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ECONOMIC COMMISSION FOR AFRICA

ANNUAL REPORT, 2003

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Abbreviations and Acronyms

ACCS	African Centre for Civil Society
ACGD	African Centre for Gender and Development
ACP	African, Caribbean and Pacific Countries
ADB	African Development Bank
ADF	African Development Forum
AEC	African Economic community
AGDI	African Gender and Development Index
AGF	Africa Governance Forum
AGR	African Governance Report
AISI	African Information Society Initiative
AKNF	African Knowledge Networks Forum
AVLIN	African Virtual Library and Information Network
APRM	African Peer Review Mechanism
ARIA	Assessment Report on Integration in Africa
ATPC	African Trade Policy Centre
AU	African Union
AWDF	African Women's Development Fund
CAF	Communications Assistance Foundation
CCA	Common Country Assessment
CEB	Chief Executives Board
CEMAC	Communauté économique et monétaire de l'Afrique centrale
CEN-SAD	Community of Sahel and Sahara States
CHDCS	Committee on Human Development and Civil Society
CHGA	Commission on HIV/AIDS and Governance in Africa
CIPS	Committee on Industry and Private Sector
CODI	Committee on Development Information
COMESA	Common Market for Eastern and Southern Africa
CPC	Committee for Programme Coordination

CRCI	Committee on Regional Cooperation and Integration
CSD	Committee on Sustainable Development
CSOs	Civil Society Organizations
CWGD	Committee on Women, Gender and Development
DESA	United Nations Department of Economic and Social Affairs
DND	Dakar-Ngor Declaration
EAC	East African Community
ECA	Economic Commission for Africa
ECA-NA	ECA-North Africa
ECCAS	Economic Community of Central African States
ECE	Economic Commission for Europe
ECOSOC	Economic and Social Council of the United Nations
ECOWAS	Economic Community of West African States
EDFs	Enterprise Development Facilities
ERA	Economic Report on Africa
ESPD	Economic and Social Policy Division
ESTNET	ECA Science and Technology Network
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
G8	Group of Eight Industrialized Countries
GBE	Global Business Environment
GDP	Gross Domestic Product
GKP	Global Knowledge Partnership
GWP	Global Water Partnership
HIPC	Highly Indebted Poor Countries
HLCP	High Level Committee on Programmes
ICE	Intergovernmental Committee of Experts
ICPD-PoA	International Conference on Population and Development Programme of Action
ICTs	Information and Communication Technologies
IDEP	Institute for Economic Development and Planning
IDGs	International Development Goals
IDRC	International Development Research Centre of Canada
IGOs	Intergovernmental Organizations
IGWA	Inter-agency Group on Water in Africa
IICD	International Institute for Communications and Development
ILO	International Labour Office

IMF	International Monetary Fund
ISP	Institutional Strengthening Programme
IT	Information Technology
KSG	Kennedy School of Government
MDGs	Millennium Development Goals
NCTTA	Northern Corridor Transport and Transit Agreement
NEPAD	New Partnership for Africa's Development
NGOs	Non Governmental Organizations
NICI	National Information and Communication Infrastructure
NSDI	National Spatial Data Infrastructures
OAU	Organization of African Unity
ODA	Overseas Development Assistance
OECD	Organization for Economic Cooperation and Development
OECD-DAC	Organization for Economic Cooperation and Development-Development Assistance Committee
ORID	Other Related Infectious Diseases
OSISA	Open Society Institute for Southern Africa
OSIWA	Open Society Institute for West Africa
PEDA	Population, Environment, Development and Agriculture
POI	Plan of Implementation
PPPs	Public-Private Partnerships
PRSP-LG	Poverty Reduction Strategies Papers - Learning Group
RCID	Regional Cooperation and Integration Division
RECs	Regional Economic Communities
SADC	Southern African Development Community
SDI	Sustainable Development Index
SPA	Strategic Partnership with Africa
SPA-TG	Strategic Partnership with Africa - Technical Group
SRDCs	Subregional Development Centres of ECA
SROs	Sub-regional Offices of ECA
SRO-CA	Subregional Office for Central Africa
SRO-EA	Subregional Office for Eastern Africa
SRO-NA	Subregional Office for Northern Africa
SRO-SA	Subregional Office for Southern Africa
SRO-WA	Subregional Office for Western Africa
SSATP	Sub-Sahara African Transport Policy Programme
TRIMS	Trade Related Investment Measures

TRIPS	Trade Related Intellectual Property Rights
UEMOA	Union économique et monétaire ouest africaine
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
WAHO	West African Health Organization
WHO	World Health Organization
WIEGO	Women in the Economy: Globalizing and Organizing
WMO	World Meteorological Organization
WSIS	World Summit on Information Society
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization
ZMM-GT	Zambia-Malawi-Mozambique Growth Triangle

Introduction

The present annual report of the Economic Commission for Africa covers the period between May 2002 and May 2003. It has been prepared in accordance with paragraph 18 of the Commission's terms of reference and was adopted by the Commission on 1 June 2003.

Chapter I Matters Brought to the Attention of the Economic and Social Council

At the thirty-sixth session of the Commission/Conference of African Ministers of Finance, Planning and Economic Development held in Addis Ababa on 1 June 2003, the Conference adopted the following resolution which is brought to the attention of the Council:

Resolution brought to the attention of the Council

841 (XXXVI) Programme of Work and Priorities for the Biennium 2004-2005

The Conference of Ministers

Recalling resolution 838 (XXXV) of 20 October 2002 adopted by the Conference of African Ministers of Finance, Planning and Economic Development by which the Conference endorsed the proposed revisions to the Medium term Plan of ECA for the period 2002-2005;

Having examined the Proposed Programme of Work for the Biennium 2004-2005, as contained in document E/ECA/CM.36/5;

Taking note of the new programme structure endorsed by the Conference of Ministers and the Economic and Social Council, which is characterized by congruence between organizational and programme structures, reduction in the number of subprogrammes and clustering closely related activities under a single subprogramme to foster synergy and achieve greater efficiency and impact in the delivery of services;

Convinced of the necessity to create new organizational units, namely Trade and Regional Integration Division (TRID), the Office of Policy and Programme Coordination (OPC) and the Human Resources Management and Finance Division (HRFD), as well as renaming the Development Management Division, as Development Policy Management Division (DPMD), demonstrates the Commission's commitment to improving the management of its programmes and the delivery of its substantive activities;

Noting with appreciation the ongoing work by ECA in the elaboration of a framework for monitoring the commitments and performance of Africa and its development partners towards enhancing development effectiveness and achieving the MDGs and the priorities of NEPAD; and

Convinced that the proposals contained in the proposed programme of work for the biennium 2004-2005 will make a significant contribution to Africa's economic and social development,

1. Endorses the work programme of the Commission for the biennium 2004-2005 as contained in document E/ECA/CM.36/5;
2. Calls upon the Committee for Programme and Coordination (CPC) and the General Assembly of the United Nations to:
 - (i) Support the proposed organizational and programme structures of the Programme Budget for the Biennium 2004-2005; and
 - (ii) Ensure that adequate resources are made available to the Commission for the implementation of this work programme.

Chapter II

Work of the Commission During the Period May 2002 to May 2003

A. Implementation of the Regular Programme of Work Facilitating economic and social policy analysis

1. Activities under this subprogramme during the period under review were aimed at strengthening the capacity of member States to design and implement appropriate economic and social policies and strategies to achieve sustained economic growth for poverty reduction. Work under the subprogramme was organized around four main themes, namely, economic policy analysis; development issues related to social policy and poverty analysis; issues related to trade and finance; and statistical development. The goals and priorities of NEPAD, the Millennium Declaration, and the Abuja Declaration on HIV/AIDS, Tuberculosis, Malaria and other related infectious diseases provided added impetus to ECA's work under this subprogramme.

2. In the area of economic policy analysis, several policy inputs were provided by the secretariat to various important initiatives undertaken by the Commission during the period under review. Key among these inputs is the **Economic Report on Africa, 2002** which was published and released in the period under review under the theme, **Tracking performance and progress**. The focus of the reports on this theme was informed by the emphasis placed by NEPAD on rigorous monitoring and evaluation of country performance in the context of the implementation of the African Peer Review Mechanism (APRM).

3. The reports has two parts. The first part reviews the continent's economic performance in 2001 and prospects for 2002. It concluded that with a GDP growth rate of 4.3 per cent, Africa was able to escape the harsh effects of the global economic slow-down in 2001. This was attributed to several factors, the most important of which is structural - Africa's weak integration into the global economy and the composition of Africa's trade; good weather conditions; lower oil prices, the cessation of conflicts and the improved policy environment in several countries - all of which played a part in this improved performance. The report supplements the traditional region-wide analysis of trends with seven in-depth country studies on Ethiopia, Guinea, Kenya, Morocco, Nigeria, South Africa and Zimbabwe. Future editions of the ERA will present in-depth studies of other African countries as part of efforts to capture lessons from shared experiences including best practices and identify special requirements for growth.

4. The second part of the report entitled, **Harnessing technologies for sustainable development**, deals with the challenges of achieving sustainable development and poverty eradication in Africa using new and emerging technologies. The report presents the sustainable development indicators (SDI), which capture country achievements in economic transformation, institutional development, and environmental conservation. This two-volume treatment is also planned for future editions of the ERA, with private sector development as the policy focus in the 2003 report.

5. In the area of trade and finance, the focus of the work programme in 2002 was on enhancing the capacity of member States to formulate and implement strategies for enhancing trade and mobilizing resources, both external and domestic, for development. In this regard, the ECA Secretariat, in collaboration with other regional and international organizations, assisted member States in preparing them for the Doha WTO Ministerial Conference and in the follow-up to the Conference. The areas covered included trade in agriculture and services; trade related intellectual property rights (TRIPS); and trade-related investment measures (TRIMS) and implementation issues. In this context, the secretariat organized a workshop on African trade negotiations in the area of agriculture in Addis Ababa in April

2003 and prepared a number of studies focusing on challenges to be addressed in accelerating Africa's integration into the global economy; lack of competitiveness of African exports and lack of market access; the debt burden; and the decline in the flow of foreign direct investment, ODA and other forms of finance into the region.

6. The main objective of ECA's work in the area of social policy and poverty analysis is to help its member States to understand the structural causes of poverty in order to help them design and implement effective pro-poor policies and strategies for eradicating poverty in the shortest possible time in line with the Millennium Development Goals.

7. During the period under review, ECA activities in support to its member States in achieving the MDGs were carried out under the cluster of social policy and poverty analysis, where emphasis was on promoting policies and measures for improving employment and other income-generating activities, including support to informal sector activities, skills development and acquisition programmes, improvement in the delivery of basic social services targeted at the most vulnerable and disadvantaged groups, and tackling diseases that accentuate poverty.

8. As part of efforts aimed at strengthening poverty reduction strategies papers (PRSPs) process and other nationally-owned development strategies, which are deemed essential in achieving the MDGs, ECA launched the learning group on the poverty reduction strategy papers process (PRSP-LG) in November 2001 as a regular forum for African policy-makers and development experts to share experience on poverty reduction issues and identify weaknesses in the design and implementation of PRSPs. Building on the outcomes of the first meeting of the PRSP-LG, ECA convened the second meeting of the PRSP-LG in November 2002 in Brussels, Belgium.

9. The meeting brought together participants from government, civil society groups and development experts from fifteen countries as well as representatives of several bilateral and multilateral donor institutions to discuss the challenges that African countries confront in the design and implementation of their national poverty reduction strategies and programmes. The meeting considered five practical issues in the implementation of PRSPs, namely, the scope and content of growth strategies underpinning PRSPs to ensure that they benefit the poor; financing and expenditure management of PRSPs in national budgets to ensure that resources are allocated to priority sectors; the depth and legitimacy of the participatory process and national ownership; the need to address capacity constraints at the national level for the effective design and implementation of the PRSPs; and the need to harmonize donor aid policies and practices in support of the objectives of the PRSPs. The meeting was held on the sidelines of the meeting of the Technical Group of the Strategic Partnership with Africa (SPA-TG) which brings together representatives of the World Bank, the International Monetary Fund (IMF), the United Nations Development Programme (UNDP) and the Development Assistance Committee of the OECD, as well as the European Union in support of poverty reduction programmes in Africa.

10. To ensure that anti-poverty policies are well-targeted, ECA embarked on an active research programme during the period under review aimed at improving anti-poverty interventions by analyzing the link between poverty and nutrition and health, as well as the link between poverty, growth and equity, using poverty mapping to disaggregate information on poverty levels and its spatial or geographical distribution. Poverty maps and profiles for ten African countries selected by subregion have been completed and served as a key input for the second meeting of the PRSP-LG.

11. A significant development under this subprogramme during the period under review related to the establishment of a new unit on health economics within ESPD to serve as the focal point for mainstreaming issues of HIV/AIDS into the work programme of ECA. The mandate for this derives from the Millennium Declaration, the Abuja Declaration on HIV/AIDS, Tuberculosis, Malaria and Other Related Infectious Diseases (ORID), the Declaration adopted by the special session of the United Nations General Assembly in September 2002, and the Consensus adopted at the Second African Development Forum (ADF II) in March 2001. ECA activities under this cluster were aimed at sensitizing

policy makers on the development challenges posed by HIV/AIDS and other poverty related diseases in order to encourage appropriate policy responses at the national and regional levels.

12. The activities consisted of preparation of country studies and reports, conducting empirical research and analysis, organizing policy workshops and seminars, and providing technical assistance in support of building the capacity of member States in the implementation of the various commitments made with regard to combating HIV/AIDS and other diseases. Activities in this area have also benefited from collaboration with other organizations of the United Nations as well as regional organizations such as UNAIDS, WHO, UNIFEM, AU and the World Bank. A hallmark of this collaborative effort was the joint report prepared by ECA, UNAIDS, WHO and AU on the theme, **Leadership for Better Health**. The report underlined the importance of leadership at all levels - in government, civil society, grassroots communities - in stemming the tide of HIV/AIDS and in ensuring a multi-sectoral response in controlling the spread of the disease.

13. In the area of statistical development, several activities were undertaken aimed at strengthening the capacity of member States for the collection, processing, analysis and dissemination of data in support of the policy and decision-making process at the country level. Particular attention was also given to improving the range and quality of data for tracking progress in the achievement of the MDGs and the priorities of NEPAD. Specific activities undertaken in this regard included the organization of workshops and seminars to highlight best practices and share experiences on the development of indicators for poverty measurement; assistance to member States in the implementation of the 1993 System of National Accounts and in strengthening the capacity of national statistical agencies for the collection, storage and analyses of household survey and the construction of time series data on important economic and social variables.

14. The Division organized or participated in several meetings, conferences, seminars and workshops on issues related to its work during the period under review. These included the annual session of the ECA Conference of Ministers held in Johannesburg, South Africa in October 2002; an ad hoc experts' group meeting on the feasibility of monetary unions in Africa held in Accra, Ghana in October 2002; a meeting of the HIV/AIDS focus group which was held as part of the side activities organized during the Third African Development Forum (ADF III) in March 2002; and a training workshop on model-building and forecasting of economic growth in Africa held in Yaounde, Cameroon in June 2002. The Division also launched a series of in-house seminars under the title, ESPD Seminar Series, to provide a forum for staff of the secretariat to present papers and key findings of research work in various areas. Since its launch in 2002, a total of sixteen seminars have been held. The workshops have contributed to improving the quality of ECA's analytical work and enhanced its policy relevance for the member States.

15. In partnership with other agencies of the United Nations, the World Bank, the IMF, UNCTAD and WTO, the secretariat provided regional advisory services and other capacity building support to governments and intergovernmental organizations in the area of economic and social policy analysis. Assistance took the form of supporting the member States in the preparation of technical studies focusing on the following priority issues: WTO Agreements; trade and investment; competition policy and government procurement; the impact of the HIPC Initiative; the African debt crises; and strengthening business and commercial ties between African countries and the industrialized countries.

Ensuring food security and sustainable development

16. ECA activities in the area of enhancing food security and sustainable development were aimed at strengthening the capacity of member States in designing institutional arrangements, policies and programmes to reinforce the linkages among the nexus of food security, population growth and environmental sustainability and raising awareness on the need for holistic treatment of these issues in development planning; promoting awareness on the effective utilization of science and technology to achieve food security and sustainable development; and providing technical assistance in enhancing understanding and management of the complex interactions among the nexus issues.

17. A wide range of activities were undertaken by the ECA secretariat in support of these objectives. These range from policy analysis and advocacy to actions in support of the implementation of regional and global plans of action. Key highlights of these included the organization of three ad hoc experts group meetings focusing on the implementation of the Dakar-Ngor Declaration (DND) and the International Conference on Population and Development Programme of Action (ICPD-PoA) which were held in Addis Ababa in December 2002; and emerging issues in the nexus of population, agriculture and the environment.

18. Several recurrent and non-recurrent publications were also prepared during the period under review in support of the secretariat's advocacy work on the nexus issues. These included one issue each of the ESTNET newsletter and the Population and Development Bulletin. Other materials produced included posters on the World Environment Day, 2002.

19. The World Summit on Sustainable Development (WSSD) was held in September 2002 in Johannesburg, South Africa and ECA played a central role in the African regional preparatory process for the Summit. In collaboration with other UN agencies, regional and subregional organizations, the secretariat organized several meetings, which were aimed at forging a common position on the issues of sustainable development ahead of the Summit. ECA participated in several side events at the Summit, and coordinated the session on regional implementation, where it elaborated Africa's major sustainable development challenges and the requirements for action.

20. In addition to devoting two of the eleven chapters of the **Plan of Implementation (POI)** to Africa and regional initiatives, with specific programmes spelled out for each region, WSSD embraced the regional dimension as an essential element in achieving the integration of the three pillars of sustainable development, namely economic development, social development and environmental sustainability, into development planning and poverty reduction strategies. Thus, in elaborating institutional mechanisms at the regional level, the POI emphasized the need to strengthen the capacity of the regional commissions by making sustainable development a key component of their mandate

and ensuring effective monitoring of progress in achieving the WSSD outcomes; encourage multi-stakeholder participation in the process; support regional programmes and partnerships using an interdisciplinary and cross-sectoral approach; and monitor and evaluate progress, including follow-up to the Summit outcomes.

21. As part of efforts to ensure integrated follow-up and implementation of WSSD outcomes in Africa, ECA is currently working on the development of a set of performance indicators to assess progress in achieving sustainable development objectives and its sustainability across countries and sectors. The findings will be published in a new biennial flagship, **Report on Sustainable Development in Africa** which will provide key indicators of sustainable development and livelihood (featuring critical elements of the economic, social, institutional, and environmental dimensions of sustainability), highlight best practices and provide in-depth analyses of selected themes in sustainable development. Ongoing research will also culminate in the following future publications: **State of Food Security in Africa**; **Land Tenure Systems and their implications for food security in Africa**; and **State of transition in population, environment and agriculture in Africa**.

Strengthening Development Management

22. The objective of this subprogramme during the period under review has been to enhance public sector management capacity, promote good governance, and ensure that broad-based stakeholder participation is encouraged in the development process in Africa. The activities undertaken in these thematic areas included a number of seminars, workshops and meetings aimed at facilitating the exchange of experience in good governance; and also research, studies and publications aimed at fostering public-private partnerships (PPPs) and creating an enabling environment for private sector-led growth and development.

23. The Division is also currently embarking on the preparation of the first **African Governance Report (AGR)** resulting from its work on the **Monitoring and Measuring Progress Towards Good Governance in Africa**

project. The report will be an annual flagship publication that aims to establish criteria for measuring and monitoring progress towards good governance in Africa. A major objective of the report is to promote dialogue and build consensus on key issues and to develop, sustain and internalize the norms of good governance in Africa.

24. As part of work in preparing the report, a set of indicators was developed that focused on the three dimensions of governance - political representation, institutional effectiveness and economic management and corporate governance. Three survey instruments were designed to obtain data and pertinent information with respect to governance in 30 African countries. The countries selected for the study were divided into three clusters, namely phases 1, 2 and 3. The country reports have been prepared by national institutions tasked to do so based on the three instruments provided. The countries in Phase 1 were Benin, Botswana, Ghana, Kenya, Malawi, Mali, Namibia, Nigeria, Senegal, South Africa, Tanzania and Uganda. Phase 2 included Burkina Faso, Gabon, The Gambia, Egypt, Ethiopia, Lesotho, Mauritius, Swaziland, Zambia and Zimbabwe. Phase 2 also included Cote d'Ivoire, however the appointed institution has advised that it may not be able to implement the project in that country because of the state of unrest there. The countries involved in Phase 3 included Cameroon, Chad, Morocco, Mozambique, Niger and Rwanda. According to the current work plan for the production of the AGR, the first draft of the report is expected to be ready by June 2003. This draft will be subjected to series of peer reviews, both internally and externally, before publication.

25. The secretariat also participated in or organized several meetings, seminars and workshops on topics related to good governance and public sector management in the period under review. In May 2002, ECA in collaboration with UNDP organized the fifth Africa Governance Forum (AGF V) in Maputo, Mozambique on the theme, **Local Governance for Poverty Reduction in Africa**. The forum brought together government officials, partners and representatives of civil society and the private sector to discuss the links between local governance and poverty reduction.

26. In February 2002, ECA participated in the ad hoc Expert Group meeting organized by the Division of Public Administration and Development Management of DESA in Bahia, Brazil on the theme **Innovations in Governance and Public Administration for Poverty Reduction**. It was organized to serve as a forum for discussion, exploration and cross-fertilization of experience and ideas among leading experts and practitioners in the field of public administration. The final session of the meeting on **The Way Forward - Recommendations of the Meeting and Setting Priorities for the Future** was chaired by ECA. ECA also participated in the Fourth Global Forum held in Marrakech, Morocco in December 2002 where it presented a paper, entitled, **Analytical and Monitoring Tools** which focused on its work on the development of indicators for monitoring and assessing governance. The main objective of the forum was to explore new mechanisms that can lead to viable and innovative governance solutions based on the principles of dialogue and partnership.

27. In April 2003, ECA participated in the ninth annual Harvard International Development Conference held in Boston and also in the UNDESA /ECOSOC meetings on Public Administration in New York. The Harvard International Development Conference is an annual event that is organized by the graduate students and faculty members of the Kennedy School of Government (KSG) and the theme this year was **Governance and Development in a Dynamic Global Environment**. ECA made a presentation at the panel session on **Regional Approaches to Good Governance**. At the UNDESA meetings, the Committee of Experts tackled such topics as strategies for high-quality staffing in the public sector and the role of public administration in mainstreaming poverty reduction strategies within the MDGS.

Several meetings were also organized during the period under review focusing on the role of CSOs in NEPAD. These included the fourth meeting of the Steering Committee of the African Centre for Civil Society (ACCS) held in Addis Ababa in March 2002; and the consultative meeting of representatives of civil society which was also held in Addis Ababa in June 2002. Both meetings were attended by ECA and the

discussions focused on how to facilitate the participation of CSOs in the African Union (AU) and NEPAD. ECA also attended the Inter-Agency Task Force for the preparation of the first OAU/AU Ministerial Conference on drug control and crime prevention held in Addis Ababa, in May 2002. A paper, jointly prepared with UNDP on **Poverty and Drug** was presented at the meeting.

28. Upon request from the Government of Sierra Leone, the secretariat fielded a technical advisory mission to that country to provide assistance to the Government in the formulation of national policies for the energy and water sectors. The advisory team presented the Government with abroad set of recommendations under the theme, **Good Governance, Energy and Water and Sanitation**.

29. In recognition of the complementary roles of the public and private sectors in sustainable development, the ECA secretariat organized an ad hoc Expert Group meeting on the theme, **Improving the Policy Framework for Private-Public Partnerships** in Addis Ababa in November 2002. The aim of the meeting was to review public-private partnerships (PPPs) in Africa and to identify and evaluate best practices in this area. A number of case studies were identified such as the **Stutterheim Affermage** project in the Eastern Cape province of South Africa and the **Water and Sanitation Services** project in Gweru, Zimbabwe. A number of recommendations for improvement were made and it was generally agreed that PPPs would thrive in an enabling environment. Such an environment requires reforms, a stable international political environment, good governance and transparency.

Harnessing information for development

30. With growing awareness of information and communication technologies (ICTs) as the main defining element of the new economy, ECA provides assistance to its member States in building capacities to create an enabling environment for harnessing ICTs to achieve accelerated growth and development. An increasingly important tool for achieving these objective is the National Information and

Communications Infrastructure (NICI) policies and plans which articulate long-term policy, infrastructure content and application strategies as an integral part of overall national development programmes.

31. During the period under review, the ECA secretariat continued to play a key role in assisting member States in the development of their NICI plans. As a result of this assistance, NICI plans were launched in three countries - Ghana, Mali and Niger; sectoral plans for Ethiopia; and a pilot e-government initiative in the Gambia.

32. ECA also played a significant role in organizing the African Regional Preparatory Conference to the World Summit on Information Society (WSIS) which was held in Bamako, Mali in May 2002. The Conference was aimed at promoting a common understanding and vision on the benefits to be derived by Africa from the information society, and Africa's contributions to the development of the information society. The Conference adopted the Bamako Declaration which provides the blueprint for Africa's participation in the forthcoming WSIS, and served as a key input to the first global preparatory meeting in Geneva in July 2002. Follow-up activities to Bamako 2002 included the establishment of an electronic discussion forum and the organization of training workshops which brought together relevant stakeholders to help define their respective roles and contribution to the development of the new information society.

33. Other important activities undertaken in the area of ICTs development and applications included a workshop on ICTs and higher education held in July 2002, in collaboration with the Four Foundations Partnership on Higher Education, namely Carnegie, Ford, MacArthur and Rockefeller Foundations. In addition to strengthening existing partnerships through established networks like the African Stakeholders Network and the United Nations ICTs Task Force, some new partnerships were established. These included foundations such as the Open Society Institute for Southern and West Africa (OSISA/OSIWA); Communications Assistance Foundation (CAF); and the International Institute for Communications and Development (IICD).

34. The secretariat also launched a major outreach and communications programme to raise awareness about the objectives of the African Information Society Initiative (AISII). The major outputs of the programme included a radio series, a media award, briefing papers, a bulletin on ICTs policies in Africa (iConnect Africa), and electronic discussion fora focusing on ICT policy-making on e-governance.

35. In the field of geoinformation, the secretariat played a vital role in the establishment of National Spatial Data Infrastructures (NSDI) and has quickly established itself as a major geoinformation knowledge hub, with the establishment of geoinformation clearing house node which provides the space for member States to publicize their metadata holdings. It will also continue to serve as a source of geographic information in support of research work undertaken by other ECA Divisions. The secretariat also provided technical assistance to member States in strengthening their capacity for managing geoinformation for decision-making. Nigeria, Ethiopia, Eritrea, Botswana and South Africa benefited from technical assistance in this area.

36. Most of the activities undertaken in the area of library and technical information services were mainly geared towards preparing for the launch of the African Virtual Library and Information Network (AVLIN) which was conceived in 2001 as a platform for sharing development information and knowledge about Africa. The activities included the establishment of an Advisory Committee to provide direction and guidance on the initiative.

37. To underscore the growing importance of timely and accurate information for effective decision-making and policy analyses, and as a follow-up to CODI II, the ECA secretariat organized the Third Meeting of the Committee on Development Information (CODI III) in Addis Ababa from 10 to 16 May 2003 on the theme, **Information and Governance**. The meeting drew participants from national statistics offices, population agencies, university libraries, telecommunications agencies, national mapping agencies, archives and documentation centres and geoinformation management organizations. The discussions underscored the importance of information and good governance in Africa, and made recommendations on strategies for

harnessing information to enhance good governance practices in Africa.

38. As part of activities during CODI III, the Global Knowledge Partnership (GKP) Secretariat and the ECA secretariat jointly organized the second GKP Africa Day on 13 May 2003 which focused on, among other things, ICT and governance experiences in different African countries, strategies for promoting e-governance in Africa, progress on ICT policies, and information and knowledge developments. As a key component of the GKP Africa Day-2, the GKP market place was held to showcase best practices in the use of ICTs.

39. Other major highlights of CODI III included the presentation of the African Information Society Initiative (AISII) Media Awards to media practitioners and organizations who have made significant contributions to the development of ICTs and the information society in Africa. The awards series is an initiative of ECA and is supported by OSIWA, OSISA, IICD and the International Development Research Centre (IDRC) of Canada. This year's awards went to 11 individuals and organizations from 11 African countries in different categories.

Promoting the advancement of women

40. The gender dimensions of poverty is particularly acute in Africa, where women find themselves marginalized in the economic and social development process. As a result of this, poverty alleviation policies and strategies need to be geared towards empowering women to participate meaningfully in the development process, and close the gender gap as a step towards addressing the poverty problem in Africa. Although, significant progress has been achieved in improving the status of African women, there is still a large gap between rhetoric and actions to maintain the momentum of this progress.

41. Over the years, ECA has sought to contribute to promoting the advancement of women in the economic and social development process through training, research, awareness-raising, and dissemination of information on women's issues. ECA has worked closely with national machineries to build the institutional and technical capacity of member States in

the formulation and implementation of gender-sensitive policies and programmes.

42. During the period under review, the activities undertaken were aimed at promoting the integration of gender concerns into the policies, programmes and structures of member States in order to achieve the goal of gender equality set by the global and regional platforms for action and other gender-related commitments. In this regard, much effort and resources have been devoted to the development of appropriate tools and instruments for measuring progress in attaining the priorities identified in the twelve critical areas of concern of the Platforms for Action. A key tool for achieving these objectives is the African Gender and Development Index (AGDI), a new tool for measuring the extent of gender inequality and the effectiveness of policies aimed at minimizing and eliminating those inequalities. Work in developing the index has gone through several crucial stages, and is heading into a new phase in 2003, with trials of the index in 13 selected countries. The results of this work will be reported through two forthcoming publications, the **African Women's Report, 2002-2003** and the country **Gender Profiles**. The index will also serve as a tool for promoting political awareness of gender issues.

43. The Beijing Declaration (1995) identified women's unpaid or non-market work as a key area of concern. In addition, the United Nations Statistical Commission has also recommended that national statistical offices prepare accounts for unpaid work based on time-use surveys. Although, time-use surveys are widely used in many developed countries to capture the contribution of women's unpaid work in national accounts, it is often ignored in the budgetary and national accounting processes of African countries. ECA's work in this area is aimed at promoting awareness of member States and strengthening their capacity for the integration of women's unpaid work into national accounts and budgetary processes. A key accomplishment in this respect was the adoption of a Ministerial Statement by the thirty-fifth session of the Conference of Ministers in Johannesburg in October 2002, which endorsed the recommendations of the meeting of the Committee on Women and Development (also held in Johannesburg in October 2002) urging member States to increase the use of time-use

surveys to measure and integrate women's unpaid work into national planning instruments as a step towards poverty reduction.

44. As part of efforts to enhance information dissemination and communication outreach on gender-related issues, the secretariat launched a bulletin, GenderNet, during the period under review. The publication, which was produced in both English and French, provided a comprehensive review of the major activities and programmes of ECA in the area of gender and development. Together with the up-dated website, this publication will facilitate knowledge and information-sharing on gender-related issues.

45. ECA's support to member States in enhancing the economic empowerment of women continued through the operationalization of two subregional enterprise development facilities (EDFs) for women established in 1998 in Lome, Togo (for the West Africa subregion) and Kampala, Uganda (for the Eastern Africa subregion). A website on this initiative is under construction and will soon be launched to provide African women entrepreneurs with access to information and enhance their business skills and economic empowerment.

Promoting regional cooperation and integration

46. The period under review was marked by a strengthening of the regional integration process through the activities of the Regional Cooperation and Integration Division (RCID). The Division continued its work as a catalyst for promoting regional cooperation and integration in Africa, focusing mainly on policy issues, infrastructure development and related services in transport and communications, minerals, energy and water resources sectors.

47. These efforts were underpinned by enhanced support to the regional economic communities (RECs) in building their capacities for the implementation of the Abuja Treaty which established the African Economic community (AEC). In this context, several policy-relevant studies were undertaken by the ECA secretariat. Highlights include a study on the harmonization of fiscal policies which focused on the structural rigidities inherent in African economies which make the harmonization process difficult; a

study on convergence of the programmes of the RECs with the objectives and programme for the establishment of the AEC; a study on macroeconomic and monetary convergence in selected regional integration groupings, using COMESA as a case study. Other key studies undertaken included two feasibility studies on the establishment of free trade areas for both the Economic Community of Central African States (ECCAS), and the Community of Sahel and Sahara States (CEN-SAD). In addition, preparatory work on the second issue of the periodic **Assessment Report on Integration in Africa (ARIA)** began. The report will focus on the policy and institutional challenges of regional integration in Africa, with emphasis on the rationalization of the RECs towards achieving effective regional integration of the continent.

48. In the area of transport and communications, the secretariat organized and participated in several policy meetings and workshops, where it presented policy framework papers and the findings of major studies. These included a study focusing on e-commerce, human resources development and the transport of dangerous goods which will be presented for validation by an ad hoc experts' group meeting scheduled to take place in Addis Ababa in October 2003; the final evaluation of the Second United Nations Transport and Communications Decade in Africa (UNTACD II) programme which reviewed the impact of the implementation of the programme on transport and communications development in Africa; and a progress report on the implementation of the Yamoussoukro Decision on the liberalization of air transport in Africa. Other notable accomplishments in the area of transport and communications included support to member States in integrating the new air transport policy into their national transport programmes and support to some RECs (COMESA, SADC and EAC) in the adoption of competition rules for air transport liberalization in the three subregions. In addition, the secretariat played a key role in the formulation of the infrastructure component of NEPAD, and was designated as the secretariat for monitoring progress in the implementation of the Yamoussoukro Decision.

49. In the area of mineral and energy resources development, the secretariat organized several workshops and meetings, and worked

closely with other organizations in strengthening regional cooperation as well as enhancing public-private partnerships in the development of these sectors. Highlights of the activities undertaken in this area included seminars on the management of mineral wealth in Africa held in Lusaka in August 2002; a workshop on the establishment of an African Mining Network, organized in collaboration with UNCTAD in February 2003 which identified a number of broad themes and potential areas of work of the network; and a seminar on artisanal and small-scale mining in Africa which was organized in collaboration with UN-DESA in Yaounde, Cameroon in November 2002, with the objective of supporting member States in integrating small-scale mining activities into their poverty reduction strategies and programmes. Other activities carried out in the area of minerals resources development included the preparation of a **Compendium of Best Practices in Small-scale Mining in Africa**.

50. In the area of energy resources development, the activities undertaken by the secretariat were aimed at promoting regional and international cooperation for the development of the sector. In this context, two reports were prepared: **Assessment of power pooling arrangements in Africa**; and prototypes of framework documents on rural electrification. The secretariat also provided technical assistance to the Government of Sierra Leone in the formulation of a national energy and water policy.

51. In the area of water resources development, the secretariat contributed to organizing and servicing the ninth annual meeting of the Inter-agency Group on Water in Africa (IGWA) which was held in Nairobi in December 2002. The consultative meetings for the National Report Writers of the African Water Development Report from West and North Africa were held in Addis Ababa during the period under review. ECA also contributed to the launch of the African Water Facility at the World Summit on Sustainable Development in Johannesburg, South Africa in September 2002 through substantive inputs to the preparations and conduct of the Water Dome parallel event held during the Summit. Other meetings in which ECA participated or contributed to included a workshop on water supply and sanitation in

poverty reduction strategies organized by the World Bank in Nairobi in June 2002; the meeting of the Steering Committee of the Global Water Partnership (GWP); the thirteenth session of the Africa Regional Association on Hydrology organized by the World Meteorological Organization (WMO) in Mbabane, Swaziland in December 2002; and the various regional preparatory meetings to WSSD. Furthermore ECA in partnership with other United Nations agencies began implementation of a major programme, **Institutional Strengthening of the Inter-agency Group on Water in Africa for implementing the African Water Vision** funded by the Government of The Netherlands to highlight the role of water resources in promoting regional integration.

Supporting subregional activities for development

52. The activities of this subprogramme were implemented by ECA's Subregional Development Centres (SRDCs) which were re-named Subregional Offices (SROs) during the period under review. Located in the five subregions of the continent, the SROs provide a vital link between the ECA Headquarters and the various regional economic communities (RECs) at the subregional level, thereby strengthening ECA's outreach. They also provide a subregional dimension to ECA's policy analytical work by identifying, defining, developing and implementing regional and globally-agreed initiatives or strategies that are integral to ECA's overall vision and mandate.

In addition, the SROs collaborate with other UN agencies in their respective subregions within the context of the United Nations Resident Coordinator system and the CCA/UNDAF in the implementation of operational activities at the national level.

53. A major priority in the work of the SROs during the period under review related to providing support to member States and the RECs in translating the priorities and objectives of NEPAD into concrete projects and programmes at the country level, and in popularizing NEPAD to ensure that its implementation is more participatory. The following section highlights the major achievements of each of the SROs during the period under review.

ECA-North Africa

54. The Office focused primarily on the implementation of two core activities, namely, the organization of a forum on human capital and the meeting of its Intergovernmental Committee of Experts (ICE). The priority issue of human capital in the subregion was addressed from three perspectives: (i) training and youth employment; (ii) youth and entrepreneurship; and (iii) the Euro-Mediterranean perspective. This task was a culmination of previous undertakings on the development of labor markets in North Africa, including a related long-term perspective study.

55. ECA-NA, in collaboration with ECE and ESCWA, organized an interregional preparatory seminar in Geneva in January 2003 on the role of electronic business in capacity building in the Mediterranean. Several countries from the three regions attended the seminar.

ECA-West Africa

56. The Office strengthened its collaboration with major intergovernmental organizations (IGOs) and other UN agencies during the period under review. The Economic Community of West African States (ECOWAS) continued to receive support in the following areas: capacity - building for gender mainstreaming; macroeconomic convergence criteria and monetary integration; and in the area of ICTs development. Cooperation with Union Economiqué et Monétaire Ouest Africaine (UEMOA) was also strengthened in the development of a programme on agriculture. SRO-WA also played an important role in the preparation of a strategic plan for the West African Health Organization (WAHO), a specialized institution of ECOWAS. In addition, the Office was actively involved in the programme of assistance on post - conflict reconstruction in the Mano River Basin countries of Guinea, Liberia and Sierra Leone, which was launched in 2000.

ECA-Central Africa

57. The main achievements of the Office included the finalization of a study on a transport master plan for the subregion as well as a study on financing infrastructure development. These two studies will be presented at the Special Event on transport scheduled to take place during the first half of 2003. Other significant accomplishments

are the report on economic and social conditions in Central Africa and two books entitled, **The Challenges of NEPAD and African Development, and The Status of Regional Integration in Central Africa**. These publications are in high demand as they have become major reference documents in the subregion and beyond. In addition, the Office provided support to the Government of Cameroon in the preparation of its PRSPs, and at the request of three member States, is in the process of elaborating some of the NEPAD priorities.

ECA-East Africa

58. The Office pursued NEPAD-related activities within, inter-alia, the Great Lakes post-conflict reconstruction, recovery and development initiative, focusing on the areas of infrastructure, human resources, food security and institutional development. These activities were undertaken in cooperation with WHO, UNESCO and FAO. In the same vein, the Office prepared a number of studies on the implications of the WTO agreements and the EU/ACP Cotonou partnership agreement for countries in the subregion. The Office was also involved in the preparation of studies and follow-up activities in the areas of Natural Resources, Accounting and the promotion of agro-forestry as a PEDDA application model; as well as building capacities on new approaches in sustainable development policy formulation. Other major achievements of SRO-EA included (i) providing assistance to Rwanda in area of ICTs development and in the implementation of its NICI plans and strategies; and (ii) in Gender mainstreaming activities. The Office provided assistance in the re-structuring of the secretariat of the Northern Corridor Transport and Transit Agreement (NCTTA); and initiated the assessment of the Central and Northern Tier Corridors, covering Tanzania, Rwanda, Burundi, Djibouti, Eritrea, Ethiopia, within the framework of the Eastern Africa Transport Master Plan Project. This work served as a major input to the African Regional Preparatory meeting held in Addis Ababa in May 2003.

ECA-Southern Africa

59. During the period under review, the ECA Office for Southern Africa (SRO-SA) devoted much effort and time to the preparation of

parliamentary documents for its ICE meeting and a special event on ICTs and Governance. Other major achievements included the preparation of the **Report on Economic and Social Conditions in Southern Africa**, which focused on the economic impact of environmental degradation; the **Southern Africa Development Bulletin**, which was devoted to elaborating key issues related to NEPAD; and **Labour Markets and Employment in Southern Africa**, which was reviewed by an ad hoc experts group meeting and its major recommendations adopted by the Southern African Development Community's Employment and Labour Sector (SADC - ELS) Committee of Ministers and Social Partners; and a report on the evaluation of the project on the **Promotion of the Informal Sector for Development in Africa**.

60. Several countries in the subregion and IGOs received technical assistance in addressing a number of challenges: Namibia in the design of a national gender mainstreaming programme; Zambia in strengthening of its national machinery on gender issues; and Uganda and Zambia on the African Peer Review Mechanism of NEPAD. Technical assistance was also provided to Common Market for Eastern and Southern Africa (COMESA) in developing an Infrastructure Master Plan, a framework for assessing the impact of HIV/AIDS in smallholder agriculture, and in the formulation of human resources development programmes. Both SADC and COMESA received support in the development of a joint long-term development plan for the Sub-Saharan African Transport Policy Programme (SSATP); vehicle axle load control programme and road safety for the Beira Corridor. Cooperation with several UN agencies was further strengthened during the period. With ILO in the areas of ICTs and employment; UNCTAD in the establishment of an African Mining Network; and UNDP in promoting the Zambia-Malawi-Mozambique Growth Triangle Project; the informal sector development project in Zambia; attaining the priorities of NEPAD and the MDGs.

B. Summary of technical cooperation activities

61. ECA has a mandate to assist its member States and their institutions in developing and strengthening capacities to design and implement

development policies and programmes through technical cooperation activities. In this sense, ECA's technical cooperation activities are a useful complement to its regular activities.

62. Technical cooperation, which takes the form of on-demand regional advisory services; training workshops and seminars; fellowships; and field projects are geared towards supporting national capacity building in addressing critical development challenges. The ECA team of regional advisers, deployed in the various programme Divisions, undertakes advisory missions and provides technical assistance to requesting member States in addressing clearly defined policy and technical challenges in different sectors. There is also a strong focus on the needs of countries emerging from conflict.

63. During the period under review, ECA responded to a number of requests for technical assistance in areas covering the entire spectrum of its work programme, taking into account the priorities and objectives of NEPAD, the Millennium Declaration as well as the outcomes of major global conferences. The main areas of focus included external debt management; management of national statistical systems; promoting the economic empowerment of women; and promoting women's legal and human rights.

64. In the area of external debt management, assistance took the form of training in strengthening capacity for debt management. In this regard, the secretariat organized two regional training bringing together senior officials of national debt management offices: one at the Institute for Economic Development and Planning (IDEP) in Dakar, Senegal in June 2002; and another at the Ecole Supérieure de Banque in Algiers, Algeria in September 2002.

65. In the area of customs reforms and modernization, assistance was provided to the Secretariats of the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) in the harmonization of their customs clearance procedures as a means of facilitating trade flows between the two subregions.

66. Advisory services in the area of statistics focused on assistance to member States in strengthening capacities for the collection, processing, analysis and dissemination of data in support of the decision-making process at the country level, particularly as it relates to attaining the goals of the Millennium Declaration and NEPAD. In this context, assistance was provided to several member States in the assessment of their statistical capacities as well as in the development and adoption of international guidelines for poverty measurement and the use of household surveys.

67. In the area of promoting economic empowerment of women, two regional NGOs, the African Women's Development Fund (AWDF) and Women in the Economy: Globalizing and Organizing (WIEGO) received assistance in addressing issues related to women's socio-economic empowerment and enhancing the role of women in the informal economy.

68. Within the context of promoting women's legal and human rights, the secretariat provided assistance to several member States, IGOs, and NGOs in the implementation of their National Action Plans on promoting the legal status of women, and promoting awareness of international and national human rights instruments. Assistance in this regard was provided to the Governments of Niger and Burundi, and the International Centre for the Education of Girls and Women in Africa. Assistance was also provided to the Special Rapporteur on Women's Rights in Africa in the elaboration of the plan of action on women's rights education and the administration of justice. Several member States and IGOs also received assistance in capacity building for mainstreaming gender concerns into national policies and programmes, as well as in monitoring and evaluating progress in the implementation of the global and regional Platforms for Action. In this regard, a training workshop was organized by the secretariat in Ouagadougou, Burkina Faso in June 2002.

Chapter III

Meeting of Subsidiary Bodies, Including the ICEs of ECA's Offices in the Sub-regions

69. The intergovernmental machinery of the Commission consists of organs focused on overall development issues and subsidiary/sectoral bodies. The number of organs and subsidiary bodies has been rationalized pursuant to the decisions of the ECA Conference of African Ministers of Finance, Planning and Economic Development at its Thirty-Fifth session held in Johannesburg, South Africa in October 2002 to reorganize the subsidiary organs of the Commission. The current intergovernmental machinery is as follows

(a) Organs dealing with overall development issues:

(i) The Conference of African Ministers of Finance, Planning and Economic Development.

The Conference meets annually in accordance with the decision of its thirty-fourth session held in Algiers, Algeria, in May 2001. The Conference is preceded by an intergovernmental group of experts.

(ii) Intergovernmental Committee of Experts (ICEs) of ECA's five offices in the subregions. Each ICE meets annually and reports to the Commission through the intergovernmental group of experts.

During the period under review all the five Offices in the subregions held their respective ICEs meetings.

(b) Subsidiary/sectoral bodies

(i) The Committee on Regional Cooperation and Integration (CRCI)

(ii) The Committee on Women, Gender and Development (CWGD)

(iii) The Committee on Development Information (CODI)

(iv) The Committee on Human Development and Civil Society (CHDCS)

(v) The Committee on Sustainable Development (CSD)

(vi) The Committee on Industry and Private Sector (CIPS)

70. All the above sectoral bodies meet in ordinary session once every two years. The biennial meeting of the Committee on Regional Cooperation and Integration and of the Committee on Women and Development were held in March 2002 and October 2002, respectively in Addis Ababa, Ethiopia and Johannesburg, South Africa. The outcomes of the deliberations of these two committee meetings were presented to the last session of the Commission. Out of the remaining four planned sectoral meetings, the Committee on Development Information (CODI) and that on Human Development and Civil Society held their biennial meetings, from 10 to 17 May 2003 and 26 to 27 May 2003, respectively, in Addis Ababa, Ethiopia.

71. The discussions, decisions and major recommendations adopted at the meetings of the subsidiary organs that met since the last session of the Commission are summarized below.

1. The Committee on Human Development and Civil Society (CHDCS)

72. The second meeting of the Committee on Human Development and Civil Society of the ECA was held in Addis Ababa, Ethiopia, on 26-27 May 2003. UNAIDS collaborated with the ECA as

part of the Commission's ongoing UN inter-agency cooperation and partnerships. It was attended by experts from the Civil Society, as well as from the Public and Private Sectors. The deliberations focused on the theme, "Participation and Partnership in Africa's Development" which, particularly, underscored the importance of participation and partnership as the basis for addressing issues related to ethics and accountability in public service delivery; HIV/AIDS; and the special development needs of countries emerging from conflict.

73. Specific recommendations were made on how to forge partnerships between African governments, development partners and other stakeholders in the fight against HIV/AIDS, at the national and regional levels. These recommendations will serve as the basis for providing a regional input to the informal high-level panel discussion on HIV/AIDS to be held at the 58th Session of the United Nations General Assembly in September 2003.

74. A framework for enhancing and promoting participation and partnerships was developed, which will, among other things, create modalities for dissemination of "best practices", within and without the continent, institutional reforms and capacity building initiatives needed to meet the Millennium Development Goals, by 2015. In addition, a list of indicators for monitoring the effectiveness of this framework was developed at the meeting.

2. The Committee on Development Information (CODI)

75. Building upon the technical deliberations and outcomes of the first and second meetings of CODI, the third session of the Committee (CODI-III), which was held under the theme "Information and Governance", reviewed the progress made in the implementation of the recommendations of CODI-II and discussed strategies for harnessing information for good governance in Africa.

76. The meeting also discussed and recommended strategies for sustained resourcing and maintenance of information services, systems and institutions to make relevant information available and accessible to decision makers and

the general public in a form that is ready for use. More specifically, the meeting made the following key recommendations:

- (a) ECA should establish a framework for Public-Private Partnership (PPP) for Africa in the use of ICT-enabled equitable development;
- (b) Member States should adopt a process for assessing the statistical capacity of member States. Initially, volunteer countries should undertake the testing and adoption of tools and processes for peer review of statistical capacity for adoption as part of the NEPAD commitment support by an expert group provided by UNECA/PARIS21;
- (c) Member States, ECA and the international community should promote coordinated ICT initiatives to narrow the digital divide between Africa and the rest of the world with the objective of establishing a digital solidarity fund for Africa;
- (d) CODI should develop a coordinated task group to integrate and publish common policies and technical strategies in order to optimize access to development information;
- (e) CODI should convene a multidisciplinary and multinational work group to formalize data models and access methods that address both data provider and consumer needs for geographic and statistical information in support of NEPAD.

3. The Sixth Meeting of the Intergovernmental Committee of Experts (ICEs) for West Africa

77. The Sixth Meeting of the Intergovernmental Committee of Experts for West Africa was organized at Banjul, The Gambia, from 22 to 24 May 2003.

78. The ICE meeting reviewed the activity report of ECA Office in West Africa during the period June 2002 to May 2003 and a number of technical publications, including the Report of the Economic and Social Conditions in West Africa (2003); the Status of Food Security

and Sustainable Development in West Africa; Mainstreaming Gender Perspective in National Policies and Programmes; Status Report on the Implementation of National Information and Communication Infrastructures Plans (NICIs) in West African countries; Biotechnologies Applications in Agro-industries and Development of Small and Medium-scale Industries; Progress Report on the Application of Macroeconomic Convergence Criteria and Status of the Creation of a Single Monetary Zone in West Africa; and Development Challenges of Management of Water Resources in West Africa.

79. On statutory issues, the ICE reviewed the proposed programme of work of the Office for the biennium 2004-2005, the status report on the implementation of the Peace Programme for the Mano River Union countries, as well as the orientation and implementation plans for the second phase of the programme. The meeting was also briefed on major initiatives and programme developments at the Commission; preparations for the Forth edition of the African Development Forum (ADF IV), including schedules and modalities for the organization of a subregional pre-ADF workshop on Governance. Participants were also provided with the text of the public lecture on "Regional Cooperation and Integration in West Africa: A critical assessment" that was undertaken during the Fifth ICE meeting held in Niamey, Niger, in June 2002. The public lecture was given by the Executive Secretary of ECOWAS.

80. On the same subject, the ICEs took note of two major conflict-related initiatives under way in ECA Office in West Africa, namely: the Development for Peace Programme in the Mano River Union; and the study on the economic implications of the conflict in Côte d'Ivoire.

81. The meeting also provided an opportunity for discussing the implementation modalities of NEPAD, with special emphasis on the African Peer Review Mechanism (APRM).

4. The Eighteenth Meeting of the Intergovernmental Committee of Experts (ICEs) for North Africa

82. The Eighteenth Meeting of the Intergovernmental Committee of Experts for North Africa was organized in Tangier, Morocco, from 16 to 18 May 2003.

83. The meeting considered reports dealing with the following thematic issues: Activities during the 2002-2003 biennium and programme of work for the 2004-2005 biennium; economic and social conditions including a special study of the private sector in North Africa; regional cooperation and integration focusing on the trade dimension; status of food security and sustainable development; mainstreaming gender perspectives in national policies and programmes; progress in the implementation of National Information and Communication Infrastructure (NICI) plans in North African countries; combating drought and desertification in North Africa.

84. The Committee made the following main observations and recommendations:

- (a) The special study of the private sector was very important for the subregion and an in-depth analysis of the sector had to be continued along with the study of the evolving role of the State;
- (b) On subregional integration and cooperation issues, ECA Office in North Africa should undertake the following:
 - i. A review of choices and strategies that can be pursued in the context of many and overlapping Free Trade Zones;
 - ii. Focus research on the integration of production systems;
 - iii. Study the question of making the participation of member States in the WTO negotiations more effective; and

- (c) Organize a meeting of experts on gender issues to enable exchange of experiences and develop a strategy for education, communication and information in the area of gender.

5. The Twenty-First Meeting of the Intergovernmental Committee of Experts (ICEs) for Central Africa

85. The Twenty-First Meeting of the Intergovernmental Committee of Experts (ICE) for Central Africa was held in Yaounde, Cameroon from 15 to 17 April 2003.

86. The meeting addressed the following issues in the subregion: progress in the implementation of ECA programmes at the subregional and regional levels; status of regional integration; assessment of physical integration; and state of governance in the countries of the subregion. The meeting also reviewed the report on the economic and social conditions in the subregion.

87. The Committee made the following major observations and recommendations:

- (a) As a means of popularizing NEPAD, ECA should highlight in all its technical publications key activities undertaken in support of the implementation of the initiative continent-wide;
- (b) The Report on the Economic and Social Conditions should systematically include an analysis of the status of gender mainstreaming in national policies and programmes;
- (c) The next edition of the report on economic and social conditions (2004) should devote an important section to the issue of labour market and employment in the subregion. Equally important to the subregion would be the assessment of the contribution of the oil sector to the overall economic growth of the subregion (2005);
- (d) ECA should undertake a study on intersectoral dynamics so as to assist member States in identifying conditions under which the economies of the

subregion could best attain structural maturity;

- (e) ECA should take advantage of ICE meetings to assess progress made in advancing regional integration in the subregion for wider dissemination of the conclusions of the meeting in this respect. This may be used by ECA as an important evaluation tool for the preparation of its Assessment Report on Integration in Africa (ARIA);
- (f) In order to assist research institutions operating in the subregion in their outreach activities, ECA should prepare a compendium outlining their respective mandates, programmes of work and budgets for wider dissemination within and without the subregion.

6. The Ninth Meeting of the Intergovernmental Committee of Experts (ICEs) for Southern Africa

88. The Ninth Meeting of the Intergovernmental Committee of Experts (ICE) for Southern Africa was held from 24 to 26 February 2003 in Maseru, Lesotho.

89. The meeting considered several reports dealing with a broad range of sectoral and thematic issues in the Southern Africa subregion. These issues included progress in the implementation of ECA programmes at the subregional and regional levels; key economic and social developments with special reference to the impact of environmental degradation; status of regional cooperation and integration; status of governance; mainstreaming gender perspectives in national policies and programmes; status of food security and sustainable development; progress in the implementation of National Information and Communication Infrastructure (NICI) plans; skills development in the mining sector; strategies for women's access to and ownership of land; and promotion of the informal sector for development.

90. The Committee recommended that:

- (a) The Report on the Economic and Social Conditions in Southern Africa should contain disaggregated sectoral statistics

so as to reflect the contribution of each sector to GDP, with special emphasis on the performance by the Agriculture sector;

The report should also address the critical issues of income distribution and access to social services in the context of poverty reduction strategies;

- (b) Sensitization workshops considering the critical importance of public awareness of the role of the NEPAD initiative and its interrelation with the African Union should be organized with substantive support from the ECA;
- (c) In order for government and development partners to address gender issues effectively, data and information on gender would need to be developed at country level;
- (d) Recognizing the importance of attaining food security, the methods of agricultural production should be revolutionalized in a manner consistent with NEPAD Comprehensive Africa Agriculture Development Programme. A Marshal Plan would be needed to transform Africa's agriculture;
- (e) The Joint COMESA and SADC ICT Task Force should look into the possibility of harmonizing the programme of the two institutions;
- (f) Customary laws should be harmonized with those of the State with respect to land tenure and inheritance provisions, so that they could both address issues of gender equality and gender equity objectives. This harmonization should also include enabling laws and instruments to implement it.

7. The Seventh Meeting of the Intergovernmental Committee of Experts (ICEs) for East Africa

91. The seventh meeting of the Intergovernmental Committee of Experts (ICE) for East Africa was held in Kigali, Rwanda from 7 to 10 October 2002.

92. The meeting addressed the following issues: the economic and social conditions in East Africa, including the regional cooperation and integration processes within the existing subregional groupings; conflict resolution across Eastern Africa; participation of the subregion in the NEPAD process and related initiatives; and gender related issues. The meeting also considered some policy issues, including proposals for reinforcing statistical capabilities in the subregion and an agenda for capacity building in natural resources accounting.

93. The main observations and recommendations made by Committee revolved essentially around the need for ECA to continue lending its support to the subregion in the following areas:

- (a) Assessing the costs of conflicts so as to sensitize member-countries and partners on the need to prevent resumption of such crises and to promote a culture of peace. The need for a consolidated post-conflict agenda for recovery, growth and development in the subregion was underscored, including the strengthening of the Great Lakes Initiative;
- (b) Charting out directions for fostering regional cooperation and integration processes amongst the existing regional economic groupings. In this regard, the need for the RECs to harmonize their trade liberalization schemes and member States to fully integrate their commitments to regional groupings into their national policies, programmes and priorities was recognized; and
- (c) Strengthening the participation of the subregion in the NEPAD process, especially in the areas of governance and the evolving role of the States and infrastructure development, particularly in the area of harmonizing transit regulations along existing corridors.

Chapter IV

Thirty-Sixth Session of the Commission/ Conference of African Ministers of Finance, Planning and Economic Development

A. Attendance

94. The Thirty-sixth session of the Commission/Conference of African Ministers of Finance, Planning and Economic Development was held in the United Nations Conference Centre, Addis Ababa, Ethiopia on 1 June 2003. The session was chaired by

His Excellency, Mr. Trevor Manuel, Honorable Minister of Finance of the Republic of South Africa, in his capacity as Chairman of the current Bureau of the Conference whose tenure was unanimously extended. Statements were also delivered at the opening ceremony by Mr. K.Y. Amoako, Executive Secretary of the Economic Commission for Africa (ECA), and Mr. Amara Essy, Interim Chairperson of the Commission of the African Union (AU).

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

96. Observers from the following member States of the United Nations were present: Austria, Belgium, Bulgaria, Canada, China, Czech Republic, Cuba, Finland, France, Germany, Greece, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Korea (the Democratic People's Republic), Kuwait, the Netherlands, Norway, Palestine, Romania, the Russian Federation, Saudi Arabia, Spain, Sweden, Turkey, United Kingdom, United States of America, Yemen, and Yugoslavia.

97. The following United Nations bodies and specialized agencies were represented: Food and Agriculture Organization of the United Nations (FAO), Institut africain de développement économique et de planification (IDEP), International Fund for Agricultural Development (IFAD), International Labor Office (ILO), International Monetary Fund (IMF), International Telecommunication Union (ITU), International Organization for Migration (IOM), Regional Commissions New York Office (RCNYO), Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Economic Commission for Africa (UNECA), United Nations Environment Programme (UNEP), United Nations Population Fund (UNFPA), United Nations-Habitat, United Nations High Commissioner for Human Rights (OHCHR), United Nations Office of the High Commissioner for Refugees (UNHCR), United Nations Children's Fund (UNICEF), United Nations Industrial Development Organization (UNIDO), United Nations Mission in Ethiopia and Eritrea (UNMEE), United Nations Office of the Special Adviser on Africa (UN-OSAA), World Bank, World Food Programme (WFP), World Health Organization (WHO), and World Intellectual Property Organization (WIPO).

98. The African Union (AU) and the African Development Bank (ADB) were also represented.

99. Observers were present from the following intergovernmental organizations: African Centre for Applied Research and Training in Social Development (ACARTSOD), Banque Centrale des Etats

de l'Afrique de l'Ouest (BCEAO), Banque de développement des Etats de l'Afrique Centrale (BDEAC), Common Market for Eastern and Southern Africa (COMESA), Communauté des Etats Sahélo-Sahariens (CEN-SAD), East African Community (EAC), Economic Community of West African States (ECOWAS), PTA-Bank, Southern African Development Community (SADC), Union du Maghreb arabe (UMA), and Union économique et monétaire ouest africaine (UEMOA), Organization for Economic Cooperation and Development (OECD), Arab League, Organisation internationale de la francophonie (OIF), Canadian International Development Agency (CIDA), and Development Co-operation Directorate (DCD).

100. Observers were also present from the following non-governmental organizations: AFRICARE, AFRODAD, Art of Living Foundation, and Global Alliance for Women's Health (GAWH).

B. Agenda and Programme of Work

101. The Conference adopted the following agenda and programme of work:

Agenda Item 1: Session I

- Statement by Mr. K.Y. Amoako, Executive Secretary, Economic Commission for Africa.
- Statement by the Chairman of the Commission, Mr. Trevor Manuel, Honorable Minister of Finance, Republic of South Africa
- Adoption of the agenda and organization of work

Agenda Item 2: Session II

Consideration of the report and major recommendations of the Committee of Experts

Agenda Item 3: Session III

Ministerial Policy Debate on the theme of the Conference - Towards greater policy coherence and mutual accountability for development effectiveness

Agenda Item 4: Session IV

Consideration of the Ministerial Statement

Agenda Item 5:

Any other business

Agenda Item 6:

Closure of the meeting

Election of The Bureau

102. No election was held for a new Bureau. Instead, the Bureau elected last year had its tenure extended for another year in view of the short interval between last year's Conference and the present one. This is consistent with the decision taken by member States following consultations earlier in the year between the Executive Secretary and the Deans of African Ambassadors. The Bureau, therefore, remained as follows:

Chairman:	South Africa
First Vice-Chairman:	Cameroon
Second Vice-Chair:	Ghana
Third Vice-Chair:	Kenya
Rapporteur:	Sudan

C. Account of Proceedings

Opening Addresses

103. In his opening remarks, Mr. K.Y. Amoako, Executive Secretary of the Economic Commission for Africa (ECA), welcomed distinguished guests to Addis Ababa and thanked the African Development Bank (ADB) for its excellent collaboration in synchronizing the Conference of Ministers with the ADB Annual Meetings in fulfillment of the wishes expressed at Johannesburg last year by the ECA Conference of Ministers. He noted that the Conference had become an important forum for articulating and advocating an African-owned and African-led development agenda, and for the adopting of an African common position on key issues.

104. The Executive Secretary underlined the significance of this year's Conference, and reminded the Conference that the G-8 Summit was taking place concurrently in Evian, France

where key issues were being discussed in the context of the New Partnership for Africa's Development (NEPAD), among them peace and security, water and sanitation, HIV/AIDS, and progress toward meeting the Millennium Development Goals (MDGs). He expressed the hope that the Evian meeting would result in further support for Africa. The Executive Secretary, however, reminded the meeting that several fundamental issues of concern to the continent remained unresolved and that the important discussions at the present meeting on mutual accountability and policy coherence were intended to accelerate progress on tackling these issues.

105. The Executive Secretary emphasized the importance of the theme of the Conference and noted that the outcome of the meeting would contribute to discussions at several forthcoming meetings where Africa's position would continue to be strengthened. He indicated that the role of the International Monetary Fund (IMF) would be discussed at the next World Bank IMF Annual Meetings and the Development Committee meeting. Related to policy coherence, the trade agenda for Africa, including the unfettering of market access, protection of intellectual property rights, and the removal of tariff and non-tariff barriers would be taken up at the 5th World Trade Organization (WTO) Ministerial meeting in Cancun, Mexico in September and in October 2003, the third Tokyo International Conference on African Development (TICAD III) would focus on social development, private sector participation and good governance in Africa.

106. He informed the meeting that ECA would organize an African experts group meeting on debt relief in support of the debt relief agenda currently being championed by several African leaders. The outcome of this meeting would inform the discussions at the international Conference on African debt which was proposed by ECA to be held in early 2004. The Executive Secretary underscored the need to mitigate the scourge of HIV/AIDS in Africa as part of efforts to enhance development effectiveness, hence the inclusion of this issue on the agenda of the present meeting. In this connection, he informed the meeting that the Secretary-General had recently established a Commission on HIV/AIDS and Governance in Africa which would help develop the policy instruments for tackling

the disease. He thanked the Committee of Experts and its Chairman for their exceptional work in the preparation for the present session.

107. In his statement to the Conference, Mr. Amara Essy, Interim Chairperson of the Commission of the African Union (AU) welcomed the Ministers and informed them that following the establishment of the African Union at the last annual Summit of AU Heads of State and Government in Durban, South Africa, discussions at the next Summit in Maputo, Mozambique in July 2003 will focus on how to put the required structures of the AU in place of particular importance in this regard are the mechanisms for establishing a common African Central Bank, which will manage the national currency reserves of the AU's Central Banks and encourage international acceptance of a common African currency. Mr. Essy reminded the gathering that the mission of the AU is to serve Africa and urged member States to make use of the services offered by the Union. He reiterated the AU's commitment to work closely with all the structures put in place to facilitate the implementation of NEPAD, and in this context, recalled the AU's excellent collaboration with ECA in the preparation and servicing of the last ADF on the theme of regional integration.

108. Mr. Trevor Manuel, Honorable Minister of Finance for the Republic of South Africa, thanked ECA and ADB for their efforts in bringing the idea of back-to-back meetings to fruition. He explained that due to the short period of time since the last meeting, the Executive Secretary in consultation with the Deans of African Ambassadors in Addis Ababa had decided to maintain the existing Bureau to ensure continuity, with South Africa as Chair, Cameroon first Vice-Chair, Ghana second Vice-Chair, Kenya third Vice-Chair, and Sudan as Rapporteur.

109. Mr. Manuel recalled that in Johannesburg, the Ministers had resolved to move from vision to action on NEPAD, and that since then, the Heads of State Implementation Committee had adopted the African Peer Review Mechanism (APRM). He observed that with about 15 countries already acceding to the APRM, African leaders were demonstrating their willingness to accept responsibility for the continent's development, and urged other

countries which had not yet acceded to the APRM to do so.

110. Mr. Manuel reminded the group that as Ministers of Finance, Planning and Economic Development, they had a crucial role to play in making mutual accountability a reality within the context of the implementation of NEPAD. Monitoring performance and taking corrective measures, when needed, would be an important aspect of ensuring that African governments undertook the right policies, track achievements towards common goals, and ensure that resources were not wasted. He urged the Ministers to incorporate critical self-assessment and self-improvement into their efforts towards developing their economies in order to have constructive mutual accountability. Consideration of the report and major recommendations of the Committee of Experts (Agenda Item 2)

111. The Chairman of the twenty-second meeting of the Committee of Experts presented the report of the Committee, including the draft resolution it recommended for adoption by the Conference as contained in document E/CA/CM.36/6. The Chairman indicated that the report contained observations and recommendations covering the following areas: economic and social conditions in Africa; recommendations on the theme and subthemes of the Conference; the ECA annual report for 2003 which described the major activities undertaken by the secretariat over the past one year; and the proposed programme of work and priorities to be pursued in the biennium, 2004-2005.

112. The Conference took note of the presentation and commended the Committee of Experts for the comprehensiveness of the report. In considering the report, the Conference made specific and general observations in respect of the discussions and recommendations made by the Committee under each of the agenda items it had considered as follows:

113. In their discussions on the theme of the Conference, the Ministers noted with satisfaction that fifteen countries had acceded to the APRM. They, however, observed that more work was needed to define the indicators and modus operandi of the APRM. In this regard, they applauded the ongoing joint technical work of the ECA and OECD Secretariats in developing indicators for monitoring progress

towards meeting commitments on development effectiveness, and looked forward to the conclusion of this work.

114. On the discussion of Africa's debt problem, the Conference agreed that domestic debt be taken into account in the effort to achieve overall debt sustainability. They also agreed that the time had come for Africa to take the initiative to design the policies and instruments that would constitute the next step in the international community's efforts to reduce Africa's debt burden. In this connection, they welcomed the Executive Secretary's proposal to convene an African experts group meeting in September 2003 to discuss strategies for reducing Africa's debt, to be followed by an international conference on Africa's debt in early 2004.

115. On the issue of HIV/AIDS, the Conference agreed that the pandemic posed the greatest threat to Africa's development and that Africa was facing a crisis of epidemic proportions which it was failing to confront. In this respect, they called for significant scaling-up of efforts in responding to the disease by adopting measures aimed at reducing the rate of transmission such as the free distribution of condoms in public places.

116. On the future role of the IMF in Africa, the Conference concurred with the observation made by the Committee of Experts that conditionalities remained a concern, and called on the IMF to streamline its conditionalities in its lending programme to low-income countries. The Ministers also expressed profound concern about the ongoing restructuring of the IMF and its implications for Africa. In this regard, the need to take Africa's views and perspectives into account in the restructuring exercise was underscored, given that African countries were also stakeholders in the Fund.

117. The representative of the IMF welcomed the suggestions made by the Conference and took the opportunity to brief the Conference of the ongoing reforms at the Fund. He assured the Conference that Africa's input would be taken into account in the reform of the Fund, and as such welcomed any suggestion aimed at improving the Fund's operations. He informed the meeting that the number of conditionalities imposed by the IMF on borrowing countries had been on a steady decline

in recent years and assured that this trend would continue. He revealed that the Fund was planning to organize a workshop on debt sustainability where African countries would have an opportunity to articulate their perspective on the issue. He added that the Managing Director of the Fund would soon visit Africa to demonstrate the importance of Africa's development to the Fund.

118. The Conference adopted the report of the twenty-second meeting of the Committee of Experts and the resolution contained therein in the light of its own comments, observations and amendments.

Ministerial Policy Debate on the theme of the Conference - Towards greater policy coherence and mutual accountability for development effectiveness (Agenda Item 3)

119. Introducing the discussion, His Excellency, Mr Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia, noted that there were several issues the meeting needed to address related to mutual accountability and policy coherence. These include the issue of aid quantity and quality. In this regard, he expressed the hope that the G8 meeting in France would take specific decisions on aid quantity and quality, particularly in the light of several proposals on the table, to that effect, such as the International Finance Facility (IFF) proposed by the UK Government. The Prime Minister added that while these efforts could significantly raise the resource levels flowing into the MDGs, there was still a need for further reflection on both the quality and quantity of aid. The Prime Minister made several specific observations on other issues on the agenda of the Conference.

120. On the debt issue, for instance the Prime Minister observed that the HIPC initiative, although helpful, had some serious shortcomings. He underscored this by citing the experience of Ethiopia, which he said had reached the HIPC decision point a year ago. This was followed shortly after by the collapse in coffee prices, its main export and a deterioration in the exchange rates, thus making the external debt burden unsustainable and unmanageable. In the event, Ethiopia was unable to obtain any debt relief under the HIPC programme, as a country was required to abide by HIPC terms that include

maintaining a debt to export ratio at a sustainable level. He argued that the HIPC programme, with its optimistic macroeconomic projections, had not addressed these difficulties and should therefore be reviewed. In this context, he suggested that the equivalence to the private sector notion of bankruptcy be explored in order to achieve the objectives of freeing African countries from the debt burden and promoting development. He expressed the hope that Ministers would support the ECA proposal to hold a debt conference to discuss these issues.

121. On the role of the IMF in Africa, the Prime Minister observed that some skepticism had been expressed in some circles on the relevance of the IMF to Africa and low income countries in general. Although an IMF critic himself, the Prime Minister said he did not share these views, because he believed that the IMF had a role to play in maintaining the stability of the international financial system and promoting Africa's integration into the system. In his view, the IMF's withdrawal from Africa would further marginalize the continent in this system. In any case, as shareholders in the Fund, however insignificant, African countries had a right to have their voices heard in the ongoing discussions on the reform of the IMF. He called on the shareholders of the IMF, in particular the G8 countries to make the Fund more relevant and supportive of Africa's development.

122. In concluding his remarks, the Prime Minister observed that Africa's over dependence on external resource flows had led to a situation where the continent had abdicated the responsibility to think for itself, and rendered itself structurally susceptible to external advice. To remedy this, he challenged African countries to come up with a coherent development programme as an alternative to IMF-inspired policies and programmes.

123. The Prime Minister's remarks stimulated enthusiastic discussions among the Ministers. Within the context of the theme of the meeting, the essential aspects of the discussion were as follows:

124. With regard to the IMF's role in Africa, a number of Ministers noted that there was still skepticism about the IMF's relevance and effectiveness due to the poor response of

African economies to IMF policy prescriptions. Cases were cited where access to concessional IDA loans was hampered by Poverty Reduction Growth Facility (PRGF) threshold restrictions. This forced some countries to take limited IMF loans to allow for greater access to concessional IDA loans. In this regard, participants observed that IMF funds were not cheap and expressed the hope that the ongoing reforms at the Fund should ideally result in more concessional financing for developing countries. In spite of these shortcomings, the Ministers agreed that the Fund had an important role to play in mobilizing resources and in providing signals to private investors.

125. On the Fund's strategic direction, the participants noted that since setting this direction was the responsibility of the IMF Board, any suggestions for reform should focus on influencing the Board. Several participants stressed and emphasized that the IMF had a responsibility to Africa as stakeholders. In this regard, concern was expressed about the low level of representation of Africans in the Bretton Woods institutions both in terms of staffing and membership of the Executive Board. Some participants also expressed concern about the Fund's proclivity to take decisions about Africa without consulting with African decision-makers. One instance cited was the plan presently under discussion to split the Africa Department into two, representing Anglophone and Francophone Africa, which, as the Conference noted, smacked of divisions along colonial lines—a move which Africa resented. The need to move carefully on this, and in full consultation with African member States was particularly underscored.

126. With regard to streamlining conditionality, participants observed that one of the main challenges in dealing with the IMF and other international financial institutions (IFIs) was the need to reconcile more country ownership of policies with the conditionalities on IFI loans. It was noted that IMF conditions were still too numerous and too intrusive and hence undermined country ownership. Participants asserted that for conditionalities to be effective, they would need to be firmly anchored on a set of coherent national policies and programmes. In addition, there should be fewer structural conditions with flexibility built in to their implementation timetable, particularly those

reforms that deal with difficult issues such as privatization of state-owned enterprises.

127. Noting that cross-conditionality impeded access to much-needed resources, the Conference urged the Bretton Wood institutions, bilateral partners and the African Development Bank to avoid cross-conditionality in their lending to African countries.

128. On debt sustainability, participants noted that the enhanced-HIPC initiative had not provided long-term debt sustainability, as demonstrated by the experiences of countries that had completed the programme without obtaining substantial relief. The Conference suggested that the initiative be subjected to more intense scrutiny given its shortcomings. The view was expressed that sustainability measures were underpinned by macroeconomic growth forecasts, which did not adequately take account of the vulnerability of African economies to external shocks. As a result, countries faced difficulties in attaining growth targets, inflation targets and fiscal deficit targets were often missed in some countries. It was also noted that unrealistic growth assumptions, budget revenues and exports undermined attempts to comply with IMF programs. Participants emphasized the need for the IMF to introduce a realistic framework in its debt sustainability analysis. In this respect, they highlighted the importance of incorporating exogenous shocks such as those emanating from commodity price volatility, natural disasters and aid shortfalls. Some participants made a specific case for making concessional lending accessible to countries that had suffered exceptional shocks such as terrorist attacks and the consequences of new communicable diseases.

129. With regard to debt relief under the enhanced HIPC initiative, the Conference noted that it was too little and too restrictive. Delegates underscored that debt relief under this initiative constituted only a small portion of the finance necessary for development and would, therefore, not be sufficient to resolve Africa's debt problems. Indeed, it was observed the HIPC initiative could create problems if countries were unable to access additional resources because governments had to limit new borrowing in order to maintain debt sustainability ratios as stipulated under in the program.

130. Some participants expressed concern that some non-Paris Club creditors who were not part of the HIPC initiative, had not provided debt relief to HIPC countries. In this regard, the Conference urged the IMF to ensure that all creditors, including commercial creditors participated in the HIPC programme. In the same vein, the Conference called for the rapid establishment of a legal technical assistance facility to help HIPC with creditor litigation, and also called for the final resolution of the litigation brought against some HIPC countries by non-Paris Club creditors.

131. The Conference further urged Africa's development partners to replenish the HIPC Trust Fund, and make the eligibility criteria more flexible to allow countries that were coming onboard HIPC to benefit from the program. The Conference also called for the adoption of measures to address the debt burdens of low middle-income countries that did not currently qualify for debt relief under HIPC.

132. The Conference recommended that debt sustainability take into consideration the impact of domestic debt, as domestic debt was emerging as a major problem in many African countries. Domestic debt overhang reduces fiscal flexibility, raises domestic interest rates and crowds out private investment thus holding back the development of the private sector. The Conference emphasized the need for home-grown solutions in addressing their problems, including pursuing prudent fiscal management and private sector development policies to increase domestic resource mobilization.

133. The Conference endorsed the ECA Executive Secretary's proposal to convene a debt forum to discuss the debt issue and make specific recommendations on how to review the policies and instruments of the IFIs in order to reduce Africa's debt burden. In this regard, it

was suggested that African experts in the diaspora be invited to participate in these discussions.

134. On the African Peer Review Mechanism, Ministers emphasized that this was a key element of the NEPAD framework. While commending the 15 countries that had already acceded to the APRM, they urged those countries to move rapidly with implementing APRs in order to further demonstrate their commitment to

NEPAD. Similarly, countries which had not yet acceded were encouraged to do so.

135. On policy coherence and mutual accountability, the Conference took note of the importance of these concepts to the implementation of NEPAD. It was emphasized in this regard that development effectiveness would be impossible to achieve without policy coherence and mutual accountability. Emphasizing that a fundamental change in behavior on both sides of the development partnership would be required to make mutual accountability a reality, several participants recalled the commitment made under NEPAD by African countries to pursue sound economic policies, improve governance systems and develop home-grown policies and programmes to reduce poverty. It was observed in this regard that the APRM provided a credible mechanism for assessing and monitoring Africa's commitments through its robust set of indicators on political, corporate and economic governance. In this context, the Conference called on Africa's development partners to continue to focus on increasing the quantity and quality of ODA, FDI and ensuring that their domestic policies impacting on Africa's development were harmonized and consistent with the MDGs.

136. On trade, several participants warned that negotiations on the key elements of the Doha development round had achieved little, with key deadlines for market access on agricultural products, TRIPS and public health missed. In addition, deep concern was expressed on the negative impact of OECD agricultural subsidies on the African agricultural sector. In this regard, the Conference welcomed the recent proposal by the President of France, His Excellency, Mr. Jacques Chirac calling on EU countries to remove subsidies on agricultural products. The Conference further called on the OECD countries to front-load the benefits of trade liberalization for the poorest countries by providing immediate duty-free and quota-free market access, removing non-tariff barriers, and developing an appropriate price stabilization mechanism.

137. On HIV/AIDS. The Conference projected that the epidemic would reduce GDP growth rated by approximately 1 percent in the medium-term, significantly diminishing the prospects of realizing the growth rate necessary

to reduce poverty. Participants underscored the need for adequate resource mobilization in tackling the epidemic, and recognized the crucial leadership role of Ministers of Finance, Planning and Economic Development in this regard. In particular, the Conference also welcomed the United Nations Secretary-General's recent initiative to establish the Commission on HIV/AIDS and Governance in Africa (CHGA) under the chairmanship of the ECA Executive Secretary.

138. A representative of the Government of the United Kingdom briefed the Conference on the recent proposal by the Government of the UK for an International Finance Facility (IFF) which would bridge the development financing gap between the resources already pledged (at Monterrey, Johannesburg and Kananskis) and what was required to meet the MDGs by 2015. The Facility would double the amount of development aid from just over \$50 billion a year today to \$100 billion per year in the years leading up to 2015. She said that the proposal was inspired by the world's shared commitment to tackling illiteracy, disease, poverty and underdevelopment in the poorest countries. Explaining how the Facility would work in practice, the representative indicated that donors would make a series of long-term pledges (each of them lasting 15 years) to the Facility. Each pledge would be a binding commitment, subject to high-level financing conditionality. On the basis of these pledges, the IFF would issue bonds in its own name in the international capital markets, thus frontloading aid in the period of urgent need. The capital thus raised would be disbursed to the poorest countries with each donor using its chosen mechanism.

139. The representative further explained that there would be necessary safeguards for donors to ensure that finance raised by the IFF was used for its intended purpose by countries committed to meeting the internationally-agreed development goals. The representative also stressed that the Facility would be a temporary finance facility, not a development bank or aid agency. The disbursement of funds would be in 4-5 year programme cycles, providing the predictability essential for effective aid. The Facility is envisaged to be in existence for around 15 years, with the repayment cycle to continue

for a further 15 years after which the Facility would be wound up.

140. The Conference welcomed the proposed Facility, and observed that, it would be the first of its kind designed to mobilize additional resources for the poorest countries to meet the MDGs. It identified its many useful innovations, among them its attempt to address the issue of predictability, untying of aid, and the focus on low-income countries.

Consideration of the Ministerial Statement (Agenda Item 4)

141. Under this agenda item, Mr. K.Y. Amoako, Executive Secretary of ECA introduced the draft Ministerial Statement by highlighting its background and general articulation. In substance, he indicated that the Statement recalled the discussions of the last session of the Commission in Johannesburg and recent major global developments. The Statement outlines African responsibilities in the context of the APRM and those of the donor community; considers policy harmonization and actions needed for capacity building in the public sector; addresses the issues of policy coherence and development effectiveness beyond ODA; highlights the challenges of Doha and Cancun in the light of commitments made; calls for an international conference on debt to articulate an Africa position; discusses the impact of HIV/AIDS on human and institutional capacities; and proposes institutional mechanisms and monitoring tools for tracking the performance of both sides of the development partnership.

142. The Ministers discussed the draft Statement at length and adopted it as amended (the revised Ministerial Statement is attached to the present report as Annex I).

Any other business (Agenda Item 5)

143. No issue was raised under this agenda item.

Closure of the meeting (Agenda Item 6)

144. During the closing ceremony, Mr. Omar Kabbaj, President of the African Development Bank Group was invited to make a brief statement to the Conference. Mr. Kabbaj commended

ECA for its work in support of Africa's development and reiterated ADB's commitment to strengthening co-operation with ECA. He cited, as an example of this partnership, the new Commission on HIV/AIDS and Governance in Africa (CHGA), on which he would also have the honor to serve as a member. He said he was optimistic about the emerging partnership between the developed and developing world, based on mutual interests and shared responsibility. Mr. Kabbaj pointed out that with respect to the APRM, both ECA and ADB had provided technical advice in its elaboration and indicated their willingness to continue to make available their considerable expertise on African development issues. In this regard, he observed that the African Economic Outlook, a joint publication of the ADB and the OECD Development Centre could provide the technical underpinning for the implementation of the APRM.

145. On Africa's relations with its development partners, Mr. Kabbaj expressed support for the proposal on mutual reviews to be conducted every two years, based on reports produced by ECA and the OECD. He informed the Conference that ADB would take the lead in coordinating the International Comparison Program (ICP) for Africa, an important statistical program that would not only generate data for purchasing power comparisons, but could also lead to the strengthening of national statistical capacities. He added that the ADB was hopeful that reliable data would be generated for monitoring progress towards attainment of the MDGs.

146. Mr. Kabbaj assured the gathering that the ADB welcomed the call for improved policy coherence and coordination on both sides of the development partnership. He recalled that ADB, in collaboration with the other multilateral development banks and OECD/DAC had worked on the harmonization of policies and procedures in such areas as financial management, procurement, and the environment. He recalled the consensus reached at the High Level Forum on Harmonization in Rome to shift from institutional harmonization to country-level harmonization, and that Ethiopia would be among the first group of countries that would be involved in the voluntary implementation of the harmonized procedures. He concluded his

remarks by reiterating the need for co-operation in pooling limited human and financial resources in support of Africa's development.

147. In his closing remarks, the Executive Secretary of ECA assured the Conference of ECA's readiness to contribute to the enhancement of African ownership of the development

process, and in that context, would do its best to encourage the involvement of Africans in the diaspora to contribute the development of indigenous African strategies.

148. In terms of the immediate outcome of the meeting, Mr. K.Y. Amoako promised that ECA would pursue its work with the OECD/DAC on development effectiveness, which he hoped would culminate in a comprehensive report to be submitted to the 2005 session of the Commission. As an interim step, a progress report would be submitted to the next meeting of the Commission in 2004.

149. Another outcome of the Session, he observed its endorsement of the ECA proposal to convene an African Experts Group Meeting on debt relief in September 2003 to be followed by an International Conference on African debt in early 2004, to help define the policies, instruments and initiatives for reducing Africa's debt.

150. The Executive Secretary observed that the meeting had been unique in many respects, as it was the first time that the Session of the Commission was being held back-to-back with the Annual Meetings of the African Development Bank (ADB). The Annual Symposium, previously a hallmark of the ADB Annual Meetings, was jointly sponsored by the ADB and ECA this year. He attributed this to the excellent support received from the ADB through its President, Mr. Omar Kabbaj.

151. The Executive Secretary thanked H.E. Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia, for his introductory remarks which set the tone for the Ministerial debate on the theme of the Conference. He also extended his appreciation to the Ministers, Central Bank Governors and experts for making the session a success.

152. In his concluding remarks, Mr. Trevor Manuel, Honourable Minister of Finance of South Africa and Chairman of the Conference

expressed profound appreciation to fellow members of the Bureau for their support. He recalled two important points made by Prime Minister Meles Zenawi during the discussions, which he noted would provide the basis for some introspection in the search for a common

paradigm, namely the need to end the “syndrome of the long-term unemployed” and the recognition that “Africans had abdicated the responsibility to think for themselves”.

153. The Chairman then declared the meeting closed.

ANNEXES

Annex 1: RESOLUTION AND MINISTERIAL STATEMENT ADOPTED BY THE COMMISSION AT ITS THIRTY-SIXTH SESSION

A. Resolution

841 (XXXVI) Programme of Work and Priorities for the Biennium 2004-2005

The Conference of Ministers

Recalling resolution 838 (XXXV) of 20 October 2002 adopted by the Conference of African Ministers of Finance, Planning and Economic Development by which the Conference endorsed the proposed revisions to the Medium term Plan of ECA for the period 2002-2005;

Having examined the Proposed Programme of Work for the Biennium 2004-2005, as contained in document E/ECA/CM.36/5;

Taking note of the new programme structure endorsed by the Conference of Ministers and the Economic and Social Council, which is characterized by congruence between organizational and programme structures, reduction in the number of subprogrammes and clustering closely related activities under a single subprogramme to foster synergy and achieve greater efficiency and impact in the delivery of services;

Convinced of the necessity to create new organizational units, namely Trade and Regional Integration Division (TRID), the Office of Policy and Programme Coordination (OPC) and the Human Resources Management and Finance Division (HRFD), as well as renaming the Development Management Division, as Development Policy Management Division (DPMD), demonstrates the Commission's commitment to improving the management of its programmes and the delivery of its substantive activities;

Noting with appreciation the ongoing work by ECA in the elaboration of a framework for monitoring the commitments and performance of Africa and its development partners towards enhancing development effectiveness and achieving the MDGs and the priorities of NEPAD; and

Convinced that the proposals contained in the proposed programme of work for the biennium 2004-2005 will make a significant contribution to Africa's economic and social development,

1. Endorses the work programme of the Commission for the biennium 2004-2005 as contained in document E/ECA/CM.36/5;
2. Calls upon the Committee for Programme and Coordination (CPC) and the General Assembly of the United Nations to:
 - (i) Support the proposed organizational and programme structures of the Programme Budget for the Biennium 2004-2005; and
 - (ii) Ensure that adequate resources are made available to the Commission for the implementation of this work programme.

B. MINISTERIAL STATEMENT

Addis Ababa, Ethiopia, 1 June 2003

1. We, the African Ministers of Finance, Planning and Economic Development gathered in Addis Ababa, Ethiopia, on 1 June 2003 under the auspices of the United Nations Economic Commission for Africa (ECA) recall that at our Conference in Johannesburg, South Africa on 19-20 October 2002 we reached consensus on many issues of critical importance to accelerating Africa's progress and development and to meeting the challenges of implementing the New Partnership for Africa's Development (NEPAD). We recall that at Johannesburg we noted that a key feature of NEPAD is the transformation of development partnerships based on mutual accountability.

2. We recognize that since Johannesburg a robust consensus has emerged on the critical importance to development effectiveness of mutual accountability, harmonization and policy coherence, as evidenced by the deliberations at the Rome High Level Meeting on Harmonization on 23 February 2003, the 8th HIPC Ministerial meeting held in Kigali on 29 April 2003, the Spring Meetings of the World Bank and IMF held in Washington from 12 - 13 April 2003, the Special High Level Dialogue of ECOSOC with the Bretton Woods Institutions and the WTO held in New York on 21 March 2003 and the OECD/DAC High Level meeting held in Paris on 22-23 April 2003. Our challenge now is to operationalize these commitments.

3. We attach high importance to our deliberations as representing a critical African effort to: operationalize mutual accountability; promote policy coherence; contribute to making the International Monetary Fund work better for Africa; and overcome the macroeconomic challenges of HIV/AIDS and thereby contribute to meeting the Millennium Development goals (MDGs).

Mutual Accountability, Policy Coherence and Development Effectiveness

4. With the rate of economic growth in Africa slowing from 4.3% in 2001 to 3.2% in 2002, the number of people living with HIV/AIDS at a staggering 29.4 million, the number of people living in absolute poverty at 380 million, and armed conflict in several countries depressing growth rates and reversing positive trends in human development, we are very concerned at the poor state of economic and social conditions in Africa.

5. We recognize that if current trends continue, Africa will not meet the MDGs. Reversing this trend will require a new and energized relationship between Africa and its partners based on trust and a shared responsibility for development effectiveness. We recognize that creating this new relationship requires urgent, coordinated and sustained action. We strongly believe that a cornerstone of the new relationship is the requirement that commitments on all sides be monitored jointly and in a constructive manner.

6. We also underscored the importance of African ownership of the continent's development strategies as the underpinning for the transformed partnerships that we seek with our development partners. This will involve developing home-grown policies and programmes for poverty reduction, improving our governance systems and resolving conflicts on the continent.

7. We recall that at Johannesburg we agreed that, on our part, we must pursue sound economic policies, unleash the private sector and increase market access and trade within Africa in order to effectively implement the NEPAD priorities. We underscored the importance of budget discipline and improving public expenditure management systems in our countries. We recommended that African policymakers vigorously pursue the reform of regulatory frameworks and competition policies in order to create an enabling environment for the private sector. We stressed the need to open our markets to other African countries by reducing tariffs, dismantling cumbersome border procedures, and improving infrastructure.

8. We believe that the African Peer Review Mechanism (APRM) approved by the Heads of State and Government of the NEPAD Implementation Committee provides a sound basis for assessing and monitoring Africa's commitments. The APRM will provide a systematic assessment that will allow us to track the progress of projected outcomes, identifying and reinforce best practices, assess capacity gaps, and implement the required corrective actions.

9. The APRM process has already identified a number of key indicators - spanning democracy and political governance; economic governance and management; corporate governance; and socio-economic development, including access to basic social services- that will be monitored. We urge the APRM to also include indicators of gender equality and women's access to resources as important additional indicators of socio-economic progress.

10. We welcome the fact that 15 African countries have already signed the Memorandum of Understanding of the African Peer Review Mechanism (APRM). We urge these countries to move

forward with implementing APRs to demonstrate that African countries are committed to meeting the obligations set forth in the New Partnership for Africa's Development (NEPAD). We urge other African countries to rapidly accede to the APRM Memorandum of Understanding.

11. We encourage our development partners to continue to focus on increasing the quantity of aid, improving the quality of aid, and enhancing policy coherence all of which are considered central to upholding their side of mutual accountability.

12. With regard to aid quantity, we welcome progress made at different fora, including through Monterrey Consensus, and ODA commitments by members of the G8 and OECD's Development Assistance Committee (DAC). More partners are setting specific timeframes for meeting the UN aid target of 0.7 per cent of GDP, and most others are stepping up their ODA efforts. In spite of these commitments, the level of ODA flows to Africa remains of major concern and needs to be further increased. We therefore recommend that the record of partners' efforts towards meeting the UN target and the Monterrey and G8 commitments should feature as important components in joint reviews of development effectiveness.

13. With regard to aid quality, we commend the progress made by our partners to align their aid programs with country led national development strategies. However, the slowness with which partners are aligning their aid modalities undermines national systems and processes for development and resultant multiple aid-related procedures and requirements are imposing heavy transaction costs on our countries. In this context, we propose that our development partners move rapidly towards budget support in countries where it is appropriate. We note that the predictability and timely disbursement of support still remains elusive, creating difficulties for our countries in designing and implementing key policies on macroeconomic stability and poverty reduction. Therefore, we propose that reviews of donor practices should include criteria to assess the quality of aid based on these concerns.

14. We recognize that weak institutional capacity is a severe constraint on the ability of African governments to deliver effective and efficient services to its peoples. We recommend that our development partners scale up efforts to support nationally owned capacity building efforts and that African countries give priority to the recruitment and retention of African experts from the diaspora and to on-the-job training of civil servants.

15. We strongly welcome the proposed International Finance Facility (IFF) as the first of its kind designed to mobilize additional resources for the poorest countries to meet the MDGs. We recognize its many innovations, among them its attempt to address the issue of predictability, its emphasis on the untying of aid, and its focus on low-income countries. We look forward to holding further discussions with our development partners on the Facility's operations, particularly its governance structure.

16. We recognize that policy coherence is a key requirement for development effectiveness. We urge that our partners ensure that all policies impacting on African development, including those in the areas of ODA, trade, market access, and agriculture, are consistent with the MDGs. We also recommend that our partners adopt domestic policy measures that would increase FDI flows to Africa.

17. We note with deep concern that OECD agricultural subsidies have a major and negative impact on the agriculture sector in our countries. We welcome the President of France, His Excellency Jacques Chirac's proposal to remove subsidies on agricultural products as an important step towards greater market access for African products. Furthermore, we note with concern that while our development partners emphasize the need for diversifying African economies towards high value added processed goods, tariff escalation in the international trade regime makes it difficult for African countries to diversify their economies. This problem is further compounded by sharp declines in commodity prices. In this respect, we call for action by OECD countries to front-load the benefits of trade liberalization for the poorest countries by providing immediate duty-free and quota-free market access, remove non-tariff barriers, and develop an appropriate price stabilization mechanism. We urge our development partners to support the promotion of strategic exports and the development of infrastructure to improve Africa's competitiveness in global trade.

18. We welcome recent efforts by West African cotton producers to utilize the WTO dispute settlement mechanism to challenge subsidies to rich country farmers that have depressed the price of cotton on international market. We recognize as an important step in improving prospects for poverty reduction in the subregion because cotton accounts for 50 to 80 percent of export receipts for Mali, Benin, Burkina Faso and Togo, and nine million people depend on the crop for their livelihood.

19. We note with deep concern that negotiations on the key elements of the Doha Development Round have achieved little. Key deadlines have been missed -- for market access for agricultural products, TRIPS and public health, and special and differential treatment -- all areas of critical importance to Africa's development. We urge our development partners to respond positively to African countries' proposals in these areas so as to make the September 2003 Cancun WTO Ministerial Meeting a success.

20. We acknowledge the work undertaken by the ECA in co-operation with the OECD/DAC to establish mutual reviews of development effectiveness in response to the request by the NEPAD Heads of State and Government Implementation Committee. We see this as an important tool for operationalizing mutual accountability. We look forward to receiving the first report of Joint Reviews of Mutual Accountability at our Ministerial Conference in 2005 and every two years thereafter.

Making the International Monetary Fund Work Better for Africa

21. We acknowledge the work undertaken at the IMF to evaluate its role, policies, and instruments in low-income countries in order to better serve them. The IMF is a key player in promoting sound economic policies and therefore has a vital role to play in delivering high levels of growth with stability and poverty reduction in Africa, and promoting their effective integration into international financial markets.

22. We recognize that an important challenge is to reconcile the need for increased country ownership of adjustment and reform programs with the need for conditions on IMF loans. To reconcile country ownership and conditionality, we recommend that the IMF assist our countries in developing a menu of policy options, impose fewer structural conditions, and provide for "floating tranches" or outcomes-based conditions where appropriate.

23. We recognize that for the PRGF to be effective it must be closely aligned with the PRSP approach. We recommend that a more rigorous analysis of growth prospects be an integral part of PRGF-supported programs. We urge the Bretton Woods Institutions, bilateral partners and the African Development Bank to avoid cross-conditionalities that impede our access to much needed resources.

24. To provide greater fiscal flexibility, the IMF should also analyze the linkages, trade-offs and policy choices required to attain the MDGs. This ambitious scenario would provide a basis for discussions with development partners on mobilizing the additional resources required for progress towards the MDGs. Furthermore, evaluating exogenous shocks -- commodity price volatility, natural disasters and aid shortfalls -- should be a standard feature of IMF discussions with member states. In addition, we believe that access to concessional lending should be extended to countries suffering from exceptional exogenous shocks such as terrorist attacks and the onslaught of new communicable diseases.

25. We note with concern that the enhanced HIPC initiative is not delivering long-term debt sustainability as expected. We urge the IMF to ensure that all creditors, including commercial creditors, participate in HIPC. We call for the rapid establishment of a legal technical assistance facility to help HIPC deal with creditor litigation, call for the final resolution of the litigation brought against some HIPC countries by non-Paris Club creditors.

26. We urge our development partners to replenish the HIPC Trust Fund. We recommend that the eligibility criteria for HIPC status be made more flexible to permit more African countries to benefit from the enhanced HIPC initiative

27. We recognize that the domestic debt in many African countries requires urgent attention because it reduces fiscal flexibility, raises domestic interest rates and crowds out investment thus

hobbling the development of the private sector. We support country efforts at homegrown solutions, including prudent fiscal management and increased efforts at domestic resource mobilization.

28. We also endorse the ECA Executive Secretary's plan to convene an African Expert Group Meeting on debt relief in September 2003 to be followed by an International Conference on African Debt in early 2004. We believe that we must move swiftly to meet the challenge of defining the policies, instruments and initiatives that can constitute the next step in the international community's efforts to reduce Africa's debt burden.

Macroeconomic effects of HIV/AIDS

29. We recognize that the HIV/AIDS epidemic poses a threat of unequalled magnitude to the lives of Africans and to the prospects for good governance and economic development throughout the continent. Current estimates are that the epidemic will cut approximately one per cent from GDP growth rates, thereby significantly diminishing the prospects of realizing the economic expansion necessary to reduce poverty.

30. We recognize that important steps are being taken to confront the HIV/AIDS epidemic. The recent reduction in the price of anti-retroviral drugs means that, for the first time, this life-sustaining therapy may be within the reach of substantial numbers of Africans who are living with HIV. The Global Fund for AIDS, TB and Malaria is channeling needed resources to Africa—though there are concerns that the Fund may run out of resources without additional commitments by rich countries. President Bush's AIDS initiative is also encouraging.

31. As Ministers of Finance, Planning and Economic Development, we recognize the crucial leadership role that our ministries must play in combating the HIV/AIDS epidemic and its effects. Our prime concerns are mobilizing sufficient resources to confront the disease and identifying strategies to mitigate the adverse socio-economic impacts of the epidemic, including, especially, comprehensive national strategies to sustain human resources and institutional capacity.

32. Additional resources are urgently needed in support of our efforts to confront HIV/AIDS. We urge the Bretton Woods Institutions to consider revising the eligibility criteria for assistance to Middle

Income Countries afflicted by the AIDS epidemic, and to find ways of ensuring that we are able to expand our expenditure on health and social welfare without violating conditionalities that impose limits on public spending.

33. We welcome the United Nations Secretary General's initiative to establish the Commission for HIV/AIDS and Governance in Africa (CHGA), and we recognize the leadership role of its Chair, the Executive Secretary of the ECA. The CHGA builds upon and complement existing initiatives in combating HIV/AIDS. We see CHGA's mandate as especially relevant to the challenges faced by Ministries of Finance, Planning and Economic Development. We request ECA to keep us apprised of the findings of the Commission in future Conferences.

34. We express our deepest condolences to the people of Algeria for the tragic loss of life and property due to the recent devastating earthquake. We note with grave concern the recent tragic events in the Eastern region of the Democratic Republic of Congo (DRC) and support the international community's efforts to bring peace to this troubled region. We look forward to further progress towards peace and reconciliation in Cote d'Ivoire and express our deep concern at the economic loss suffered by Kenya as a result of the recent terrorist threats.

35. In concluding, we thank ECA for bringing us all together for this important conference. We wish to thank His Excellency Mr. Trevor Manuel, Minister of Finance of the Republic of South Africa, for his excellent leadership. We also wish to thank His Excellency Prime Minister Meles Zenawi of the Federal Democratic Republic of Ethiopia for his outstanding contributions to our deliberations and to the warm hospitality afforded us in Addis Ababa.

Annex II

Report on the Twenty-Second meeting of the Committee of Experts as Adopted by the Thirty-Sixth Session of the Commission/Conference of African Ministers of Finance, Planning and Economic Development

A. Attendance

1. The twenty-second meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development was held in the United Nations Conference Centre, Addis Ababa, Ethiopia from 29-31 May 2003. Mr. Lesetja Kganyago, Chairman of the Bureau of the Committee of Experts delivered the opening statement. This was followed by a statement by Mr. K.Y. Amoako, Executive Secretary of the Economic Commission for Africa (ECA).

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

3. Observers from the following member States of the United Nations were present: Austria, Belgium, Bulgaria, Finland, France, Canada, China, Cuba, Czech Republic, Germany, Great Britain, Greece, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Republic of Korea, Kuwait, the Netherlands, Norway, Romania, Russia, Saudi Arabia, Spain, State of Palestine, Sweden, Turkey, United States of America, Yemen, Yugoslavia.

4. The following United Nations bodies and specialized agencies were represented: Food and Agriculture Organization of the United Nations (FAO), International Labour Organization (ILO), International Fund for Agricultural Development (IFAD), International Monetary Fund (IMF), International Telecommunication Union (ITU), Office of the Special Adviser on Africa (OSAA), Regional Commissions New York Office (RCNYO), United Nations (UN), Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Conference on Trade and Development (UNCTAD), United Nations High Commissioner for Human Rights (UNCHR), United Nations Children's Fund (UNICEF), United Nations Industrial Development Organization (UNIDO), United Nations Population Fund (UNFPA), World Bank (WB), and World Food Programme (WFP).

5. The African Union (AU) and the African Development Bank (ADB) were represented.

6. Observers were present from the following intergovernmental organizations: African Centre for Applied Research and Training in Social Development (ACARTSOD), Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO), Common Market for Eastern and Southern Africa (COMESA), Economic Community for West African States (ECOWAS), Southern African Development Community (SADC), Union du Maghreb arabe (UMA), and Union économique et monétaire ouest africaine (UEMOA).

7. Observers were present from the following international organizations: Organization for Economic Cooperation and Development (OECD); Organisation internationale de la francophonie (OIF), Global Alliance for Women's Health (GAWH), MFA.

B. AGENDA AND ORGANIZATION OF WORK

8. The Conference adopted the following agenda:

1. Opening of the Meeting

2. Adoption of the agenda and organization of work
3. Overview of economic and social conditions in Africa
4. Presentations by the secretariat on each of the issues in the theme paper to be followed by general discussions. The presentations and discussions will focus on the following:
 - Towards mutual accountability and greater policy coherence for development effectiveness;
 - The macroeconomic impact of HIV/AIDS in Africa;
 - The future role of the IMF in Africa.
5. Statutory Issues:
 - Consideration of the annual report on the work of the Commission for the period since May 2002;
 - Note by the secretariat on the modalities and terms of reference for undertaking an external review of ECA's work since 1996;
 - Other statutory issues.
6. Proposed Programme of Work and Priorities for the Biennium 2004-2005
7. Any other business
8. Consideration and adoption of the Report of the Committee
9. Closure of the meeting

Election of the Bureau

9. There was no election for a new Bureau. Instead, the mandate of the Bureau of the Twenty-first meeting of the Committee of Experts of the African Ministers of Finance, Planning and Economic Development was renewed because of the short interval between last year's Conference and this year's. This decision was taken following close consultations with the Deans of the African Ambassadors in Addis Ababa.

Chairman:	South Africa
First Vice-Chairman:	Cameroon
Second Vice-Chairman:	Ghana
Third Vice-Chairman:	Kenya
Rapporteur:	Sudan

C. ACCOUNT OF PROCEEDINGS

Opening Addresses

10. Mr. Lesetja Kganyago, Chairman of the Bureau of the Committee of Experts welcomed participants and recalled the recommendations made by the Committee of Experts at the Johannesburg meeting in October 2002. It had been agreed that immediate action should be taken to build the objectives of the New Partnership for Africa's Development (NEPAD) into nationally-owned development strategies which would engage Parliaments, private and civil society stakeholders in the process, and then to move quickly to show results on the African Peer Review Mechanism (APRM).

11. As testimony to Africa's willingness to accept responsibility for development outcomes, 11 countries acceded to the APRM immediately after the NEPAD Heads of State Implementation Committee adopted it on the 5th of March 2003, making it possible for the reviews to begin this year. He

commended the initiative taken by African leaders and the support extended by multilateral development institutions, in particular ECA and the entire United Nations system. He invited Africa's partners to sustain the efforts to build a new Africa and to participate in the exercise of mutual accountability for development outcomes. He said the time had now come for laying the foundation for good governance, best practices learning, and capacity building.

12. In his statement, Mr. K.Y. Amoako, Executive Secretary of ECA, pointed out that this meeting was being convened barely seven months after the last Experts meeting in Johannesburg, South Africa, in order to comply with the decision reached in Johannesburg for ECA to rationalize its meetings with the African Development Bank (AfDB). This meeting was therefore organized in collaboration with AfDB, whose meetings would follow immediately.

13. Turning to actions ECA had taken to support specific recommendations of the last Conference, he announced the establishment of an office in Geneva to support delegations to the World Trade Organization (WTO) and to strengthen Africa's negotiating positions. The UN system was playing a stronger role in supporting NEPAD. More particularly, UN agencies in Africa, were coordinating their support in accordance with NEPAD's priorities, in collaboration with the NEPAD Secretariat under the five clusters within the Regional Consultation Meetings organized by ECA. He noted that the African Learning Group on Poverty Reduction Strategy Papers (PRSPs) instituted by the ECA Secretariat, had now become an important forum for exchanging experiences among African experts. ECA had so far carried out studies of PRSP experiences in 13 African countries, and another 12 countries would be covered in 2003. Furthermore, the PRSP-Learning Group now provided an entry point for African participation in the Strategic Partnership with Africa (SPA).

14. On the Conference theme, "Towards Greater Policy Coherence and Mutual Accountability for Development Effectiveness," the Executive Secretary said ECA had pursued the issue with several of Africa's development partners, in particular, the Organization of Economic Cooperation and Development (OECD). The key points of the issues paper ECA prepared to serve as background for discussions on the theme were: (a) the vital areas of mutual accountability, policy coherence and development effectiveness;

(b) how the IMF can work better with Africa; and (c) the macroeconomic impact of HIV/AIDS in Africa.

15. Reviewing the actions to strengthen ECA as an institution, he noted that ECA's reform process continued to pay dividend. The Commission was now turning its attention to improving management of its substantive work and has established an Institutional Strengthening Programme to this end. He also welcomed the initiative of the Committee of Experts to have member States review the work of ECA. He suggested three areas of focus: (a) assessing the impact of the Commission's work; (b) recommending ways to make the intergovernmental machinery more efficient and useful; and (c) advising on how ECA can help to better bridge development issues and policies within the UN between the national, regional and global levels.

Overview of Economic and Social Conditions in Africa (Agenda item 3)

16. The ECA Secretariat presented an overview of economic and social developments in Africa in 2002. The main points were as follows:

17. Growth slows: The performance of African economies fell short of expectations in 2002, with growth slowing from an average of 4.3 percent in 2001 to 3.2 percent in 2002. The modest overall performance in 2002 reflects the weaker global economy and a slower-than-expected rebound in world trade, and the drop in FDI flows to Africa during the year. Drought and HIV/AIDS in various parts of southern and eastern Africa, and political and armed conflicts in several countries further weakened regional economic performance.

18. Worrying ODA flows: Disaggregating ODA flows to Africa shows that for the "production sectors"—comprising agriculture, manufacturing, trade, banking, and tourism—ODA declined from 17

percent in 1975-80 to 11 percent in 1995-2000. In absolute terms, bilateral ODA flows to African economies have dropped in the last decade, with the exception of flows to education.

19. Macroeconomic performance has improved: Therefore, much more needs to be done to improve fiscal management across the continent. Many countries pursued prudent monetary and fiscal policies during 2002 with 11 countries holding inflation under 3 percent. Although overall fiscal discipline improved in 2002, fiscal profligacy remains a problem, with a number of countries having deficits of more than 3 percent of GDP. However, some countries had massive price increases due to conflict and political crises.

20. Huge challenges remain in addressing the HIV/AIDS epidemic and poverty: HIV/AIDS has emerged as a major development crisis in the region. By the end of 2002, out of 42 million adults and children living with HIV/AIDS globally, 29.4 million were in Africa. In the same year, of 3.1 million HIV-related deaths globally, Africa suffered 2.4 million. With close to half the population in Africa living below \$1 a day, poverty remains a daunting task, raising questions about the ability of the continent to achieve the MDG goal of halving poverty by 2015. In fact, the absolute number of people living below poverty is projected to rise to between 361 million and 426 million by 2015, compared to 302 million in 1998. However, several countries have made tremendous progress in reducing poverty in recent years.

21. Medium-term prospects: The medium-term outlook for Africa is cautiously optimistic with growth projected at 4.2 percent in 2003 on the assumption that weather conditions improve and non-oil commodity prices rise.

22. In the plenary discussions that followed, the participants focused on the following issues:

23. With Africa's performance appearing bleak on some fronts-related to growth, trade, FDI, and poverty-several experts questioned whether it is realistic to expect the continent to meet the MDG goals and other ambitious targets set forth. Concerns were raised that, notwithstanding various international and regional initiatives, including NEPAD, poverty is projected to increase by 2015. The experts emphasized their particular concern about the continent's capacity to tackle the HIV/AIDS crisis given that prevalence rates in Africa are still on the rise. They urgently called for international solidarity in addressing the epidemic.

24. Experts noted that although Africa has made progress in recent years in sound macroeconomic policy design and implementation, exogenous factors, such as the multilateral trading environment, commodity price fluctuations, floods and droughts, falling ODA and low FDI flows into Africa, are impeding genuine efforts toward economic growth and poverty reduction. In order to overcome the cycle of low growth and high poverty rates, the experts stressed the importance of promoting private sector development and diversifying African economies, to ensure that exogenous shocks like drought do not blight economic performance. Several participants also underscored the importance of more regional integration. In particular, experts underscored the great potential for increasing inter-African trade, and they recognized the need for developing high-quality infrastructure that would facilitate this.

25. The experts inquired as to whether Africa has been pursuing appropriate policies, given projections for an increase in poverty and reduction in economic growth. Some participants called on the ECA to thoroughly assess current development strategies to determine why results have not been commensurate with effort. The review should determine whether poor outcomes are the result of bad policies, or a lack of implementation or exogenous shocks. It was also stressed that growth per se will not lead to poverty reduction and that the quality and distribution of this growth is also important. They further emphasized the importance of good governance in lifting growth rates.

26. Experts recognized that disaggregating growth accounting would assist in portraying a more precise economic performance of African countries, particularly with countries dependent on a few sectors such as oil and agriculture. When exogenous shocks impact these key sectors, overall growth numbers suffer, although other sectors may still be growing at higher levels. Experts called for disaggregated analyses of economies to better evaluate performance of sectors other than agriculture and hydrocarbons. The reform of the Poverty Reduction Growth Facility (PRGF) framework should be examined in order to foster higher growth, with a focus on long-term development rather than

short-term growth. Participants called on the rapporteur to update and correct the data relating to the economies of the above member countries, bearing in mind the data transmitted by those countries to the different ECA subregional offices.

Presentations by the Secretariat on each of the issues in the theme paper to be followed by general discussions [Agenda Item 4]

Towards mutual accountability and greater policy coherence for development effectiveness

27. Mutual accountability is a key feature of the ongoing dialogue on a new framework for development cooperation. The Secretariat elaborated on its work in monitoring the commitments and performance of Africa and its development partners. The Committee noted that ECA's mandate came from the Heads of State Implementation Committee of NEPAD, which endorsed the framework for mutual reviews based on the technical work jointly undertaken by ECA and the Organization for Economic Co-operation and Development (OECD). This mandate is consistent with, and reinforces the commitment to mutual responsibility and accountability that are codified in the APRM and enshrined in various international initiatives or declarations. The Secretariat emphasized that the process would focus on assessing the performance of African countries and their development partners in working towards achieving the MDGs by focusing on improved governance, policy coherence on both sides, and harmonization and alignment of donor policies and practices, as well as increased aid flows.

28. On the African side, it was emphasized that the APRM, which envisages a number of key performance indicators for measuring progress towards good governance in all its dimensions, could also inform the mutual reviews of development effectiveness. On the side of partners, the main focus of the joint review will be on tracking progress in meeting the commitments on increasing the quantity and quality of development assistance; harmonizing donor practices and policies to reduce transaction costs on the part of recipients; aligning donor policies with nationally-owned development programmes and strategies, such as the PRSPs; ensuring the predictability of donor support as reflected in the proportion of aid channeled through the medium-term expenditure frameworks; and increasing the proportion of aid that is untied. Joint reviews will also be informed by the work of the ECA Learning Group on PRSPs, the Strategic Partnership for Africa (SPA) and from good practices and ongoing innovative approaches to monitor partner commitments and actions at the country level as demonstrated by the experience of Ghana, Mozambique, Rwanda and Tanzania.

29. The Committee was informed that ECA's proposed ongoing work in this area will culminate in a biennial report that will underpin the mutual reviews of development effectiveness, including progress towards policy coherence. The report will highlight country experiences and best practices, and identify practical processes and modalities for advancing mutual accountability at the country level. The representative of the Secretariat also stressed the need to develop indicators for monitoring policy coherence among donors on issues of major concern to Africa. Potential indicators could include changes in agricultural subsidies, trends in fair and effective tariffs, reduction in debt stocks to sustainable levels, and reduction in commodity price risks. The ECA proposed work will be presented at the Conference of Ministers and other appropriate fora to facilitate the forging of a common position.

30. A representative of OECD/DAC's Secretariat informed the Experts of the DAC's commitment to build on the recent Rome High-Level Forum on Harmonization of Donor Practices. He noted that the DAC is in the process of developing indicators for measuring aid effectiveness; enhancing the DAC peer review mechanism; and providing a forum where donors report progress against the commitments made in Rome. To this end, they have established a new Working Party on Aid Effectiveness and Donor practices. The DAC has also committed to help in building the required statistical capacity in African countries. The coverage of Africa-specific policy coherence issues in the mutual reviews should be based on analytical work emerging from the OECD and from research programmes to be fostered among the African policy research community.

The key discussion points were as follows:

31. Delegates raised the issue of the nature of the institutional arrangements for carrying out the related processes of peer review and evaluations of mutual accountability. The Secretariat stressed that the NEPAD Secretariat is the ultimate body to which to report and the AU is the natural place of convergence for discussions. ECA will however detail progress to the Conference first.
32. On the central issue of mutual accountability, delegates were pleased to observe a genuine responsiveness on the part of the OECD. Both the Secretariat and experts stressed that the primary responsibility lies with African states to build transparency and accountability at the national level. Yet to make the process work effectively, political will from both countries and donors will be essential. Mutual cooperation between African countries and partners needs to be results-oriented.
33. The shift towards budget support by donors in various countries was cited as an example of important progress towards strengthening aid effectiveness. Partners should also fight to honor commitments for increases in aid to Africa, despite the possibility of aid diversion. Delegates stressed that donor flows should be aimed at reducing countries' aid dependence in the long run. African governments must urgently focus on building more competitive manufacturing sectors and working towards general diversification of their economies.
34. Participants underscored the importance of effective mutual accountability and aid effectiveness. Solid data at the country level is a prerequisite for evidence-based intensive evaluation. Experts felt that gender implications had not sufficiently been taken into account in the presentation of indicators in the paper and they recommended remedying this oversight. The Secretariat assured them that gender sensitivity in indicators is imperative and implicit.

Recommendations

35. Experts cautioned that policy coherence is a broad, complicated concept. In order for it to be made manageable, donors should consider scaling down to a few key areas of monitoring to reduce the burden of reporting to different donors currently faced by some African countries. Crucial areas recommended by participants related to action on market access, developed countries' tariffs and agricultural subsidies, as well as policies relating to debt.
36. Experts recommended that development partners build as much as possible on work already started on mutual accountability, for example at the Rome summit. Any institutional arrangements designed to monitor mutual accountability should also be kept as simple as possible. Delegates also recommended the continued support of capacity building in the area of statistics to gather quality data for effective monitoring and evaluation. Additional indicators were also suggested, to include monitoring changes in the proportion of manufactured goods, and changes in exports from developing countries, particularly agricultural products to see whether trade commitments are being fulfilled.
37. Experts argued that strengthening aid effectiveness requires a change of behavior from both African countries and development partners. Donors must work harder to align aid with national development plans and budgets, as well as PRSP priorities. African countries must also be more disciplined and only accept monies that can be channeled directly into their national development framework.

Making the International Monetary Fund (IMF) work better for Africa

38. The ECA Secretariat relayed that the IMF is in the process of evaluating its instruments, policies and procedures towards low-income countries. It is imperative that Africans provide constructive suggestions as to how the IMF can better serve Africa. An African position on the issue is critical because some critics advocate that the IMF withdraw from operations in low-income countries. Four key areas were identified for improvement: streamlining conditionality; reinforcing long-term external debt sustainability; aligning Poverty Reduction Strategy Paper (PRSP) approach and the Poverty Reduction Growth Facility (PRGF); and renewing efforts to mobilize additional resources for development.

39. On streamlining conditionality, the Secretariat observed that structural conditions are on the rise and they still undermine country ownership of budgets and development programmes. Lack of flexibility in the implementation schedule for complex structural reforms still remains a problem. Several proposals to streamline conditionality were presented, including reducing and streamlining structural conditions; introducing floating tranche conditionality; and initiating outcomes based conditionality.

40. With regard to debt, the presentation stated that though the enhanced Highly Indebted Poor Countries (HIPC) programme has provided debt relief to HIPC countries, it has largely failed to ensure long-term debt sustainability. Other weaknesses in the programme include lack of comparable debt relief from non-Paris Club creditors, and overoptimistic macroeconomic projections underlying debt sustainability analysis.

41. The Secretariat remarked that aligning PRSP and PRGF programmes are crucial for the latter's success. More needs to be done to improve the rigour of IMF analysis on macro variables, and develop multiple macroeconomic scenarios, including an ambitious scenario for achieving MDGs. Finally, the presentation noted that with regard to more resource mobilization in Africa, IMF has a role to play in promoting trade, private sector development, and scaling up ODA. Several proposals were put forward for discussion, including establishing a Trust Fund for MDGs by allocating Special Drawing Rights of the IMF.

Discussion

42. In the discussion, participants re-affirmed the important role that the IMF has in African development, particularly in capacity building and in the implementation of the NEPAD agenda. The IMF explained that it has established two out of the envisaged five capacity building centers, known as AFRITACS in the continent to fill gaps in monetary, fiscal, and other related aspects of macro-economic management. Some participants reiterated that capacity building should be undertaken through existing institutions in the region rather than creating new ones.

43. In response to a suggestion that ECA organize a forum to address issues related to making the IMF more relevant and effective in Africa, the ECA Executive Secretary explained that it is strongly being considered. In such a forum, many concerns related to debt, conditionality, alignment of the PRSP approach and the PRGF, and capacity building could be further explored to come up with concrete recommendations.

44. The experts highlighted that in many African countries domestic debt burden is causing severe problems in terms of fiscal sustainability, high interest rates and crowding-out of private sector investment. The domestic debt overhang further hampers the development of the private sector, as firms do not receive prompt payment for providing goods and services. It was underscored by some participants that if the role of domestic debt is ignored, the magnitude of the fiscal effort that poor countries will have to make in the post-HIPC era will be underestimated. The Committee agreed that domestic and external debt are entirely different in nature and some experts shared successful country experiences on tackling domestic debt by working closely with donors.

45. Several participants noted that many IMF programmes, including debt sustainability analyses, still contain overoptimistic macroeconomic projections. As a result, countries face tremendous difficulties in achieving their goals, with inflation targets and fiscal deficit targets identified as causing difficulties in some countries. Unrealistic assumptions on growth, budget revenues and export earnings have hampered debt relief. Some experts noted that although the IMF has made progress with regard to conditionality, conditions are still far too numerous and intrusive. They emphasized that streamlining conditionality remains a critical but unsolved issue.

Recommendations

46. It was noted that debt relief is still too slow and not adequate. With regard to non-Paris Club creditors, there was concern that as they are not covered by HIPC terms, they continue to

demand repayments, and in some cases, are bringing lawsuits against debtor countries. It was therefore recommended that the substantial portion of any debt relief should be granted as soon as countries qualify for the HIPC programme. In addition, non-Paris Club Creditors should be brought into the HIPC programme.

47. Lower middle income member States which are considered non-HIPC, raised the issue of eligibility to concessional funding due to the classification by international finance institutions yet they are faced with specific socio-economic challenges such as poverty alleviation and HIV/AIDS. The member States call on these institutions to consider waiving the classification where socio-economic challenges are concerned.

48. The experts called for introducing realistic frameworks in the IMF's own analysis, with realistic macro and growth projections supported by additional resources. In this respect, delegates called upon the IMF to improve its analytical framework by incorporating downside risks into macroeconomic scenarios. Experts recommended as well that debt sustainability analysis combine domestic and external debt status with a view to identifying ways to relieve total debt burdens.

49. Participants underlined the critical need for alignment between PRSPs, PRGFs and budget cycles. Moreover, aligning IMF programs with PRSPs means that IMF has to adhere to "home-grown" programmes and reforms. The participants took note of World Bank/IMF work within the framework of Special Partnership with Africa (SPA) to align support with Medium Term Expenditure Frameworks and budget cycles.

The Macroeconomic impact of HIV/AIDS in Africa

50. The ECA Secretariat made a presentation describing HIV/AIDS as a major development challenge facing Africa. Rates of infection continue to be high across much of the region except in North Africa and AIDS related deaths are rising. So far UNAIDS estimates that 20 million Africans have died from this disease. Women continue to bear most of the burden and the opportunity cost of withdrawing children from school to care for the sick and infirm is increasing at an increasing rate. Poverty continues to be an important driver and derivative of this disease.

51. The impact of the disease is beginning to be felt across many dimensions: on the macro-economy and at the household level. Productive capacity is being reduced in all sectors - both public and private - at the same time as demands are increasing, particularly for public goods such as health and education.

52. Studies on African economies indicate that the pandemic could reduce the growth rate of Gross Domestic Product (GDP) by between 0.4 percent and 1.5 per cent. At the household level, HIV/AIDS results in loss of income, and in impoverishment when the major wage earner either stops work due to illness or dies. Besides, additional expenditure on health care and eventually funeral costs reduces the asset base of households. In many countries, increased morbidity and mortality is reducing agricultural productivity and eroding household food security. The demographic profile of many African countries has significantly changed as under-five mortality is rising due to parent-to-child transmission, life expectancy is falling, the labour force is contracting and the dependency ratio is rising.

53. The loss of civil servants, teachers, and security personnel due to HIV/AIDS is eroding capacity in the public sector and thus increasing the cost to governments of mounting effective responses. Health expenditures are rising as the ability of governments to mobilize resources, including through the collection of taxes is being diminished. Government expenditures are being distorted and scarce resources are diverted from more productive sectors.

Commission on HIV/AIDS and Governance in Africa (CHGA)

54. Since the outbreak of the HIV/AIDS epidemic, Africa has made several attempts to grapple with the disease. The most prominent of these are: ADF2000, which focused on the Leadership challenge; and the Abuja Declaration on HIV/AIDS, TB, and ORID. HIV/AIDS has also remained a

headline issue of the UN system, evidenced by the United Nations General Assembly Special Session (UNGASS). It is further to these efforts that the UN Secretary General established the Commission on HIV/AIDS and Governance in Africa (CHGA) under the chairmanship of Executive Secretary of ECA. CHGA will build upon existing research innovations and knowledge but also define a more comprehensive and comprehensible agenda that will eventually address effectively the issue of HIV/AIDS in the context of Africa's development. It will provide a better understanding of the complexities of the disease and enable African leaders at all levels to respond strategically to the challenges.

55. CHGA will undertake research in seven main areas: Macroeconomics; Public service; Food security and sustainable livelihoods; Peace and security; the Private/business sector; the Family; and Scaling up of Treatment. Research will be undertaken in tandem with advocacy, cross cutting issues such as gender will be integrated in all the research clusters and tools will be developed to assist countries battle the disease.

56. When fully operational, CHGA will be a mechanism for pooling resources and a framework for organizing UN System agencies working on HIV/AIDS in Africa. It is also expected to play an active role in the World Bank's new grants programme on HIV/AIDS advocacy in Africa while retaining its focus on governance.

Discussion

57. Delegates agreed with the importance the Secretariat attaches to the issue. They congratulated ECA for introducing HIV/AIDS into the agenda of the meeting and welcomed the establishment of CHGA.

58. Delegates noted that much of the assistance provided by donors to deal with the disease have conditionalities attached to them. This reduces access to the assistance as it imposes a considerable burden on the limited capacity of recipient countries. The assistance, though available, ends up not being used.

59. There was also a rich exchange of country experiences on this issue. These include the setting-up of national committees to deal with the disease, integrating HIV/AIDS into PRSPs, appointing focal points in all government ministries, and involving the private sector. Prevention programmes such as the use of antiretrovirals (ARVs) to prevent mother-to-child transmission (PMTCT), have been scaled-up in some countries, and prevention activities have been decentralised to sub-national jurisdictions. Infection rates, especially among 15-19 year olds, have declined across the board suggesting that prevention messages are well received. Additional resources have also been mobilised and increased attention is being paid to orphans.

60. Further, delegates discussed the need for African countries to mobilise extra domestic resources to tackle the disease. Several representatives noted the disproportionate impact of the disease on women. Women play a special role as producers and care-givers for their families and this work is largely unmeasured and unremunerated. In many cases, women are victims of discrimination, and there are instances where men seeking and receiving treatment refuse to declare the status of their partners, and thus the partners, normally women, cannot access treatment.

Recommendations

61. Delegates recommended international cooperation to make ARV treatment available to more patients at affordable prices. However, it was pointed out that biomedical solutions alone will not suffice, as the treatment regimen requires the recipient to have a comprehensive diet and adequate shelter and care. Treatment should therefore be seen as part of a holistic solution that includes strong measures to prevent new infections. Prevention programmes should also focus on protecting the more than 90 percent of Africans who remain HIV negative.

62. Additional resources need to be mobilized as a matter of urgency to mitigate the impact of HIV/AIDS. In this respect, the commitment of \$10 billion per year to the Global Fund on HIV/AIDS

should be honoured. Resources should be used to provide treatment and build health infrastructure. Capacity should also be built within countries to better enhance access to and utilization of available resources. And in view of the fact that women account for about 58 percent of HIV+ in Africa, an equivalent percentage of any additional treatment resources should be allocated to them.

63. Recognizing that a number of the hardest hit countries such as Botswana and Swaziland are unable to access concessional resources because of their classification by the Bretton Woods institutions as middle-income countries, delegates recommended that the Bretton Woods institutions waive the classification of countries with health emergencies.

64. Investment in health infrastructure should be regarded as highly treated as equal in importance to other contributing to human capital development; they should not be seen as just health expenditure. Delegates accepted that private-public partnership is crucial for success and recommended that incentives should also be provided to enhance and encourage expanded private sector participation in the battle against the pandemic.

65. There is a need to enhance political visibility of the HIV/AIDS challenge. Leadership at all levels, from the most senior political leaders, should publicly engage in the fight against the disease. Governments need to emphasize policy formulation at the national level to ensure policy coherence, guide activities and programmes, to enhance access to facilities and drugs for those affected, and to intensify prevention measures. The implementation of these policies, however, should be decentralized to sub-national jurisdictions. Policy of fighting HIV/AIDS should also focus on the civil servants considering the limited skills available in African countries. Countries should develop and assemble empirically sound data for policy-making and such data should be gender-disaggregated to ensure that policies are gender-sensitive. Top priority should be given to the care of orphans as a social, economic, and moral imperative.

66. Resource mobilisation should be within national budgets, once HIV/AIDS programmes have been built into all sector programmes. Expectations regarding the availability of external/donor support should be carefully managed as such support takes a long time to materialize. Donors should also make firm, long-term commitments to support HIV/AIDS prevention and treatment initiatives. In addition, Ministries of Finance and Economic Planning should allocate resources freed up by HIPC to HIV/AIDS.

67. The Commission on HIV/AIDS and Governance in Africa (CHGA) should broaden its scope to cover other diseases such as TB, malaria and other microbial diseases. Indigenous African expertise and relevant institutions should be used in developing the policy agenda and in undertaking the research. This will enhance indigenous capacities and provide cost effective comprehensive and sustainable solutions. The ECA should also assist countries in negotiating access to affordable ARVs.

Statutory Issues: (Agenda Item 5)

- **Consideration of the annual report on the work of the Commission for the period since May 2002**

68. Under this agenda item, the Committee considered document E/ECA/CM.36/4 entitled Annual Report 2003, which provides a review of the major activities undertaken by the Commission including its subsidiary organs and the secretariat during the period from May 2002 to May 2003. The report is divided into four chapters.

69. The Committee noted that the activities described in the report reflected the evolving strategy of the Commission to assist its member States in achieving sustainable development and poverty reduction.

70. The Committee was informed that the Secretary-General's proposals on further reforms on the UN which has been endorsed by the General Assembly had a considerable impact on the work of ECA. This was reflected in the increased focus on the attainment of the MDGs; and strengthening inter-agency collaboration. The proposals also provided impetus to ECA's Institutional Strengthening

Programme (ISP) which is aimed at strengthening its capacity to assisting member States in addressing the development challenges that they confront.

71. The Committee noted that the number of technical subsidiary organs has been reduced to six following the merger of the Committee on Natural Resources, Science and Technology with the Committee on Sustainable Development into a one - Committee on Sustainable Development. This merger was endorsed at the last session of the Commission in Johannesburg in October 2002.

72. The Committee was informed that three out of the six sectoral bodies held their biennial meeting during the period under review. (The conclusions and recommendations of the meetings of the sectoral bodies as well as the intergovernmental committee of experts which were held during the period under review are provided in detail in Chapter 4 of the Annual Report).

- The Committee on Women, Gender and Development held its meeting in Johannesburg in October 2002 and submitted its report to the last Conference of Ministers.
- The Committee on Development Information held its third biennial meeting in Addis Ababa from 13 to 17 May 2003 on the theme, Harnessing Information for Good Governance in Africa. It recommended strategies for addressing such issues as information and governance; decentralization; community empowerment and the role of civil society; and facilitating transparent public financial management and accountability.
- The second biennial meeting of the Committee on Human Development and Civil Society was held in Addis Ababa from 26 to 27 May 2003 on the theme, Participation and Partnership in Africa's Development. The meeting underscored the importance of participation and partnership as the basis for addressing issues related to ethics and accountability in public service delivery; HIV/AIDS; and the special needs of countries emerging out of conflict. A framework for enhancing participation and partnerships in the development process was recommended to establish modalities for sharing best practices.

73. The Committee was further informed that the Intergovernmental Committee of Experts of all the five subregional offices (SROs) of ECA held their annual meeting during the period under review. The Committee endorsed the strong support expressed at those meetings for the implementation of NEPAD at the subregional and country levels, and the effort of the SROs to promote public awareness about the initiative.

74. The Committee was also briefed on specific initiatives, ongoing major field projects and special events supported by the SROs which were discussed at the ICE meetings. Particular reference was made to the Great Lakes initiative in East Africa; the Mano River peace-building initiative and the implications of the crises in Cote d'Ivoire in West Africa.

75. The Committee noted with appreciation the accomplishments of the SROs, particularly in the harmonization of national policies and promoting subregional cooperation and integration progress. It was further noted that the SROs could play an important role in supporting member States in the implementation of NEPAD given their close proximity to the member States. In this regard it was recommended that the SROs be strengthened further to enable them to achieve their objectives.

76. Some concerns were raised regarding the criteria used in the selection of the 30 countries for the field survey on the ECA project on the development of indicators for monitoring good governance in Africa.

77. In response to this concern, the secretariat assured the committee that the field work will eventually cover the entire continent. However as a result of resource constraints, 30 countries could be covered in the initial phase of the project.

78. On the concerns raised for greater attention to be given to gender issues and other sectoral issues, the secretariat also informed the Committee of the extensive ongoing work in these areas, and reiterated its commitment to continue the work in the areas suggested by the Committee. ECA's ongoing work in the development of a gender development index was mentioned in this regard.

79. The Committee noted with appreciation the comprehensiveness of the report, adding that it reflected the significant amount of work that ECA had undertaken in support of its member States. It was observed that the report would be a useful information for African policy-makers and the general public. The Committee, however, emphasized the need for paying attention in the future reports of ECA to activities being undertaken by the subregional offices in collaboration with the subregional economic groupings. The secretariat was also requested to ensure a wider dissemination of its key publications and the findings of major studies to the member States.

80. In the light of the above observations, the Committee took note of the Report.

- **Note by the Secretariat on the modalities for undertaking an external review of ECA's work since 1996**

81. Under this agenda item, the Committee discussed a note prepared and presented by the Secretariat on the external review of ECA's work following the reforms initiated in 1996. The Committee was informed that the note is a response to the recommendation made at the last Meeting of the Committee of Experts that an external review be undertaken to assess the impact of ECA's work in achieving vision articulated in the document, *Serving Africa Better: Strategic Directions for the Economic Commission for Africa*, which was endorsed by the Commission in 1996 as the blueprint for ECA's reform programme.

82. It was noted that the reforms encompassed changes at the programmatic, managerial, organizational and intergovernmental levels. These changes have resulted in a rationalization of the intergovernmental machinery with a consequent reduction in the number of meetings and reports going to these meetings; and redeployment of significant resources to the subregional offices to strengthen their capacity to support the regional economic communities in promoting regional integration.

83. The Committee was informed that several assessments of these reform measures had already been undertaken in recent years by various internal and external oversight bodies, including the United Nations Office of Internal Oversight Services (OIOS). These reviews concluded that the reforms have led to a significant improvement in the performance of ECA and strengthened its delivery capacity as manifested in the quality of its work.

84. Noting that reform is a process and not an event, the Secretariat welcomed the recommendation that it undertake an external review of its activities. It proposed three major areas upon which any future review could focus. The first area of focus is on assessing impact of the work of the Commission on the development prospects of its Member States. The main issue here is to examine existing mechanisms and modalities for measuring the impact of ECA's work at the country level. The second area of focus relates to the functioning of the intergovernmental machinery to improve its effectiveness and ensure that decisions of the various subsidiary organs effectively influence the policy-making process at the national level. The third area of focus relates to the present coordination arrangements of UN System agencies working in Africa. The main issue here is to ensure that effective linkages are established in the work of the UN at the global, regional and country levels. This is particularly important because of the role of the UN System in supporting the implementation of NEPAD at the country level.

Conclusions

85. The issues raised in the general discussions, and on which there was a consensus included the following:

- The proposed review is not intended to be an audit of ECA's management systems or internal processes. Rather, it will assess the impact of ECA's work in promoting the economic and social development of its member States;
- In addition to the three areas proposed by the Secretariat, the review will examine the relationship between ECA and other regional bodies, such as the AU and the ADB, to ensure that synergies are built among the three institutions;

- There is a need for further consultations with member States, either through the Bureau or other channels to discuss the details of the proposed review, including its financial implications;
- The review should focus on the coherence of UN System's, including ECA's activities in Africa;
- The mandate given to ECA by the UN General Assembly will be taken into account in drawing up the terms of reference for this review.

86. In light of the above discussions, the Committee took note of the report.

Proposed Programme of Work and Priorities for the Biennium 2004-2005 (Agenda Item 6)

87. The Secretariat presented a document entitled, Proposed Programme of Work for the Biennium 2004-2005 (E/ECA/CM.36/5). The work programme covered the last two years of the revised 2002-2005 Medium Term Plan, previously endorsed by the Conference of Ministers at its thirty-fifth session and the Economic and Social Council at its resumed substantive session in 2002. The Programme of Work was based on the logical framework of the Results-Based Budgeting (RBB) adopted by the General Assembly and which aims at establishing linkages between objectives, indicators of achievement and outputs to be delivered in order to achieve the expected accomplishments. This new approach will be the basis for moving the budget process towards enhanced transparency and accountability for achieving the objectives set by member States. The proposed work programme also takes fully into account the objectives of the MDGs and NEPAD endorsed by the Conference of Ministers in October 2002.

88. Other principles taken into account included the enhancement of ECA's technical assistance to member States and RECs; analytical content of ECA's work; and the production of fewer but improved outputs. The secretariat outlined the various sub-programmes and activities under each sub-programme, including the new divisions established to support and enhance ECA's work. These are the Office of Policy and Programme Coordination (OPC) and the Human Resources Management and Finance Division (HRFD). The representative of the secretariat emphasized that the proposed work programme was based on areas of need as articulated at the last meeting of the Committee in Johannesburg.

Observations and Comments

89. In terms of assessing the impact of ECA's activities:

- The indicators contained in the proposed programme of work should be refined to render them realistic. Therefore ECA should develop quantitative and qualitative indicators to measure effectively ECA achievements and impact.

90. In terms of enhancing ECA's technical assistance to member States:

- ECA should facilitate the establishment of a second monetary zone in West Africa and support monetary and fiscal policy harmonization programme in the COMESA region.

91. In terms of increasing the effectiveness and relevance of its work programme, ECA should:

- bring its proposed programme of work in harmony with major developments in the sub-regions and minimize duplication of efforts by strengthening coordination at the sub-regional and regional levels with regional and subregional bodies;
- adopt a long-term perspective in its research on the development of the African economies;
- produce more focused outputs, especially in the areas of trade and sustainable development and public expenditure management;
- extend its study on the economic impact of conflicts in tandem with measures for conflict prevention.

- within the context of 2004 programme activities, consider with its partners, the best ways and means for Africa to make the most of the World Information Summit, which will be held in Tunisia in 2005. The idea is to combine efforts in order to bridge the digital divide facing Africa.
- to enhance its financial support to IDEP to enable it to fulfill its mandate and promote the development of the Institute.

92. The secretariat expressed its appreciation for the observations and comments made by members of the Committee. It explained that the proposed activities should be seen in a holistic manner as they all aim at strengthening capacities in African Countries. It emphasized that the proposed work programme was based on its comparative advantage and complemented the work of the African Union, the African Development Bank and other relevant UN agencies.

93. While taking note of the legitimate concern that financial appropriations should meet the implementing requirements of the programme, the secretariat explained that the United Nations Regular Budget proposals, of which the Commission's budget constitutes a Section, was only considered in its entirety by the appropriate global bodies established by the General Assembly of the United Nations, namely the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and approved by the Fifth Committee of the United National General Assembly.

94. The Committee concluded that the decisions it took at its last meeting had been complied with and adequately reflected in the programme proposals brought before it for consideration.

Recommendations

95. The Committee took note of the concerns raised regarding the funding of the activities in the proposed programme of work in the absence of an indicative budget. The Committee recommended that in future, the proposed programme of work and priorities be accompanied by a summary of the previous biennium budget.

96. The Committee endorsed the proposed programme of work for the biennium

2004-2005, and adopted a draft resolution on the, Programme of Work and Priorities for the Biennium 2004-2005.

Any Other business: (Agenda Item 7)

97. Under this agenda item, the Committee noted the ongoing efforts at restructuring the training programmes and organizational structure of the African Institute for Economic Development and Planning (IDEP). The Director of the Institute informed participants of the establishment of a scholarship and fellowship programme as well as technical advisory services to subregional economic groupings. The Committee called for increased financial and other support to IDEP to strengthen its capacity to fulfill its mandate.

Adoption of the Report and closure of the meeting: (Agenda Item 8)

98. The Committee adopted the present report together with the draft resolution contained in the annex attached to this report for consideration by the Conference of African Ministers of Finance, Planning and Economic Development.

99. In his closing remarks, the Executive Secretary of ECA expressed his gratitude to all the participants for their contributions in making the meeting a success. He also thanked the Bureau for the direction it provided, and commended the Chairman for the efficient manner in which he conducted the meeting. In addition, he thanked all ECA staff for the excellent work in preparing and servicing the meeting. The Executive Secretary observed that this is the most substantive meeting of experts held in recent times and was particularly impressed by the quality of the discussions. He attributed this to the importance and relevance of the issues on the agenda of the meeting. He also appealed to member

States to find ways of ensuring that the outcomes of these meetings feed into processes at the global level in order to bring about more coherence on African development issues.

100. In his closing remarks, the Chairman thanked all the participants for their support. He said he was particularly grateful for the opportunity given to him to chair the meeting for a second time, and looked forward to handing over to a new Chairman next year. He commended the efforts of the ECA Secretariat for the high quality documents prepared for the meeting which hastened the process of adopting the report.

101. The Chairman then declared the meeting closed.

Annex III

List of Documents

1. E/ECA/COE.22/1/Rev.1 DRAFT PROVISIONAL AGENDA
2. E/ECA/COE.22/Inf.1/Rev.1 DRAFT PROGRAMME OF WORK
3. E/ECA/CM.36/1/Rev.1 DRAFT PROVISIONAL AGENDA
4. E/ECA/CM.36/Inf.1/Rev.1 DRAFT PROGRAMME OF WORK
5. E/ECA/CM.36/2 MUTUAL ACCOUNTABILITY AND GREATER POLICY COHERENCE FOR DEVELOPMENT EFFECTIVENESS
6. E/ECA/CM.36/3 EXTERNAL REVIEW OF ECA'S WORK: A NOTE BY THE SECRETARIAT
7. E/ECA/CM.36/4 ANNUAL REPORT 2003
8. E/ECA/CM.36/5 PROPOSED PROGRAMME OF WORK FOR THE BIENNIUM 2004-2005
9. E/ECA/CM.36/6 REPORT OF THE TWENTY-SECOND MEETING OF THE COMMITTEE OF EXPERTS OF THE CONFERENCE OF AFRICAN MINISTERS OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT
10. E/ECA/CM.36/7 MINISTERIAL STATEMENT
11. E/ECA/CM.36/8 REPORT OF THE THIRTY-SIXTH SESSION OF THE COMMISSION/CONFERENCE OF AFRICAN MINISTERS OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT