centre and the Secretariat of the International Strategy for Disaster Reduction, ECA organized the Third African Drought Adaptation Forum in September 2008. The Forum brought together some 80 policymakers, government officials, United Nations agencies, donors, practitioners from local and international non-governmental organizations and CBOs, the media and researchers from around Africa and the Arab States to exchange practical experience, findings and ideas on how to adapt to the increasing threat of drought and climate change in the drylands of Africa.

15. In order to promote food security and agricultural development in Africa, ECA is carrying out activities to follow up its successful advocacy for articulating and strengthening the implementation of the AU/NEPAD Comprehensive Africa Agricultural Development Programme (CAADP) around the development of the value chains for strategic food commodities within a framework of regional

integration. Special emphasis in this work is placed on supporting agribusiness and agro-industry development, in close partnership with the Food and Agriculture Organization (FAO) and the United Nations Industrial Development Organization (UNIDO). ECA is collaborating with FAO to champion the development of major agricultural and food product value chains in East Africa, and with UNIDO to promote development in the agribusiness sector. ECA is also collaborating with the AU/NEPAD and AfDB for the establishment of an African common market for agricultural products. It also collaborated with the AUC in the organization of the recent Conference of African Ministers of Agriculture, held from 20 to 24 April 2009 at AU headquarters in Addis Ababa.

16. In order to enhance the capacity of African member countries to formulate and implement appropriate programmes, strategies and policies to move towards sustainable modernization of agriculture and rural transformation, ECA made progress in the implementation of the United Nations Development Account project in this area, and best practices for selected African strategic commodities were assessed in West Africa, Central Africa and Southern Africa. The value chain approach was used to capture success and its related determinants at each stage of the chain, as well as challenges and constraints. Commodities in focus for the assessment are palm oil and banana plantain in Cameroon, maize in Malawi, cassava in Nigeria, rice and tomato in Senegal and milk in South Africa.

17. ECA is promoting biotechnology uptake in Africa and helping the region to become a global partner in the development, transfer and application of the technology. It has developed a UN-Biotech/Africa website and embarked on the production of a newsletter, which now provides information on all issues related to biotechnology, and the United Nations system-wide contribution to biotechnology uptake in Africa. The website is linked to the website of UN-Biotech, the global forum on biotechnology for the development of all continents.

18. Within the framework of CAADP, ECA continued to play an important role in the implementation of the AU/ECA/AfDB Joint Initiative on Land Policy in Africa. The initiative aims to harness global and regional resources and build effective partnerships and synergies in support of Africa's quest to improve the management and governance of land and land resources. The initiative has raised the profile of African land issues at the subregional, regional and global levels. It also contributed input to influence a land bill under consideration in Kenya. It has led to the creation of effective partnerships between United Nations agencies and other institutions on land policy in Africa.

19. Following successful participatory subregional assessments and consultations on land policy in Africa undertaken as part of this initiative, a Pan-African Land Policy Framework and Guidelines in support of the implementation of the land and water management component of the CAADP programme has been formulated. The framework and guidelines were considered and adopted at a regional expert meeting and by the Joint Conference of African Ministers of Agriculture, Land and Livestock in April 2009. The framework is scheduled to be submitted for adoption at the AU in July 2009 of Heads of State and Government Summit.

- **Governance and public administration**

20. ECA's objective under this subprogramme is to promote good governance practices for all sectors of society, including the civil service, the public sector, the private sector and civil society, and to support the African Peer Review Mechanism (APRM) process.

21. During the period under review, ECA expanded its project on "Assessing and monitoring progress towards good governance in Africa," which is designed to inform policymaking on governance-related

issues. The project will culminate in the publication of the second edition of the African Governance Report later in the year. The Report aims to help African countries to develop, sustain and internalize the norms of good governance within the public and private realms, enhance analysis and disseminate information and best practices.

22. Building on the success of the first Report, published in 2006, the second will present analyses on the state of governance in 28 additional countries which have made impressive strides in building capable States on the continent. Other important outcomes of the study are the country profiles that are drawn from national country reports on governance. The national reports underwent several validation steps: national launch workshops, national stakeholders' workshops and subregional workshops. One of the unique features of the national governance reports and the African Governance Report (AGR) is the painstaking attempt to identify the institutional capacity deficits at the country, subregional and regional levels and to demonstrate the linkages between each country's capacity endowment or deficit and good governance.

23. The 2009 Mutual Review of Development Effectiveness was also published during the period under review. The report, which was prepared jointly by ECA and OECD in response to a request from the NEPAD heads of State and government, was launched at the twentieth Summit of the NEPAD Heads of State and Government Implementation Committee in January 2009.

24. The main objectives of the report to authors were to gauge how far commitments made by Africa and its development partners have been delivered, whether they have produced the desired results, and what are the key future policy priorities. This process, in general, and the report in particular, are now important mechanisms for tracking mutual accountability between African countries and development partners. They also provide a valuable basis for dialogue between the G-8, G-20 and Africa on the African development agenda.

25. Another important area of work has been the fight against corruption, where ECA seeks to promote a holistic approach including engaging major stakeholders – the judiciary, national anti-corruption institutions, parliaments and the pan-African association of national anti-corruption institutions in Africa. For this purpose, an International Conference on Institutions, Culture and Corruption in Africa was jointly organized with the Council for the Development of Social Science Research in Africa, in October 2008 in Addis Ababa. The Conference brought together over 100 participants from national anti-corruption bodies, research and academic institutions, the media, regional and international organizations and non-governmental organizations to discuss the issue from an African perspective and develop policies and strategies for addressing the problem. An expert group meeting was also convened in February 2009 to review ECA's latest study – “assessing the efficiency and impact of national anti-corruption institutions in Africa”. The study presents a detailed examination of the work of national anti-corruption institutions across the continent, their efficiency and impact, including exploring ways of strengthening their capacity. This was followed by the creation of a portal to promote knowledge and information-sharing on anti-corruption issues in Africa.

26. The ECA secretariat continued to assist member States in all the stages of the APRM process, by providing advice to the APRM Panel and Secretariat on the implementation of the APRM process; assisting member States to build and maintain a database of information, including providing access to data sources and sharing information and experience; and providing support to countries in their preparations for participation in the APRM.

- **Information and science and technology for development**

27. ECA's work under this subprogramme aims at strengthening and sustaining an African information society, as well as developing capacity for the formulation, adaptation and implementation of appropriate science and technology policies and programmes.

28. During the period under review, ECA fulfilled its objective of improving member States' capacities to formulate, implement, coordinate and evaluate policies and strategies for information for development. Although the target was to increase the number of countries that have formulated policies and plans relating to national information and communication infrastructure and national spatial data infrastructure from 26 in 2007 to 30 by the end of 2009, 6 additional African countries have already initiated or completed a policy process in one or both of these areas (Côte d'Ivoire, the Gambia, the Niger, Nigeria, Sierra Leone and Swaziland). Two other countries (Benin and Mali) have developed sectoral strategies, and three regional economic communities, the Common Market for Eastern and Southern Africa (COMESA), the Economic and Monetary Community of Central Africa (CEMAC) and ECOWAS have adopted ICT strategies and regulatory frameworks to put in place a harmonized enabling environment for the knowledge economy. Moreover, three new subregional initiatives on improving the availability and use of information for development were designed, bringing the total number to 27 pilot programmes. At the same time, three additional capacity-building programmes were implemented, increasing the number of such programmes to 27 as well. Overall, during the reporting period, 246 stakeholders, 20 per cent of whom were women, benefited from ICT training and capacity-building activities.

29. Driven by a growing concern at the potential vulnerability of networked societies, African countries requested ECA to initiate a programme on cybersecurity. In response to these requests and to recommendations made during the eTrade Initiative undertaken during the previous biennium, ECA launched an African Cyber Security Strategy programme in Burkina Faso, Ghana, Kenya and Mozambique to strengthen member States' capacities to meet policy, legislative, regulatory and infrastructure requirements within the framework of the Global ePolicy Resource Network. In another groundbreaking initiative, ECA looked at the development of mobile phones for banking (m-banking) and other transactions in three countries (Kenya, Senegal and South Africa). M-banking was flagged as a very effective way for the poor to use ICTs in their economic endeavours.

30. As part of the recent ECA repositioning, more emphasis is being put on strengthening member States' capacity to harness the potential of science, technology and innovation for their socio-economic development, mainly through eight science-and-technology related programmes implemented in 2008. Through the Science with Africa Conference, more than 800 participants representing African governments, academia, the business community, the media, civil-society organizations, student bodies, the development partner community and international organizations and business enterprises in the field of science and technology were given an opportunity to explore ways in which science, technology and innovation could be used to promote accelerated economic growth in Africa (www.uneca.org/sciencewithafrica). Mozambique benefited from ECA assistance to operationalize its Science, Technology and Innovation Strategy. ECA also initiated the development of an African Innovation Framework, which will become the centrepiece of the work of the subprogramme, thus helping member States to establish an enabling environment for innovation to flourish. The Framework should become a useful tool for policymakers which will bring together the elements of good practice required to foster innovation. It will provide a coherent analytical tool for handling the disparate processes of knowledge creation, distribution and use, as well as the ways in which these affect productivity, competitiveness, and economic and social development.

31. ECA organized in Addis Ababa, from 28 April to 1 May 2009, the first session of the Committee on Development Information, Science and Technology on the theme “Scientific development innovation and the knowledge economy”, which was attended by more than 600 policymakers and decision makers, scientists, lawyers and journalists. The Committee made key recommendations intended for both member States and ECA on scientific development, innovation and the knowledge economy; an enabling environment for innovation systems; and innovation and economic growth. Meanwhile, 12 innovative projects from 10 African countries have won the 2009 Technology in Government in Africa awards in recognition of achievements that led to changes in the use of ICTs for public service delivery. The awards fell in four categories: public service delivery to citizens or communities; improved health services through the use of ICT; improved educational services through the use of ICT; and public-private partnerships in economic and financial e-services delivery.

- **Economic cooperation and regional integration**

32. The objective of ECA under this subprogramme is to promote effective economic cooperation among member States and strengthen the process of regional integration in Africa through enhanced intra-African trade and physical integration, with particular emphasis on the development of infrastructure and natural resources.

33. ECA continued strengthening the knowledge and awareness of member States in the areas of intra-African trade for development and regional integration. With ECA’s support, two countries (Burundi and the United Republic of Tanzania) have ratified a protocol to create a Central African corridor aimed at increasing intraregional trade in Central Africa. ECA’s coordinating role contributed to the conclusion of an understanding to create a common free trade area among three regional economic communities, namely COMESA, with 19 member countries), the Southern African Development Community (SADC, with 14 member countries) and the East African Community (EAC, with 5 member countries).

34. ECA provided technical support to COMESA under a programme spanning 2008 and 2009 for the organization of two meetings of national task teams on regional trade policy and sensitive products in April 2009 in Swaziland. Through these technical meetings, COMESA member States reached a consensus on a harmonized regional trade policy and lists of sensitive products that will pave the way for the successful establishment of the COMESA Customs Union.

35. To address key problems of intra-African trade, ECA, in collaboration with the Walvis Bay Corridor group, organized a regional workshop and a study tour on trade facilitation and intra-African trade for the Eastern and Southern African subregions in February 2009 in Walvis Bay, Namibia.

36. In the transport sector, experts from 21 African countries and 8 African organizations involved in transport facilitation attended an African regional meeting held in June 2008 in Addis Ababa, Ethiopia, under the auspices of ECA to review the Almaty Programme of Action. Furthermore, ECA enabled three African countries to send representatives to a meeting on the Public-Private partnership Alliance Programme for Capacity-building in Infrastructure Development and Provision of Basic Services organized by the Economic and Social Commission for Asia and the Pacific (ESCAP) in February 2009 in Bangkok, Thailand. Moreover, ECA assisted the regional economic communities to promote greater coordination of their transport policies and programmes financed under Sub-Saharan Africa Transport Policy Programme, by helping to organize the communities’ transport coordination committee meeting in Addis Ababa.

37. In the energy sector, ECA in collaboration with the United Nations Department of Economic and Social Affairs (UNDESA) organized a regional forum in September 2008 in Addis Ababa on “Interconnections and electricity access for sustainable development” under the United Nations Development Account project on “Capacity-building for interregional electricity access and supply in Africa”. The forum adopted a set of recommendations on how to expand electricity transmission lines and gas pipelines between African countries. About 30 policymakers and energy experts representing national power utilities, subregional power pools, river basin organizations, regional economic communities and a group of 10 leading electric companies from G-8 countries) were in attendance.

38. During the period under review, ECA assisted African countries, through the AU Ministers responsible for mineral resources development, to develop an “African Mining Vision 2050”, which was adopted by the AU Heads of State and Government at their February 2009 Summit in Addis Ababa. The Vision provides a framework for the promotion of transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development in Africa.

- **Gender and women in development**

39. This subprogramme aims at contributing to the achievement of women’s advancement and gender equality in member States.

40. The Sixth African Development Forum was held in November 2008 under the theme “Action on gender equality, women’s empowerment and ending violence against women in Africa”. The Forum brought together over 800 participants, and provided an opportunity for the continent to take stock of progress made towards achieving gender equality and women’s empowerment and ending violence against women; identify the challenges constraining implementation of policies and strategies; and articulate concrete actions to hasten the translation of African countries’ commitments into reality. Three priority actions were recommended during the meeting: launching an Africa-wide campaign to eliminate violence against women and girls that involves a three-year campaign aimed at addressing the underlying economic and social causes of the vulnerability of girls and women, strengthening of the legal system and provision of supportive services; scaling up efforts to improve financing for gender equality; and strengthening the collection of reliable data on gender equality, women’s empowerment and violence against women and girls.

41. Regarding the Gender and Macroeconomic Programme, agreements were signed with the Governments of Djibouti and Ghana for the conduct of time use studies that will generate data for use in developing the gender and macroeconomic dimension that will be used to influence the economic models used by countries so that they can take into account gender equality indicators.

42. More than 17 African countries participated in a High-level Policy Dialogue to assess the implementation of Security Council Resolution 1325 on women, peace and security, and address the challenges ahead. They agreed to develop plans of action foster achievement of the objectives set forth in the resolution.

43. At the Conference of Ministers of Gender and Women’s Affairs held in August 2008, ECA launched an African Women’s Rights Observatory that will serve as a comprehensive source of data on research findings and resources, institutions, developments and events related to women’s rights in Africa. It will also track the progress of African countries in the area of women’s human rights.

44. In partnership with UN-HABITAT and UNDP's regional gender programme for Africa, ECA embarked on a study whose aim is to assess progress achieved in the implementation of the MDGs in Africa, taking into account the gender dimension in all the indicators of these goals. The preliminary results of the study already show that the issue of gender equality is not limited to a single goal, but applies to all of them.

45. The Beijing Platform for Action is one of the key frameworks used by ECA in efforts to enhance member States' ability to implement and monitor the implementation of regional and global resolutions, conventions, instruments and protocols on women's human rights. In preparation for the review of the Beijing Platform for Action, ECA developed an evaluation process, which it presented to its subsidiary body, the Committee on Women and Development, in August 2008. The Committee adopted the proposed process and encouraged ECA to work with speed towards ensuring a successful review.

- **Development planning and administration**

46. The objective of this subprogramme is to enhance national and regional capacities for the formulation and implementation of development policies and economic management strategies.

47. In spite of its persistent fragile financial situation, the African Institute for Development and Economic Planning (IDEP) continued to design and implement programmes that supported policymakers' priorities in the area of economic policy and to spearhead efforts in capacity-building. The Institute's technical and analytical skills training programme is structured around three main components, the 18-month Master of Arts degree programme in economic policy and management; short-term courses with a duration of one to six weeks; and tailor-made training programmes, which are designed and implemented at the request of IDEP's African stakeholders, particularly member States or their agencies and institutions. Ten trainees from eight countries graduated from the MA programme in April 2008, while 13 students from nine countries who started the programme in 2007 graduated in April 2009. The course content ranges from advanced quantitative techniques in economic theory to specific African issues such as regional integration, debt management and negotiations in the World Trade Organization (WTO). It is encouraging to note that IDEP continued to receive and process applications for the MA programme during the reporting period.

48. Five three-to-four-week courses plus a course in economic report writing in the areas of industrial policy, applied econometrics, debt management, regional integration and project monitoring and evaluation were successfully delivered in 2008. Two short courses in industrial policy and project evaluation and management were also offered during the reporting period. These short courses provided an appropriate tool to enhance the policy analysis skills of African officials in a wide array of topics of relevance to the development challenges of their countries or the region. For example, a bilingual session on industrial policy analysis in Africa which was organized from 21 April to 16 May 2008 for middle-level and senior or private-sector staff responsible for industrial issues in Africa contributed to developing a critical mass of middle-to-high-level policymakers and decision makers who will be better equipped to design and manage industrial development policies in Africa. The course was attended by 25 participants (14 French-speaking and 11 English-speaking) from 25 countries including 10 women. The course was fully sponsored by IDEP with technical assistance from UNIDO. In July 2008, IDEP also organized, in collaboration with ECOWAS, a short course on economic report writing for the benefit of National Coordinating Committees operating under the ECOWAS Multilateral Surveillance Mechanism. The course, which aimed at enhancing the capacity of Committee officials to produce quarterly economic reports, brought together 31 participants from

eight French-speaking countries in the ECOWAS subregion, including officials of the ECOWAS Commission.

49. Besides five public lectures delivered by reputable experts, the trainees also participated in seminars in diverse areas of African development during the reporting period. IDEP continues to encourage female participation in all its training programmes and research activities.

- **Statistics**

50. The objective of ECA's work under this subprogramme is to improve the production, dissemination and use of key demographic, social, economic and environmental statistics, including the MDG indicators, in accordance with internationally agreed standards and good practice, and in order to promote the implementation of the new Reference Regional Strategic Framework for Statistical Capacity-building in Africa.

51. ECA continued to coordinate the work of the Statistics Cluster of the MDG Africa Working Group. Accomplishments during the period under review include designing a business plan for the Cluster, making recommendations to the MDG Africa Steering Group, which is chaired by the United Nations Secretary-General, and monitoring progress in the implementation of the business plan. In addition, ECA was involved in a study of discrepancies among national and international data arising from monitoring of work towards the MDGs in Africa. Together with AfDB, it produced a two-year programme of work aimed at reinforcing the capacity of African countries to report on the Goals.

52. Where knowledge management in the area of statistics is concerned, ECA published the quarterly African Statistical Newsletter as a medium for the exchange of knowledge, experience and best practice in statistics and statistical development. Articles for publication in the Newsletter are written by practising statisticians from different countries and organizations in and outside Africa. The Commission also continued to work with AfDB to publish the African Statistical Journal, an outlet for technical and research work on statistics in Africa.

53. The fourth Africa Symposium on Statistical Development, held in Luanda, Angola, from 9 to 13 February 2009, was used as the main vehicle for mobilizing support for and preparing African countries to fully participate in the 2010 round of population and housing censuses. Other activities included the preparation of an Africa Addendum to the Global Principles and Recommendations on Population and Housing Censuses, the preparation of a Guide on Census Planning and Management and a Guide on Census Data Processing and Dissemination, assistance in census cartographic work in a number of countries and the organization of workshops on census planning and implementation, data processing and analysis.

54. ECA followed up progress already made in creating awareness among statisticians about gender issues and the need to mainstream them into national statistical programmes. In this connection, a high-level policy dialogue on gender statistics was held in Kampala, Uganda in June 2008, a first regional workshop on gender statistics was held in Addis Ababa, Ethiopia in December 2008 and a Global Forum on Gender Statistics and the first meeting of the Kampala City Group on Gender Statistics were held in Accra, Ghana in January 2009. Furthermore, a Gender Statistics Network was set up with the aim of promoting the exchange of information among stakeholders in the area of gender statistics.

55. During the reporting period, ECA organized a series of workshops focusing on the International Recommendations for Distributive Trade Statistics, the international economic and social

classifications, review of the African Human Development Report, and crime statistics. These workshops were also used as a framework to present and discuss recent developments in statistics methodologies, and to review the quality of data provided by African countries, as well as the methodologies adopted and used by them. In its coordinating role, ECA provided substantive servicing for the first meeting of the Statistical Commission for Africa and the third forum on African Statistical Development, and organized two meetings on the design and elaboration of National Strategies for the development of Statistics, which all promoted the new Reference Regional Strategic Framework for Statistical Capacity-building in Africa.

- **Social development**

56. The objective of this subprogramme is to strengthen the capacity of member States to formulate policies and programmes for poverty reduction and for delivering equitable social services and integrating social dimensions in the development process, in line with internationally agreed development goals, including the MDGs.

57. In collaboration with AU and the United Nations Population Fund, ECA has started the 15-year review of the implementation of the Dakar/Ngor Declaration and the Programme of Action of the International Conference on Population and Development in Africa, to assess progress achieved in the context of the MDGs, taking into account the recommendations of the 1999 and 2004 reviews. During the past year, in partnership with AU and the Fund, ECA developed the technical tools to facilitate the review. Forty-two countries have submitted national progress reports on the implementation of the Programme of Action, which are being consolidated for submission to the Ministers of Social Development and Population at their meeting in October 2009 for their endorsement, as well as recommendations as to the way forward to fulfil requirements identified in the Conference's Plan of Action.

58. In May 2008, ECA organized an international conference on the United Nations Convention on the Rights of Persons with Disabilities, in collaboration with Leonard Cheshire International. The conference brought together around 500 participants from 58 countries, with significant attendance by participants with disabilities from African countries. The conference resulted in the adoption of the Addis Ababa Call to Action, designed to help promote and protect the rights of all persons with disabilities in Africa and ensure that their concerns are mainstreamed in development policies. The conference participants also emphasized the need to initiate and consolidate partnerships between government and civil society for successful implementation of the Convention.

59. ECA produced two significant reports in 2008, aimed at informing and stimulating discussion about issues of employment and ageing. "Youth employment opportunities focused on promoting decent employment for young women through entrepreneurship training and microfinance, among others. The main findings of the report were discussed at an expert group meeting held in December 2008. Another prominent product in the past year was "The state of older people in Africa, 2007-2008: Regional review and appraisal of the Madrid International Plan of Action on Ageing", which drew attention to the issue of ageing as a major emerging challenge for Africa (the continent is projected to experience a faster rate of population ageing than any other region in the next 40 years). The report found gaps in national responses to the issue of ageing, and proposed specific policy actions for government intervention in collaboration with key stakeholders.

60. ECA's monitoring and reporting efforts during the year culminated in a report on "Placing social integration at the centre of Africa's development agenda". The report notes that despite recent years of relatively high economic growth in Africa, chronic poverty remains persistent in many countries partly

because governments and development partners do not pay adequate attention to socially excluded groups. The report concludes that social development issues, especially social integration and gender equality, need to be placed firmly at the centre of Africa's development agenda.

61. ECA's analytical expertise was also critical to another publication in the past year, "Assessing progress in Africa towards the MDGs, 2008", which was jointly prepared with the AUC and presented to the AU Executive Council during the AU Summit in July 2008 in Sharm-El-Sheikh, Egypt. The analysis provided in the report will also inform discussions at the 2009 annual meetings of the AU-ECA Conference of Ministers.

62. To support interventions aimed at scaling up progress towards the targets of the MDGs, ECA prepared a major analytical report entitled "Mainstreaming health equity into the development agenda of African countries". The report identified systemic inequities in access to health care in Africa and proposed measures to mainstream health equity concerns in national development plans and strategies to achieve the health-related MDGs. ECA also prepared two other reports on national health insurance schemes and the nexus of growth, poverty and inequality.

63. ECA is undertaking a study on MDG-based planning in 15 African countries out of the 40 that have adopted MDG-based poverty reduction strategies or national development plans, as a follow-up to a decision taken at the 2005 World Summit and five-year review of progress towards the targets of the MDGs. Furthermore, ECA has embarked on a study of four African countries to explore the contribution of subnational governments to efforts aimed at achieving the MDGs, in addition to ongoing studies on social protection and poverty reduction in Africa.

Challenges and lessons learned in the implementation of the work programme

64. This section highlights the major challenges and lessons learned in the implementation of the work programme, including measures taken to strengthen programme performance and overall organizational effectiveness.

65. *Strengthening partnerships with other organizations.* Substantial efforts have already been invested in developing partnerships with key organizations such as the AUC and AfDB. Learning from and building on those successes, ECA is scaling up and strengthening efficient collaborative engagements through partnerships with other organizations in the implementation of selected activities. This approach will contribute to ensuring coherence, avoiding duplication and improving the quality of outputs. Efforts to promote institutional coordination between the AUC, ECA and AfDB and strengthen linkages between the Regional Consultation Mechanism, United Nations Country Teams and the Regional Directors Team need to be enhanced.

66. *Measuring results.* The difficulty experienced in measuring results and assessing impacts in context of the results-based management is one of the challenges raised within the Commission. Efficiently capturing evidence-based results would enable the organization to genuinely differentiate successes from failures, document best practices and consequently improve planning and implementation strategies. Furthermore, it would enhance efficiency and effectiveness, strengthen accountability and sharpen the focus of some of the subprogrammes so as to better address the needs and priorities of member States. Evidence-based results for extrabudgetary projects, for instance, will strengthen credibility vis-à-vis donors and eventually lead to additional resources. In that regard, ECA has undertaken to finalize work on a tailored monitoring and evaluation reference framework to support the Commission's RBM strategies. As part of the effort, Quality assurance guidelines to improve the quality, sustainability, efficiency and cost-effectiveness of ECA's operations have also

been developed. Furthermore, a policy note has been drafted to guide management in designing measures to support monitoring and evaluation interventions to ensure greater effectiveness in programme and project implementation.

67. *Improving interdivisional collaboration in ECA.* Collaboration and synergy among divisions and subregional offices is being strengthened. Experience shows that a more synergy-oriented and knowledge-sharing operational structure would foster consistency, efficiency and effectiveness and ultimately create an environment conducive to sustainable results. A number of measures are being explored to tackle synergy-related issues, particularly in implementing the multi-year programmes and producing ECA's flagship publications.

68. *Strengthening relationships with regional economic communities and member States.* Regional economic communities and member States are ECA's main clients, and as such need to be at the centre of the Commission's operational approach to provide constructive feedback, facilitate the measuring of impact and help shape ECA's programme of work. Experience shows that it is critical to strengthen existing relationships with regional economic communities and member States in implementing ECA's activities. To this end, the subregional offices have been called upon to take up a leadership role in strengthening subregional relationships and developing functional networks, through the implementation of multi-year programmes in each subregion.

69. *Fostering States leadership by member in tackling development issues.* Experience reveals that more than a buy-in is needed from local governments and stakeholders as they need to be in the driving seat for development activities to have a lasting impact. ECA's strategy and approach in the context of the proposed programme budget for 2010-2011 take local leadership into account to determine expected results and impact. Moreover, ECA's activities have clearly established that the effective implementation of development agendas needs active collaboration between civil-society organizations and governments. Consequently, as spelled out in the PPB, ECA intends to strengthen partnerships between the private and the public sectors and civil society in the formulation and implementation of development policies and programmes.

70. *Capacity-building in international trade.* To judge by the results of the audit of the bilateral agreements signed under interim Economic Partnership Agreements, the negotiating capacities of the African countries regarding WTO and related agreements still require serious grooming. ECA is able to impart the required knowledge and skills to African governments in the area of trade negotiations, facilitation and legislation.

71. *Capacity-building in statistical systems.* Without duplicating parallel structures at the regional level, existing data systems and institutions need to be harmonized and upgraded through horizontal linkages between various data producer and user nodes at all levels (subnational, national and supranational). These efforts will also lead to improvements in data consistency, efficiency and cost-effectiveness in delivering assistance to countries and regional economic communities, as well as provision of indicators for monitoring progress towards regional integration.

72. *Capacity-building in ICT infrastructure.* ECA is assisting the countries of the region in the design and implementation of ICT frameworks, and the related policies and regulatory changes that promote an enabling environment remain crucial to enhancing the capacity of African countries to respond to the global challenges of the emerging knowledge economy.

73. *Financial and administrative matters.* The redeployment of staff together with a high vacancy rate has hampered the implementation of planned activities under some subprogrammes. However, the

allocation of financial and human resources is being strengthened. In the context of RBM, efforts are being undertaken to ensure that key resource requirements are met through appropriate organizational arrangements and the related planning, monitoring and reporting processes.

74. *Communication outreach and knowledge management.* In terms of outreach, it has been noted that ECA's telecommunication links with the AUC and the regional economic communities are still not functioning properly. Progress in this regard will depend heavily upon the overall status of ICT (particularly communication networks) in the region. In recognition of ECA's comparative advantage in knowledge management, the need to enhance peer learning in different areas of ECA's work by strengthening the knowledge management initiative and establishing communities of practice to support the exchange of best practices within ECA and among development practitioners comes out as one area where much progress is expected.

75. *Multi-year programmes.* The multi-year programmes are the frameworks within which collaboration between regional economic communities as well as other intergovernmental organizations and ECA through its subregional offices is agreed upon and implemented. Generally, the major constraint that is faced by the subregional offices in the implementation of multi-year programmes has been resources, especially as regards adequacy, timeliness and predictability (to plan specific time lines for the various activities beyond a given biennium).

76. Experience shows that better outcomes and successes in the implementation of multi-year programmes necessitate the joint mobilization of resources and buy-ins of external partnerships; the inclusion of "generic multi-year programme elements" in the biennial budget, through timely calls for early consultations with regional economic communities; the inclusion of multi-year programmes in the next ECA business plan, to raise sufficient extrabudgetary resources; and the assignment of a focal point in each regional economic communities or intergovernmental organization to liaise directly with a corresponding focal point in the subregional offices.

B. KEY SUBREGIONAL ACTIVITIES FOR DEVELOPMENT

77. ECA continued to carry out its activities at the subregional level through its five subregional offices, located in Rabat (for North Africa), Niamey (for West Africa), Yaounde (for Central Africa), Kigali (for East Africa) and Lusaka (for Southern Africa). The activities were primarily aimed at strengthening the capacities of member States for regional integration, by spearheading the delivery of ECA's operational activities targeted at the specific priorities of each of the five subregions, within the overall framework of the implementation of NEPAD and achievement of the MDGs.

78. During the period under review, the subregional offices continued to provide a vital link between ECA, member States and the regional economic communities, as well as other intergovernmental bodies. In support to ECA's multidisciplinary approach to promoting regional integration and helping to meet Africa's special needs and global challenges, the subregional offices provided guidance to ECA's overall programme delivery and directed its competences for capacity-building and consensus-building to major subregional and international development agendas. In this context, they played a major role in strengthening partnership at the subregional and country levels to support policy advocacy, policymaking and implementation of subregional integration initiatives and programmes. They also continued to operate as subregional nodes for knowledge management and networking to strengthen ECA's outreach. In tracking progress towards the achievement of the MDGs at the country level, the subregional offices continued to collaborate with other United Nations agencies through frameworks such as the Common Country Assessment, the United Nations Development Assistance framework and Delivering as One.

79. In the process of delivering their approved programme of work, the subregional offices organized meetings of intergovernmental committees of experts, including the policy organs of the major regional economic communities, and convened ad hoc expert group meetings, workshops and seminars. They also published advocacy papers and technical reports and provided advisory services on request to member States, regional economic communities and other subregional and intergovernmental organizations on institutional and sectoral issues in each of the five subregions.

80. As the first port of call for the regional economic communities, all five subregional offices have now developed extensive and elaborate multi-year programmes of support and collaboration with major regional economic communities in their subregions. To date, ECA has concluded multi-year programmes of support with CEMAC, the Economic Community of the Great Lakes Countries (CEPGL), COMESA, EAC, the Economic Community of Central African States (ECCAS), ECOWAS, the Intergovernmental Authority on Development (IGAD), the Indian Ocean Commission (IOC), SADC and Community of Sahel-Saharan States and the Maghreb Arab Union (UMA). The major accomplishments of each subregional office during the period under review are highlighted below.

- **Subregional Office for North Africa**

81. During the period under review, the Subregional Office for North Africa increased its operational activities through the delivery of technical advisory services to member States and finalized a comprehensive multi-year programme of support with UMA, the main regional economic communities in the subregion. Five missions were undertaken in one year, compared to a total of five during the biennium 2006-2007. These advisory services and other activities such as sectoral meetings and technical publications were geared towards enhancing the capacity of member States and UMA to formulate and implement harmonized macroeconomic and sectoral policies and programmes in response to key development challenges facing the subregion. In this regard, the Subregional Office organized an ad hoc expert group meeting on “Challenges facing small and medium-sized enterprises and industries in North Africa” in Rabat in March 2008. It provided an opportunity for the participants to share experience and best practices in promoting the role of small and medium-sized enterprises within the context of strengthening regional integration in North Africa.

82. In the search for appropriate ways of stimulating production capacity through research and development in North Africa, the Subregional Office, in partnership with the Hassan II Academy of Sciences and Technologies, organized a high-level expert group meeting on Promoting research and development in North Africa (Rabat, July 2008). The participants underlined the importance of preparatory and accompanying measures to the promotion of R&D in such areas as finance, intellectual property rights, innovation and technological development. Parallel sessions focused on specific areas such as agriculture, energy, new technologies and entrepreneurship. Scientific experts, research institutions, universities, decision makers, development partners and representatives of the private sector met in a round-table meeting to discuss the role of regional cooperation in promoting research in North Africa, and came up with a preliminary action plan on strengthening the role of research and development in promoting economic competitiveness, job creation and socio-economic development. The event also provided an opportunity for networking and partnership-building.

83. The Subregional Office also organized an international symposium on “Opening up and emergence in the Mediterranean” in Rabat in October 2008 against the backdrop of the failure of the Barcelona Process, the difficulties encountered by the European Union’s MEDA Programme and the implementation of projects by the Union for the Mediterranean. This special event, which was organized in coordination with WTO and the Group for Economic Analysis and Theory, gathered

experts from 15 countries to review approximately 60 papers addressing this issue. Several renowned speakers introduced and concluded the two-day proceedings. Furthermore, a political round table brought together decision makers and experts from eastern and southern Mediterranean subregions to analyse the conditions required for the region to become an area of peace and prosperity.

84. In June 2008, as a follow-up to the 2006 Africa-Latin America Summit in Abuja, the Government of Morocco hosted a Ministerial Trade Conference of African and South American countries, for which the Subregional Office was called upon to assist with the conceptualization of a dynamic knowledge-sharing tool to be presented during the event. Since then, the Subregional Office developed a knowledge management platform and trained six civil servants from the Moroccan Ministry of Trade on the use of the platform. Furthermore, using the knowledge management network on trade, the subregion was instrumental in creating a Community of Practice and initiating an e-discussion on the “Role of the Global System of Trade Preferences in reinforcing South-South cooperation”. Both the Knowledge management platform and the recommendations of the e-discussion had been presented during the Summit to enhance its deliberations.

85. As a result of the Subregional Office’s increased operational activities, several networks were created and partnership agreements signed relating to the North Africa trade network, a research and development network, a network of small and medium-sized enterprises and a network on violence against women in North Africa. The recent relocation of the Office to Rabat has helped to stimulate partnerships at the subregional and country levels. This has enabled the Subregional Office to play an effective part in the day-to-day activities of the United Nations Country Team in Morocco as well as in other countries of the subregion.

- **Subregional Office for West Africa**

86. The Subregional Office has signed a Memorandum of Understanding with the ECOWAS secretariat which provides a framework for a multi-year programme to be developed with ECOWAS. The broad objectives to be reflected in the multi-year programme are to support the capacity-building efforts of the ECOWAS Commission in line with its vision and strategic plan, and to strengthen cooperation and joint activities between the two institutions in support of regional integration and economic cooperation in West Africa.

87. Under its approved programme of work, the Subregional Office prepared and disseminated several publications containing economic and social information on the subregion. These included a progress report on the implementation of regional and international agendas. At the regional level, the report notes that the issue of how the NEPAD framework can be used to translate ideas into effective and concrete actions remains a concern. On international agendas, the report concludes that West Africa is not on track to meet a large proportion of the MDG targets by 2015, and that completing the activities required for an interim EPA would not be development-oriented. A report on “Harnessing research and development in support of the transformation of agricultural systems and development of agro-industries in West Africa” (November 2008) presents the Subregional Office’s response to the persistent food crisis in the subregion, with a focus on rice and with special reference to gender imbalances. Another widely disseminated report was on the “Status of implementation of the Yamoussoukro Decision, with particular emphasis on air transport security in West Africa” (December 2008), which makes recommendations for improving air safety and security in the subregion, in accordance with the Standards and Recommended Practices of the International Civil Aviation Organization. In addition, the Subregional Office published what has become a reference report on “Options for instituting mechanisms for autonomous financing of regional integration institutions in West Africa” (December 2008), together with a prospectus on “Regional integration in

West Africa”, which was prepared in collaboration with the AUC and the AfDB. All these reports were submitted to ad hoc expert group meetings to seek the collective advice of teams of specialists on the issues covered.

88. Under the provisions of its ongoing multi-year programme with the ECOWAS Commission, the Subregional Office took an active part in a number of joint undertakings, notably in preparing for and servicing the second West African Business Forum and preparing a joint ‘Report on economic and social conditions: tracking progress in West Africa’. This report highlights the contrast between the subregion’s economic results and its huge natural and human resources and argues that West Africa could meet its own needs better if it exploited its enormous potential judiciously. The report puts forward recommendations which the principal partners within the Intergovernmental Committee of Experts, the Forum of intergovernmental organizations, businessmen and civil-society institutions can discuss and expand on to help identify investment opportunities and risks as well as improvements to development policy and programmes at the country and subregional levels. The Subregional Office also prepared its major technical publications jointly with the ECOWAS Commission. In addition, as a prelude to the launching of the Forum of the Association of West African integration institutions, the Subregional Office organized in Niamey in June 2008 a consultative meeting of experts from regional economic communities, the AUC, the NEPAD secretariat and United Nations agencies on the implementation of NEPAD programmes in the subregion. The meeting identified areas of cooperation and joint undertakings among regional institutions, recognized the urgent need for coordinated approaches to the financing of regional integration, and called for assistance from ECA for a study on a self-financing mechanism to that effect.

89. The Subregional Office also provided technical assistance and advisory services on request to selected member States, the ECOWAS Commission, the APRM secretariat and the West African intergovernmental organization Forum on macroeconomic and sectoral policy issues. Of particular importance was the Office’s active role in the elaboration of an action programme for climate change adaptation in West Africa. It also organized online discussions on emerging development challenges facing West Africa, thus increasing ECA’s visibility in the subregion. Enhancing its role as a subregional knowledge node, the Office continued to strengthen regional economic communities, intergovernmental organizations and networks of non-governmental organizations, particularly on knowledge-sharing on the MDGs and climate change adaptation policies. The establishment of these networks has been welcomed by other United Nations agencies, especially within the framework of the United Nations Resident Coordinator system, under which the Subregional Office has taken the lead in the work of the United Nations Country Team in the Niger and six other countries in the area of bio-energy and wealth creation.

90. The Subregional Office’s initiative on the food crisis and agriculture transformation led to capacity-building for a coordinated response by the regional economic communities, intergovernmental organizations and member States in the field of policy formulation in this area. A key achievement is the field project on “Governance system and African wealth creation and retention strategy”, aimed at strengthening the role of intergovernmental machinery at the subregional level through improved networking among key stakeholders involved in the subregional development agenda, including member States, regional economic communities, civil society organizations, other subregional entities and the private sector. The first initiative launched under this project has led to the development of the “Step-by-step guide on the creation of rice co-enterprise” as West Africa’s collective strategy for addressing food security and environmental sustainability.

- **Subregional Office for Central Africa**

91. During the period under review, the Subregional Office strengthened its partnerships at the subregional and country levels to support policy advocacy, policymaking and implementation of subregional integration programmes in Central Africa. Since the signing last year of the multi-year programme between the Subregional Office, ECCAS and CEMAC, the Office has devoted much effort and resources to providing support to member States and the institutional strengthening of the two major regional economic communities. The multi-year programme, which covers the period 2007-2010, reflects the commitment of ECCAS and CEMAC to work as one and to coordinate together with the Subregional Office implementation of activities aimed at fostering regional integration in Central Africa. The programme centres on three main thematic areas: support for the consolidation of peace, security and stability and the strengthening of regional integration; support for the consolidation of macroeconomic performance; and promotion of infrastructure and ICT, water and energy services. A mid-term assessment of the programme implementation was submitted to an ad hoc expert group meeting in April 2009. A summary of key programme achievements in selected areas appears below.

92. Supporting the consolidation of peace, security and stability and the strengthening of regional integration, the Subregional Office undertook six major advisory missions at the request of ECCAS and CEMAC and organized and serviced five seminars on the challenges, instruments and mechanisms of regional integration. At the request of the General Secretary of ECCAS, the Office also undertook a study on the improvement of the air transport network in Central Africa. In September 2008 the recommendations of this study were submitted to a ministerial meeting on air transport, which adopted an action plan for the period 2008-2015 on the improvement of air transport in Central Africa.

93. Another notable contribution to advancing the regional integration agenda in the subregion was the publication of a study on “Harmonization of and management of the self-financing mechanisms of regional integration in Central Africa”, which addresses the shortcomings and difficulties experienced in the implementation of the two regional economic communities’ financing mechanisms, namely the CEMAC Integration Community Tax and the ECCAS Integration Community Contribution. The study offers the member States policy options for improving the performance of these instruments, harmonizing rules and practices in the management of the levies and defining the legal conditions for coexistence between the levies and the free trade area under negotiation with the European Union. The subregional office also published a “Prospectus on the state of integration in Central Africa” in 2008 and 2009. These were submitted to the 2008 and 2009 meetings of the Committee of Experts. In addition, a quarterly news bulletin called “Les Echos d’Afrique Centrale” and a weekly newspaper called “Highlight” are regularly published by the Office in order to enhance ECA’s outreach in the subregion.

94. After assessing the macroeconomic performance of the subregion, the Subregional Office provided in the 2008 and 2009 editions of its flagship publication “Les économies de l’Afrique centrale” an analysis of economic and social changes in the subregion. These reports were produced with the financial support of ECCAS. At the request of CEMAC, the Office also developed a macroeconomic forecasting model as well as a quantitative evaluation of the impact of the CEMAC regional economic programme on several economic variables. The model is being used for the formulation and monitoring of economic policy actions related to the programme. The Office also carried out a study on “Facilitation of the creation of enterprises”, which helped to improve understanding of support mechanisms for opening businesses such as one-stop shops, incubators of small and medium-sized enterprises and support centres for the management of such enterprises.

95. In the field of promotion of infrastructure and ITC, water and energy services, the Subregional Office launched the second phase of its e-employment project in the Congo in November 2008. It also carried out a study on the integrated management of water resources in Central Africa. A working document on water policy and the institutional framework proposed by the Office have been validated by the Council of Ministers in charge of water issues in Central African countries.

96. At the operational level, the Office provided various advisory services to ECCAS, CEMAC and member States in the areas of transport, water resources, ICT, financing of regional integration, trade policies, free movement of people and food security. At the request of national administrations, the Office also carried out capacity-building activities through seminars on regional integration for experts and officials of member States. The recommendations of these seminars led to initiatives for the creation of national commissions for regional integration, which will act as powerful advocacy instruments in the implementation of subregional programmes.

97. The Office strengthened its partnerships at the national and regional levels through the organization of statutory and ad hoc expert group meetings and active participation in statutory meetings of Central Africa's regional economic communities and intergovernmental organizations. In particular, the office enhanced its partnership with ECCAS, CEMAC and the Central African States Development Bank for the development of transport infrastructure. In the context of the implementation of the Central Africa consensual transport master plan road map, joint activities undertaken with ECCAS, CEMAC and the Bank resulted in the adoption of 55 high-priority projects. Furthermore, partnership among the four institutions continued with the preparation of a paper for the first round table of donors for funding the transport programme, which will take place in the course of 2009.

98. In the field of collaboration with other United Nations agencies, the Subregional Office participated in following up the Common Country Assessment/United Nations Development Assistance Framework for Cameroon, and contributed to the Common Country Assessment/United Nations Development Assistance Framework for Equatorial Guinea. It also started consultations with other United Nations agencies to establish a subregional mechanism to coordinate their support for the AU/NEPAD Programme in Central Africa.

- **Subregional Office for East Africa**

99. During the period under review, the Subregional Office continued to focus much of its policy support and operational activities on the formulation and implementation of harmonized macroeconomic and sectoral policies and programmes as the means to achieve the development objectives of regional integration in Eastern Africa. The implementation of the Subregional Office's work programme provided a platform and opportunities to work closely with member States and major regional economic communities and other subregional organizations in addressing development agenda priorities, encompassing food security and sustainable development, ICT development, gender promotion, implementation of NEPAD and the attainment of the MDGs within Eastern Africa.

100. Under its work programme, the Office undertook a series of activities aimed at streamlining its collaboration with East African countries and regional economic communities. These included the organization and servicing of the twelfth and thirteenth sessions of its Intergovernmental Committee of Experts, held in March 2008 in Addis Ababa, Ethiopia and in April 2009 in Mahe, Seychelles. The Office also held expert group meetings which enabled teams of specialists to peer-review its technical publications. These publications covered such issues as reforms in the financial sector in East Africa,

harmonization of national development policies and ICT programmes, implementation of NEPAD programmes in the subregion, assessment of the Subregional Office and regional economic communities' multi-year programmes.

101. To support the development priorities of East African countries, the Subregional Office has concluded bilateral multi-year programmes with no less than five regional economic communities and intergovernmental organizations namely EAC, IGAD, CEPGL, the Indian Ocean Commission and the International Conference of the Great Lakes Region (ICGLR). The Office has received many requests from member States, regional economic communities and intergovernmental organizations for technical assistance on specific projects identified under these multi-year programmes, among them Burundi, the Comoros, Djibouti, Kenya and IGAD. Other advisory services provided to member States (Rwanda, the Democratic Republic of the Congo and Djibouti) and regional economic communities as well as intergovernmental organizations (EAC, ICGLR and the Transit Transport Coordination Authority of the Northern Corridor) covered institutional and sectoral issues such as democracy and good governance, economic development and integration, microfinance, financial reforms, transboundary development basins and food security, transport policy and strategic planning. In December 2008 the Office undertook a major study to assist the secretariat of IGAD in formulating a strategic "Minimum integration plan". The study ultimately aims at strengthening the capacity of the IGAD secretariat to assist its member States with the development issues of peace and security, trade and macroeconomic policies, natural resources management, social development policies, transport and infrastructure, the industrial sector and ICT.

102. With regard to strengthening its subregional partnership through undertaking policy research and analysis and convening a regional forum, the Subregional Office is launching a Regional Integration Observatory that will serve as a permanent platform to measure progress made in the regional economies, as well as peace-building and security policies within the subregion. The Observatory will create an interactive website providing information and data on regional integration, establish networks between institutions such as COMESA, IGAD, CEPGL, EAC and the Organization of the Islamic Conference facilitate the establishment of a regional database on the methodology, tools and instruments for data collection, and facilitate knowledge-sharing and training opportunities. In furtherance of its knowledge management and peer learning programme, the Office organized a regional workshop to promote better awareness and ownership of ECA's knowledge-sharing portal on the part of member States, regional economic communities and other intergovernmental organizations, the private sector, civil society, academia, etc. This was followed by the provision of a number of advisory services on institutional capacity-building at the national and regional levels to promote better use of the system. At the request of one United Nations Country Team, the Subregional Office also included the One UN programme for Rwanda in its knowledge management portal.

103. In order to streamline its collaboration with East African countries and the regional economic communities, the Subregional Office organized in November 2008 a workshop on IGAD's Minimum Integration Plan, which aimed at providing specific policy recommendations and guidelines for the preparation of the Plan, as requested by the twelfth Summit of IGAD Heads of State, held in June 2008. The workshop, organized in collaboration with the IGAD secretariat, was attended by experts from East African countries and IGAD partner institutions. The implementation of the Plan will help to revitalize IGAD and enable it to carry out its mandate as a regional integration organization and a building block of the AU.

- **Subregional Office for Southern Africa**

104. A major priority in the work of the Subregional Office related to the multi-year programme of cooperation lies in providing technical assistance to member States and regional economic communities aimed at building capacity in policy formulation and harmonization and programme implementation. During the period under review, the Office's main programme focus was on key activities related to regional priorities aimed at advancing the SADC regional agenda. These included the launch of the SADC Free Trade Area and the COMESA Customs Union. Key achievements included the successful organization of a forum in Lusaka, Zambia, on the theme of "Progress and prospects in the implementation of protocols and treaties", which reviewed country preparedness by assessing the progress made in the implementation of protocols and treaties. The forum concluded that the launch of the Free Trade Area and the Customs Union should be underpinned by granting an enhanced role to the private sector and regional business organizations, particularly in trade and business development.

105. This would require moving expeditiously on a number of fronts, including strengthening the development of an implementation framework for the protocol on facilitation of movement of persons, in close consultation with all stakeholders, creating a Project Preparation and Development Unit one within SADC and strengthening the same in COMESA, and developing mechanisms to operationalize the COMESA Fund and the Development Fund for SADC, the forum urged the subregion to provide comprehensive development support to the transport sector, and strengthen mechanisms for constructing and maintaining transboundary infrastructure, harmonizing road user charge guidelines and practices and speeding up their implementation.

106. An expert group meeting to review a framework for the ICT Development Strategy (e-Strategy) for SADC (e-SADC Initiative) was held in April 2008, Johannesburg, South Africa. The e-strategy would address convergence issues and harmonization of ICT infrastructure, services and indicators and promote ICT usage for regional economic integration, enhancement of connectivity and access to ICT services among and within the member States. The outcome of the expert group meeting was enriched by the full participation and contributions of member States and some cooperating partners including the AU, Cisco Systems Inc., COMESA, and Communications Regulators' Association of Southern Africa, NEPAD, SADC-PF and Southern African Telecommunications Association.

107. Ongoing work by SADC, the African Centre for Gender and Social Development and the Subregional Office on the development of a Regional Gender Monitoring Tool was the subject of an expert review held to validate the instruments and modus operandi of monitoring, tracking and reporting progress on various regional and international protocols and conventions on gender and development to serve as basis for the production of a biennial SADC Gender and Development Report. Also, using a framework for the harmonization of mining policies, standards, legislative and regulatory framework in southern Africa, an implementation plan designed to translate the framework into an operational programme of activities was developed. Current work involves auditing national mining policies to determine their conformity with the approved framework. A report assessing progress was prepared and presented to an ad hoc expert group meeting held in May 2009.

108. Capacity-building activities constituted a major area of intervention through workshops, seminars and training and the provision of advisory services, especially in the area of policy harmonization as the framework for regional integration. In this regard, the Subregional Office provided technical assistance to the Eduardo Mondlane University in organizing the First International

Conference on Regional Integration and SADC Law in Maputo, Mozambique, from 23 to 25 April 2008, as well as in developing frameworks on mainstreaming regional integration in national development plans and mainstreaming regional integration in the university curriculum, with the aim of establishing a regional Centre of Studies on Regional Integration and SADC Law. With respect to training, seminars and workshops, the focus has been on macroeconomic convergence issues and ICT-related development.

109. Significant progress has been recorded with respect to joint undertakings through partnership-building involving institutional collaboration as an important aspect of the Office's delivery mechanism. Joint AfDB-AUC-ECA undertakings include: collaboration between the Subregional Office with the AU Southern Africa Regional Office and AfDB in organizing a seminar, in Lusaka, Zambia, in December 2008 on water and sanitation in SADC, innovative approaches to resource mobilization and policy implementation as well as a southern African stakeholders' consultative and preparatory meeting for Africa's participation at the fifth World Water Forum, held in December 2008 in Lusaka. An ECA/ILO/IOM/SADC workshop on population, migration and regional integration facilitated a deeper exchange of perspectives with regard to population dynamics and harmonization of related social and economic policies. Also, SADC and the Subregional Office are working to identify "SADC Gender Champions", celebrating the contributions of individuals and institutions in promoting gender equality, women's empowerment and development.

110. In August 2008 a Memorandum of Understanding was signed between the Executive Secretary of ECA and the Executive Secretary of SADC to further facilitate cooperation between SADC and ECA in addressing regional integration and the special needs of Southern Africa.

C. OTHER PROGRAMMES

- **Regular Programme for Technical Cooperation**

111. The Regular Programme for Technical Cooperation, funded from the United Nations regular budget, continued to serve as an important instrument for helping to build the capacities of member States in addressing clearly defined policy and technical challenges in various development sectors, with particular focus on meeting the MDGs and evolving priorities of member States within the context of NEPAD.

112. During the period under review, funding from the Programme was used to meet the needs of member States for specialized advice and training in such areas as the design and implementation of MDG-based poverty reduction strategies and programmes, integrated water resources management, trade capacity-building and trade negotiations, statistics, gender mainstreaming, including enhancing women's legal and human rights, harnessing ICTs for development, and support in the implementation of NEPAD. The programme also provided ECA with the means and operational flexibility to respond to some new and emerging development challenges such as climate change.

113. As part of its effort to promote policy change and strengthen institutional capacity, ECA fielded 57 advisory missions to 23 member States and organized 11 workshops and seminars involving over 500 participants. A total of 38 countries directly benefited from regional training activities for government officials with policymaking responsibilities in various sectors. These activities contributed to strengthening the capacity of member States in policy formulation, implementation and programme monitoring. Some notable achievements under the Programme in the past year are highlighted below.

114. Workshops and advisory services on ICT policy formulation contributed to an increase in the number of countries designing and finalizing plans and strategies relating to national information and communication infrastructure from 31 in 2007 to 42 in 2009. A number of countries have taken steps to advance their implementation process in this field with the adoption of strategies and approaches for mainstreaming ICTs in various key sectors, such as e-government, e-security, e-health, e-commerce, e-learning and e-agriculture.

115. The first meeting of the Committee on Development Information, Science and Technology, which was held in Addis Ababa from 28 April to 1 May 2009, and which received support from the Programme, attracted more than 600 delegates from 51 countries and generated a number of policy recommendations on scientific development, innovation systems and the knowledge economy.

116. In the area of trade, ECA provided technical backstopping to the WTO African Group in Geneva on WTO-related issues of importance to African countries within the framework of the Doha Round. Assistance provided by the ECA Geneva office in 2008 facilitated the adoption of an African common position on sensitive products and special products. Partly as a result of ECA's support, the number of WTO bodies chaired by representatives of the African Group also increased from 2 in 2005 to 8 in 2008. The Programme also contributed to strengthening the capacity of regional economic communities in the ongoing negotiations under economic partnership agreements with the European Union. Considerable appreciation for the activities of the Geneva office has been shown by the WTO African Group, as reflected in various letters sent to the ECA Executive Secretary.

117. Notable results were also achieved in strengthening capacity for gender mainstreaming, including strengthening frameworks to enhance women's legal and human rights. Various capacity-building activities undertaken by ECA helped to promote awareness among policymakers and development planners of the link between gender equality and the achievement of national development goals, including the MDGs. The Programme was also instrumental in creating awareness and understanding of women's rights, including women's rights to education. Services rendered enabled the formulation of gender-sensitive policies and programmes, and helped in promoting and replicating best practices on enhancing the role of women in development.

118. Advisory services provided in the area of water resources development and management strengthened the institutional and technical capacities of member States and river basin organizations for the sustainable development and efficient management of water resources within the framework of the African Water Vision 2025, the MDGs and NEPAD priorities. Several activities were undertaken in support of the elaboration and implementation of the Climate for Development in Africa (ClimDev-Africa) programme, which resulted in the establishment of the African Climate Policy Centre.

119. In the area of statistics and statistical development, activities undertaken under the Programme during the biennium contributed to strengthening the framework for statistical capacity development and the capacities of national statistical systems in Africa, resulting in an increase in the number of countries with a national strategy for the development of statistics. Advisory services and workshops have also helped increase awareness and knowledge of internationally recognized standards and best practices in statistics for tracking the MDGs.

Challenges and lessons learned

120. Notwithstanding these achievements, further efforts are required to enhance the impact of regional advisory activities and make them more responsive to the needs of African countries. In this regard, further steps were taken during the period under review to strengthen results-based

management, monitoring and reporting of activities under the Programme. Each subprogramme is now directly accountable for defining expected accomplishments, determining the appropriate indicators of achievement and ultimately the achievement of results. ECA has also developed new guidelines to strengthen the management of regional advisory services and enhance oversight, performance evaluation and reporting on the use of Programme resources, including enhancing the role of the Subregional Offices in the delivery of technical assistance at the subregional level. Improved programmatic collaboration with other partners is also being pursued to achieve greater impact in the delivery of technical assistance.

- **United Nations Development Account**

121. The United Nations Development Account constitutes a second funding window for ECA's technical cooperation activities. The Under-Secretary-General in the Department of Economic and Social Affairs acts as programme manager of the Account. Overall guidance on its use is provided by the General Assembly. Projects submitted for funding must adhere to criteria established by the General Assembly and be in conformity with a theme proposed for the specific tranche.

122. ECA has steadily increased its participation in projects funded under the Development Account. During the period under review, three projects were approved for funding under the seventh tranche, to be implemented during the 2010-2011 programme cycle: facilitating the effective integration of developing countries in the global economy through aid for trade schemes; capacity-building for integrated shared water resources management in Southern Africa; and mainstreaming climate change into agricultural policies for achieving food security and poverty reduction in West Africa.

123. The Commission will also be involved in five other interregional projects, one of which is concerned with strengthening social protection and two others with facilitating climate change mitigation by addressing the energy-environment linkage and enhancing energy security, as well as two capacity-building projects covering statistics for monitoring progress towards the MDGs and climate change mitigation for poverty alleviation. These projects are aimed at providing support to member States in addressing key global development challenges to further the achievement of internationally agreed development goals through collaboration at global, regional and national levels.

124. During the period under review, ECA was also involved in two ongoing Development Account projects which address needs in key areas such as capacity-building on gender statistics to promote gender equality and the empowerment of women, and sustainable agriculture and rural transformation. Both projects, which are nearing completion, are expected to achieve their objectives.

125. Also during the period under review, ECA successfully completed a project initiated in 2005 on poverty reduction strategies and the MDGs through knowledge-sharing. The project contributed to raising awareness at the national and subnational levels of the challenges of and opportunities for designing and implementing MDG-based poverty reduction strategies, and provided an electronic platform for enhanced continuous engagement among national practitioners around issues related to poverty reduction strategies and the MDGs. Other notable products of the project include the MDG Mapper, a knowledge-sharing platform which was commended by the United Nations Secretary-General at the inaugural annual ministerial review at the Economic and Social Council in 2007, and which has consistently received positive feedback ever since, pointing to a measurable impact on the capacity of member States to assure economic and social policy formulation and management.

- **United Nations support to the African Union and its NEPAD programme**

126. In recent years, the United Nations system has emerged as one of the major pillars of international support for the African Union and its NEPAD programme. The nature and scope of that support has broadened in the past year, encompassing a variety of activities including technical assistance for institutional development, capacity-building, project development, resource mobilization and advocacy.

127. The regional consultation meetings among United Nations agencies working in Africa, convened by ECA, are the mechanism for providing support at the regional and subregional levels. The regional consultations have established nine thematic clusters around which United Nations support for the AU and its NEPAD programme is organized. These clusters, which broadly correspond to the policy priorities of NEPAD, are: advocacy and communications; agriculture, food security and rural development; environment, population and urbanization; science and technology; social and human development; industry, trade and market access; infrastructure; peace and security; and governance. The work of the regional consultation meetings, their clusters and subclusters is guided largely by the AU's 10-Year Capacity-building Programme, which is the framework for cooperation between the United Nations and AU based on the priorities identified by the AUC.

128. At the global level, the Office of the Special Adviser on Africa based at United Nations Headquarters undertook several information-sharing and advocacy activities in the past year to help mobilize international support for the NEPAD agenda. Many of the activities were carried out in close cooperation with ECA and the United Nations Department of Public Affairs. For example, the Office coordinated the preparation of the Secretary-General's report entitled "Africa's development needs: state of implementation of various commitments, challenges and the way forward", which was submitted to a high-level meeting of the General Assembly on Africa's development needs in September 2008. Among other recommendations, the report urged support for Africa's efforts to build human and institutional capacity and drew attention to essential areas of United Nations support for the AU and its NEPAD programme that needed to be reinforced. An Inter-Agency/Departmental Task Force on Africa has been established to monitor the follow-up to the high-level meeting.

129. On the regional front, United Nations joint action through regional consultations is meant to enhance coherence, coordination and cooperation among its agencies, through increased joint activities and programmes to ensure maximum results. In keeping with its mandate to coordinate United Nations activities at the regional level in Africa, ECA has convened nine meetings of the annual consultations to date and achieved considerable progress in securing agreement on a work programme and collaborative arrangements through the nine thematic clusters established for that purpose. Over the past year, significant progress was made by all nine clusters, ranging from identifying areas of common concern in their work to drawing up plans of action, mobilizing resources, working with African regional and subregional organizations and actual implementation of projects and activities. Cluster activities are having a tangible impact on the implementation of key elements of the regional development agenda and on the institutional landscape in support of the AU and its NEPAD programme.

- **Ninth meeting of the Regional Coordination Mechanism**

130. The Ninth meeting of the United Nations Regional Consultation Mechanism took place in October 2008 in Addis Ababa, chaired by the United Nations Deputy Secretary-General. The meeting attracted 197 participants, including the Chairperson of the AUC and a good number of AU

Commissioners, Regional Directors and Heads of United Nations agencies and organizations, the Head of the NEPAD secretariat as well as representatives of regional economic communities and other African regional and subregional organizations. The meeting focused on two important topical issues, namely the food crisis and climate change. The main outcomes were: increased United Nations coordination and support in addressing the food crisis and climate change in Africa; strengthened coordination and collaboration between United Nations agencies and African organizations and among United Nations agencies at the regional and subregional levels to deliver as one; institutionalization of subregional coordination of United Nations support to the AU and its NEPAD programme; and mobilization of resources and enhancement of capacity. The Participants also reiterated the importance of improving the effectiveness and efficiency of the mechanism and its cluster system in providing multisectoral and coordinated support to the African Union and its NEPAD programme.

Challenges and lessons learned

131. In spite of the progress made, the United Nations system faces a number of challenges and constraints in providing support to NEPAD at the regional level. First, an increased financial commitment by the United Nations system for NEPAD programmes will much depend on whether the agencies receive additional resources for these programmes. Second, if further progress is to be made, increased commitment and institutional leadership are essential to sustain the existing momentum and intensify support to AU and its NEPAD programme for maximum impact. Participating United Nations agencies and African regional and subregional organizations should make the mechanism sustainable by showing more commitment to the process and ensuring that desirable outcomes and impact are registered. And the smooth integration of NEPAD into AU structures and processes would ensure continuity and better coordination in the implementation of cluster activities. The mechanism and its clusters should play a role in facilitating the smooth transition.

• ECA support to the African Union and its NEPAD programme

132. In addition to the collective activities undertaken by United Nations entities in support of NEPAD, specific assistance was offered by individual entities to advance the work in the various thematic clusters. ECA supports the implementation of NEPAD priorities, most of which are at the core of its mandate, through its analytical work and technical assistance in different areas, with particular focus on socio-economic development and political governance issues. ECA's achievements in support of AU and its NEPAD programme are many and have been well articulated in other parts of the present report.

133. ECA has provided extensive technical and material support to the APRM Panel of Eminent Persons, the APRM secretariat and the participating countries at each of the five stages of the review process, ranging from country support missions to the drafting of background documents, country review visits, the drafting of country reports, the final country report and the National Programme of Action and publication of the country review reports and the National Programme of Action. ECA has also been supporting participating countries in mobilizing stakeholder participation and fostering peer learning among APRM countries by identifying best practices in the APRM process and promoting their replication. In addition, it has provided technical assistance in integrating the APRM with existing national development strategies.

134. ECA also supported the APRM process by reviewing APRM-related documents (country self-assessment reports and country programmes of action) and contributing to the preparation of documents (country profiles, background papers, issues papers and final review reports). It has also

collaborated closely with United Nations agencies and other partners, in particular AfDB and the regional economic communities, in supporting NEPAD infrastructure development.

CHAPTER III

ISSUES ARISING FROM THE MEETINGS OF THE INTERGOVERNMENTAL COMMITTEES OF EXPERTS OF ECA'S SUBREGIONAL OFFICES

135. This chapter provides an overview of the main outcomes of the meetings of the Intergovernmental Committees of Experts of the subregional offices which have been held since April 2008. In particular, the chapter highlights key issues and developments requiring attention or action by the 2009 session of the Commission.

• Intergovernmental Committee of Experts of the Subregional Office for North Africa

2008

136. The twenty-third meeting of the Committee was held in March 2008 in Rabat, Morocco, with a special focus on the development of small and medium-sized enterprises. The participants reviewed the major achievements of the Subregional Office as outlined in reports on economic and social conditions in North African countries in 2007; follow-up to regional and global development agendas; the outcomes of two workshops on sustainable development and capital mobility organized by the Office during the year; activities undertaken in the biennium 2006-2007; the programme of work and priorities for the biennium 2008-2009; and a proposed strategic framework for the 2010-2011 programme of work.

137. The Committee recognized the role played by small and medium-sized enterprises in economic and social development and requested ECA to widely disseminate to ministerial departments, the private sector, professional associations and the academic world the outcome and specific recommendations of the workshop held from 10 to 13 March 2008 in Rabat on small and medium-sized enterprises as agents of sustainable development for follow-up and implementation.

138. In considering economic and social conditions in the region, the Committee encouraged member States to provide the Subregional Office with the oil-producing-country data needed to conduct a detailed analysis of the degree to which fuel prices impact national economic and social performance. The study should reflect the weight of the petroleum sector in the structure of GDP and the effects of nominal increases in petroleum prices against significant depreciation of the United States dollar (the principal petro-currency) and the strong pressure of taxes on oil products in importing countries. In the meantime, member States should continue to diversify their national economies in order to offset the adverse effects of globalization and minimize their vulnerability to external factors such as climate change and global prices. The Subregional Office was requested to compile summary indices in order to facilitate comparison of North Africa's performance with that of other regions and economic groupings within or outside Africa. The Committee further recommended the harmonization of concepts and definitions used in estimating employment and unemployment. More broadly, the Office was requested to undertake an in-depth analysis of issues such as investment returns, capital attraction and the possibility of establishing a subregional stock exchange and developing a subregional investment code.

139. The Committee called upon member States to strengthen the economic and social cooperation between UMA and other North African countries in order to improve the level of integration in the subregion. They were further encouraged to take an active part in the implementation of regional infrastructure projects under NEPAD, in collaboration with the regional economic communities, while

ECA was invited to develop a mechanism for briefing member States on NEPAD and its various programmes, especially those relating to the environment and the knowledge society.

2009

140. The Committee's twenty-fourth meeting was held in Rabat from 6 to 9 May 2009. The main theme was "Education and capacity-building for job creation in North Africa". The participants reviewed the main accomplishments of the Office in 2008, including reports on economic and social conditions in North Africa in 2008; North Africa and the international and regional development agenda for development; the MDGs and the implementation of NEPAD in North Africa; promoting research and development in North Africa; the implementation of the 2008-2009 work programme; proposed themes and priorities for the 2010-2011 work programme; and progress in the establishment of an observatory on integration.

141. The Committee adopted the programmes for 2010-2011, and decisions and recommendations on the following subjects: (a) development of instruments for risk management, short-term and medium-term monitoring of economic forecasting and impact assessment, for prevention of crises and their effects; (b) continuation of consultations to determine the best way for North Africa to be represented in the new arrangements for global financial governance; (c) recognition of the adequacy of the education-employment-training nexus in economic and social development and provision to concerned stakeholders (including government departments, workers and employers' associations and regional and international organizations) of the recommendations of the workshop on education and capacity-building for job creation; (d) encouragement of long-term prospective studies in education, training and new skills to meet market needs; (e) expansion of regional consultations in the context of major regional and international conferences on development, to strengthen the North African countries' position as strategic partners and key actors in decision-making at the global level; (f) recognition of the importance of research and development in the development process and knowledge creation, and the need to continue to give this domain the necessary attention, even in times of crisis; (g) continued strengthening of partnership with the Maghreb Arab Union, as defined in the multi-year action plan, and preparation of a regional programme of cooperation for the 2010-2011 biennium; (h) continued consultations with all stakeholders, and particularly United Nations agencies and organizations, to establish a subregional coordination mechanism; and (i) submission of the Subregional Office's report on activities in 2008, the draft work programme for 2010-2011 and the Committee's report to the ECA Conference of Ministers for final approval.

- **Intergovernmental Committee of Experts of the Subregional Office for West Africa**

2008

142. The eleventh meeting of the Intergovernmental Committee of Experts for West Africa was held in June 2008 in Niamey, the Niger, with the theme "Harnessing Africa's resources: what strategies for developing the biofuel sector in West Africa". The participants reviewed the major achievements of the Subregional Office as reflected in the 2007 report on economic and social conditions in West African countries; a paper on follow-up to regional and global development agendas, including NEPAD and the MDGs; a thematic report on strategies for developing the biofuel sector in West Africa and related initiatives; a public lecture entitled The African strategy for wealth creation and retention; a report by the Subregional Office on activities undertaken in the biennium 2006-2007; and its programme of work and priorities for the biennium 2008-2009. The final report of the meeting has been published to serve as reference material on the subregion's socio-economic

development effort. The Committee made recommendations regarding public finance reforms, macroeconomic reforms, agriculture and agro-industry, water management and peace and cooperation.

143. Owing to the precarious state of public finance in several countries of the subregion, which continue to face problems of insufficient resources and ineffective expenditure control and allocation, appropriate financial reforms in the field of revenue recovery, fraud and corruption, rationalization of expenditure and redirection of spending to priority sectors were recommended. Member States should continue to aim to achieve sound public finance in order to improve the business climate and their image to attract investment, and to strengthen their poverty reduction programmes.

144. Since water is one of the key factors affecting the economic performance of the member States, particularly as irrigation systems are still in their infancy, and the agriculture sector depends heavily on rainfall, policymakers in the subregion should therefore seriously review the situation and West African countries must move resolutely to control their water resources, in order to fully realize their agricultural potential, enhance productivity and the well-being of the people and reduce poverty. In addition to water management, a refocus on agriculture, especially food crop production, extension services, commercial farming partnerships with foreign operators, etc. were the areas identified as deserving the special attention of the member States.

145. In direct relation to the above finding, the participants also concluded that West Africa's agricultural potential can be developed to produce biofuels, which have economic, social and environmental multiplier effects. Countries in the subregion must therefore ensure that they make the right choices in terms of their agricultural comparative advantage, determining the risks involved and countering obstacles. In this regard, issues raised concerned the appropriate legal, regulatory and fiscal framework, the establishment of a subregional biofuel financing mechanism, a biofuels development strategy through public-private partnership, a strategy for producing and marketing biofuels, etc.

2009

146. The twelfth meeting of the Committee, scheduled to take place on 2 and 3 July 2009, aims at providing current information on West African economies, initiating broad dialogue on recent economic trends and making recommendations for appropriate action to accelerate the development of the subregion. The specific objectives of the meeting are stated in the reports. The report on economic and social conditions in West Africa in 2008 and prospects for 2009 finds that growth outcomes for 2009 in West Africa are expected to vary significantly across countries, depending on their reliance on external flows and bank lending to finance investment, trade links to the deeply affected high-income countries and the degree of participation by foreign banks in the domestic financial sector. Moreover, policy responses to the crisis will play a large role in shaping the near-term economic outlook in the subregion. Reductions in inflows of foreign capital are likely to slow growth further in countries that need to finance already large current account deficits, and there is some threat of potential balance-of-payments financing problems. The Committee will also have before it a progress report on the implementation of regional and international agendas, including NEPAD, the MDGs and other special initiatives in the subregion, and a proposed programme of work for the biennium 2010-2011.

147. On 30 June and 1 July 2009, as a prelude to the twelfth meeting, the Subregional Office will organize an ad hoc expert group meeting on the Office's response to energy-related insecurity in West Africa. The experts will examine energy demand and adequacy of supply in West Africa in order to single out the causes of the low quality of service and prescribe solutions.

• **Intergovernmental Committee of Experts of the Subregional Office for Central Africa**

2008

148. The 2008 session of the Committee of Experts was held in Yaoundé, Cameroon, under the theme: “The role of primary commodities in the socio-economic development of the Central African countries”. The objectives were to examine the economic evolution of Central African economies in 2006-2007 and the forecasts for 2008; social development issues in Central Africa; the state of the regional integration process in Central Africa; the proceedings of an ad hoc expert group meeting; the implementation of regional and international agendas, including NEPAD, the MDGs and other initiatives, in the subregion; and a review of ECA activities from April 2007 to March 2008.

149. The Committee pointed out the high level of dependence of the Central African Economies on exports of raw materials – the highest rate in the world, at 85 per cent. It stressed the need to increase capital expenditure to finance public investment in infrastructure and promote expenditure for the production of public goods like health and education. Another key recommendation was related to the activation of redistribution mechanisms and the implementation of countercyclical macroeconomic policies to mitigate the cyclical volatility resulting from fluctuations in international commodity prices.

150. The Committee recommended the launching of a special programme to accelerate the operationalization of the regional market, including the rapid removal of obstacles to the free movement of people, the implementation of harmonized instruments of trade policy, greater promotion of goods from the subregion and extension of the process to other instruments and mechanisms of regional cooperation. While pointing out the strategic importance of the relations between the subregion and the European Union, through economic partnership agreements the Committee, stressed the risk of threats to certain provisions of the regional treaties and the amplification of smuggling practices resulting from signing separate interim agreements with the European Union.

151. The Committee drew the attention of Central African decision makers to the fact that strong dependence on primary commodities should result in the establishment of a socio-economic framework aimed at achieving two key goals: the creation of favourable conditions for economic diversification and the promotion of industrialization, and the creation of conditions enabling basic commodities to contribute positively to long-term development.

2009

152. The 2009 session of the Committee, held in Malabo, Equatorial Guinea, in March and April 2009, brought about knowledge-sharing on policies and programmes and contributed to the adoption and implementation of some of these policies. The participants carried out a thorough analysis of the evolution of the main macroeconomic indicators in the subregion in the context of the current global financial and economic crisis. Particular emphasis was put on the extent to which the subregion is exposed to exogenous shocks potentially related to this crisis, owing to the very strong dependence of Central African economies on exports of primary commodities. Some strong economic policy measures were formulated, including: maintenance of the effort to stabilize the macroeconomic framework while mitigating the effects of the crisis on the most vulnerable countries; the recycling of the reserves accumulated by oil-exporting countries into programmes for diversification of sources of growth, including agriculture; special measures to support companies in difficulties, particularly in the mining sector, or promotion of a development strategy for subregional industrial pools.

153. In view of the poor progress made towards the achievement of the MDGs, the Committee recommended that member States should reinforce support to social sectors, particularly through effective financing mechanisms for social protection, improvement of the quality of public expenditure, optimization of the existing interactions and synergies between the MDGs, and political and institutional stabilization.

154. The review of the regional integration process revealed that the CEMAC countries have recorded good performances in the implementation of their economic convergence agreement and the multilateral supervision mechanism, the progressive activation of the instruments of ECCAS Peace and Security Council and the first budget allocations from the regional development funds. However, the other areas of regional cooperation - transport, energy and agriculture, recorded slower advances. There has even been a setback in the project for a common market in Central Africa. The Committee made the following strong recommendations to States and regional integration institutions: deeper involvement by the highest authorities in the process of rationalization of the programmes of regional cooperation institutions in Central Africa ; accelerated implementation of the Regional Programme for Food Security ; renegotiation of the CEMAC common external tariff and the proposed ECCAS common external tariff with a view to the establishment of a single customs union in Central Africa and the signing of a partnership agreement; and upgrading of the legal and technical features of the two instruments for financing integration, namely the ECCAS Integration Community Contribution and the CEMAC Integration Community Tax.

155. A round table on fiscal policies and resource mobilization highlighted the need for Central African States to achieve fiscal positions which are less dependent on export earnings from primary commodities. Some strategies for action were formulated, aiming particularly at broadening taxable income through a more rigorous review of tax exemptions, the promotion of fiscal incentives for production and investment, the simplification of tax laws and capacity-building in the national tax authorities.

156. Finally, the experts acknowledged the need for regular follow -up of the recommendations from one session to another. It was agreed to include in the agenda of future sessions a review of the implementation of the recommendations made.

- **Intergovernmental Committee of Experts of the Subregional Office for East Africa**

2008

157. The twelfth session of the Committee was held in Addis Ababa, Ethiopia, in March 2008 with the theme: “Meeting subregional challenges in the twenty-first century: regional integration towards the achievement of the MDGs”. The meeting reviewed the major achievements of the Subregional Office under the following agenda: report on economic and social conditions in Eastern Africa; follow-up to regional and global development agendas including NEPAD and the MDGs; report on United Nations system-wide support to the AU and NEPAD programme; presentation on assessing financial sector reforms in Eastern Africa — the case of EAC and CEPGL; reports of the state of regional integration in Eastern Africa — progress and prospects; report on activities undertaken in the biennium 2006-2007; programme of work and priorities for the biennium 2008-2009; and launch of the Subregional Office knowledge management portal. The final report of the session has been published to serve as reference material on the subregion’s socio-economic development effort. The Committee emphasized the importance of the Subregional Office’s programmes related to good governance, regional integration and national policies.

158. As financial reforms already undertaken by the countries have not yet adequately addressed the issue of poverty reduction, appropriate resource allocation should fully reflect this priority, and encourage pro-poor productive investment. While the Subregional Office's MDG report was highly appreciated, the availability of more detailed MDG indicators on each country was recommended. Recognizing the importance of the human capital dimension of MDGs (involving women), the Committee strongly urged governments to allocate public expenditure accordingly, while adopting proactive strategies for the attainment of the MDGs. Also, identifying the lack of peace and security as one of the major constraints on economic development and poverty reduction, it was recommended that countries should focus on conflict prevention.

159. In order to harmonize policy convergence on regional integration, it was recommended that an appropriate monitoring and evaluation mechanism should be established within the regional economic communities, and that ECA should assist the regional economic communities in rationalization and harmonization of monitoring and evaluation, including monitoring and evaluation of their projects and programmes. The crucial role of the Subregional Office's projected observatory on regional integration was accepted by all, and the need for wide-ranging consultations with all the stakeholders concerning its expansion and further development was emphasized. The Committee also stressed the importance of ICT in banking operations, the strengthening of regulation and the supervision of financial institutions using the Basel II standards.

160. The capacity of the regional economic communities as building blocks for regional integration should be strengthened. The regional economic communities and other organizations should emphasize the promotion of intra-African trade. The private sector and the business community should also be widely involved in the formulation and implementation of the regional economic communities' programmes and projects on trade facilitation.

2009

161. The thirteenth session of the Committee was held in Mahe, Seychelles, in April 2009 with the theme of "Tracking progress in implementing ICTs for development in Eastern Africa". The Committee reviewed the major achievements of the Subregional Office as reflected in the reports on economic and social conditions in Eastern Africa; follow-up to regional and global development agendas, including NEPAD and the MDGs; United Nations system-wide support to the AU and NEPAD programme; the state of regional integration in Eastern Africa — contributions of regional economic communities and prospects; activities undertaken by the Subregional Office during the reporting period; reforms of the financial sector in the subregion and their impact on economic development in the member States, and the related debate with particular reference to the theme of the forthcoming ECA/AU joint Conference of Finance Ministers on "Enhancing domestic resources mobilization through fiscal policy"; an ad hoc expert group meeting on ICT and economic development; and an ad hoc expert group meeting on the multi-year-programme. Other accomplishments during the session included two parallel training workshops on the implementation of ICT in the areas of e-government and e-trade and on "developing strategies on comprehensive action plan for national information and communication infrastructure". The Committee emphasized the need to adopt appropriate integrated strategies and policies involving all national, regional and international actors, public and private, as well as to develop appropriate institutional mechanisms.

162. In view of the identified obstacles to achievement of the MDGs within the planned time frame, governments need to define clear proactive strategies, including how to mobilize domestic resources for investment and acceleration of regional integration through intraregional trade facilitation and

complementarities and the role of the regional economic communities in fostering regional integration so as to accelerate the attainment of poverty reduction goals and the MDGs. Governments were urged to adopt innovative mechanisms for mobilizing both international and domestic resources for investment and accelerating regional integration.

163. The Committee stressed the need to adopt and harmonize policies arrived at building a regional information and knowledge economy in which ICTs can play a catalytic role for economic growth and sustainable development. On the basis of the report of the ad hoc expert group meeting on assessing multi-year programmes, the Committee identified the way forward towards implementation of multi-year programmes of cooperation, Subregional Office and the respective regional economic communities.

- **Intergovernmental Committee of Experts of the Subregional Office for Southern Africa**

2008

164. At its fourteenth meeting held in Lusaka, Zambia in June 2008 under the theme: “Achieving free trade area and customs union: emerging challenges and opportunities for Southern Africa”, the Committee made major recommendations regarding the simplification and harmonization of customs and immigration procedures, reinforcement of technological, human and financial capacities in border management, information-sharing and sharing of resources, etc.

165. Member States should establish an efficient information management system in the trade facilitation process to ensure experience-sharing among member countries and the secretariats of the two regional economic communities. Member States should embrace the use of technology for facilitating domestic and international trade as well as integrating markets in order to reduce the cost of doing business and contribute to the integration of markets. Integrated border management committees should be established or strengthened and empowered by developing the ICT infrastructure needs for border operations, incorporating these in regional ICT policies and providing resources for implementation and resource management systems. The indispensable role of statistics in comparing progress requires member States to harmonize statistics on trade and regional integration.

166. COMESA and SADC should focus more on domestic resource mobilization through the operationalization of their Development Fund. There is also a need to create a Project Preparation and Development Unit within SADC, and strengthen the Unit in COMESA, and to prepare the business plan for programme implementation with identified deliverables, responsibilities, budgets and time frames. There is also a need to develop a well-organized private-public partnership to participate in conceptualizing, designing and adopting integration programmes and providing human and financial resources for regional projects, thus generating wealth to stimulate growth and finance regional projects. The partnership can be strengthened or supported by facilitating the formalization of cross-border trade, enhancing the role of the private sector and regional business organizations in regional integration and in particular in trade development, and developing a system of accreditation of enterprises (transport companies and clearing agents) by national authorities within the region in order to facilitate cross-border trade.

167. For regional integration efforts to succeed, all stakeholders need to have access to information and share best practices. Accordingly, the application of ECA’s knowledge management programme has relevance to all, including the private sector, civil-society organizations and research institutions, as it facilitates linkages for information-sharing. Considering the multisectoral nature of regional integration, and therefore the need to involve all ministries in the implementation of the regional

integration programme, the value of knowledge management in linking various government departments and agencies should be explored by member States. This will encourage a harmonized policymaking process that takes into account all the concerns of all government stakeholders, thus ensuring a coherent and sustainable approach to regional integration.

2009

168. The Subregional Office will organize the fifteenth meeting of the Committee from 23 to 25 June 2009 in Lusaka, Zambia, around the theme “Enhancing domestic resource mobilization: challenges and opportunities for Southern Africa”.

169. The fifteenth meeting will bring together experts from government ministries, departments and institutions, the private sector, civil society organizations and development partners and will thus offer an opportunity to examine the challenges that Southern Africa faces in mobilizing financial resources for its development, and particularly to meet the MDGs. It will emphasize the need to approach external resource mobilization, mainly in the form of foreign direct investment and official development assistance, in a complementary form rather than as supplanting domestic resource mobilization. The Committee will make a strong case for an enhanced domestic resource mobilization effort that embraces private savings and investment, mobilizing and utilizing domestic resources through the public sector the effective use of natural resources and improving exports on the international market and containing capital outflows and improving remittances as a mutually reinforcing approach to addressing the challenges and opportunities related to enhancing domestic resource mobilization for regional development. As a starting point, the region must develop the political courage to implement a regional protocol on liberalizing the movement of people to enable the most efficient use of human resources, and to usher in policies that encourage intercountry investment and capital flows. Protocols on the sustainable management of shared resources, most notably shared water, fisheries and forestry resources, should be implemented forthwith to enable the management and harvesting of these resources to benefit all citizens as the owners of public resources. The success of these reforms would emphasize the important role of the private sector (formal and informal) as an engine of economic growth, and a supportive environment is needed to encourage labour absorption while generating tax resources for attainment of the MDGs.

CHAPTER IV

FORTY-SECOND SESSION OF THE COMMISSION

A. Attendance

170. The second Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development was held in Cairo, Egypt from 2 to 7 June 2009. The Conference was formally opened by His Excellency Mr. Sufian Ahmed, Chairperson of the outgoing Bureau of the Conference and Honourable Minister of Finance of the Federal Democratic Republic of Ethiopia. Opening remarks were made by His Excellency Mr. Abdoulie Janneh, United Nations Under-Secretary General and Executive Secretary of the Economic Commission for Africa (ECA) and His Excellency Dr. Jean Ping, Chairperson of the African Union Commission. Statement was also made by His Excellency Dr. Youssef Butrous-Ghali, Minister of Finance of the Arab Republic of Egypt.

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

172. The following regional economic communities were also represented: Arab Maghreb Union (AMU), Economic Community of the Great Lakes Countries (CEPGL), Common Market for Eastern and Southern Africa (COMESA), Economic Community of Central African States (ECCAS), Economic Community of West African States (ECOWAS), and the Southern African Development Community (SADC).

173. The following United Nations bodies and specialized agencies were also represented: African Development Bank (ADB), Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), International Monetary Fund (IMF), Office of the High Representative for Least Developed, Land Locked and Small Island Developing State (OHRLLS), Office of the Special Advisor on Africa (OSAA), Joint United Nations Programme on HIV/AIDS (UNAIDS), Regional Commissions New York Office (RCNYO), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF), United Nations Industrial Development Organization (UNIDO), United Nations Office at Geneva (UNOG), United Nations Office of the High Commissioner for Human Rights (UNOHCHR), the World Bank, and World Food Programme (WFP).

174. Observers from the following Member States of the United Nations were present: Canada, Denmark, Finland, France, Japan, Germany, India, and Indonesia.

175. Observers were present from the following organizations: Arab African Business, Action Aid International (AAI), African Centre for Applied Research and Training in Social Development (ACARTSOD), African Centre for Meteorological Applications to Development (ACMAD), African

Partnership Forum (APF), African Monitor, Arab African Business (AAB), Bank of Central African States (BEAC), European Union (EU), Japan International Cooperation Agency (JICA), League of Arab States (LAS), NEPAD Secretariat, Organization for Economic Cooperation and Development (OECD), and the United States Mission to the African Union.

B. Adoption of the agenda and election of the Bureau

176. The Conference adopted the following agenda:

1. Opening of the Conference
2. Election of the Bureau
3. Adoption of the draft agenda and programme of work
4. Ministerial policy debate on the theme: *Enhancing the effectiveness of fiscal policy for domestic resources mobilization*
 - Implications of the global financial and economic crisis for Africa's long-term development
 - Fiscal policy and domestic resources mobilization: Africa's policy options
5. Launching of the Economic Report on Africa, 2009 (Brief remarks followed by a press conference by the Chairperson of AUC and the Executive Secretary of ECA on ERA 2009 and other topical issues)
6. Consideration of the report and major recommendations of the meeting of the Committee of Experts of the Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of Ministers of Finance, Planning and Economic Development
7. Any other business
8. Consideration and adoption of the draft Ministerial Statement and draft resolutions
9. Closing of the Conference

Election of the Bureau

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

Chairperson:	Arab Republic of Egypt
First Vice-Chairperson:	Chad
Second Vice-Chairperson:	Zimbabwe
Third Vice-Chairperson:	Benin
Rapporteur:	Kenya

C. Account of proceedings

Opening of the Conference

178. In his opening remarks, the Chairperson of the outgoing Bureau of the Conference and Honourable Minister of Finance of the Federal Democratic Republic of Ethiopia, Mr. Sufian Ahmed, thanked the Conference for the trust placed in him during his tenure and commended his colleagues on the Bureau for their cooperation. He also thanked the Government and people of the Arab Republic of Egypt for hosting the Conference, and the warm welcome extended to all delegations attending the Conference. Noting that the Conference was taking place during the most severe global financial and economic crisis in a generation, Mr. Sufian said the impact of the crisis on Africa would be severe, as it turns into a human and development crisis. The priority for African countries was therefore to contain the adverse impact of the crisis on growth and poverty, while preserving the hard won gains of recent years, including macroeconomic stability.

179. The honourable Minister noted that the theme of the Conference was particularly timely and relevant as most African countries were experiencing a drop in available finances from sources like remittances, export and commodity demand, aid and capital flows. The Conference would, therefore, provide an opportunity to examine alternative sources of development finance, including improving macro-economic policies, strengthening tax systems, and improving public expenditure management. The outcomes of the Conference would contribute to the upcoming high level meeting of the General Assembly on the global financial and economic crisis and the next G-20 Summit.

180. Mr. Sufian indicated that a substantial part of the development financing gap in African countries should ideally be closed through an increase in domestic savings. However, this was not possible in many countries due to a low income base and an underdeveloped financial sector, which made it difficult to effectively mobilize domestic savings. In this regard, the Minister noted that ODA would continue to remain important in the mix of options for financing development in Africa, and called for promises already made to significantly increase aid flows to Africa to be urgently met. He further noted that the international financial institutions had a crucial role to play in providing more, better and faster financing to help protect investments in health and education, and in stimulating African economies and creating jobs through infrastructure and trade finance.

181. In his opening remarks, Mr. Abdou Jannet, United Nations Under-Secretary-General and Executive Secretary of ECA, welcomed all participants to the Conference and thanked the Government and people of the Arab Republic of Egypt for their generosity in hosting the Conference. He also commended the Chairperson of the outgoing Bureau, and Minister of Finance of the Federal Democratic Republic of Ethiopia, Mr. Sufian Ahmed for the credible leadership he provided during his tenure.

182. Mr. Jannet noted that although the global financial and economic crisis was not of Africa's making, its impacts were being felt across the continent. The remarkable gains achieved over the past decade were now under threat and there was a real risk that millions will be thrown back into poverty (in addition to the over 100 million additional people impoverished globally by the food and fuel crisis last year) and political stability could even be endangered in some countries.

183. Mr. Jannet highlighted four key areas where concerted action was needed on the basis of shared responsibility by Africa and its development partners to mitigate the adverse impact of the crisis and ensure that Africa contributed to global recovery efforts and sustainable development. First, there was a need for immediate measures to preserve Africa's recent gains in economic and social

development, including social measures to protect the poor and vulnerable. Second, domestic policy options for responding to the crisis should be explored, including the use of fiscal space to support growth and other long-term objectives such as economic diversification and competitiveness. Third, the need to translate commitments, including those made at the recent London Summit of the G-20, into concerted action and additional resources, including going beyond existing commitments to help Africa meet its increased financing needs. Fourth, the Executive Secretary also stressed the need to accelerate reforms of the international financial architecture, including the governance of international financial institutions to amplify Africa's voice and representation in these processes.

184. He concluded that the Ministerial Statement to be adopted at the end of the meeting would convey Africa's views, concerns and perspectives to the forthcoming G8 meeting in Italy as well as to the next G20 Summit.

185. In his opening remarks, Dr. Jean Ping, Chairperson of the African Union Commission, welcomed participants to the meeting and thanked the people and Government of the Arab Republic of Egypt for their warm hospitality and generosity in hosting the Conference. Dr. Ping noted that the theme of the Conference provided another important opportunity for African countries to contribute to ongoing efforts and initiatives to find solutions to the crisis. He highlighted other initiatives taken earlier by the continent to respond to the crisis, including the Conference of Ministers of Finance and Central Bank Governors, jointly organized by the AU Commission, ECA and the African Development Bank in Tunis in November 2008; the creation of the Committee of Ten (C10), and Africa's participation in the London G20 summit. These meetings have underscored the need for Africa to adopt a common position and speak with one voice in responding to the crisis.

186. The Chairperson of the AU Commission noted with concern that Africa had gone through three crises within the last 18 months - an energy crisis, a food crisis and a financial crisis, which had hampered ongoing efforts to intensify and diversify agricultural production, improve food security, and maintain macroeconomic stability.

187. Dr. Ping said that the current global and financial crisis demonstrated the failure of the *Washington Consensus* and that of market fundamentalism. He noted that the use of fiscal policy as a tool to counter the effects of the crisis on Africa was consistent with the dominant approach and strategy of the developed countries in introducing stimulus measures to support growth and deal with the crisis. He further noted that Africa would require additional assistance from her development partners to weather the crisis and keep the MDGs within sight. In this regard, he called on the developed countries to meet their commitments in terms of aid and debt relief and ameliorate conditions to access official development assistance.

188. In his opening statement, the Honourable Minister of Finance of the Arab Republic of Egypt, Dr. Youssef Boutros-Ghali, welcomed all the participants to the Conference on behalf of his government. The Minister noted that the increased attention being given to Africa by the international community in recent years was a good development, which the continent should capitalize on. He further noted that the consistent high growth rates of over 5 percent in recent years was an opportunity for the continent to establish itself as a major actor in the world. The Minister, however, noted with concern that the current global financial and economic crisis was already having a severe impact on growth and poverty reduction in Africa due to shrinking revenues, dwindling reserves and reduced access to financing.

189. The Minister expressed his firm belief that through sound fiscal and economic policies, the continent would withstand the impact of the financial and economic crisis. Despite the painful effects

of the economic slowdown, the Minister indicated that the crisis provided a remarkable opportunity for African countries to fast track growth and come out stronger from the difficult situation.

190. The Minister noted that overcoming the impact of the crisis would require clear vision and collective action, which were the ultimate objectives of the Conference. He called for significant additional concessional financing for African countries. In this regard, the Minister welcomed the recent decision of the IMF to double its concessional lending capacity to African countries and revising its lending instruments to make them more flexible and responsive to the financing needs of African countries. The Minister underlined the need for African countries to continue to give priority to strengthening social safety nets and maintaining infrastructure spending, even at the cost of higher budget deficits and increased domestic debt burden.

191. The introductory remarks by the Minister set the scene for Conference proceedings.

Ministerial policy debate on the theme: *Enhancing the effectiveness of fiscal policy for domestic resources mobilization* (Agenda Item 4)

192. Under this agenda item, two high-level panel discussions were organized to address key issues related to the theme of the Conference. The first panel examined the implications of the global financial and economic crisis for Africa's long-term development; and a second panel addressed the theme, *Fiscal policy and domestic resource mobilization: Africa's policy options*. The discussion on the theme of the Conference was placed in the context of the current global financial and economic crisis in order to reach consensus on Africa's collective response to the crisis. The panel discussions were moderated by His Excellency, Dr. Youssef Boutros-Ghali, Minister of Finance, Arab Republic of Egypt.

193. In his brief introductory statement, His Excellency, Dr. Youssef Boutros-Ghali, Minister of Finance, Arab Republic of Egypt said that the world financial and economic crisis provided an opportunity for African countries to reconsider their growth strategies and adopt appropriate macroeconomic and fiscal policy frameworks to enhance domestic resource mobilization for productive investment and financing development. This would also improve the resilience of African countries against future shocks. The right mix of national, regional and global responses would be needed to combat the crisis as well as prevent and control the impacts of crisis in the future.

194. Concerned that Africa may not benefit from the additional resources pledged at the London Summit of the G-20 because of the non-concessional nature of those resources, the Minister called for substantial increases in compensatory financing, official development and ODA to African countries to enhance their scope for countercyclical responses and allow them to avoid having to cut necessary public expenditures in these difficult times. The additional resources could still be channelled through existing mechanisms and institutions such as the IMF and AfDB, with adequate oversight to ensure that the allocation of these resources would not be subject to pro-cyclical policy conditionality.

195. In addition, urgent coordinated action by African countries would be required to overcome the impact of the current financial and economic crisis. In particular, African countries should remain engaged and contribute to ongoing efforts to restructure the global financial architecture to ensure a more equitable and stable global financial system. In this regard, the Minister informed the Conference that South Africa and Egypt had been tasked with making recommendations on behalf of Africa on the reform of the governance structure of the IMF, following the April-2009 G20 Summit.

196. The Minister's introductory remarks set the scene for the two issue-specific panel sessions that followed.

Session 1: Panel discussion on the implications of the global financial and economic crisis for Africa's long term development

197. This panel discussion addressed various dimensions of the impact of the global financial and economic crisis on Africa's long-term development, including recommendations on what Africa and its development partners could do to mitigate the impact of the crisis. The discussions focused on the following themes: Africa and the global financial crisis: challenges and opportunities; the implications of the global financial and economic crisis for trade and investment in Africa: long-term perspectives; economic and social dimensions of the crisis, including the UN response; addressing the impact of the crisis on food security, agriculture and sustainable development; and additional compensatory measures and development financing for African countries: implications of the "Group of 20" April 2009 Declaration for Africa, including the role of the IMF and the African Development Bank.

198. The discussion on these topics was led by a high level panel composed of Mr. Maxwell Mkwezalamba, Commissioner for Economic Affairs, African Union Commission; Mr. Supachai Panitchpakdi, Secretary-General of UNCTAD; Mr. Jomo Kwame Sundaram, Assistant Secretary-General, UN Department of Economic and Social Affairs (UN-DESA); Mr. Kanayo Nwanze, President, International Fund for Agricultural Development (IFAD); and Dr. Leonce Ndikumana, Research Director, AfDB.

Africa and the global economic crisis: Challenges and opportunities

199. Dr. Maxwell Mkwezalamba, AU Commissioner for Economic Affairs, said that the financial crisis came at a time when Africa had been recording significant progress in economic growth as a result of the macroeconomic reforms undertaken in recent years by most African countries. However, these gains could be eroded by the impact of the current financial and economic crisis. The crisis was already affecting African countries through a reduction in trade flows, FDI, capital flows, ODA and remittances, including weakening of current account and fiscal positions. In addition, Africa's growth was projected to fall to around 2 percent in 2009, from an average of 5.5 percent in 2008, which is significantly lower than the 7 percent annual growth rate required for the attainment of the MDGs.

200. The Commissioner underscored the need for effective policy responses to comprehensively address the crisis, with particular emphasis on measures to maintain macroeconomic stability; cushion the effects of the crisis on the poor and vulnerable; speed up progress towards the MDGs and long term development; recapitalization of capital markets; and strengthening of financial sector regulation. Africa's responses to the crisis also needed to be coordinated to ensure that its concerns and needs were taken into account in current efforts to improve global economic governance mechanisms. In addition, African countries should take this opportunity to reinforce regional economic integration, enhance infrastructure development, economic diversification, including deepening financial sector reforms to increase domestic resource mobilization.

Implications of the global financial and economic crisis for trade and investment in Africa: Long-term perspectives

201. Mr. Supachai Panitchpakdi, Secretary-General of UNCTAD, highlighted some of the challenges faced by developing countries, including Africa in mitigating the impact of the global financial crisis. He explained that African countries, while being hit through the combined effects of

lower international trade, drastic cuts in foreign direct investment, and rapidly falling migrant remittances, were seldom in a position to undertake countercyclical fiscal policies due to a lack of fiscal space. Developed countries should, therefore, take into account the financing needs of low income and vulnerable countries in formulating their recovery strategies to allow them sufficient space for countercyclical policy measures and promote more equitable and stable growth in the world.

202. Despite the fact that developing countries required external support to meet the challenges posed by the impact of the crisis, their access to financial assistance, especially for investment and foreign trade, remained constrained by stringent conditionality. In this regard, it was important to spell out more clearly the conditions and modalities for African countries to access the additional resources pledged at the London Summit of the G-20. Meanwhile, international financial institutions such as the African Development Bank should be strengthened and recapitalized to enable it have adequate resources to mitigate the impact of the global financial and economic crisis on African economies. Further, Mr. Panitchpakdi reiterated the call by Dr. Boutros-Ghali that the allocation of new SDRs by the IMF should be based on the financing needs of member States rather than the size of their economies or quotas. He called on African countries to ensure their full participation in ongoing efforts to improve global economic governance and at the same time double their efforts to mobilize domestic resources.

Economic and social dimensions of the crisis, including the UN response

203. Mr. Jomo Kwame Sundaram, Assistant Secretary-General of the UN Department of Economic and Social Affairs highlighted the economic and social dimensions of the crisis. He said that the United Nations system had warned of the crisis long before it occurred. Unsustainable global imbalances and growth patterns as well as an international financial architecture characterized by inadequate and inappropriate regulation were the main causes of the crisis and most developing countries were merely innocent victims. The crisis had led to a significant reversal in capital flows and the prospects for improvement were uncertain. The recession had spread from developed countries to transition and developing countries and expected GDP growth rates in Africa in 2009 would fall below the population growth rate. Africa was also facing a fall in metal and mineral prices and a contraction in export earnings in 2009, in addition to shrinking aid flows and a reversal in FDI inflows.

204. On the social dimensions of the crisis, the Assistant Secretary-General highlighted, in particular the impact on employment and poverty. He cited recent ILO estimates that the number of working poor had increased to over 200 million and the number of unemployed people would likely increase by 51 million worldwide. Similarly, there was a risk of reduction in social spending by many Governments with serious implications for meeting the MDGs. This could also lead to social tensions and political instability in many countries.

205. The international response to the crisis had so far focused more on financial stabilization and little attention had been given to addressing the development needs of poor countries. He stressed the need for greater international cooperation in efforts to reform the international financial system and the assured the Conference of the support of the United Nations system in the reform process.

Addressing the impact of the crisis on food security, agriculture and sustainable development

206. Regarding the impact of the financial crisis on food security, agriculture and sustainable development in Africa, Mr. Kanayo Nwanze, President of the International Fund for Agricultural Development (IFAD) observed that the financial crisis had compounded the impact of the food and

energy crisis of last year, which could, in turn, put the achievement of the MDGs at risk. Investment in agriculture and food production had declined as a result of the global recession. The challenge for African countries, therefore, was to increase investment in agriculture to at least 10 per cent of public expenditure as agreed by African Heads of State and Government in the 2003 Maputo Declaration in the face of the financial crisis. Attention should also be given to promoting smallholder agriculture as a means of resolving the food crisis and achieving sustainable development in Africa. In addition, priority should be given to promoting public-private sector partnerships in large-scale commercial agriculture, including investment in infrastructure especially roads and technology.

Additional compensatory measures and development financing for African countries: Implications of the “Group of 20” Declaration for Africa, including the role of the IMF and AfDB

207. Mr. Leonce Ndikumana, Research Director at the African Development Bank, said that Africa’s development challenges during this period of the global financial and economic crisis was fundamentally the same as before the crisis. He stressed the need to preserve the foundations of growth on the continent by strengthening endogenous growth drivers, promoting domestic investment, particularly in infrastructure, strengthening the banking sector and building new partnerships.

208. Regarding the global and regional responses to the crisis, including the recent commitments by the G20, and the expanded financing facilities of the IMF and other multilateral development banks, Ndikumana observed that Africa may not meet the required conditions to benefit from the additional resources pledged as the bulk of it would be in the form of short-term loans. In order for Africa to benefit and take advantage of the additional resources pledged by the G-20, there was a need for a review of the debt sustainability framework, alignment of external financing with national development needs and increased voice and representation for Africa in international processes. This should be complemented by measures to significantly enhance domestic resource mobilization, including continued support to broader regional integration agenda and intra-African trade.

Discussions and recommendations

209. The general discussions that followed picked up on many of the issues and recommendations highlighted in the panel discussion, including in particular, the adverse impact of the crisis on Africa’s long-term development and the need for policy measures to respond to its immediate and long-term impacts. The discussions noted that the continent was particularly hard hit by the crisis because it was not prepared for it, coming so soon after the food and fuel crisis of last year.

210. The Conference noted with concern that the financial and economic crisis was quickly becoming a development and human crisis in Africa, and urgent actions were needed to address these. The crisis was already putting at risk earlier hard-won gains and progress against poverty in Africa. The achievement of the MDGs was at risk. Employment had declined sharply in many countries. Social frustrations, tensions and political instability were on the rise. The challenge for all African countries, therefore, should be to respond to the immediate impact of the crisis, while maintaining the focus on long-term development, including macroeconomic stability, sustaining growth, poverty reduction, economic diversification, food security, education, agriculture, health, infrastructure development, regional integration and climate change.

211. While recognizing that the right mix of national, regional and global responses would be needed to confront the current crisis and prevent future ones, the discussions focused on the responses needed by African countries to mitigate the crisis and support growth and sustainable development. While the appropriate policy response depended on country-specific circumstances, the Conference

emphasized the need to give priority in all African countries to strengthening social safety nets to minimize the adverse consequences of the downturn for the poor. This was best accomplished by utilizing all available fiscal space, including the use of deficit financing to support countercyclical fiscal policies when necessary.

212. While a few African countries with sufficient foreign reserves to cushion the impact of the crisis had scope for discretionary fiscal stimulus to support growth, the majority of African countries continued to face binding financing constraints with limited or no fiscal space. For such countries, significant additional concessional financing would be needed to weather the crisis and keep the MDGs within sight. It was noted that additional ODA in the medium term would be critical in allowing a policy stance that is more supportive to growth. In this regard, the Conference reiterated the call for Africa's development partners to honour their commitments to significantly increase aid flows to the continent, including those made at the recent London Summit of the G-20.

213. A recurrent theme of the discussions was the need for international decision-making to become more representative and inclusive in order to deliver a sustainable global recovery. In this connection, the Conference emphasized the urgent need to accelerate ongoing efforts to reform the global financial architecture to ensure enhanced voice and participation of African countries in the governance of international financial institutions, including the World Bank and IMF. Many participants called on South Africa and Egypt, as members of the G-20 to continue to advocate for Africa's common position on the reform of the global financial architecture. In addition, participants also called on the UN to take a stronger leadership role on the matter, building on its convening power and inclusive membership.

214. On the issue of trade, the Conference called on all countries to play their part in rejecting protectionism by ensuring that their borders remained open to trade and financial flows. Ministers urged a collective commitment to trade liberalization as an integral component of facilitating private sector-led growth and a key building block for financing development. The Ministers also called for a speedy completion of the Doha multilateral trade negotiations and a strengthening of the *Aid for Trade*, which remained critical for generating the additional, predictable, sustainable and effective financing that African countries need to build their supply side response capacity in the current crisis. The Conference also underscored the need for African countries to deepen regional integration and enhance intra-African trade as well as South-South cooperation and to have a coordinated position in trade and Economic Partnership Agreements' (EPAs) negotiations.

215. The Conference acknowledged that both external financing and domestic resources were needed for long term sustainable development in Africa, and reiterated the need for enhancing domestic resource mobilization in view of the inadequacy of external finance. In this regard, the Conference urged African countries to exert stronger efforts to mobilize additional domestic resources and implement appropriate reforms that enhance their capacity to attract private, non-debt capital flows. The Conference welcomed the adoption of the statutes of the African Investment Bank as it reinforced the regional financial landscape.

Session II: Panel discussion on fiscal policy and domestic resource mobilization: Africa's policy options

216. The discussion under this panel featured a presentation by a representative of the secretariat on the role of fiscal policy in domestic resource mobilization. The presentation was followed by a panel discussion addressing four topical issues related the policy responses required by African countries to

confront the current global crisis: Effective fiscal policy for domestic resource mobilization; taxation, debt sustainability and domestic resource mobilization; the role of ODA in enhancing domestic resource mobilization: the case of Ethiopia; and good governance and domestic resource mobilization. The discussion was led by a panel composed of Mr. Zia Qureshi, Senior Advisor, The World Bank; Mr. Nhlanhla Nene, Deputy Minister of Finance, South Africa; Mr. Sufian Ahmed, Minister of Finance, Ethiopia; and Mr. Martin Khor, Executive Director, The South Centre.

Effective fiscal policy for domestic resource mobilization in the context of the financial crisis

217. The presentation by the secretariat noted that the impact of the unfolding crisis was already being felt in Africa even though it originated from outside the continent. Among the effects highlighted were wealth losses in stock markets; tightened credit markets and increased risk premium; declining exports and reduction in external capital flows, including ODA, FDI and remittances. The reduction in financing from external sources had led Africa to concentrate on efforts to enhance domestic resource mobilization. However, weak infrastructure and governance were obstacles to effective domestic resource mobilization, and the low rate of savings in Africa remained a major concern. The important role of fiscal policy in boosting domestic resources was particularly emphasized in the presentation.

218. The presentation highlighted some policy measures needed to increase domestic resource mobilization in Africa. These included strengthening domestic revenue collection capacity, financial and capital market reforms, measures to boost private savings and enhancing the role of ODA in domestic resource mobilization. The presentation also stressed the need for countercyclical fiscal policies to cushion the effects of the crisis, enhanced domestic resource mobilization to reduce vulnerability and dependence on external finance, and direct more ODA towards building capacity for domestic resource mobilization.

Fiscal policy formulation to address the long-term economic and social impact of the crisis

219. Mr. Zia Qureshi, Senior Advisor at the World Bank and lead author of the Global Monitoring Report 2009 discussed fiscal policy issues in the context of the economic and social impacts of the global financial crisis. Citing the Global Monitoring Report 2009, he noted that economic growth would slow down in 2009 and indicated that developing world growth was projected to fall to 1.6 percent and 1.7 percent in sub-Saharan Africa in 2009. Poor countries were hard hit by the financial crisis through multiple channels. He warned that African countries would not meet most of the MDGs and could experience a rise in the number of extreme poor in 2009 as a result of the slowdown.

220. The crisis required a global response, with coordinated actions in six key areas: an adequate fiscal response to support growth and protect the poor; maintenance of macroeconomic stability; improvement of the investment climate with special attention to strengthening financial systems; strengthening the role of the private sector in achieving the human development goals; scaling-up aid to low income countries; and renouncement of protectionist tendencies in the area of trade and investment. The presentation also highlighted the need for international financial institutions to have adequate resources to respond to the crisis and for developing countries in particular to establish social safety nets and support small and medium scale enterprises.

Taxation, debt sustainability and domestic resource mobilization

221. Mr. Nhlanhla Nene, Deputy Minister of Finance, South Africa discussed the role of taxation in strengthening domestic resource mobilization. He indicated that tax revenue would eventually replace

aid as the main source of financing for countries that were heavily dependent on ODA. Raising sufficient tax revenue allowed countries to own their policies and set their own development priorities. Some challenges need to be addressed in order to increase the role of taxation in domestic resource mobilization: setting the appropriate tax rate, identification of the tax base, improving the effectiveness of tax administrations in the areas of service delivery, more effective use of automated systems, improved cooperation between tax administrations to counter tax evasion and increasing audit and human resource management capacity. Another key challenge is to ensure that aid did not facilitate unintended consequences that could undermine tax structures and key institutions of recipient countries.

The role of ODA in enhancing domestic resource mobilization: The experience of Ethiopia

222. Mr. Sufian Ahmed, Minister of Finance and Economic Development of Ethiopia gave his country's experience in strengthening the role of ODA in domestic resource mobilization in Ethiopia. ODA was crucial in financing social infrastructure and other vital development programmes. However, there had been a decline in the past few years in ODA flows and only a few developed countries had honoured the pledge to commit 0.7 per cent of their Gross National Product (GNP) to ODA flows. Although donors were also under pressure from the crisis, aid commitments should still be honoured.

223. Noting that excessive inflow of aid had a negative effect on revenue generation, the Minister called on African countries to reduce their dependence on ODA over time and strengthen their capacity to mobilize domestic savings in order to increase gross capital formation and growth. Fiscal policy was a key instrument in this regard. However, following decades of inefficient fiscal policy management and debt accumulation followed by a period of fiscal restraint, there was need for a new paradigm in the use of fiscal policy to ensure that long-term consolidation of public finances did not prevent a more active pro-development use of fiscal policy instruments. If effectively designed and implemented fiscal policy could foster growth and stimulate domestic resource mobilization.

Good governance and domestic resource mobilization

224. Mr. Martin Khor, Executive Director of the South Centre outlined proposals on addressing the effect of the financial and economic crisis on developing countries. He indicated that the effect of the crisis on developing countries was more significant in terms of trade and finance. The trade effect manifested itself in falling commodity demand and prices and the finance effect involved a contraction in credit. As a result, social indicators worsened in a majority of developing countries. He underscored the need for appropriate national, regional and international policies to address the crisis.

225. Mr. Khor called for the reform of the international system in order to improve global financial stability, enhance access to adequate and stable financial resources, avoid debt crisis, and stimulate the market for goods and services. He also stressed the need to guard against new trade protectionism aspects of the recovery plans implemented in some developed countries. He suggested that existing Free Trade Agreements should be reviewed in order to allow them regulate capital flows when necessary. The reform of the IMF was crucial and should allow it to support counter cyclical policies and related efforts by developing countries to mitigate the impact of the crisis. A reformed global financial architecture should include the establishment of a multilateral fund to help developing countries deal with the threat of new debt crisis and address commodity market risks.

Discussions and recommendations

226. The discussion focused on many of issues addressed by the panellists, including the factors and policies required for enhancing domestic resource mobilization. In particular, the discussions focused on factors that explained the low level of savings in Africa, including the measures needed to address the problem. Low domestic savings rates in Africa were partly the result of lack of access to formal financial services in rural areas, a low tax base because of the large size of the informal economy. The discussion reaffirmed that structural transformation and economic diversification were necessary components of any strategy for breaking out of the vicious circle of low savings and enhancing domestic resource mobilization in Africa.

227. The discussion noted that the IMF had introduced general as well as specific data dissemination standards after the previous financial crisis in Asia, Russia and Mexico in an effort to avert future crisis. However, these standards had not been implemented and their implementation was critical for avoidance of future crisis. The discussion also reaffirmed the importance of regional integration and intra-Africa trade to boost international competitiveness and diversify the sources of growth as a means to reduce vulnerability to crisis.

228. The Conference underscored the importance of countercyclical fiscal policy, noting that it required sufficient fiscal space, which was lacking in many African countries. This was due to the narrow tax base and the fact that most of the tax revenue was used to pay wages and service external debt. The discussion emphasized that taxes should be used to promote investment and growth as a means to increase public revenue in the future.

229. The Conference noted that the world would recover from the current financial and economic crisis just as it did in the past. However, after the crisis, Africa would still be faced with the same challenges it faced before the crisis, including the dependence on commodity exports that increased vulnerability to external shocks. Whereas economic transformation in Africa required improved infrastructure and education systems, among other factors, there was a huge financing gap to meet those requirements. This reaffirmed the need for more aid to compliment Africa's internal revenue efforts in the short to medium term.

230. The following recommendations emerged from the discussion: importance of vision and leadership for Africa to address its chronic development challenges; ownership of Africa's development strategies; complementarity between external financing and domestic resource mobilization; and the use of fiscal policy to promote long-term economic growth and transformation. In particular, fiscal policy should be used to encourage informal businesses to register and encourage investment in rural areas.

231. The discussion also underscored the need for African Governments to adopt active countercyclical fiscal policies to achieve stability and long-term growth. In this regard, the Conference reaffirmed the need to improve the tax system and use fiscal policy to direct investments towards infrastructure and human capacity development. Meanwhile, ODA should be directed towards financing infrastructure and building capacity for domestic resource mobilization. Enhancing revenue generation also required strengthening of tax administrations, simplification of the tax system, widening the tax base and progressively integrating the "informal" sector into the mainstream of the national economy, improving natural resource management to build up reserves, and the use of appropriate computer software and technology.

232. The importance of good governance and economic management, including effective institutions were also underscored as key to effective resource mobilization. In this regard, the Conference called for enhanced commitment and measures to reduce corruption, stem capital flight and money laundering. This would also require support from the international community.

Launching of the Economic Report on Africa, 2009 (Brief remarks followed by a press conference by the Chairperson of AUC and the Executive Secretary of ECA on ERA 2009 and other topical issues) (Agenda Item 5)

233. Under this agenda item, a press event was organized to launch the 2009 edition of the Economic Report on Africa (ERA), jointly published by the AU Commission and ECA, on the theme, *Developing African Agriculture through Regional Value Chains*. Speaking at the launch of the report, United Nations Under-Secretary-General and Executive Secretary of the Economic Commission for Africa, Mr. Abdoulaye Jannet, said ERA 2009 serves two important functions. First, it tracks Africa's economic and social performance in the previous year within the global context. Secondly, the report makes policy recommendations and suggestions for the future management of African economies.

234. Mr. Jannet informed the Ministers that the theme of ERA2009 was on agriculture, and said that the focus on agriculture was necessary as it was an important sector in many African countries. He noted that the African Union already had important agricultural programmes such as the Comprehensive Africa Agriculture Development Programme (CAADP) as a framework for developing agriculture.

235. He said the theme of the report was also a response to a decision of the Conference of Ministers of Finance in 2007, when Ministers debated ways of accelerating growth rates to meet the Millennium Development Goals, and one of the recommendations was to revitalize agriculture. He commended the report to the Ministers and looked forward to discussing its recommendations with them.

236. The African Union Commissioner for Economic Affairs, Mr. Maxwell Mkwezalamba, commended the enhanced collaboration between ECA and AU, as evidenced by the joint preparation of the Economic Report on Africa. He said that both institutions were working hard to support the development agenda of Member States. He said the collaboration would create an enduring platform for analysis and forecasting on African economies. He further stated that African countries had given the AU Commission and ECA a mandate to help member States in the fight against poverty, and thanked member States for supporting the institutions in their work. He commended the staff of ECA and the AU Commission for their hard work and expressed sincere hope that the report would contribute to economic policy-making in member States.

237. The report noted that the current global financial and economic crisis would have a severe impact on growth in Africa in 2009, with an average GDP growth forecast at 2 percent compared to 5.1 percent in 2008. The crisis had already resulted in lower demand for Africa's exports and a sharp decline in commodity prices. At the same time, a projected decline in capital inflows to Africa, including aid, foreign direct investment and remittances would accentuate the impact of the global credit crunch. This would dramatically increase the number of people falling back into poverty and make the attainment of the MDGs more difficult for most countries. Most of the projections, contained in the report, were made on the assumption that oil prices would be around US \$50 per barrel. However, as oil prices were now closer to US \$70 per barrel, the situation could deteriorate further for some countries.

238. ERA 2009 examined the issue of agriculture development in Africa from a regional integration framework. The report noted with concern that Africa had become a net importer of agricultural products to meet its food needs, with an average annual import bill of US \$33 billion of agricultural products, compared to the US \$22 billion in agricultural exports. The report observed that agribusinesses offered an important opportunity to provide forward and backward linkages to agriculture by providing it with inputs such as fertilizers, high-yielding variety seeds and financial services; and forward linkages by processing outputs.

239. Africa's diverse agro-climatic conditions also offered a unique opportunity for producing different products in different countries, and then trading with each other. This would ensure that agriculture benefits from economies of scale to improve competitiveness. The report further stressed that modern agriculture was crucial to development and industrialisation, food security, sustained poverty reduction and integration of Africa in the global economy.

Consideration of the report and major recommendations of the meeting of the Committee of Experts of the Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of Ministers of Finance, Planning and Economic Development (Agenda Item 6)

240. Under this agenda item, the Chairperson of the meeting of the Committee of Experts presented the report of the Committee together with eight draft resolutions recommended for consideration and adoption by the Conference, as contained in document E/ECA/CM/42/2 - AU/CAMEF/EXP/Rpt (IV). The Chairperson indicated that the report contained the summary of the main discussions and major recommendations covering the issues on the agenda of the Committee's meeting, including the theme of the Conference. The Committee considered and made recommendations on the following issues on the agenda of its meeting: Overview of economic and social development in Africa; assessment of progress on regional integration in Africa; African Charter on Statistics; climate change and development; review of progress towards achieving the MDGs in Africa; progress report on UN system-wide support to the African Union and its NEPAD programme; 2009 report on Mutual Review of Development Effectiveness. The Committee also considered and made recommendations on a number of statutory issues related to the effective functioning of the AU Commission and the ECA.

241. With regard to theme of the Conference, the Chairperson of the Committee said that the Committee welcomed the theme in the light of the current global financial and economic crisis, which had adversely affected external resources for development. The Committee examined various sources of domestic resource mobilization, using a more holistic approach and reaching agreement on different options appropriate for today's global economic environment in order to mitigate the adverse effects of the crisis on development finance in Africa. The Committee underscored the need for policies and strategies for enhancing domestic and external financial resources mobilization through tax and non-tax instruments that are fair, equitable and create minimal disincentives for economic efficiency, and initiate tax reforms, including widening the tax base and progressively integrating the "informal" sector into the mainstream of the national economy.

242. The Chairperson also highlighted the Committee's observations on the statutes of the proposed African Investment Bank, which was extensively discussed by the Committee. In this regard, he said the Committee recommended the adoption of a resolution on the statutes and requested the AU Commission to undertake further work on the annexes with legal and finance experts of the member States before submission to the extraordinary session of the AU Conference of Ministers of Finance and Economy (CAMEF) scheduled for November 2009, for adoption.

243. The Chairperson of the Committee then invited the Conference to consider and adopt the report of the meeting of the Committee of Experts. The Conference proceeded to adopt the report with no observations or comments. The full report, as originally adopted by the Committee is attached to the present report as *Annex I*.

244. Following the adoption of the report of the Committee, the Conference separately considered the eight draft resolutions annexed to the report. The draft resolutions covered the following issues discussed by the Committee: (1) Enhancing domestic resource mobilization; (2) Implementation of the African Charter on Statistics; (3) Congress of African economists on sub-regional and regional integration; (4) Proposed Programme of Work and priorities for the Biennium 2010-2011; (5) Statutes of the proposed African Investment Bank; (6) Repositioning of the African Institute of Economic development and Planning (IDEP); (7) Global Financial and Economic Crisis; and (8) Millennium Development Goals.

245. The Committee adopted the eight draft resolutions in light of its own comments, observations and amendments. Five resolutions, as amended, are contained in Chapter V of this report.

Any other business (Agenda Item 7)

246. No issues were raised under this agenda item.

Consideration and adoption of the draft Ministerial Statement (Agenda Item 8)

247. Under this agenda item, the Conference considered the draft Ministerial Statement for adoption.

248. The draft ministerial Statement was introduced by the Rapporteur of the Bureau of the Second Joint Annual Meetings of the African Union Conference of Ministers of Economy and Finance and the Economic Commission for Africa Ministers of Finance, Planning and Economic Development. In his presentation, the rapporteur highlighted the main sections of the draft statement, which include an introductory part and nine sections, covering the following: Financial and economic crisis; Domestic resources mobilization; Regional Integration; Millennium Development Goals; Climate change; Charter on Statistics; International trade; African Investment Bank; and Least Developed Countries. The Ministerial Statement also contained a section on Vote of Thanks.

249. In considering the draft Ministerial Statement, the Ministers commended the Rapporteur and the secretariat for clarity and comprehensiveness of the Statement and considered it in details. Some delegates made general comments and observations on various sections of the draft Statement, and through full guidance of the Chairperson they highlighted specific issues requiring minor amendments in the draft. These included: mention of “attendant conditionalities” attached to the multilateral financial support in order to combat the current financial and economic crisis; request for another permanent seat for Africa in the G20; stemming of capital flight, in connection with domestic resource mobilization; and in addition to domestic resource mobilization, request for fulfilment of donor commitments. After explanation offered by the secretariat regarding pending finalization of the conditions and legal issues governing African Investment Bank, and in spirit of cooperation both delegates seeking further amendments to the draft Statement withdrew their observations and proposed amendments.

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

Closing of the Conference (Agenda Item 9)

251. In his closing remarks, the Executive Secretary of ECA, Mr. Abdoulie Janneh expressed his sincere gratitude and appreciation to all participants, particularly to Ministers for coming to the meeting and for their insightful contribution to the deliberations of the Conference, which clearly demonstrated their leadership and commitment to addressing Africa's development challenges. He said he was pleased to note that the Conference had become the only forum of its kind to gather African Ministers of Finance, Planning and Economic Development to share experiences on key issues and challenges and reach consensus on policies for addressing such challenges. He further noted that the discussion on the theme of Conference was both insightful and inspiring. He said it was important to ensure that the outcomes of the Conference fed into other important processes such as the next G-8 Summit in Italy and the High-level Meeting on the global financial and economic crisis, to be convened by the President of the General Assembly in late June 2009.

252. On the impact of the financial crisis on development in Africa, the Executive Secretary stated that the crisis was both a challenge and an opportunity for Africa. While the crisis could set back Africa's fight against poverty, it could also be an opportunity for innovation, self-reliance and practical solutions. He emphasized the need for African countries to continue to deepen efforts to achieve economic diversification and enhanced competitiveness for effective integration into the global economy. He thanked the Conference for their guidance and endorsement of the ECA work programme for the biennium 2010-2011 and the proposals to reposition the African Institute of Economic Planning and Development (IDEP), and assured the Conference that he would do his best to live up to the expectations of member States. Mr. Janneh concluded his remarks by paying special tribute to the Chairperson of the Conference, His Excellency, Dr. Youssef Boutros-Ghali for his able leadership and the efficient manner in which he chaired the meetings. He also thanked the people and Government of the Arab Republic of Egypt for graciously hosting the Conference. He thanked all the panellists and the secretariat for their hard work and contribution to the success of the Conference.

253. In his closing remarks, Dr. Maxwell Mkwezalamba, Commissioner for Economic Affairs of the African Union Commission commended the Ministers for their commitment and the actionable recommendations they made on the way forward in addressing Africa's development challenges, particularly in enhancing domestic resource mobilization. He noted that the outcomes of the Conference should provide a blueprint for action at the country, and assured the Ministers that AU Commission and ECA will continue to work closely with other partners to help member States in translating the outcomes into policy actions. He highlighted the issue of the African Investment Bank and emphasized the need for member States to support efforts to accelerate the establishment of the Bank in light of the current financial and economic crisis.

254. In his closing remarks, the Chairperson of the Conference and Minister of Finance of the Arab Republic of Egypt, Dr. Youssef Boutros-Ghali thanked the Conference for the honour and privilege given to him and his country to chair the Conference for the next twelve months. He said he would use the position to make Africa's voice heard in the world and ensure a more forceful presence for the continent on the world stage. Noting that Africa would have to overcome the current crisis on her own efforts, the Minister said the outcomes of the Conference should enhance the capacity of African countries to overcome the crisis. He emphasized the need for the continent to speak with one voice to enhance its collective position in the world despite the continent's diversity. He noted that Africa is a

rich continent with vast potentials and opportunities to attract the same amounts of capital and investments as China and other Asian countries with the right policy environment. He added that African countries needed to be in tune with each other's needs and interests. He indicated that he intended to use his position as Chairperson over the next 12 months to convene a series of meetings and consultations to carry forward the outcomes of the Conference and discuss key issues of interest to member States.

255. The Minister of Finance of the Republic of Cameroon, His Excellency Mr. Essimi Menye gave a vote of thanks on behalf of the Ministers attending the Conference. The Minister commended the secretariat for organizing a successful Conference. On behalf of all the Ministers and other participants, he expressed sincere gratitude to His Excellency, President Hosni Mubarak as well as the Government and people of the Arab Republic of Egypt for hosting the Conference and the hospitality shown to all delegations attending the Conference. He noted that theme was timely and commended the richness of the discussions. He reiterated the commitment of the Ministers to work closely with the Heads of State and Government in translating the outcomes of the Conference into action in their respective countries.

256. The Chairman then declared the meeting closed.

CHAPTER V

RESOLUTIONS AND OTHER DECISIONS ADOPTED BY THE COMMISSION AT ITS FORTY-SECOND SESSION

A. Resolutions

862 (XLII) Enhancing Domestic Resource Mobilization

The Conference of Ministers,

Recalling the outcome of the International Conference on Financing for Development held in Monterrey, Mexico, from 18 to 22 March 2002 and the Doha Declaration issued at the Follow-up International Conference on Financing for Development held in Doha, Qatar from 29 November to 2 December 2008,

Recognizing the importance of domestic resource mobilization in providing stable and predictable finance for sustained growth and poverty reduction in Africa,

Noting the critical and complementary roles of the public and private sectors in mobilizing domestic resources and translating them into productive investments for sustained growth and poverty reduction;

Concerned about the severe negative effects of the current financial and economic crisis on resource mobilization in Africa as well as the implications for growth and prospects for meeting the Millennium Development Goals by the 2015 target date;

Aware of the need to increase domestic resource mobilization to bridge the gap between domestic savings and investment requirements;

1. Reaffirms the importance of good governance at national and international levels in the successful mobilization of domestic resources and calls on African countries to deepen governance reforms, increase transparency in the use of public funds, and strengthen efforts to improve management of natural resources;
2. Calls upon African governments to enhance domestic revenue mobilization by broadening the tax base, improving tax administration, increasing accountability, addressing tax evasion, fraud and avoidance, as well as efficiency in the use of public resources;
3. Encourages African governments to provide more support for private sector development as a viable strategy to increase private investment, boost growth, and lay a solid foundation for effective domestic resource mobilization;
4. Appeals to donors to reinforce Africa's resource mobilization efforts by taking appropriate actions to stem capital flight, reduce the cost of sending remittances, provide technical assistance to strengthen public financial management systems, and direct more official development assistance towards building national capacities for domestic resource mobilization;
5. Requests African countries to be more selective in the use of tax incentives as well as exemptions for promoting foreign investment and adopt a gradual approach to multilateral trade liberalization

to ensure that trade reforms do not erode the fiscal base and jeopardize the achievement of national development goals;

6. Urges African governments to make more efforts to boost private savings through building and strengthening domestic financial systems, maintaining political and macroeconomic stability, and exploiting the potential of microfinance institutions for mobilization of savings in the informal sector;
7. Stresses the need for financial market development to increase liquidity through pooling of savings, reduce transaction costs, enhance financial intermediation, and promote growth and development;
8. Stresses the need for structural transformation of African economies through modernization of agriculture and value-chain development and facilitating industrial growth and manufacturing to promote sustained growth.
9. Calls upon African governments to enhance budget formulation and use as an effective instrument for economic policy management.

863 (XLII) Proposed Programme of Work and Priorities for the Biennium 2010-2011

The Conference of Ministers,

Recalling resolution 857 (XLI) of 2 April 2008 adopted by the Conference of African Ministers of Finance, Planning and Economic Development which endorsed the Proposed Strategic Framework/Biennial Programme Plan for the Period 2010-2011;

Noting with appreciation the continued efforts of the ECA to consolidate the gains resulting from its repositioning by scaling up its action towards achieving greater effectiveness and impact in programme delivery;

Expressing its appreciation to the secretariats of the United Nations Economic Commission for Africa, the African Union Commission and the African Development Bank for having strengthened their partnership and collaboration towards enhancing synergies to respond to Africa's development priorities and help Africa to meet its special needs and emerging global challenges, including those related to the global financial and economic crisis;

Having examined the proposed programme of work and priorities for the biennium 2010-2011 contained in document E/ECA/COE/28/15;

Endorses the proposed work programme and priorities for the biennium 2010-2011, as activities proposed for this programme are demand-driven and the United Nations Economic Commission for Africa will continue to build on its existing partnerships with the African Union Commission, the African Development Bank and the regional economic communities (RECs).

864 (XLII) Repositioning of the African Institute for Economic Development and Planning (IDEP)

The Conference of Ministers,

Recalling its resolution 851 (XL) of 2 April 2008 on IDEP, in which it mandated the Executive Secretary of ECA, in his capacity as Chairman of the Governing Council, to take all the necessary measures to reposition the Institute;

Recalling also its resolution 846 (XXXIX) of 15 May 2006 on the mandate and operations of IDEP;

Noting with appreciation the updated report presented on the repositioning of IDEP, which outlined the major steps taken and the measures proposed for revamping the programmes and diversifying the services provided by the Institute, as articulated by its newly recruited Director;

1. Congratulates the new Director of IDEP upon his appointment and extends its support and cooperation to him;
2. Endorses the broad vision and strategic orientation for the renewal of the Institute which the Director has presented;
3. Encourages the IDEP leadership to continue the consultative process for the speedy completion of the repositioning of the Institute, including innovative methods of financing and programming for the long term;
4. Appreciates the financial contributions received from some member States, and requests those who have not paid their contributions to do so.
5. Requests the Director of IDEP, in close collaboration with the Governing Council of the Institute, to report on the new strategic orientation and priorities, as well as the status of implementation of the IDEP repositioning exercise to the next session of the Conference.

865 (XLII) Global Financial and Economic Crisis

The Conference of Ministers

Recalling the communiqué on the financial crisis issued by African Ministers of Finance and Planning and Governors of Central Banks in Tunis, Tunisia, on 12 November 2008;

Recalling also the communiqué issued by the Committee of Ten African Ministers of Finance and Planning and Governors of Central Banks in Cape town, South Africa on 16 January 2009;

Recalling further AU Heads of State declaration Assembly/AUDecl.2XII on the international financial crisis issued at the Twelfth Ordinary Session of the Assembly of the African Union held in Addis Ababa, Ethiopia, from 1 to 3 February 2009;

Deeply concerned about the adverse effects of the global financial crisis on trade, private capital flows, remittances, Official Development Assistance flows and growth as well as the ability of African countries to meet the Millennium Development Goals by the 2015 target date;

Recognizing that the financial and economic turmoil is a global crisis and requires a coordinated response that takes into account differences in national capacity to adopt countercyclical policies and to tackle systemic flaws in the global financial system while promoting job creation, and providing social protection;

Taking note of the outcome of the G20 Summit held in London on 2 April 2009;

1. Welcomes the G20 invitation of Africa to the London Summit and requests for continued African representation in future meetings of the group as well as adequate voice and representation of the region in all global economic forums on reform of the international financial architecture and in development finance institutions, such as the World Bank and the International Monetary Fund, that make decisions affecting the lives of its people;
2. Welcomes also the proposal of the President of the General Assembly to organize a high level meeting on the global financial and economic crisis from 26 to 27 June 2009, and requests African countries to participate at the appropriate level.
3. Urges advanced countries to intensify efforts to boost global demand, restore stability in financial markets, strengthen financial system regulation, and unlock credit markets to increase prospects for global recovery as well as ensure that the financial crisis does not erode the tremendous gains in economic and social performance made by several African countries in recent years;
4. Urges the AUC and ECA to explore debt standstill and debt restructuring arrangements in consultation with the World Bank, the IMF and developed countries.
5. Calls upon donors to fulfil their commitments to Africa on scaling up aid and improving aid effectiveness as reflected in the outcomes of the Monterrey Consensus, the G8 Africa Action Plan, the Gleneagles Summit, the Paris Declaration and the Accra Agenda for Action;
6. Encourages African countries to take appropriate action to cushion the impact of the crisis on vulnerable groups and prevent the financial crisis from becoming a humanitarian crisis in the region. In this regard, efforts should be made to support social protection programmes as well as increase investment in infrastructure, health and education, which are critical to success in diversifying the production and export structure in African economies;
7. Requests multilateral and regional development-finance institutions to increase the quantity as well as access to unconditional financing for Africa, support counter-cyclical domestic policies, and respond more flexibly to the needs of African countries to allow them to weather the global slowdown;
8. Urges African governments to deepen economic reforms and to refrain from imposing new restrictions on trade and investment in response to the crisis to avoid reversing the progress made in economic management and governance that have contributed significantly to the recent improvement in macroeconomic performance in the region;

9. Encourages African governments to remove all obstacles to intra-African trade, harmonize trade policies and regulations, and fast-track regional integration to reduce susceptibility to external shocks and lay a solid foundation for sustained economic growth.

866 (XLII) Millennium Development Goals

The Conference of Ministers;

Recalling African Union Summit decisions requesting the African Union Commission, in collaboration with the United Nations Economic Commission for Africa and the African Development Bank, to submit annual status reports and related statistics on Africa's progress towards attainment of the Millennium Development Goals (MDGs) to the Assembly of Heads of State;

Further recalling the resolution of the First Joint Meeting of the AU Conference of Ministers of Economy and Finance and the ECA Conference of African Ministers of Finance, Planning and Economic Development on the MDGs;

Recognizing the progress being made by the continent towards attaining the targets of the MDGs;

Recognizing also the important role that sub-national institutions can play in accelerating the targets of the MDGs;

Commending the efforts that the AU Commission, ECA and the AfDB are making to support the strengthening of African national statistics systems to collect and disseminate MDG relevant data;

Recognizing also the possible adverse impact of the global financial crisis and economic downturn on the effort of African countries to achieve the MDGs;

Taking note of the need to:

- i. Continue to maintain policies that are consistent, both in the short and long run, with macro-economic stability and growth;
 - ii. Adopt social safety net and social protection programmes that would scale up progress towards attainment of the MDGs;
 - iii. Continue to strengthen national statistical systems and to continue to avail, on a timely basis, national data to the AUC Statistics Unit, ECA African Centre for Statistics and the AfDB Statistics Department;
 - iv. Cascade MDG-based development plans and poverty-reduction strategies to sub-national jurisdictions and other lower tiers of government;
1. Requests - ECA and AUC to promote peer learning and experience sharing on the MDGs, including through the African Poverty Reduction Strategies and MDGs Learning Group (PRS/MDGs-LG);
 2. Mandates – AUC, ECA and AfDB to help Africa to prepare for the 2010 United Nations System wide mid-term review of progress towards the MDGs and request the three institutions to undertake regional consultative meetings to review progress towards the MDGs and urge our countries to support this exercise.

3. Calls upon development partners to fulfil their ODA commitments as reaffirmed during the G20 Summit held in London, to ensure the attainment of the MDGs.

B. Ministerial Statement

1. We, the African Ministers of Finance, Planning and Economic Development, met in Cairo, Egypt, on 6 and 7 June 2009 for the Second Joint Annual Meeting of the African Union Conference of Ministers of Economy and Finance and the United Nations Economic Commission for Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development.
2. We recall that, at the First Joint Annual Meeting in Addis Ababa in March 2008, we reiterated our commitment to make employment creation a central feature of our economic and social policies, take measures to mitigate the effects of volatile food and energy prices, deepen governance reforms, provide legal empowerment for the poor, enhance resource mobilization, scale up efforts to promote regional integration, deal with the challenges presented by climate change and strengthen efforts to meet the Millennium Development Goals (MDGs).
3. We recognize that the global financial and economic crisis has changed the international environment in which we design and implement policies. The drying up of key sources of development finance has exposed our vulnerability to external finance and rekindled interest in scaling up efforts to enhance domestic resource mobilization as a sustainable mechanism for financing development in the long run. In this regard, the theme of this year's Conference, "Enhancing the effectiveness of fiscal policy in domestic resource mobilization," is quite appropriate.

Financial and economic crisis

4. We recognize that although the financial crisis was triggered by events in the advanced countries, its effects are already being felt in Africa. Recent projections indicate that in 2009 the crisis will reduce growth in the region by two to four percentage points, with dire consequences for our ability to reduce poverty and meet the MDGs by the 2015 target date. Consequently, bold and swift actions are needed to cushion the impact of the crisis on our economies and protect vulnerable groups.
5. We recall the outcome of the meeting of African Ministers of Finance and Planning and Governors of Central Banks held on 12 November 2008 in Tunis, Tunisia. We recall further the communiqué issued by the Committee of 10 Ministers of Finance and Planning and Governors of Central Banks at their meeting on 16 January 2009 in Cape Town, South Africa. We reaffirm the commitments we made in Tunis to deepen economic reforms, strengthen regulation of financial institutions, harmonize fiscal and monetary policies, improve governance and accountability, diversify our export structure, make more judicious use of public revenue and improve debt management.
6. We acknowledge that several countries in the region lack the ability and flexibility to conduct countercyclical policies needed to mitigate the impact of the crisis on their economies. We urge regional and multilateral development finance institutions to increase their financial support to African countries while alleviating attendant conditionalities to enable them to finance economic and social programmes and ensure that the financial crisis does not become a humanitarian disaster. We also urge donors to meet their existing commitments to the region.
7. We are convinced that a global crisis requires a global and coordinated response that reflects differences in national abilities and ensures proper representation of all countries. In this regard, efforts should be made to increase Africa's voice and participation in international financial

institutions as well as other forums on reform of the global financial architecture. We welcome the decision by the United Nations General Assembly to organize a global conference on the financial crisis and urge African countries to participate actively.

8. We welcome the fact that the G-20 invited Africa to the London Summit, and urge the allocation of another permanent seat in the G-20 to the region to ensure that its interests and concerns vis-à-vis global economic issues and institutions are heard and taken into account. We take note of the outcome of the G-20 London Summit, and request that efforts should be made by the G-20 and the G-8 to ensure that a significant percentage of the resources pledged is allocated to the African region. Furthermore, there is a need for a temporary moratorium on debt payments by our countries to free resources for development.

Domestic resource mobilization

9. We acknowledge the existence of a wide gap between domestic savings and investment requirements in our region, as well as the need to close this financing gap in order to increase the prospects of meeting the MDGs. We recognize the crucial role of domestic resource mobilization in laying a solid foundation for sustained growth and development. We also recognize that external finance can complement domestic resources and help to create an environment conducive to the mobilization of resources for development. We further recognize the need to stem capital flight.

10. Success in mobilization of domestic resources requires public-sector interventions designed to boost growth, increase public revenue and encourage saving by the private sector. We recognize that sustained economic growth is a necessary condition for increasing domestic revenue mobilization. Growth will increase domestic revenue if it is accompanied by structural change, improved fiscal policies and better tax administration.

11. We encourage our governments to critically assess the benefits and costs of using tax incentives to promote foreign investment, and also urge them to adopt a more cautious approach to multilateral trade liberalization to ensure that it does not erode the fiscal base, thereby jeopardizing the achievement of key national development goals.

12. Good governance at the national and international levels is needed for success in domestic resource mobilization. We call on our governments to deepen governance reforms, protect property rights and enforce the rule of law. We also call on our development partners to take appropriate actions to reduce tax evasion and make it easier for migrants to transfer money by reducing the cost of remittance transactions.

13. We commit to strengthening the functioning of our domestic financial systems so that they can contribute more effectively to financial intermediation and cater for the long-term financing needs of investors. Efforts should also be made to exploit the potential of microfinance institutions in the mobilization of savings. In this regard, there is a need to link formal and informal financial institutions to improve their effectiveness and impact.

14. We note that in the majority of our countries, official development assistance (ODA) has played and will continue to play a major role in development financing in the short to medium term. However, more efforts are needed on the part of our governments to enhance domestic resource mobilization and reduce reliance on aid in the long run. It is well known that domestic finance is a more stable and sustainable source of development financing than ODA. On the other hand, it is critical that donors fulfil their commitments to Africa on scaling up aid and its effectiveness, as

reflected in the Monterrey Consensus, the G-8 Africa Action Plan, the Gleneagles Summit outcome and the Paris Declaration.

15. We are concerned at recent evidence indicating that a large percentage of ODA flows to Africa finances capital outflows in the form of debt payments, and call on our governments and development partners to find innovative ways in which ODA could be used more effectively to support national development priorities. In this regard, there is a need to direct more ODA towards building capacity for domestic resource mobilization in the region.

Regional integration

16. While acknowledging recent progress towards regional integration in our region, such as the decision of the heads of State and government of the Common Market for Eastern and Southern Africa, the Southern African Development Community and the East African Community to establish a free-trade area, we remain concerned that overall progress in regional integration and intra-Africa trade remains limited. We reaffirm our commitment to advance regional integration in the context of the Minimum Integration Programme adopted by the Fourth Conference of African Ministers of Integration. We also commit ourselves to addressing the challenges that the regional economic communities face in their efforts to advance regional integration and intra-African lack of trade, including the lack of macroeconomic policy convergence, inadequate policy commitments and implementation of protocols by member States. Furthermore, we commit ourselves to intensifying efforts to promote infrastructure and institutions that support regional integration, including efforts to establish a continental integration fund for financing the Minimum Integration Programme.

Millennium Development Goals

17. We commend the secretariat's report on progress in Africa towards the MDG targets. While applauding the efforts that our countries are making towards attaining these goals, we acknowledge that the current global economic and financial crisis could fetter efforts and erode progress already made. To sustain progress and attenuate the adverse impact of the current global economic and financial crisis, and to sustain efforts to achieve the MDGs, we will consider the feasibility of adopting social safety nets and other social protection measures, and in doing so maintain and continue to pursue policies that are consistent with macroeconomic stability and growth.

18. Recalling the recommendation of the 2005 United Nations World Summit and mid-term review of progress towards the MDGs that countries experiencing extreme poverty should adopt and begin to implement MDGs consistent with their national development plans, we commit to strengthening our planning systems and to diligently implementing our national development plans. In this context, we recognize the contribution that subnational jurisdictions can make in efforts to achieve the MDGs, and resolve to cascade and devolve MDG-based planning to these lower tiers of government.

19. Knowledge-sharing, peer learning and experience-sharing are critical for innovations in policymaking, but are underutilized. We therefore call on the African Union Commission (AUC) and ECA to promote knowledge-sharing and peer learning on the MDGs among our countries, including through the African Learning Group on Poverty Reduction Strategies and the Millennium Development Goals.

Climate change

20. Although Africa is not a major contributor to global warming, it is the region most likely to be significantly affected by climate change. We call on industrialized countries to provide financial and technical assistance to our countries to enable them to respond to the challenges presented by climate change.

21. We take note of the outcome of the Third African Ministerial Conference on Financing for Development, held in Kigali, Rwanda, on 21 and 22 May 2009, under the theme “Climate change: financing opportunities and challenges to achieve the MDGs in Africa”.

22. We request the AUC and ECA to strengthen the capacity of our countries in negotiating climate change agreements and accessing existing financial resources for mitigating and adapting to climate change.

African Charter on Statistics

23. Effective policy formulation and implementation, as well as tracking the performance of economies, require timely access to and the availability of statistical data. We are concerned at the poor state of statistical development in our countries and urge the AUC, ECA, the African Development Bank, the African Capacity Building Foundation, the regional economic communities and member States to establish a mechanism for monitoring the implementation of the African Charter on Statistics.

International trade

24. We view with concern the substantial drop in world trade and African exports resulting from the financial crisis. We take note of measures taken by the G20 to mobilize additional resources for trade financing. We call upon developed countries to avoid protectionism, which would exacerbate the adverse effects of the crisis on our economies. There is also a need to conclude the Doha Development Round with appropriate provisions to take into account Africa's interests and concerns. We call upon all stakeholders to show strong support for the implementation of the Aid for Trade initiative, and we look forward to the forthcoming global meeting to review this initiative.

African Investment Bank

25. We note with satisfaction that after the adoption of the Protocol on the establishment of the African Investment Bank by the African Union in February 2009, we have reached agreement today on the draft statute of the Bank, which is one of the three financial institutions stipulated in the African Union Constitutive Act. We recognize the need to fast-track the establishment of the Bank and urge member States to sign and ratify the Protocol as quickly as possible.

Least developed countries

26. We recognize that least developed countries face challenges that require special attention, and welcome the United Nations General Assembly's decision to convene the Fourth United Nations Conference on the Least Developed Countries in 2011. We call on ECA, in collaboration with the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, to organize an African regional review

meeting prior to the Fourth Conference, as called for by United Nations General Assembly resolution 63/227 of 19 December 2008.

Vote of thanks

27. We thank the Government of the Arab Republic of Egypt for hosting the meeting and for the excellent facilities put at our disposal. We also thank His Excellency Dr. Youssef Boutros-Ghali, Minister of Finance of the Arab Republic of Egypt, for gracing the occasion.

28. Finally, we are grateful to the AUC and ECA for successfully convening this meeting and for their excellent presentations and the support provided.

ANNEX I: Report of the Twenty-eighth Meeting of the Committee of Experts of the ECA Conference of African Ministers of Finance, Planning and Economic Development

Introduction

1. The twenty-eighth meeting of the Committee of Experts of the second Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development was held in Cairo, Egypt from 2 to 5 June 2009. Preliminary remarks were made by the following: Mr. Getachew Adem, Chairperson of the outgoing Bureau of the Committee of Experts of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development, and Mr. Abdoullie Janneh, United Nations Under-Secretary-General and Executive Secretary of the Economic Commission for Africa (ECA). The opening statement was made by Mr. Hany K. Dimian, Deputy Minister of Finance, Arab Republic of Egypt.

A. Attendance

2. The meeting was attended by representatives of the following member States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Libyan Arab Jamahiriya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Senegal, South Africa, Sudan, Swaziland, Togo, Tanzania, Zambia and Zimbabwe.

3. The following regional economic communities were also represented: Arab Maghreb Union (AMU), Economic Community of the Great Lakes Countries (CEPGL), Common Market for Eastern and Southern Africa (COMESA), Economic Community of Central African States (ECCAS), Economic Community of West African States (ECOWAS), and the Southern African Development Community (SADC).

4. The following United Nations bodies and specialized agencies were also represented: Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), Office of the High Representative for Least Developed, Land Locked and Small Island Developing State (OHRLLS), Joint United Nations Programme on HIV/AIDS (UNAIDS), Regional Commissions New York Office (RCNYO), United Nations Conference on Trade and Development (UNCTAD), United Nations Environment Programme (UNEP), United Nations Children's Fund (UNICEF), United Nations Industrial Development Organization (UNIDO), United Nations Office of the High Commissioner for Human Rights (UNOHCHR), and the World Bank.

5. One observer among the Member States of the United Nations was present: Germany.

6. Observers were present from the following organizations: Arab African Business, African Centre for Meteorological Applications to Development (ACMAD), African Partnership Forum Support Unit, African Monitor, Bank of Central African States (BEAC), League of Arab States (LAS), Organization for Economic Cooperation and Development (OECD), and the United States Mission to the African Union.

B. Adoption of the agenda and election of the Bureau

7. The Committee adopted the following agenda:

1. Opening of the meeting
2. Election of the Bureau
3. Adoption of the draft agenda and programme of work
4. Overview of recent economic and social developments in Africa
5. Assessment of progress on regional integration in Africa
6. Follow -up to major decisions of the 2008 Joint Annual Meetings
 - *African Charter on Statistics*
 - *Climate change and development – Assessment of the Copenhagen Conference*
 - *Review of progress towards achieving the MDGs in Africa*
 - *Report of the 9th Regional Consultation Mechanism of United Nations agencies working in Africa in support of the AU and its NEPAD programme*
 - *Presentation of the 2009 report on the Mutual Review of Development Effectiveness (MRDE)*
7. Presentation and discussion on the theme of the Conference: Enhancing the effectiveness of fiscal policy for domestic resources mobilization
8. Statutory issues
 - *Presentation and consideration of the ECA Annual Report, 2009*
 - *Report of the fourth Conference of African Ministers of Integration*
 - *Report of the meeting of legal and finance experts on the statutes of the proposed African Investment Bank*
 - *Implementation of the first Plan of Action of the Africa -EU Joint Strategy*
 - *Report of the recently launched Coalition for Dialogue on Africa (CODA)*
 - *ECA proposed work programme and priorities for the biennium 2010-2011*
 - *Consideration of the report of the first Congress of African Economists on Regional Integration*
 - *ECA report on the repositioning of the African Institute for Economic Development and Planning (IDEP)*
9. Any other business
10. Consideration and adoption of the draft report of the Committee of Experts and draft resolutions
11. Closing of the meeting

Election of the Bureau

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

Chairperson:	Arab Republic of Egypt
First Vice-Chairperson:	Chad
Second Vice-Chairperson:	Zimbabwe
Third Vice-Chairperson:	Benin
Rapporteur:	Kenya

C. Account of proceedings

Opening addresses

9. In his opening remarks, Mr. Getachew Adem, Chairperson of the outgoing Bureau of the Committee of Experts of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development, welcomed participants and thanked the Government of Egypt for its generous hospitality in hosting the Conference. He also thanked everyone for honouring his Government with two consecutive terms at the helm of the Committee. Mr. Getachew commended the Committee for the important role it had played in shaping the policy agenda on key development issues concerning the region.

10. Against the backdrop of the current financial and economic crisis (coming after the preceding year's fuel and food crisis) termed by most as the worst since the Great Depression, he found that the Conference theme of *"Enhancing the effectiveness of fiscal policy for domestic resources mobilization"* was ideal for examining how alternative sources of development finance and fiscal policies could be combined to strengthen national tax systems and improve public expenditure management. While continuing the efforts of market reform and good governance, African policymakers should also advocate the establishment of a better and more stable international financial architecture. He hoped that the Conference would make concrete recommendations in that regard. He also cited several accomplishments of the Committee during the past year and noted that the Government of Ethiopia would continue to support all future efforts of the Committee.

11. In his opening remarks, delivered on behalf of the AU Commission and the United Nations Economic Commission for Africa (ECA), Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of ECA, recalled the external shocks that had occurred since the last meeting, including the food and oil price crises of the previous year and the current economic and financial crisis. All those crises continued to have negative impacts on growth rates, export earnings, official development assistance, trade finance, foreign direct investment and other capital flows. He cited the impact of reduced development finance on the attainment of the Millennium Development Goals (MDGs) and highlighted some of the responses to the current global economic and financial crisis, including decisions taken at the meeting of finance ministers and central bank governors held in Tunis in November 2008.

12. Highlighting the significance of the theme of the meeting, the Executive Secretary stressed the need to explore policy options to make up for shortfalls in development finance. He indicated that fiscal policy could bring about structural transformation to ensure a stronger resource base. Hence, the identification of options and sharing of best practices were key challenges of the meeting. Other issues

of significance would be the importance of good governance, pursuit of the continent's regional integration agenda, strengthened human and institutional capacity, more trans-boundary cooperation, and the search for global solutions to global problems. In that regard, he called for effective and fair global arrangements that addressed the concerns of African countries. He commended the G20 meeting for addressing several of the issues raised by Africa in the preparatory process, including gold sales, review of the debt sustainability framework and provision of more capital for multilateral development banks. He also emphasized the need to assess progress in those areas thus far.

13. On the implementation of the ECA work programme for the biennium 2008-2009, the Executive Secretary reported that significant achievements had been recorded in such areas as the publication of knowledge products, consensus-building and technical advisory services. Notable examples of activities were the 2009 Economic Report on Africa, produced jointly with the African Union Commission, and the Mutual Review of Development Effectiveness, produced jointly with the Organization for Economic Cooperation and Development. He noted the launching in March 2009 of the Coalition for Dialogue on Africa (CODA), a joint venture of AUC, the African Development Bank (AfDB) and ECA, which was aimed at advancing Africa's development agenda through inclusive dialogue. He emphasized that the building of partnerships was a core element of ECA work and further stated that such collaboration, including with the AU Commission, AfDB and the RECs, had been strengthened during the past year and should continue in coming years.

14. Mr. Janneh reported that implementation of the ECA 2007-2009 business plan would be concluded at the end of the year and that work had already begun on the business plan for 2010-2012, whose orientation would be to deepen the strategic focus of the current plan. He indicated that the ECA proposed work programme and priorities for the biennium 2010-2012 would seek to consolidate work in areas of ICT, trade, gender, governance, finance, economic policy analysis, climate change and statistics. He noted that support to member States would also be enhanced. While Africa was facing challenging times, he remained optimistic that the continent had a strong base for better macroeconomic management and improved governance. He said the meeting created a unique opportunity to articulate ideas and policy options that would enable Africa to meet current and emerging challenges.

15. On behalf of the Minister of Finance, His Excellency Dr. Youssef Boutros-Ghali, the Deputy Minister of Finance of the Arab Republic of Egypt, Mr. Hany Kadry Dimian, welcomed participants to the meeting. He said of the meeting was important and that it provided a perfect opportunity for African countries to prepare for the General Assembly high-level event on the global financial and economic crisis and its impact on development, scheduled to take place at the end of June 2009. The meeting was also an opportunity for Africa to examine policy options for addressing the long-term social implications of the global financial and economic crisis, which included rising unemployment, hunger, poverty, and income inequality, besides expected deterioration in education and health indicators.

16. The Deputy Minister observed that many African countries found themselves constrained as a result of the crisis, with a contracting fiscal space for social policies. Governments were faced with tremendous challenges in protecting social expenditures and providing necessary social services, which were also critical to achieving the MDGs. Addressing the social impacts of the crisis was, therefore, an urgent imperative. To do so, Africa needed a strategic change in vision and a change in the way fiscal policy was formulated. Fiscal policy needed to be more macro-based and to pay greater attention to growth and sustainability. Those actions should be accompanied by greater efforts towards tax reforms to build more effective tax systems, strengthen institutional capacities, and increase investments in infrastructure development through public-private partnerships, with assistance from

ECA and the African Development Bank. The Deputy Minister concluded his remarks by calling on African countries to speak with one voice in order to ensure that their concerns were reflected in major international processes such as the G-20, and other decision centres. He also called for increased voice and representation for Africa in the various International Financial Institutions and country groupings.

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

17. Under this agenda item, the secretariat introduced a document entitled "*Overview of Economic and Social Conditions in Africa in 2008*" (E/ECA/COE/28/2, AU/CAMEF/EXP/2(IV)). The document highlighted the current global economic trends and their impact on Africa's economic growth. Africa's economic growth had declined from 6 per cent in 2007 to 5.1 per cent in 2008. In spite of that decline, Africa's growth had been underpinned by strong demand and high commodity prices in the first half of the year, sound macroeconomic management and reforms, low official external debt due to debt relief, high external capital inflows, strong performance in some sectors such as agriculture, and general decline in conflicts across the continent. In the context of the global financial crisis and economic recession, Africa faced a decline in trade, commodity prices and export and fiscal revenue, increased cost of borrowing, and falling aid and private capital flows. All that had reduced expected growth to 2 per cent for 2009 and slowed down efforts to alleviate poverty and achieve the MDGs.

18. Concerning trends in social development, poverty and unemployment rates remained high, while progress in education and health targets had been mixed and varied substantially across countries. The proportion of people living under the poverty line had almost doubled. While primary enrolment rates had been improving, school completion was still an area of concern. Furthermore, as a result of extensive and targeted prevention programmes, the HIV prevalence rate had either stabilized or declined in most African countries.

19. Regionally concerted actions to foster economic recovery in Africa would require improved macroeconomic management; the use of accumulated reserves, when applicable, to boost domestic demand; coordinated action by donors and development partners to sustain aid flows; additional debt relief; and adequate concessional financing by international financial institutions. Furthermore, the focus on achieving the MDGs and on including vulnerable and marginalized groups in development strategies should be maintained.

Discussion

20. In the ensuing discussion, the Committee noted that African countries faced the challenge of translating their growth into meaningful social development, particularly for socially vulnerable groups. It was important for the countries to diversify their economies in order to reduce their vulnerability to external and domestic shocks. The Committee expressed concern over the lack of suitable conditions for achieving high and sustained growth on the continent; the inadequacy and instability of savings rates; the prioritization of public spending; the size of non-discretionary public spending; and the ineffectiveness of tax systems. The Committee noted that remittances had played a major role in boosting incomes and reducing poverty in some African countries.

21. Participants indicated that the State was instrumental in economic and social development because it created conditions for developing the private sector, addressing market failures, mobilizing resources and creating a legal and institutional framework that would enhance public and private sector partnerships to attract FDI flows, especially in the area of infrastructure. Finally, regional

integration was important in consolidating efforts to increase Africa's growth and international competitiveness.

Recommendations

22. The Committee made the following recommendations for African countries to accelerate and sustain growth in order to enhance their poverty reduction efforts and progress towards meeting the MDGs:

(a) African countries should continue to improve their macroeconomic environments and to sustain recent reforms in order to create an enabling environment for increased domestic investment. In order to reduce their vulnerability to fluctuations in commodity demand and prices, African governments should design and implement effective industrial policies that enhance value addition, manufacturing and economic transformation. In that context, the Committee urged African countries to speed up the process of regional integration and enhance intra-African trade.

(b) Governments should create a fiscal space and mobilize more domestic resources by improving the efficiency of their tax systems in particular. They should also prioritize public expenditure to build infrastructure and improve public-service delivery, especially in relation to education. Finally, the Committee called on the secretariat to set up a system to track financial flows and remittances to Africa.

Assessment of progress on regional integration in Africa [Agenda item 5]

23. Under this agenda item, through a document entitled "Assessment of progress on regional integration in Africa" (E/ECA/COE/28/7, AUCAMEF/EXP/7 (IV)), the secretariat gave an overview of the level of integration achieved by the eight regional economic communities (RECs) recognized by the African Union and noted that some progress had been made. The challenges that the RECs were facing in their efforts to achieve integration included lack of policy commitment by member States and inadequate implementation of the related protocols. In light of those challenges, AUC had been mandated to develop a Minimum Integration Programme (MIP) in order to accelerate the regional integration process in Africa. The MIP had been designed in collaboration with the RECs and adopted by the Fourth Conference of African Ministers of Integration (COMAI IV). There was a need for financing the MIP through a continental integration fund, which would be the subject of a feasibility study to be conducted by AUC and ECA in collaboration with the African Development Bank. Obviously, the success of the MIP would depend on its ownership by all stakeholders and the degree to which it was integrated into national development plans and the programmes of RECs, AU and other development partners.

24. The major achievements in regional integration on the continent included the decision by the Heads of State and Government of COMESA, SADC and EAC to establish a free trade area (FTA). The joint ECA and AUC publication on regional integration entitled "**Assessing Regional Integration in Africa (ARIA)**" was another achievement in the integration process. Various editions of the report had addressed key integration issues such as rationalization of the RECs as well as financial and monetary integration in Africa. The next edition of the report, which also involved AfDB, would focus on intra-African trade. The member States of AMU had decided to create a free trade area and a draft convention in that regard was being prepared by member States.

Discussions

25. In the ensuing discussions, the Committee noted that, in regional integration, political progress seemed to be trailing progress on the economic front. African countries needed to have a common voice on regional integration and the RECs must play a leading role in that regard. It was observed that bilateral agreements between African and developed countries were often at variance with the stated goals of the RECs, thus compromising progress in regional integration. Furthermore, member States had not sufficiently mainstreamed regional integration into their national development strategies.

26. The Committee noted that several African countries were not fully benefitting from their membership in FTAs for various reasons, including weak productive capacities, poor infrastructure, and trade facilitation inadequacies which made border-post procedures cumbersome. Overall, in the short term, countries that were more developed industrially stood to benefit the most from the integration process. The Committee was informed of AUC efforts to improve and integrate Africa's infrastructure through the introduction of the Programme for Infrastructure Development in Africa (PIDA) that was being developed in collaboration with ECA, AfDB and other development partners.

27. The Committee highlighted the need for ECA and AUC to provide updates on the implementation of resolutions adopted at previous meetings. It was pointed out that there was a need for studies on non-compliance with protocols, including rules of origin. It was felt that inadequate or zero compensation for potential losers in regional integration was also partly responsible for the violation of regional integration protocols as well as policy reversals.

Recommendations

28. Several key recommendations emerged from the discussion:

(a) Member States and the RECs were requested to:

(i) continue to support the "*Assessing Regional Integration in Africa (ARIA)*" series of reports, which provided an assessment of Africa's integration performance; (ii) take note of the recommendations of COMAI IV, especially those related to the adoption of the MIP and its integration into national development plans; (iii) support the mainstreaming of regional integration issues into national policies to bring greater convergence to national strategies, subregional policies and regional objectives. In that regard, a baseline study to better appreciate national positions vis-à-vis regional integration goals and to ascertain the costs and benefits associated with membership in regional integration arrangements should be accelerated.

(b) ECA, AUC and other development partners should:

(i) continue assisting the RECs in efficiently implementing multi-year programmes and the MIP, as well as in building their capacities; (ii) continue providing assistance for regional infrastructure development activities; and (iii) support efforts of African countries to build their productive capacities.

Follow-up to major decisions of the 2008 Joint Annual Meetings of the AUC and ECA [Agenda item 6]

i. African Charter on Statistics

29. The secretariat presented the status of implementation of the resolution adopted by the 2008 Conference of Ministers on the African Charter on Statistics through a document entitled "Implementation of resolution 859 (XLI) on the African Charter on Statistics" (E/ECA/COE/28/10, AU/CAMEF/EXP/10(IV)). The presentation highlighted the key developments, including the review of the Charter by African Ministers of Justice and its subsequent adoption by the Summit of Heads of State and Government of the African Union in February 2009.

30. The meeting was informed that two studies conducted in 2008 had made recommendations on an implementation mechanism for the Charter and the establishment of an African statistical fund, and that there was an ongoing study on the elaboration of a strategic document on statistical harmonization for regional integration.

Discussions

31. In the ensuing discussion, the Committee welcomed the various activities and initiatives being undertaken in the area of statistical development and encouraged the AU Commission, ECA and other stakeholders to continue those efforts. The Committee underscored the important role of statistics in policymaking and emphasized the need to provide technical and financial support for statistical development in Africa. Many participants expressed their deep concern that the recommendation on the coordination mechanism proposed in the study could duplicate existing structures, and suggested that the AUC would focus on advocacy on statistical development.

Recommendations

32. In light of the foregoing, the Committee noted with appreciation that some member States had already signed the Charter and called on those which had yet to do so to sign and ratify the Charter so that it could enter into force as soon as possible. The Commission should complete the study on the establishment of a statistical fund as a means of addressing resource constraints for statistical development in Africa. Regarding the issue of an effective implementation of the Charter, the Committee requested the AU Commission, in collaboration with ECA, AfDB, the RECs, the African Capacity Building Foundation and member States, to come up with an effective coordination, monitoring and evaluation mechanism.

ii. Climate change and development – Assessment of the Copenhagen Conference

33. The secretariat presented a report entitled "Progress Report on Climate Change and Development" (E/ECA/COE/28/9, AU/CAMEF/EXP/9(IV)) on the progress made in the development and implementation of the ClimDev-Africa programme and Africa's preparation for the 15th Conference of the Parties to the United Nations Framework Convention on Climate Change to be held in Copenhagen in December 2009.

Discussions

34. The discussions that followed the presentation centred on two main issues: negotiations of climate change agreements; and mobilization of resources to finance climate change adaptation and

mitigation strategies. On the negotiation of climate change agreements, the Committee underscored the need for member States to articulate and support a common African position based on their mutual interests. It noted that even if climate mitigation strategies were part of such a common position, it would be in the interest of African countries to focus more on climate adaptation strategies. The Committee also recognized that the weak negotiating capacity of most African countries also prevented them from engaging effectively in climate change negotiations and defending their position.

35. While recognizing the need for mainstreaming environmental and climate change policies into all sectors of the economy when elaborating national development plans, the Committee observed that member States were not taking advantage of existing funding mechanisms in financing such plans. In addition, existing funds such as the Clean Development Mechanism had a bias of funding climate mitigation programmes. That bias favoured the big-polluting developing countries such as China, India and Brazil. The foregoing, coupled with the weak capacity of African countries, were major contributing factors for the low uptake of climate change funds by member States.

36. Regarding the funding of climate change adaptation strategies, the Committee noted that since African countries contributed only a negligible amount to the problem of climate change, it would not be fair for them to bear the brunt of its adverse effects. The developed countries had an obligation to fund the climate adaptation strategies that African countries would collectively have to implement.

37. Regarding the implementation of resolution 855-XLI on ECA support to ACMAD as well as on strengthening the partnership between the two organizations, the Committee pointed out that a collaborative framework needed to be established.

Recommendations

38. The Committee made the following recommendations:

(a) Member States should articulate and support a common African position developed under the auspices of the African Ministerial Conference on Environment (AMCEN) pursuant to the decision by AU Summit (January 2009) to that effect and use this common position in negotiation of future climate change agreements to reflect their need to implement and finance climate adaptation strategies.

(b) ECA should work with AUC, AfDB, UNEP and other organizations to facilitate the strengthening of the capacity of member States to negotiate climate change agreements and to access existing and evolving environmental and climate change funds.

(c) Effective monitoring and enforcement mechanisms should be established to ensure that environmental and climate change commitments made by the international community relative to member States were met. Therefore, a collaborative framework between ECA and ACMAD Centre should be established as soon as possible.

(d) Member States should continue in their endeavour to mainstream environmental and climate change policy into all sectors of their economies.

iii. Review of progress towards achieving the MDGs in Africa

39. Under this agenda item, the secretariat presented a document entitled "Assessing Progress in Africa towards the Millennium Development Goals, 2009" (E/ECA/ COE/28/8, AU/CAMEF/EXP/8(IV)). The presenter noted that Africa continued to make progress towards meeting the various goals and targets of the MDGs, even though progress was uneven on some goals and varied from subregion to subregion. Some African countries were on track to achieve some of the MDGs, notably universal primary education, gender parity at primary school level, and reducing poverty by half. Among the subregions of the continent, North Africa had made the most progress on the MDGs. However, the slow rate of overall progress in 2009 was a cause for concern. The challenges identified as impediments to Africa's efforts to attain the MDGs included the fuel crisis, the food crisis, and the global economic and financial crisis.

Discussions

40. While welcoming the quality of the report, the Committee expressed concern over some of its aspects, notably sources of data and statistics. Some participants noted that much of the data used in the report was out of date, while others highlighted the usual discrepancies between United Nations data and national data. Concern was also expressed regarding inadequate reporting of ongoing projects and programmes in the context of the MDGs. The Committee also highlighted the tendency to focus on universal primary education at the expense of the quality of education.

Recommendations

41. In view of the foregoing, the Committee recommended that efforts should be made to improve the generation and quality of statistics regarding the MDGs. Ongoing projects and programmes should be reflected in the reporting of progress on the MDGs and efforts should be enhanced to harness the potential of various partnerships with a view to accelerating progress towards the MDGs.

iv. Report of the 9th Regional Consultation Mechanism of United Nations agencies working in Africa in support of the AU and its NEPAD programme

42. Under this agenda item, the secretariat made a presentation which provided an overview of the Regional Coordination Mechanism established to coordinate United Nations system-wide support to AU and its NEPAD programme. The presenter highlighted the institutional mandates, structure and levels of the Regional Coordination Mechanism and the significant progress made by its nine clusters in providing capacity-building and technical support to the African Union and the NEPAD secretariat. The presenter further elaborated on the United Nations Ten-Year Capacity-building Programme for AU as well as the various forms of ECA support to AU and NEPAD, including support to the RCM and APRM processes. Finally, he highlighted some lessons learned and proposed some actions on the way forward, including the need to complete the ongoing integration of NEPAD into AU structures and processes as well as the need to agree on priority areas for enhancing United Nations support to AU and its NEPAD programme.

43. The Committee appreciated the role of the United Nations in coordinating the support to AU and NEPAD. This is an effort clearly aimed at enhancing Africa's development.

v. **Presentation of the 2009 report on Mutual Review of Development Effectiveness (MRDE)**

44. The secretariat presented a document entitled "2009 Mutual Review of Development Effectiveness in Africa: Promise & Performance" produced jointly by ECA and OECD. The presenter highlighted the following issues: progress made over the last five years in terms of economic growth and poverty reduction; Africa's efforts to improve governance and mobilize domestic resources for economic growth and poverty reduction; increased aid flows and debt relief; commitments made, especially in the areas of governance and regional integration, to African countries and to improve aid volume and aid effectiveness; and the current economic crisis and its associated challenges.

45. The Committee was informed that the report was published at the onset of the global financial crisis and that it was the result of an extensive collaborative and highly inclusive process between ECA and OECD. The exercise had also involved consultations with various stakeholders from Africa and the wider international community. The Committee was also informed that the report had been very well received by African and international partners.

Discussions

46. The Committee noted that the report had come at a time of change in the systems of monitoring and mutual accountability and global governance, such as the emergence of the Group of Twenty (G20) process as a key international response to the financial crisis. The Committee underscored the need for these new changes in the international architecture to be reflected in future MRDE reports, including the new commitments coming out of the G20 process.

47. In order to maximize the impact of the monitoring process, the Committee highlighted the need for future reports to be timely in terms of feeding into the major African and international processes which address the African development agenda, including those of the AUC, the United Nations and the G20. The Committee underscored the need for future MRDE reports to take into account the human-rights based approach to development. Further commitments that dealt with human rights ought to be included in future MRDE reports.

Recommendations

48. The meeting recommended the following:

- a) The next MRDE report should be published by September 2010 in order to feed into the MDG Review Summit. The MRDE should continue on a two-year cycle thereafter.
- b) Bearing in mind the changing global architecture which reinforces the importance of the MRDE exercise given the new G20 commitments, there is the need for a fundamental reform of the international financial architecture to ensure that Africa has stronger representation in international decision-making, and to make it more responsive and effective in helping African countries to tackle short-term crises and long-term development needs.
- c) The Committee requested ECA and OECD to continue collaborating in the production of future reports.

Presentation and discussion on the theme of the Conference: Enhancing the effectiveness of fiscal policy for domestic resources mobilization [Agenda item 7]

49. Under this agenda item, the secretariat introduced the document entitled "**Enhancing the effectiveness of fiscal policy for domestic resource mobilization**" (E/ECA/COE/28/4, AU/CAMEF/EXP/4(IV)). The secretariat noted a significant gap between domestic savings and investment requirements in Africa and the need for more domestic and external resources to close the financing gap. The current global financial crisis had led to a decline in external finance and rekindled interest in boosting domestic resource mobilization as a sustainable source of development financing.

50. The key factors underpinning the case for enhanced domestic resource mobilization were outlined. Less volatile than external finance, domestic finance permitted country ownership of development policies and outcomes, reduced reliance on external flows and the risk of the Dutch disease, created incentives for more accountability and transparency in the use of public resources, and reduced vulnerability to revenue losses from trade reforms.

51. Despite progress in development finance, aggregate savings ratios in Africa were low relative to developing countries' averages. Africa had made progress in boosting its tax revenue and its revenue performance was similar to that of other developing regions. However, there had been a significant decrease in the share of trade taxes in domestic revenue.

52. Fiscal policy had both short- and long-term functions, including macroeconomic stabilization and enhancement of productive capacity. However, it had been largely pro-cyclical in Africa owing to conditions imposed by international financial institutions, fiscal rules, and political economy considerations. Governments needed to exercise counter-cyclical fiscal policy to mitigate fluctuations in aggregate demand due to exogenous shocks. Key questions in that context related to the use of fiscal policy in response to external shocks such as those arising from the global financial crisis, and in support of African development needs and priorities.

53. The effective mobilization of domestic resources in Africa required increasing public revenue and private savings rates, and enhancing the role of official development assistance.. Although economic growth was necessary for domestic revenue mobilization, gaps still existed between tax capacity and tax revenue in several African countries. Fiscal measures were needed to boost revenue collection. They should aim to reduce tax exemptions and incentives for foreign investors, and increase tax rates on immobile factors (land and property) and luxury items.

54. Good governance played a key role in revenue generation as it could increase efficiency and accountability in the use of public resource link tax collection to service delivery; eradicate tax havens; and address issues of stolen assets. Success in mobilizing revenue also required dealing with the external debt problem of Africa. High debt resulted in capital outflows and debt servicing difficulties, and increased vulnerability to external shocks, with adverse consequences for output and revenue mobilization.

55. Boosting private savings required increasing the capacity of households and firms to generate income by creating an enabling environment for private sector development, including increasing public investment in infrastructure and strengthening domestic financial systems.

56. While Africa needed aid in the short to medium term, aid was more likely to support the long-run development objectives of African countries if it was directed towards boosting capacity for domestic resource mobilization. In that regard, aid allocation should place more emphasis on

promoting infrastructure and enhancing productive capacities. Donors might opt for a matching-funds approach to aid allocation, whereas some recipient countries could decide to manage their capital accounts in order to stem capital flight.

Discussions

57. In the ensuing discussion, the Committee commended the secretariat for the comprehensive and insightful study and presentation, noting that domestic resource mobilization required a shift in mindset from dependence on donor support to internally generated revenue as a long-term goal. However, domestic resource mobilization and external resource mobilization should not be treated independently in policy formulation as they were intertwined. Aid remained critical for some African countries to bridge the gap between domestic savings and national investment needs.

58. The Committee highlighted the importance of macroeconomic stability for economic growth, which in turn was necessary for effective domestic resource mobilization. The role of government was particularly important during significant fluctuations in economic activity, such as those associated with the current world financial and economic crisis. In such a context, governments must adopt fiscal and monetary policies to stimulate domestic demand and mitigate the impact of the crisis. Moreover, the Committee reaffirmed that governments had a key role to play in creating an enabling environment for private sector development, including identifying growth sectors and promoting private sector investment in such sectors. That could be done in the framework of industrial and sectoral policies that addressed various constraints to domestic investment and created opportunities for private-public partnerships.

59. Some participants expressed concern over the vulnerability of African economies to external shocks and the lack of appropriate policy tools to strengthen their resilience in the face of economic crises. That called for the diversification of sources of production and income and better management of the reserves accumulated during the commodity boom. It was noted that some resource-rich African countries were better prepared to address the challenges posed by the recent crisis because they had been able to accumulate reserves, and that some countries had created stabilization funds to guarantee their medium-term financial stability.

60. The Committee noted that there was room for African countries to increase tax revenue, even though there were key constraints to revenue collection. Those constraints included institutional weaknesses, inadequate human capacity, lack of political will and the high cost of tax collection. Consequently, gaps existed between tax capacity and actual revenue generated, especially in post-conflict countries, which were characterized by weak economic institutions.

61. Some delegates outlined the institutional reforms and measures taken by their governments to improve tax administration and increase revenue collection. They included new institutional arrangements for effective public finance management; decentralized fiscal policies; streamlined tax policies and unified tax rates; new mechanisms for the enforcement of tax laws; and fresh incentives for compliance with tax laws. Some countries had established innovative mechanisms such as performance-based contracts between their revenue collecting agencies and their Ministries of Finance. The Committee stressed the important role of good economic governance in enhancing public finance management and tax compliance.

62. It was observed that improving natural resource management could go a long way to assist many resource-rich African countries to mobilize more domestic resources and become self-reliant over the long run. Natural resource exploitation contracts often offered tax incentives and conditions that could

result in an unfair distribution of revenue when the economic circumstances changed. That notwithstanding, some African countries had improved resource sector management through the ratification and domestication of relevant international codes and standards.

63. In that context, the introduction of medium-term expenditure frameworks (MTEF) could help countries to harness domestic resources to finance public investment and promote transparency and accountability, especially in expenditure and service delivery. MTEF, as a result-based approach, could help governments to allocate public resources to their strategic priorities, and ensure overall fiscal discipline.

64. The Committee also pointed out that increasing the flow of household savings through formal channels would enhance domestic resource mobilization and utilization. In many African countries, household savings were mainly held in the form of physical assets outside the financial system because of lack of adequate incentives and limited access to modern banking and savings institutions.

65. The Committee also discussed the possible impact of macroeconomic convergence criteria adopted by some regional economic communities on the pro-cyclical or counter-cyclical nature of budgetary policy.

66. Given the important role of the informal sector in African economies and its potential contribution to domestic resource mobilization, the need to formalize the sector was acknowledged. Providing an institutional framework and incentives for informal businesses to enter the formal sector could help government to generate more tax revenue. However, informal businesses would choose to register and join the formal sector on the condition that such a move would improve their chances of survival, growth and access to resources.

67. The Committee reaffirmed the need to raise tax revenue on physical assets and highlighted the challenges involved in that regard. In many African countries, property registration was too costly, making it difficult for government to tax physical assets. One way to address those challenges was to introduce reforms to facilitate property registration.

68. While real investment required long-term savings, the Committee noted that short-term savings were dominant in Africa, that was attributed to, among other factors, the lack of adequate financial institutions, including pension funds and deposit insurance. Banking and financial services in Africa were generally limited to urban centres and failed to cater for the diverse needs of savers and investors, especially in rural areas.

69. In the context of the current financial crisis, the Committee expressed concern over the slow flow of remittances as African immigrants lose their jobs. Despite the high unemployment rates as a result of the global economic recession, the Committee underscored the need for developed countries to exercise restraint in reviewing their immigration and labour market policies to ensure fair treatment of African immigrants. At the same time, African countries were urged to carefully assess how remittances could be used to foster domestic investment and growth. Currently, remittances were mostly channelled through unofficial means and primarily used to finance consumption.

70. Finally, the Committee expressed concern over the impact of capital flight and embezzled funds on efforts to mobilize domestic resources. There was therefore a need for improved global governance to increase transparency in capital flows, combat capital flight and recover embezzled assets.

Recommendations

71. The Committee made several recommendations aimed at enhancing the effectiveness of fiscal policy for domestic resource mobilization in Africa. In particular, it called on African governments to focus on long-term strategies to promote growth and expand the tax base. To that end, they should identify growth sectors and promote private sector investment in such sectors by, among other measures, deepening reforms to encourage registration of firms.

72. More specifically, the Committee recommended that:

- a) African governments should introduce innovative mechanisms to improve tax collection and management, including institutional reforms to strengthen the link between revenue mobilization and public expenditure, and enhance transparency and accountability;
- b) African governments should explore ways of formalizing the informal sector, taking into consideration the principle of equity and fair taxation, including registration and taxation of property and physical assets.
- c) African governments should strengthen their financial systems and provide incentives for long-term savings, including effective mobilization of remittances for development financing;
- d) Donors should direct more official development assistance to build capacity for domestic resource mobilization through increased investment in infrastructure and productivity-enhancing services.
- e) African governments should work with development partners to combat capital flight and recover embezzled assets held outside Africa;
- f) Resource-rich African countries should improve the management of natural resources and ensure that contracts for the exploitation of natural resources are fair and do not undermine the mobilization of domestic resources; they should also create stabilization funds to guarantee their medium-term financial stability;
- g) AUC and ECA should undertake studies on how African countries can reduce the cost of collecting taxes and improve coordination between fiscal and monetary policies for effective domestic resource mobilization.
- h) There should be better coordination between member States and the secretariat to ensure data accuracy and consistency.

Statutory items [Agenda item 8]

i. Presentation and consideration of the ECA Annual Report, 2009

73. Under this agenda item, the secretariat presented the ECA Annual Report, 2009 (E/ECA/COE/28/13) highlighting the main achievements during the period between May 2008 and May 2009. The work of ECA during the period was two-fold. First, it was aimed at consolidating activities and achievements in the context of the ECA repositioning, which had started in 2006. Second, it consisted of scaling up assistance to member States, AUC and the RECs in strengthening regional integration, meeting Africa's special needs, and achieving poverty reduction and sustainable

development based on ten sub-pogammes: trade, finance and economic development; food security and sustainable development; governance and public administration; information and science and technology for development; subregional activities for development; development planning and administration; statistics; and social development.

74. The presenter provided a summary of the progress achieved during the reporting period, with consolidation of key activities and results initiated through the ECA repositioning exercise. The achievements cited had been more transparent for all the stakeholders due to the use of a result-based management (RBM) framework and appropriate indicators of success.

75. The presenter highlighted several accomplishments, including the organization in November 2008 in collaboration with AUC and AfDB of the Sixth African Development Forum in Addis Ababa where the issues discussed had included financing for gender equality, ending violence against women, and gender statistics. With respect to trade, the support provided to RECs to assist in international trade negotiations was cited. ECA had also organized, with AUC and AfDB, a ministerial Conference on the financial crisis and its impact, provided analytical and technical support to the Committee of 10 Ministers of Finance and Central Bank Governors; and provided technical inputs to Africa's position for the April G-20 Summit in London.

76. The secretariat reported that ECA activities were instrumental in implementing the African Peer Review Mechanism (APRM), as ECA had provided advice to the APRM Panel and secretariat on the implementation of review processes. With regard to information and communication technologies, ECA had organized in Addis Ababa, from 28 April to 1 May 2009, the first session of the Committee on Development Information, Science and Technology. The value added and relevance of the recently strengthened subregional offices to ECA activities was also underscored, especially the implementation of multi-year programmes and other activities undertaken jointly with the RECs.

Discussions

77. During the ensuing discussion and in its response to certain issues raised by some participants, the secretariat emphasized the critical importance of quickly filling the newly created posts and consequently decreasing the current overall ECA vacancy rate and recognized the special circumstances facing the least developed countries (LDC) and the Landlocked developing countries (LLDCs) in their development. It was further stated that the review of the Brussels Programme of Action for LDCs in the context of the Fourth United Nations conference on LDCs to be held in 2011 should be appropriately reported. Equally, human rights and gender mainstreaming into training programmes were recognized as genuine development concerns already being addressed by ECA.

Recommendations

78. Key recommendations emerging from the discussions were:

- (a) Member States should improve their involvement in and ownership of SRO activities, particularly through appropriate -level representation in their respective Intergovernmental meetings and Intergovernmental Committees of Experts (ICEs);

(b) Member States should take note of the ongoing recruitment campaign and assist ECA in its efforts to recruit from the under-represented countries to quickly fill the new posts allocated by the General Assembly; and

(c) UNECA and the other development partners should endeavour to revive the United Nations Trust Fund for African Development (UNTFAD) in order to assist member States and the RECs in the implementation of their development plans and regional integration activities.

79. Finally, the Committee commended the secretariat for the quality of the presentation and for the creation of new posts by the General Assembly of the United Nations and took due note of the report.

ii. Report of the fourth Conference of African Ministers of Integration

80. In presenting this item, the secretariat informed the meeting that the fourth Conference of African Ministers of Integration had taken place in Yaounde, Cameroon on 7 and 8 May 2009 on the theme "*Partnerships and Integration in Africa*". It was reported that, in addition to adopting the Minimum Integration Programme (MIP) as a dynamic strategic and continental framework for the integration process, the Ministers had reviewed the main partnerships Africa was engaged in with the rest of the world and considered ways and means of making them more relevant to Africa's integration and socio-economic development needs. The presenter highlighted some of the key recommendations of the Conference, including the need for Africa to rationalize its approach to its partnership engagements; the need to put greater emphasis on domestic resource mobilization; and the need for the AU Commission to enhance existing mechanisms dedicated to the coordination of partnerships.

81. The secretariat explained that the presentation had been for information purposes only and that the objective had been to inform Finance Ministers about decisions taken by Ministers in charge of Integration, given that some of those decisions also bore relevance to the activities of Ministries of Finance.

iii. Report of the meeting of legal and finance experts on the statutes of the proposed African Investment Bank

82. The secretariat presented the document entitled "Report of the meeting of legal and financial experts on the draft statutes of the African Investment Bank held in Tripoli, Libya from 11 to 13 May 2009" (AU/CAMEF/EXP/17(IV)), and outlined the main recommendations of the meeting. It also indicated that, with regard to recommendation concerning the subscription to capital of the Bank by member States, the other scenarios had been developed taking into account GDP and average gross national income (GNI) over three consecutive years.

83. Following the presentation, the Committee of Experts raised a number of concerns, including:

- a) Terms and conditions for the distribution of the start-up capital;
- b) Privileges and immunities pertaining to the headquarters and subsidiaries of the Bank;
- c) Voting rights prorated according to capital subscription;
- d) Alignment with AfDB and other existing African financial institutions;
- e) Partnership with AfDB, IMF and the World Bank.

84. An informal committee made up of a few member States (Algeria, Cameroon, Egypt, Libyan Arab Jamahiriya, Nigeria and South Africa) met and proposed amendments to the statutes to the Committee of Experts. Following the discussion on those amendments, the Committee of Experts, after adding a provision on annexes to be drafted subsequently and presented for validation by experts of the member States before being submitted to the extraordinary session of CAMEF scheduled for November 2009, agreed to submit the draft text to the Conference of Ministers for review and adoption. Those annexes would concern mainly the capital subscription formula and table, voting rights and determination of the basket of currencies to be used as the unit of account that would serve as the official currency of the Bank.

iv. Implementation of the first Plan of Action of the Africa-EU Joint Strategy

85. Under this agenda item, a representative of the AU Commission presented document AU/CAMEF/EXP/18 (IV) entitled “Implementation of the Africa-EU Joint Strategy and First Action Plan”.

86. The presenter highlighted some of the key milestones in the Africa-EU Dialogue, the new strategic framework, the process leading to the adoption of the Africa-EU Joint Strategy and the first plan of action, and gave an overview of the implementation architecture. Also highlighted were some of the achievements so far in the implementation of the Joint Strategy, which included the endorsement of the implementation architecture, the formation of eight joint expert groups (JEGs) and the development of draft implementation road maps. Among the challenges highlighted by the presenter were the lack of stakeholder involvement, inadequate capacity of the JEGs to deliver, inadequate financial resources and the slow rate of implementation.

87. The Committee took note of the report and stressed the need for both the African and EU sides to commit adequate technical, financial and human resources to the implementation of the Plan of Action. The need to include more African stakeholders in the work of the JEGs was also highlighted as was the need to respect the one-Africa principle agreed in the Joint Strategy document.

v. Report of the recently launched Coalition for Dialogue on Africa (CODA)

88. The secretariat presented a note to the Committee on the Coalition for Dialogue on Africa (CODA) which was formally launched in Addis Ababa on 6 March 2009. The Committee was informed that CODA was a joint initiative by the African Union Commission, the African Development Bank and the Economic Commission for Africa to provide an independent forum for free discussion among State and non-State actors in order to influence the African development agenda. Unlike the Big Table that it had replaced, CODA was completely African-owned and based in Africa; the secretariat of CODA was based at ECA headquarters in Addis Ababa and was supported by ECA and AfDB. The operations of CODA were guided by an independent advisory board headed by H.E. Festus Mogae, former President of the Republic of Botswana.

89. The Committee took note of the presentation and welcomed the launching of this new initiative.

vi. ECA proposed programme of work and priorities for the biennium 2010-2011

90. Under this agenda item, the secretariat made a brief presentation using document E/ECA/COE/28/15 entitled, “**ECA proposed programme of work and priorities for the biennium 2010-2011**”.

91. In preparing the proposed work programme, the secretariat had been guided by the ECA repositioning and the Secretary-General's report on enhancing the role of the subregional offices. The programme was structured around ten sub-programmes: trade, finance and economic development; food security and sustainable development; governance and public administration; information and science and technology for development; subregional activities for development; development planning and administration; statistics; and social development. The programme prepared in line with the results-based management (RBM) principles would enable ECA and its member States to monitor progress and measure results based on predefined performance indicators and benchmarks.

92. The Committee appreciated the secretariats' efforts in preparing a well-structured work programme and proposed the endorsement of ECA programme of work.

vii. Consideration of the report of the first Congress of African Economists on Regional Integration

93. Under this agenda item, a representative of the AU Commission presented a document entitled **“Report of the First Congress of African Economists on Regional Integration”**. The first Congress was held in Nairobi, Kenya, from 2 to 4 March 2009 under the theme *“Towards the Creation of a Single African Currency”*. The Congress brought together African economists and researchers to discuss topical economic, political and social issues as they relate to Africa's integration in order to propose measures for accelerating the integration process. An important outcome of the Congress was a recommendation to institutionalize it as a regular forum for discussion on integration issues in Africa.

94. The Committee took note of the report and proposed that future Congresses should also cover other areas of integration such as human and social development, in addition to economic issues.

viii. ECA report on the repositioning of the African Institute for Economic Development and Planning (IDEP)

95. Under this agenda item, the Deputy Executive Secretary of ECA, Ms. Lalla Ben Barka, on behalf of the Executive Secretary, introduced document E/ECA/COE/28/14 entitled, **“Report on the repositioning of the African Institute for Economic Development and Planning (IDEP)”**. The report was prepared in response to resolution 858 (XLI) adopted by the forty-first session of the Economic Commission for Africa (ECA) in April 2008, requesting the ECA Executive Secretary, in his capacity as Chairperson of the Governing Council of IDEP, to take steps to alleviate the immediate financial difficulties of the Institute and elaborate a plan for its repositioning.

96. The Committee was informed that a resource mobilization campaign undertaken by the Executive Secretary to put the Institute on a more secure financial footing had started to yield encouraging results, as some member States were beginning to meet their financial obligations to the Institute. The Deputy Executive Secretary also informed the Committee of the appointment of a new Director for the Institute as part of the repositioning efforts embarked upon by the ECA Executive Secretary. The new Director is Mr. Adebayo Olukoshi, a renowned scholar and development researcher.

97. Mr. Olukoshi made a brief presentation and broadly outlined the new vision and strategic orientation of the Institute. Key elements of the new orientation included measures being taken to revamp the training programmes of the Institute to make them more relevant to the needs of member States, with particular focus on promoting and nurturing indigenous capacities for a new development

paradigm in Africa. In this regard, the Institute would explore the use of appropriate information and communications technologies to deliver its training and capacity-building programmes in order to bring the services of the Institute closer to its clients and undertake tailor-made programmes to ensure that they reached a wider audience. Partnerships with relevant research and training institutions and centres of excellence, including other ECA Divisions and United Nations agencies, will also be pursued.

98. A full report on the repositioning of IDEP is expected to be finalized for presentation to the next Conference of Ministers in 2010 after consultations with relevant stakeholders across the continent.

Discussions

99. In the ensuing discussions, the Committee reaffirmed the mission and core mandate of the Institute, particularly with the resurgence of planning as a critical function in many African States. Moreover it was noted that several development training institutes had emerged in Africa in recent years. In that connection, the Committee underscored the need for the ongoing review to firmly establish the niche and comparative advantage of IDEP as a major centre for applied policy research and training in Africa.

Recommendations

100. The Committee welcomed the updated report on the repositioning of IDEP and endorsed the steps taken to date to rebuild the finances of the Institute, renew its leadership, and revamp its programmes. The Committee also welcomed the new Director of the Institute and extended its support and cooperation to him. It endorsed the broad vision for the renewal of IDEP presented to the Committee. The Committee further encouraged the leadership of IDEP to continue the consultative process for the speedy completion of the repositioning of the Institute, including the innovative measures proposed for financing and revamping the programmes of the Institute.

101. The Committee noted with appreciation the contribution made by member States to date and called upon those who had not done so to support the repositioning process of the Institute.

Any other business [Agenda item 9]

102. No issue was raised under this agenda item.

Consideration and adoption of the draft report of the Committee of Experts and draft resolutions [Agenda item 10]

103. Under this agenda item, the Committee considered the draft report of its meeting (as contained in document (E/ECA/COE/28/L, AU/CAMEF/EXP/Draft/Rpt (IV))), together with eight draft resolutions for consideration and adoption by the second Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development. Several delegations made comments and observations and proposed amendments to the report. After constructive discussions by participants, the Committee adopted the present report, together with the eight draft resolutions, attached as annex, as amended for consideration by the Conference of Ministers.

Closing of the meeting [Agenda item 11]

104. The Deputy Executive Secretary of the ECA, Ms. Lalla Ben Barka made brief closing remarks on behalf of the Executive Secretary, Mr. Abdoulie Janneh. She expressed her satisfaction with the deliberations and thanked the participants for their contribution to the discussions. She underscored the importance of the theme of the Conference and expressed the hope that the recommendations and outcomes of the meeting will provide a basis for effective policy making in enhancing domestic resources mobilization in support of Africa's development. In addition, she noted that this was the second year in a row that the AUC and ECA had successfully organized the joint meetings of their statutory bodies, which further strengthened the collaboration between the two institutions.

105. In his closing remarks, Dr. Maxwell Mkwezalamba, Commissioner for Economic Affairs of the AU Commission, congratulated the secretariat of the ECA and AU for a very successful meeting. He also expressed his appreciation to the Chairperson of the Bureau for the orderly and timely manner in which he conducted the meetings. He reviewed some of the issues discussed by the Committee, including regional integration, the statutes of the African Investment Bank, and the theme of the Conference. He urged the meeting to provide support the processes of regional integration in Africa, particularly the Minimum Integration Programme of the AUC. Furthermore, he expressed appreciation for the support shown by the Committee for the African Investment Bank and assured the meeting that the AU Commission would work with member States to finalize the statutes for the establishment of the Bank.

106. In his closing remarks, the Chairperson of the Committee, Mr. Hany K. Dimian, Deputy Minister of Finance of the Arab Republic of Egypt, thanked all the participants for their active contribution to the discussions. He noted that the discussions had been substantive and constructive because of the proposals and recommendations made. He also commended the Committee for the diversity of views expressed, which he observed, reflected the commitment to find solutions to common development challenges that African countries faced. He added that he was impressed with the range of ideas and proposed policy measures for boosting domestic resource mobilization.

107. Finally, the Chairperson thanked the secretariat for the hard work in preparing and servicing the meeting. He then declared the meeting closed.

ANNEX II: List of Documents Submitted to the Commission at its Forty-second Session

E/ECA/COE/28/1/Rev.1 AU/CAMEF/EXP/1(IV)/Rev.1	Draft Provisional Agenda (Experts)
E/ECA/CM/42/1/Rev.1 AU/CAMEF/MIN/1(IV)/Rev.1	Draft Provisional Agenda (Ministers)
E/ECA/COE/28/1/Add.1 AU/CAMEF/EXP/AG(IV)	Draft Annotated Agenda (Experts)
E/ECA/CM/42/1/Add.1 AU/CAMEF/MIN/AG(IV)	Draft Annotated Agenda (Ministers)
E/ECA/COE/28/Inf/1/Rev.3 AU/CAMEF/EXP/WP(IV)/Rev.3	Draft Programme of Work (Experts)
E/ECA/CM/42/Inf/1/Rev.2 AU/CAMEF/MIN/WP(IV)/Rev.2	Draft Programme of Work (Ministers)
E/ECA/COE/28/Inf/2/Rev.1 AU/CAMEF/EXP/Info(IV)/Rev.1	Information for Participants
E/ECA/COE/28/Inf/3	List of Documents
E/ECA/COE/28/2 AU/CAMEF/EXP/2(IV)	Overview of Economic and Social Conditions in Africa in 2008
E/ECA/COE/28/3 AU/CAMEF/EXP/3(IV)	Economic Report on Africa, 2009
E/ECA/COE/28/4 AU/CAMEF/EXP/4(IV)	Enhancing the Effectiveness of Fiscal Policy for Domestic Resources Mobilization: Issues Paper
E/ECA/COE/28/5 AU/CAMEF/EXP/5(IV)	Background Study on Enhancing the effectiveness of fiscal policy for domestic resource mobilization
E/ECA/COE/28/6 AU/CAMEF/EXP/6(IV)	The Global Financial Crisis: Impact, Responses and Way Forward
E/ECA/COE/28/7 AU/CAMEF/EXP/7(IV)	Assessment of Progress on Regional Integration in Africa
E/ECA/COE/28/8 AU/CAMEF/EXP/8(IV)	Assessing Progress in Africa Towards the Millennium Development Goals, 2009
E/ECA/COE/28/9 AU/CAMEF/EXP/9(IV)	Progress Report on Climate Change and Development
E/ECA/COE/28/10 AU/CAMEF/EXP/10(IV)	Mise en œuvre de la résolution 859 (XLI) sur la charte africaine de la statistique Progrès réalisés
E/ECA/COE/28/11 AU/CAMEF/EXP/11(IV)	Report on the United Nations System-wide Support to the African Union and its New Partnership for Africa's Development Programme: The Regional Coordination Mechanism

E/ECA/COE/28/12 AU/CAMEF/EXP/12(IV)	The Mutual Review of Development Effectiveness: Promise and Performance
E/ECA/COE/28/13	Annual Report 2009
E/ECA/COE/28/14	Repositioning the African Institute of Economic Development and Planning for the challenges of the twenty first century
E/ECA/COE/28/15	Proposed Programme of Work and Priorities for the Biennium 2010-2011
AU/CAMEF/EXP/16(IV)	Report of the Fourth Conference of African Ministers In Charge of Integration (COMAI IV)
AU/CAMEF/EXP/17(IV)	Report of the Meeting of Legal Economic and Finance Experts on the Statute of the African Investment Bank
AU/CAMEF/EXP/18(IV)	Implementation of the Africa-EU Joint Strategy and First Action Plan
E/ECA/COE/28/19 AU/CAMEF/EXP/19(IV)	Note by the secretariat on the Coalition for Dialogue on Africa (CoDA)
E/ECA/CM/42/2 AU/CAMEF/EXP/Rpt(IV)	Report of the Committee of Experts of the Second Joint Meeting of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development
E/ECA/CM/42/3 AU/CAMEF/MIN/Res (IV)	Ministerial Statement

ANNEX III: List of Meetings of the Commission's Subsidiary Bodies Held Since the Forty-first Session

Intergovernmental Committee of Experts of the Subregional Office for North Africa	May 2009
Intergovernmental Committee of Experts of the Subregional Office for West Africa	June 2008
Intergovernmental Committee of Experts of the Subregional Office for Central Africa	April 2009
Intergovernmental Committee of Experts of the Subregional Office for East Africa	April 2009
Intergovernmental Committee of Experts of the Subregional Office for Southern Africa	June 2008
Committee on Development Information, Science and Technology	May 2009