

**Economic Commission for Africa  
African Union Commission**



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

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

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

**2011**





**UNITED NATIONS  
ECONOMIC AND SOCIAL COUNCIL  
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*Forty-fourth session of the Economic Commission for Africa*



**AFRICAN UNION  
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*Sixth session of CAMEF*

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**4th Joint Annual Meetings of the AU Conference  
of Ministers of the Economy and Finance  
and ECA Conference of African Ministers of Finance,  
Planning and Economic Development**

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



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## Introduction

1. The 4<sup>th</sup> Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development was held in Addis Ababa, Ethiopia on 28 and 29 March 2011 on the theme, *Governing Development in Africa: The Role of the State in Economic Transformation*. Since the first session held in 2008, these Joint Annual Meetings have become an important forum for discussion, on emerging issues in Africa's development and for revisiting issues of long-standing interest. They also serve as a platform for sharing experience on policy formulation and implementation and contribute to the global debate on development.

2. The 2011 Conference provided a platform for discussion on the role of the state as the transformative catalyst for sustainable development in Africa, based on historical and contemporary evidence. It also provided an opportunity for policy-makers to examine the record of the state in Africa in promoting development, share best practices and lessons from Africa and elsewhere on the challenges of building a capable and dynamic state as well as recommend concrete actions for effectively governing development and promoting economic transformation in Africa.

3. In view of the essential and constructive roles that the state can and must play in addressing development challenges, particularly in accelerating economic growth and promoting jobs creation to eradicate poverty and achieve the MDGs, the Conference also addressed other priority issues of concern to Africa. These include the green economy initiative, which presents opportunities for promoting investment in long-term environmental sustainability as a new engine of growth and development; innovative proposals to improve the financing and

delivery of health interventions in Africa; and leveraging opportunities for accelerated and inclusive growth in Africa. The general theme unifying these issues is the need for a dynamic and proactive role for the state in addressing these challenges. No country can achieve sustainable growth and development without significant public investment in the provision of public goods and social services, including infrastructure, health, education and the environment; while also laying the foundation for private and foreign direct investments.

4. It is against this background, that the 2011 session brought, for the first time, African ministers of finance, planning, and economic development together with their counterparts in the health and environment sectors as well as other key stakeholders to engage on and appreciate the nexus between finance and health and environment. The work of the Conference was carried out in plenaries and parallel breakout sessions so as to allow for general discussion on the main theme as well as in-depth discussions of critical issues pertaining to the role of the state in economic transformation.

5. This report is made of four main sections: Section A provides the attendance list while Section B presents the outcome of the consultations on the election of the Bureau of the Conference. The adopted agenda and programme of work are presented in Section C.

6. The proceedings of the Conference are laid out in Section D, which also contains the summary of the high level panel discussion on the theme of the Conference and the discussions on green economy, health financing and leveraging opportunities for accelerated growth in Africa. The Section concludes with the outcome of the discussions on the report and major recommendations of the meeting of the Committee of Experts that preceded the ministerial segment, as well as the Ministerial statement and resolutions.

## **Forty-fourth Session of the Commission and the Fourth Joint Annual Meetings of the African Union Conference of Ministers of Economy and Finance and the Conference of African Ministers of Finance, Planning and Economic Development of the United Nations Economic Commission for Africa**

### **A. Attendance**

7. The fourth Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of Ministers of Finance, Planning and Economic Development was held in Addis Ababa, Ethiopia on 28 and 29 March 2011.

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

9. The following United Nations bodies and specialized agencies were also represented: Department of Economic and Social Affairs (DESA), Food and Agriculture Organization of the United Nations (FAO), International Labour Organization (ILO), International Maritime Organization (IMO), International Telecommunication Union (ITU), Office of Special Advisor for Africa (OSAA), Regional Commissions New York Office (RCNYO), United Nations Children's Fund (UNICEF), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Industrial Development Organization (UNIDO), United Nations Population Fund (UNFPA), United Nations High Commission for Refugees (UNHCR), The United Nations Office of High Commissioner for Human Rights (UNOHCHR), United Nations Office to the Africa Union (UNOAU), World Food Programme (WFP), World Health Organization (WHO), Joint

United Nations Programme on HIV/AIDS (UNAIDS), and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women).

10. Observers from the following member States of the United Nations were present: Belgium, Denmark, France, Germany, Japan, Russian Federation, Spain and United Arab Emirates. Observers were also present from the Vatican.

11. Observers were present from the following organizations: Action Aid International (AAI); Africa Business Group, African Centre of Meteorological Applications for Development (ACMAD); African Forum and Network on Debt and Development (AFRODAD), Africa Humanitarian Action, African Health Economics and Policy Association (AfHeA), African Capacity-Building Foundation (ACBF); African Development Bank (AfDB), African Peer Review Mechanism (APRM), African Public Health Alliance (APHA), Arab Bank for Development in Africa (BADEA), African Regional Organization of International Trade Union Confederation (ITUC – Africa), Bank of Central African States (BEAC), Central Bank of West African States (BCEAO), Bill and Melinda Gates Foundation, Consortium of Christian Relief and Development Associations (CCRDA), Canadian International Development Agency (CIDA), Coalition for Dialogue on Africa (CODA), Common Market for Eastern and Southern Africa (COMESA), Development Finance International; Envisioning Ethiopia; European Commission (EU), Economic Community of Central African States (ECCAS), Fahamu Networks for Social Justice, African Women Solidarity (FAS), Gavi Alliance, Global Fund, Global Business Coalition, Institute for Social Studies (ISS), The Horn Economic and Social Policy Institute (HESPI), International Monetary Fund (IMF), International Organization of Employers (IOE), the African Regional Organization of the International Trade Union Confederation (ITUC-Africa), Japan International Cooperation Agency (JICA), Johns Hopkins Center for Communication Programmes, League of Arab States (LAS), Marie Stopes International, McKinsey and Co., Mo Ibrahim Foundation, New Partnership for Africa's Development (NEPAD), Organization for Economic Cooperation and Development (OECD), One Laptop per Child, Organisation internationale de la francophonie (OIF), Oxfam International (OXFAM), Pan-African Employers' Confederation, Princess of Africa Foundation, Reality of Aid Africa, Roll



Back Malaria Partnership (RBM), Save the Children International, Southern African Development Community (SADC), Standard Chartered Bank, United States Agency for International Development (USAID), U.S. Mission to the African Union, West African Economic and Monetary Union (UEMOA), World Bank (WB) and World Vision.

## B. Election of the Bureau

12. Following consultations among delegations that had taken place earlier, the following member States were unanimously elected by the Conference to form the new Bureau of the Conference:

Chairperson -Guinea  
 First Vice Chairperson -Rwanda  
 Second Vice Chairperson-Central African Republic  
 Third Vice Chairperson -Mauritania  
 Rapporteur - Malawi

## C. Adoption of the agenda and programme of work

13. The work of the Conference was carried out in plenaries and two parallel break-out sessions on the items contained in the agenda below.

14. The Conference adopted the following agenda:

### Theme: Governing Development in Africa

1. Opening of the Conference
2. Election of the Bureau and adoption of the agenda and programme of work
3. High-level panel discussion on the theme of the Conference: *Governing Development in Africa*
4. Parallel panel discussions on key issues in Africa's development:
  - Panel on the Green Economy
  - Panel on Health Financing in Africa: Challenges and Way Forward
5. Leveraging Opportunities for Accelerated Growth: *Prospects and Policies for the Next Decade*
6. Launch of the *Economic Report on Africa, 2011*

7. Reports from panel discussions
8. Closed session on Alternative Resources for African Union Commission
9. Follow-up to the decisions and outcomes of the 2010 Session of the Joint Conference of Ministers
10. Consideration of the report and major recommendations of the meeting of the Committee of Experts of the Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of Ministers of Finance, Planning and Economic Development
11. Consideration and adoption of the draft Ministerial Statement and draft resolutions
12. Any other business
13. Closing of the Conference

## D. Account of proceedings

### Opening of the Conference

15. The Conference was declared open by H. E. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia who delivered a keynote address on the theme of the Conference. Statements were also made at the opening session by the following senior officials and dignitaries: H.E. Mr. Kenny Edward Kandodo, Minister of Finance of Malawi and Chairperson of the outgoing Bureau of the Conference; H.E. Mr. Abdoulie Janneh, Under-Secretary-General and Executive Secretary of the United Nations Economic Commission for Africa; H.E. Mr. Sha Zukang, Under-Secretary-General of the United Nations Department of Economic and Social Affairs and Secretary-General for the upcoming Rio 2012 Conference; H.E. Mr. Achim Steiner, Executive Director, United Nations Environment Programme and Chair of the United Nations High Level Committee on Programmes; H.E. Dr. Donald Kaberuka, President of the African Development Bank; and H.E. Dr. Jean Ping, Chairperson of the African Union Commission.

16. All the speakers commended the choice of the theme of this year's Conference, "*Governing Development in Africa: The Role of the State in Economic Transformation*", as both timely and relevant because it provides an opportunity to re-examine and enhance the developmental role of the state in Africa.

17. The Minister of Finance of Malawi, Mr. Kandodo who had chaired the Bureau of the Conference since April 2010 was the first to address the Conference. Speaking in his capacity as Chairperson of the outgoing Bureau, Mr. Kandodo expressed gratitude to the outgoing Bureau for the progress made in implementing important decisions and recommendations made during the last Conference held in Lilongwe, Malawi. On the theme of the Conference, he said that Africa did not need to reinvent the wheel in examining the role of the state in development. Rather, the continent should build on its unique social and cultural institutions to achieve a developmental state. He underlined the need for African countries to restructure their economies to deliver development dividends to the people by encouraging transparency, transforming mindsets, and facilitating private sector development. He stressed that going forward, development would require no tolerance for bad governance and corruption, and that it would rather rely upon transparency, including reaping the benefits from Africa's abundant natural resources. Mr. Kandodo concluded his statement by thanking the Committee of Experts for their report which would facilitate the ministerial discussions and wished full success to the incoming Bureau in its work during the course of the next one year.

18. H.E. Mr. Sha Zukang, UN Under-Secretary-General for Economic and Social Affairs addressed the Conference as a special guest on the topic of sustainable development. He noted that 10 years after Africa hosted the UN World Summit on Sustainable Development, the continent as a whole was not on track to achieve the MDGs. As the convener of the forthcoming UN Conference on Sustainable Development (UNCSD 2012 – Rio+20), Mr. Sha explained that Rio+20 would focus on two themes: a green economy in the context of sustainable development and poverty eradication, and an institutional framework for sustainable development. In this regard, he indicated that the Rio+20 summit would be an opportunity for accelerating Africa's development, as green economies would offer new avenues for achieving the integration of the social, economic and environmental dimensions of sustainable development. He therefore urged African countries to begin engaging with the rest of the world in the context of the Rio+20 Summit, so that their collective position is reflected in the outcomes of the global Conference. Mr. Sha stressed the need for efficiently governing development, and further explained that the Rio+20 summit would also include a sub-theme

on governance, and specifically, institutional frameworks for sustainable development. He concluded by urging the Conference to start reflecting on an agenda to help Africa achieve sustainable development goals through the Rio+20 process.

19. Also addressing the Conference as a special guest, H.E. Mr. Achim Steiner, Executive Director, United Nations Environment Programme and Chair of the United Nations High-Level Committee on Programmes underscored the importance of the theme of the Conference, which he said was appropriate moment, considering the ongoing preparations for the Rio+20 Summit. He commended the efforts to strengthen coordination between Ministers of Finance, Planning and Economic Development and Ministers of Environment, particularly in the face of rising oil and energy prices, as well as volatile markets. He observed that UNEP's Green Economy Report included some lessons about the role of the State and how public policy could be used to ensure short and long term development goals on the path to green economies. As Africa's population continues to rise, Mr. Steiner stressed the need for the continent to invest additional resources to ensure that extractive sectors did not erode natural capital base along the path to economic growth. In this regard, he noted that Africa had huge potentials for achieving a green economy by investing in and adapting existing technologies.

20. In his welcoming remarks, H.E. Mr. Abdoulie Janneh, UN Under-Secretary-General and Executive Secretary of ECA observed that economic and social prospects for Africa as a whole remained encouraging, with an average GDP growth rate of 4.7 per cent in 2010 and projections for 2011 estimated at 5 per cent. In addition, Africa was making steady progress towards achieving the MDGs. However, the ECA Executive Secretary cautioned that this positive outlook could be affected by risks and uncertainties caused by the ongoing political events on the continent, the issue of youth unemployment, the rising fuel and food prices, coupled with climate change and other development challenges such as fiscal consolidation, sovereign-debt crisis, and the inter-related issue of global imbalances and exchange rates. In this regard, he called on member States to continue their efforts to diversify and transform their economies, with particular emphasis on improving political governance.

21. Turning to the theme of the Conference, Mr. Janneh argued that the discussion on the role of

the State in economic development and transformation was certainly not one of states versus markets. Rather, the discussion should focus on how best to operationalize the developmental state in Africa while taking into account the benefits of a market economy. In this regard, he highlighted five essential policy ingredients for a better governance of development. These included: (i) the need for flexible and sound macroeconomic policies to enable adjustments and underpin growth; (ii) high levels of investment to upscale production and build up infrastructure and human capital; (iii) mastering, adapting and improving technologies and skills acquisition for decent employment; (iv) adoption of appropriate trade and industrial policies; and (v) the need for the state to promote equity and equality of opportunity. In addition, a key role of the developmental state is to coordinate economic activities including a disciplined and inclusive visioning and planning process. In this regard, Mr. Janneh called on African Governments to take necessary steps to restore planning frameworks in their countries and promote competent and merit-based bureaucracies.

22. Moreover, the Executive Secretary stressed that a more active role for the state in Africa needed to be balanced by a commitment to democracy, human rights and transparency as articulated in the NEPAD framework. It should also avail space for the private sector and civil society to contribute to national development. Development policy also need to take into account new trends such as regional integration, the emergence of a multi-polar world, the challenge of climate change and environmental sustainability, changing global demographics and the increasing digitalization of economic processes. He further stressed the need for governments to be proactive in mobilizing resources for development from domestic and external sources.

23. In his opening statement, the President of the African Development Bank (AfDB), Mr. Donald Kaberuka focused on Africa's recent economic performance and noted with concern that the impressive growth in recent years neither contributed to poverty reduction nor generated employment. In this regard, he called on African countries to revisit the role of the State in promoting growth and economic development. He highlighted some of the issues that needed to be considered in any discussion on the role of the State in development - promoting private sector development, science and technology, regional integration, improving infrastructure, mac-

roeconomic stability and protecting property rights. Mr. Kaberuka observed that the situation currently facing some North African countries, derived mainly from the lack of appropriate inclusive growth strategies and lack of adequate governance mechanisms. In this regard, he assured the Conference that the African Development Bank would continue to support African countries, including conflict and post-conflict countries, in building institutions and capable States.

24. Addressing other issues on the agenda of the Conference, Mr. Kaberuka called upon African Governments, as well as bilateral and multilateral partners to explore mechanisms for sustainably financing the work of the African Union Commission and ensure that the resources made available to the institution was commensurate with its mandate and mission.

25. In his statement to the Conference, H.E. Dr. Jean Ping, Chairperson of the African Union Commission underscored the importance of the Joint Meetings of AU and ECA as one of the key fora for discussions and consensus building for ensuring that decisions made at the G-8 and G-20 regarding Africa reflect the continent's priorities. Dr. Ping reviewed recent developments in Africa, noting that the continent had been growing at an average of 6 per cent in recent years and Foreign Direct Investment had increased by 17 per cent, making the continent an attractive destination for investment. He, however, lamented the fact that intra-African trade remained low at 10 per cent (compared with 80 per cent in Europe), a situation mainly due to lack of infrastructure. In this regard, he said that the AU Commission, in partnership with the African Development Bank (ADB) had prioritized infrastructure development and had already embarked on the development of the Great North Road. He further noted that despite gains in economic development, increases in food prices as a result of capacity limitations in agriculture were affecting the purchasing power of households in Africa, while inflation was causing volatility of prices for raw materials.

26. On the theme of the Conference, the AUC Chairperson noted that even though the role of the state in economic development had been well articulated over the years adequate implementation and intervention policies were still lacking to realize the goal of development in Africa. In this regard, he called upon member States to be fully committed in implementing ongoing programmes and projects,

particularly in the area of regional integration, as the continent could only realize its full potential through integration. He particularly underscored the role of regional economic communities (RECs) in promoting and harmonizing regional integration programmes, and commended the efforts of some Regional Economic Communities such as ECOWAS and SADC, that were already implementing most of the protocols agreed under the Abuja Treaty, thereby promoting and benefiting from free movement of people and goods.

27. On the issue of alternative sources of funding for the AUC, the Chairperson drew attention of the Conference to the precarious financial situation facing the Commission. He indicated that 75 per cent of the Commission's regular budget was funded by only five African countries, namely Libya, South Africa, Algeria, Tunisia and Egypt while some of the activities and projects, including peacekeeping operations, which account for 77 per cent of the total budget were financed by development partners. The AU Chairperson noted this precarious situation was no longer sustainable and appealed to member States to support the AU Commission with adequate financial resources so that it could fulfill its mandate.

28. In a keynote address to the Conference, the Prime Minister of the Federal Democratic Republic of Ethiopia, Ato Meles Zenawi welcomed participants to the Conference and noted that the debate on a new development paradigm centered on the concept of a developmental State was welcomed and long overdue for Africa. Ato Meles called for a review of the developmental approach adopted so far by most African countries in order to draw some lessons, assess obstacles and seek alternative approaches to market fundamentalism. He said that the prevailing neo-liberal paradigm had been associated with an inexorable widening income gap between the wealthy and the poor in the developed countries. This was a clear indication that the neo-liberal paradigm had failed to bring about inclusive growth. As a result, academics and practitioners across the continent had been searching for a development paradigm which could address the shortcomings of the prevailing orthodoxy and perhaps replace it.

29. Noting that the primary objective of a developmental State is to bring about economic transformation through value creation, the Prime Minister said that the developmental State would have to exhibit certain attributes to achieve this demanding task. First, it should commit to equitable growth

and transformation; second, it should build consensus on a development agenda to create the necessary groundswell of support that would be essential to embark on a radical re-ordering of a country's political economy. Finally, it should be independent from the private sector.

30. The Prime Minister argued that the neo-liberal paradigm had got Africa's development wrong both in terms of understanding the source of the underlying problem and the solution it prescribed. He, however noted that there were useful lessons to be learned from the experiences of other countries, particularly from the newly industrialized South East Asian countries. Even though not all African countries would succeed in building a developmental State, the Prime Minister said that the Conference, nevertheless, provided an opportunity to explore the possibilities of a new development paradigm that would point the path to sustainable growth and development in Africa.

31. Following his keynote address, the Prime Minister then declared the Conference officially opened and wished the participants successful deliberations.

### **High Level panel discussion on the theme of the Conference: Governing Development in Africa: The Role of the State in Economic Transformation (agenda item 3)**

32. Following the opening session, a high-level panel discussion was held on the theme of the Conference - *Governing Development in Africa: The Role of the State in Economic Transformation*. The panel discussion was chaired and moderated by the Chairperson of the newly elected Bureau of the Conference of Ministers, His Excellency Kerfalla Yansane, Minister of Economy and Finance of the Republic of Guinea, with the following main speakers and panelists: Mr. Mo Ibrahim, Chair of the Mo Ibrahim Foundation; H. E. Mr. Sufian Ahmed, Minister of Finance and Economic Development of Ethiopia; H. E. Mr. Lazarous Kapambwe, President of the United Nations Economic and Social Council (ECOSOC); H. E. Mr. Michel Barnier, European Union Commissioner for Internal Markets; and H. E. Mr. Supachai Panitchpakdi, Secretary-General of UNCTAD.

33. In his brief introductory remarks, H.E. Mr. Kerfalla Yansane thanked member States of the Economic Community of West African States (ECO-

WAS) for the opportunity they gave his country, Guinea, to represent West Africa on the Bureau. He also expressed deep gratitude to the Government and People of Ethiopia for the warm hospitality extended to him and his delegation. Mr. Yansane extended a message of appreciation from the President of the Republic Guinea, Mr. Alpha Conde to the international community for the support provided to his country in re-establishing constitutional order following the recent election in his country. The theme of this year's Conference provided an opportunity for participants to reflect on the challenges of the State in efforts to achieve economic growth and sustainable development; Guinea's experience with both a State controlled economy as well as a market economy had failed because of poor management and allocation of resources in the former and weak State authority in the latter; The Government of Guinea had engaged the public in discussing the role of the State in economic and social transformation by organizing a national conference with the active participation of the private sector and civil society; and Stressed the importance of regional and subregional integration in enhancing the role of the State in development in Africa.

34. Mr. Mo Ibrahim, Chair of the Mo Ibrahim Foundation, focused his presentation on two issues, namely, (i) regional economic integration in Africa; and (ii) harnessing Africa's resources for development. Economic and social development and regional economic integration were inter-linked. In that context, and in view of the small size of most African economies, there was a need for the continent to accelerate its economic integration in order to compete effectively with the rest of the world; African countries should integrate their economies by removing both tariff and non-tariff barriers to trade to enhance free movements of persons, goods capital and services; Membership in the regional economic communities (RECs) should be rationalized in order to avoid duplication of efforts and stretching limited resources thinly; and Transparency in the management of natural resources remained a major challenge in Africa. African countries should consider signing up to the Natural Resource Charter, which provides guidelines on management of natural resources.

35. In his presentation, Mr. Sufian Ahmed, Minister of Finance and Economic Development of Ethiopia reviewed the national development strategies adopted by Ethiopia since the 1980s in the context of a developmental State. The overarching goals

of the Ethiopia's national development strategies since the 1980s had been to foster sustainable and broad-based economic growth and to alleviate poverty. The achievement of the national development plans required comprehensive economic reforms, in particular to maintain macroeconomic stability. The plans also focused on civil service reforms, human resources development, infrastructure and industrial development, increasing agricultural productivity, the empowerment of women, decentralization, and the promotion of human rights and the rule of law, as intermediate targets of the development plans; In terms of economic and social development Ethiopia was on track to achieve most of the MDGs. The country had done well in improving economic growth, human development, infrastructure development, institution building and the devolution of service delivery to local and State governments; and market forces alone were not sufficient to achieve the sustained economic growth in Ethiopia. There was need for appropriate government regulation. Government also had an important role in maintaining macroeconomic stability, investing in infrastructure and skills development, building institutions, and in guiding economic development through development planning and formulating and implementing sectoral policies.

36. The presentation by Ambassador Lazarous Kapambwe, President of the United Nations Economic and Social Council focused mainly on the role of ECOSOC in promoting development in Africa in the context of implementing development goals, including the MDGs. Among the objectives of ECOSOC was the strengthening of the development dimension of the United Nations' work in Africa; and mobilizing support of the international community for Africa's development. In this regard, it was emphasized that Africa's development was the sole responsibility of African countries themselves. However, globalization required effective collaboration of all African countries with the rest of the world; Africa's success in achieving poverty reduction and meeting the MDGs would depend largely on its human resources development, particularly in the areas of health and education. In this regard, the substantive session of ECOSOC in 2011 would focus on the theme "*Implementing the Internationally Agreed Goals and Commitments in Regard to Education*". The session is expected to address the following: (i) challenges regarding access to education particularly for the girl child; (ii) link the skills produced by the education systems to the needs of the economy; (iii)

burden-sharing in education between Africa and developed countries to mitigate the impact of the brain drain; and the AUC-ECA Conference of Ministers was, therefore, called upon to address the following: (i) Strategies for developing Africa's human resources; (ii) Preparation for Africa's participation in upcoming international Conferences, including the global review of the MDGs framework and the WTO/Doha Round of trade negotiations; and (iii) domestic policies/solutions aimed at addressing socio-economic challenges in such areas as infrastructure, youth and employment, and poverty; and (iv) to shed light on strengthening global economic governance, among others.

37. In his presentation, Mr. Michel Barnier, EU Commissioner for Internal Market and Services, shared the EU experience in terms of economic development and governance. Peace and security were essential prerequisites for good governance and economic development. The impetus for European Integration came from the need to reverse the war trend that had prevailed in Europe for many centuries. Integration was initially based on the need to share production and management of key raw materials, such as coal and steel. Africa could learn from the European experience of integration, particularly in terms of enhancing intra-regional trade; and the recent global financial crisis had underlined the need for effective surveillance and strengthening national and trans-national regulatory mechanisms. In this regard, the EU was in the process of putting in place new rules aimed at improving the transparency of financial markets and the banking system. There is a need to establish a similar mechanism at the global level to govern world financial markets.

38. In his presentation, Mr. Supachai Panitchpakdi, Secretary-General of UNCTAD, stressed the importance of both the State and markets in economic development. He emphasized the need for African countries to be prudent in deciding on the appropriate mix of State intervention and market forces that would optimize their development. Markets are important for economic development and the State had a crucial role to play in strengthening their regulation and in sequencing economic liberalization; The diversity of African countries means that there is no one-size-fits-all solution to addressing development challenges Hence, each country would have to design its own approach to development in accordance with local realities and specificities; and to achieve a developmental state requires establishing

mechanisms that ensure transparency of government procurement, having a disciplined planning process, prioritizing and focusing investment on targeted sectors, especially with the view to improve productivity, developing supply capacity, promoting private sector development, and formulating and supporting implementation of sectoral policies such as in agriculture. UNCTAD is working in these areas in the context of its mandate to assist member States in promoting trade as a driver of economic growth.

39. During the discussion that took place after the presentations, there was a wide-ranging exchange of views and sharing of experiences among the delegations. The discussions, in which the attending Ministers, Deputy Ministers, Central Bank Governors and other experts took an active part, served to enrich the analyses of the substantive issues that had emerged from the panel session on governing development for economic transformation in Africa. The discussions highlighted the need to strike the required balance between the role of the State and that of the market in economic development. In that regard, it was observed that the issues paper on the theme of the Conference did not adequately capture that balance by placing more emphasis on the role of the State. The Conference recognized the critical role of the State in creating an enabling environment for private sector-led development, particularly in attracting foreign direct investment through introduction of tax incentives, among others.

40. The Conference also stressed the need for an enabling environment for women, youth, and non-governmental and civil society organizations to play an effective role in policy development. Of particular importance, the meeting emphasized the need to have an efficient bureaucracy which would be at the service of the economy. The discussions further noted that income inequalities in many African countries had adversely impacted African economies, resulting in deepening of poverty levels. In this regard, the Conference underscored the need for member States to adopt effective social protection schemes with mechanisms to reach the most vulnerable groups. In the same vein, the Conference underscored the need for strong institutions aimed at addressing impediments to social and economic development, including tackling corruption.

**Report from parallel panel discussions on key issues in Africa's development (agenda item 4)**

41. The discussion on this item was organized around two parallel panels as follows:

**Panel on green economy and global sustainability**

42. Mr. Achim Steiner, Executive Director, United Nations Environment Programme (UNEP) acted as moderator for this panel discussion. The following high-ranking officials participated as panelists: Mrs. Luisa Diogo, Member of Parliament, Former Prime Minister of Mozambique and Member of the UNSG Global Sustainability Panel; Mr. Henri Djombo, Minister of Environment, Republic of Congo; Ms. Sherry Ayittey, Minister of Environment, Science and Technology, Ghana; Mr. Sha Zukang, Under-Secretary General, United Nations Department of Economic and Social Affairs; Dr. Sheila Sisulu, Deputy Executive Director, World Food Programme; Mr. Sindiso Ndema Ngwenya, Secretary-General, Secretariat of the Common Market for Eastern and Southern Africa (COMESA); Mr. Andris Piebalgs, European Union Commissioner for Development. The panelists were joined by the following senior officials as discussants: Mr. John N. Michuki, Minister for Environment and Mineral Resources, Kenya; Mr. Pedro Luís da Fonseca, Deputy Minister for Planning, Angola; and Mr. Mamburay Njie, Minister of Finance and Economic Affairs, the Gambia.

**Panel on health financing in Africa: Challenges and way forward**

43. The first phase of this panel discussion was moderated by Advocate Bience Gawanas, AU Commissioner for Social Development; and the second phase was moderated by Dr. Luis Gomes Sambo, Regional Director of WHO, Africa Region. The following high-ranking officials participated as panelists: William Samura Kamara, Minister of Finance and Economic Development, Sierra Leone; Mr. Essimi Menye Lazare, Minister of Finance, Cameroon; Mr. Modo Diagne Foda, Minister of Health, Senegal; Mr. Robert Joseph Mettle Nunoo, Deputy Minister of Health, Ghana; Mr. Michel Sidibe, Executive Director, Joint UN Programme on HIV/AIDS (UNAIDS); Professor Babatunde Osotimehin, Executive Director, United Nations Population Fund (UNF-

PA). The panelists were joined by Mr. Ali Bourami, State Secretary, Minister of Planning and Statistics, Algeria as a discussant.

44. The panel discussion on the green economy identified best practices and policies for achieving the green economy in Africa. Green economy in the context of sustainable development and poverty eradication is one of the two themes of the United Nations Conference on Sustainable Development (Rio+20) to be held in 2012 in Rio de Janeiro, Brazil. The panel discussions, therefore, provided an opportunity for African countries to discuss preparations and Africa's contribution to the Rio+20 process. Based on the contributions of the panelists and the subsequent plenary discussion, the following main points and recommendations emerged:

- a. There was clear evidence that the green economy offers viable new opportunities for growth. In view of challenges facing countries today and limits that models of growth and development pursued until now have shown in lifting the vast majority of people out of poverty, reducing economic, social and vulnerability and offering new pathways towards sustainable development, transitioning towards a green economy was no more a question of "whether or not", but "how";
- b. In Africa, several country experiences demonstrate that green economy-related initiatives are already underway, delivering considerable economic, social and environmental gains. These efforts need to continue as the experience of many countries in East Asia had shown that the benefits of a green economy was not only for the rich and industrialized countries;
- c. Africa had a large amount of untapped natural resources that could be exploited for economic growth and, thus, poverty eradication – and the green economy offered a framework for their sustainable use;
- d. Policies and institutions at national and regional level are needed to create and regulate markets conducive to the green economy. Green economy policies should also factor in its macroeconomic implications and the need to ensure equitable access for all, especially the poor, to new forms of technology;
- e. Green economy policies are cross-sectoral and need to be integrated in national de-

velopment policies to enable their effective implementation. However, policymakers should be cautious about a “one size fits all” approach to the green economy, but rather adopt a tailored approach, taking into account regional and country specificities;

- f. Regional integration is key to successful implementation of the green economy agenda in Africa, through harmonized policies, laws, standards economies of scale and larger market opportunities;
- g. Other key drivers of the green economy include technological innovation to increase research and development activities, coherence and continuity in policy and inter-sectoral development programmes and public-private partnership to attract investments;
- h. Funding for the green economy is a critical factor, and the launch of a Green Fund at the Cancun Conference on climate change could be a first step in that direction. For Africa, the African Development Bank’s initiative for a Green Fund is commendable and should be made operational this year;
- i. The green economy should not be used as a justification for trade protectionism, aid or debt conditionality or otherwise for limiting the development policy space of developing countries, particularly African countries;
- j. There is a need for continuous dialogue and synergies at the regional level between the African Ministerial Conference on the Environment (AMCEN) and the Conference of African Ministers of Economy and Finance (CAMEF) in order to engage constructively in the articulation of African perspectives on the green economy and agree on trade-offs needed to make the transition to a green economy; and

45. The panel discussion on health financing focused on key policy issues related to improving the financing and delivery of health interventions in Africa, and examined innovative proposals and options for increasing investments in the health sector. The discussions also highlighted successful national and regional initiatives in health financing in Africa. The main points of the panel presentations can be summarized as follows:

- a. In general, African countries have made progress in scaling up relevant public health interventions and there had been increased political will towards health financing. Many countries have made efforts to increase national health expenditures. There is also a large amount of ODA dedicated to health. Per capita expenditure on health currently stood at \$14, ranging from 0.34 cents to \$314;
- b. However, health expenditure per capita did not always translate into better health outcomes. Progress towards national and international health goals can be accelerated if proven and cost-effective public health interventions were scaled up;
- c. Investments in health systems that work for the population are necessary. To that effect, the Harmonization for Health in Africa (HHA) had developed a reference tool for advocacy and dialogue to ensure efficient management of health resources and increased investment in the health sector;
- d. Improving health in Africa is key to achieving long-term economic growth and development, which brings social and political benefits. Furthermore, healthier people lessen the burden on health care systems;
- e. Four actions to improve investments in health should be pursued, namely the following: priority setting through evidence based planning and budgeting, improving demand for and utilization of health services, investing in health care delivery systems, and promoting cross-sectoral interventions, particularly in the environmental determinants of health such as clean water and sanitation; and
- f. An additional \$21-36 per capita expenditure could save around 3.1 million lives, of which 90 per cent would be mothers and children. There is a need to create fiscal space to provide more financing to health, including increased efficiency in public spending. There is also a need for more ODA as agreed to at several G-8 and G-20 Summits.

46. During the general discussions that followed in the plenary, Ministers of Finance and Planning were joined by their counterparts, Ministers of Environment and other experts who participated as



special guests. Among the main points of the discussion were the following:

- a. Country experiences exchanged during the Conference showed that the brunt of health care financing was still borne by individuals and poor households through out-of-pocket expenditures;
- b. Health must fall among the top priorities of all governments in order to achieve sustainable development, including prioritizing investment in primary health care and preventive services in a more integrated way;
- c. Health care financing in most African countries remained fragmented, calling for national multi-financing strategies with stronger institutional alignment and better coordination with partners. Additionally, a comprehensive engagement between the public and private sectors was needed to provide holistic health financing solutions;
- d. Explore innovative ways of raising additional funds and improving the efficiency of utilization of both domestic and external resources for the health sector;
- e. Several innovative funding options exist. Governments can match funds to remittance income, as had been done in Latin America. Africa should also explore how to leverage FDI; only 1 per cent levy can constitute a reserve for combating HIV/AIDS at the regional level. Health trust funds are beginning to emerge in the region. A revolving fund is also an opportunity that can be pursued through AfDB; and taxation of products which are harmful to health, for example cigarettes, alcohol and polluting industries;
- f. The restructuring of budgets for primary health care, disaggregating data to address inequalities and disparities, better involvement of civil society organizations, exploring and adopting new financing options and public-private partnerships, and expanding the coverage of community-based health insurance schemes were all possible avenues for improving health financing;
- g. There was also a need to further explore social health insurance schemes by building on other countries' experiences in the region.

This should go into a national health strategy that is owned by all;

- h. A comprehensive approach to health financing strategies that identifies the roles and responsibilities of all stakeholders and use resources effectively was necessary. Relevant stakeholders, including parliamentarians must be involved in the process of planning, budgeting and prioritizing for health;
- i. A sector wide approach facilitates and enhances coordination for financing. For example, addressing the housing deficit in urban areas can improve health and create more jobs;
- j. African countries need to adopt a regional approach to collectively negotiate and access global health financing mechanisms. Also, a regional approach for procurement of essential medicines and drugs in bulk would be more cost-effective; and
- k. Regional organizations like ECA and AUC could provide a forum for the exchange of best practices for developing health financing frameworks, including providing advisory and advocacy services, knowledge sharing, and strengthening capacity in the area of health financing. In this regard, it was proposed that ECA, AU and the WHO-Harmonization for Health in Africa should jointly organize a special technical and ministerial session on health involving the Ministers of Health and the Ministers of Finance.

### **Leveraging opportunities for accelerated growth: Prospects and policies for the next decade (agenda item 5)**

47. The discussion of this agenda item was led by a panel comprising of Mr. Cheick Sidi Diarra, United Nations Under-Secretary-General, Special Adviser on Africa; Mr. Mark Plant, Deputy Director, Africa Department, International Monetary Fund; Mr. Acha Leke, Partner, McKinsey and Co., South Africa; and Ms. Razia Khan, Regional Head of Research on Africa and Head of Macroeconomics, Standard Chartered Bank, UK. Mr. Maxwell Mkwelalamba, Commissioner for Economic Affairs, AU Commission moderated the discussion. The discussion focused on the opportunities to accelerate economic growth in Africa in the next decade. The aim was to promote a frank debate on address-

ing practical problems facing Africa's development, despite the strong growth in recent years.

48. In his brief remarks to open the discussion, Mr. Mkwezalamba noted that the theme of the Conference built on the recommendations of previous Conferences, and highlighted three issues related to inclusive growth and development in Africa which he expected the presentations to address: (i) opportunities for accelerating growth in Africa; (ii) challenges for accelerating Africa's economic growth; and (iii) key priorities for Africa's economic growth and development.

49. The first presentation by Mr. Cheikh Sidi Diarra, United Nations Under-Secretary-General and Special Adviser on Africa highlighted the following points:

- a. Underlined the relevance of the theme of the Conference at a moment when the continent was taking a new turn in its development to consolidate the achievements of the previous decade of the new century. These achievements include macroeconomic stability, modest poverty reduction and progress towards some MDGs. However, Africa's growth remained fragile with considerable downside risks to the continent's efforts for achieving economic transformation;
- b. Growth had been the result mainly of the policies implemented by African countries in the last decade which had started to bear fruits. However, there was no room for complacency as countries needed to consolidate macroeconomic reforms, strengthen state institutions and address vulnerability through strong safety nets to make growth inclusive;
- c. Africa also needed to strengthen cooperation with countries like China, India or Brazil, as South-South cooperation could provide new opportunities for trade economic diversification to technology transfer for poverty reduction. Similarly, Africa should exploit opportunities in the area of agriculture, as the continent could be the bread basket of the world with 60 per cent of its arable land; industry and the services sector, including ICTs. In the same vein, efforts at regional integration should be enhanced to achieve economies of scale and larger markets; and

d. Notwithstanding these opportunities, Africa faces several challenges, including governance, lack of infrastructure, endemic diseases and climate change. Moreover, Africa accounted for 33 out of 54 LDCs in the world, and the 4th United Nations Conference of LDCs was convened in May 2011 in Istanbul, Turkey to draw attention to the specific needs of these countries.

50. The presentation by Mr. Mark Plant, Deputy Director, Africa Department at the IMF focused on three main points:

- a. The first point highlighted the current economic situation in sub-Saharan Africa. Most countries in the region had weathered the global crisis well and were poised for continued growth recovery, due to improved domestic policies prior to the crisis. However, the recent run-up in food and fuel prices posed a challenge;
- b. Three areas for public policy to leverage growth, namely (i) Responding to emerging challenges and opportunities, including a big push on MDGs; (ii) effective delivery of public goods, particularly social and physical infrastructure; and (iii) Raising national savings and investment levels, consistent with the critical need for job creation and higher personal income; and
- c. In light of these trends, the role of the IMF in Africa would be refocused on core measures that were critical for stability, growth, and poverty reduction, using a more flexible approach to external debt and increased technical assistance delivery.

51. Mr. Acha Leke, Partner at McKenzie and Co, South Africa made the following points in his presentation, which drew from a recent publication by his firm to support invest decisions in Africa entitled - *"Lions on the Move"*:

- a. Growth in Africa was higher than in other regions of the world. Furthermore, this growth was based on multiple sectors, and not only on natural resources. Other assets for Africa were urbanization and macroeconomic stability. Despite these obvious advantages, potential investors were also concerned with the sustainability of Africa's growth and the prospects for the next decade;

- b. Research by Mckinsey and others showed that prospects for long-term growth were good, given the solidity of the four key drivers for Africa's recent economic performance: (i) commodity resources; (ii) international capital flow; (iii) consumer savings; and (iv) agricultural revolution; and
- c. For Africa to fully exploit its potential, the continent needed to first deal with two big issues, mainly (i) the rate of growth, which at 5 per cent was good but still not enough to achieve the MDGs; and (ii) growth in Africa was still not inclusive and policymakers had to address this issue. In this regard, African Government should play a much more proactive role in setting growth targets and strive to achieve them. Further, it is important to involve the private sector in development.

52. The presentation by Ms. Razia Khan, Regional Head of Research on Africa and Head of Macroeconomics at Standard Chartered Bank focused on the "super-cycle" of the global economy. In this cycle, many African countries were listed among the top 10 growing economies in the world before the crisis. Among the key points of Ms. Khan's presentation were the following:

- a. Given the shift in economic balance on the way, Africa was meant to increase its share of global GDP from 2 per cent to 5 per cent. However, the most pressing challenge for Africa was the need to achieve transformative growth. Africa needed structural reforms, which would go much beyond providing an enabling environment. To fund its development, the continent would have to mobilize its own financial resources, and access international financial markets; and
- b. Government policies must be strategic and address the needs of people. Secondly, government must nurture business environment that were more attractive to private enterprises. And finally, government needed to promote creating and enabling environment for private sector, which would include the development of domestic debt and financial sector.

53. During the general discussion that took place, the following points were made:

- a. Inclusive growth was important as the recent social unrest, which eventually led to the revolutions in North Africa illustrates. Indeed, it was stressed that recent developments on the continent had shown that political and social dimensions of development were just as important as the economic dimension;
- b. The discussion also highlighted the relevance of economic growth policies. In this regard, two important issues needed to be addressed: (i) the relationship between investment and consumption; and (ii) the relationship between present and future generations. The discussion further highlighted Africa's immense potentials (young people, natural resources) which should be fully exploited for the benefit of the continent;
- c. Some participants expressed concern that the process of globalization and economic liberalization had put Africa at a disadvantage and in an unfair competition with stronger economies. In this regard, policies were needed to address the fragility of some sectors. Participants also expressed concern that growth was not generating employment in Africa, and underscored the need for urgent action by Governments to identify the sources of growth, including sectors that would likely contribute most to growth in order to increase the job content of such sectors; and
- d. The discussion further emphasized the need to prioritize the policy measures proposed by the panelists and strengthen national ownership around them. In addition, it was suggested that recent events in North Africa be reflected in the McKenzie report, as the report tended to focus on sub-Saharan Africa.

#### **Launch of the Economic Report on Africa, 2011 (agenda item 6)**

54. Under this agenda item, a press event was organized to launch the 2011 edition of the Economic Report on Africa (ERA 2011), an annual flagship publication of ECA, which is jointly published with the AU Commission. The 2011 edition of the report addresses the same theme as the theme of the Conference - *Governing Development in Africa: The Role of the State in Economic Transformation*. It also provides an analytical appraisal of economic perfor-

mance of the continent for the past year and expert projections for the coming years.

55. Speaking at the launching of the report, the Director of the Economic Development and NEPAD Division of ECA, Mr. Emmanuel Nnadozie said the report examined the record of the state in promoting development in Africa, highlighted concrete success stories in Africa and elsewhere as well as recommended concrete actions for sustaining development and promoting economic transformation on the continent.

56. The report aims to provide evidence-based and policy-oriented framework for enhancing the role of the state in performing the key tasks necessary for economic transformation in Africa: planning of the development process and the formulation and implementation of relevant development plans and policies. The Conference welcomed the report as an important instrument for tracking Africa's economic performance and for addressing key development challenges.

#### **Reports from panel discussions (agenda item 7)**

57. The reports from the parallel two panel sessions were presented and discussed under this item. A detailed account of the discussion is reflected under agenda item 4 above.

#### **Closed session on Alternative Resources for African Union Commission (agenda item 8)**

58. A closed session was held under this item to discuss issues related to financing the work of the African Union Commission by its member States. The item was included on the agenda of the Conference in order to find solutions to the precarious financial situation confronting the Commission in light of the possible reduction in its regular budget due to the recent crisis in some North African countries.

59. The AU Commissioner for Economic Affairs, Dr. Maxwell Mkwezalamba introduced the agenda item with a brief presentation, highlighting the two main sources of funding for the AU Commission, namely assessed contribution from member States and extrabudgetary support from development partners. He indicated that 75 per cent of the Commission's regular budget was funded by only five African countries, namely Libya, South Africa, Algeria,

Tunisia and Egypt while some of the activities and projects, including peacekeeping operations, which account for 77 per cent of the total budget were financed by development partners. The Commissioner also appraised the Conference of the work already being undertaken by the Commission to identify alternative sources of funding and called on the Ministers to ensure *adequate and sustainable funding for the Commission's activities and programmes*.

60. The Conference acknowledged the need for adequate and sustainable funding for the AU Commission, including the ongoing efforts being made in this regard, and encourage the Chairperson of the Commission to set-up High Level Panel on Alternative Funding Sources for the African Union in line with Executive Council Decision of February 2011.

#### **Follow-up to the decisions and outcomes of the 2010 Session of the Joint Conference of Ministers (agenda item 9)**

61. A representative of the secretariat introduced this item, which is contained in document E/ECA/COE/30/15, AU/CAMEF/EXP/15(VI), and summarized the activities undertaken by the ECA secretariat and the AU Commission as a follow-up to the major decisions and outcomes of the 2010 Conference of Ministers. He highlighted progress made by the two institutions on implementing the resolution on regional integration, including the development of the Plan of Action for Regional Integration which will be considered for adoption by the Ministers responsible for regional integration later this year. Other notable developments in the area of regional integration included the establishment of a common market and customs union in some regional economic communities (RECs). For example, the East African Community (EAC) had attained the status of common market; and the Economic Community of Central African States (ECCAS) was making progress towards reaching the stage of customs union before the end of the year.

62. With regard to the African Monetary Fund, it was reported that the basic text governing the overall mandate and operations of the Fund had already been developed. However, detailed protocol was still being prepared by experts and sent to member States in due course. Reference was also made to the efforts currently underway in harmonizing statistics, in collaboration with the African Development Bank. The secretariat also appraised the Conference of the ef-

forts being made by the two institutions in assisting member States in accelerating progress towards the attainment of MDGs through the preparation of policy briefs.

63. In the area of climate change, the secretariat highlighted the successful organization of the seventh edition of the African Development Forum (ADF), which was on the theme of climate change and sustainable development in Africa. The event resulted in a consensus on how Africa could best tackle the challenge of climate change while seizing the opportunities it presents. In addition, the *AU Declaration on Land Issues and Challenges in Africa* was launched during the period under review with the support of AUC and ECA.

64. The Conference took note of the report provided by the secretariat.

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

65. Under this agenda item, the Chairperson of the meeting of the Committee of Experts presented the report of the Committee together with 11 draft resolutions recommended for consideration and adoption by the Conference, as contained in document *E/ECA/CM/44/2-AU/CAMEF/MIN/Rpt(VI)*. The Chairperson indicated that the report contained the summary of the main discussions and major recommendations covering the issues on the agenda of the Committee's meeting, including the theme of the Conference. The Committee had considered and made recommendations on the following issues on the agenda of its meeting: Overview of economic and social developments in Africa; assessment of progress on regional integration in Africa; review of progress towards achieving the MDGs in Africa and African Common Position on MDGs; and report on the outcomes of major United Nations and African Union conferences and summits, including the 2010 Joint Annual Meetings of the AU and ECA. The Committee had also considered and made recommendations on a number of important statutory issues related to the work of the AU Commission and the ECA, including the statutes and annexes of the proposed African Monetary Fund.

66. On the statutes and annexes of the proposed African Monetary Fund, the Committee had recommended that further consultations be undertaken among experts, and the outcome be brought before the Conference for a decision. The Chairperson of the Committee then invited the Conference to consider and adopt the report together with the 11 draft resolutions annexed to it, as the outcome of the deliberations of the Committee of Experts.

67. The Conference took note of the report and commended the Committee for its work. It proceeded to adopt the report of the meeting of the Committee of Experts without observations or comments. The full report, as originally adopted by the Committee is attached to the present report as *Annex I*.

68. The Conference went further to consider separately, the 11 draft resolutions annexed to the report. The draft resolutions covered the following issues which were discussed by the Committee: Governing Development in Africa: (1) The role of the State in economic transformation; (2) Millennium Development Goals; (3) Enhancing United Nations support towards accelerating the implementation of the Ten-Year Capacity-Building Programme for the African Union and the programme of the New Partnership for Africa's Development; (4) Implementation of the African Charter on Statistics and the Strategy for the Harmonization of Statistics in Africa; (5) African risk capacity: A Pan-African disaster risk pool; (6) Climate change and sustainable development in Africa; (7) Health financing in Africa; (8) Illicit financial flows; (9) Enhancing science and technology for development in Africa; (10) Proposed programme of work and priorities of ECA for the biennium 2012- 2013; and (11) African Institute for Economic Development and Planning (IDEP).

69. In considering the draft resolutions, several delegations made a number of comments, observations and proposed amendments. The Minister of Environment of the Republic of Congo, Mr. Henri Djombo, on behalf of his country's delegation proposed that the draft resolution on climate change and sustainable development be amended to include a reference to the forthcoming UN Conference on Sustainable Development (Rio+20) and the need for Africa's effective participation. The amendment was reviewed and endorsed by the Conference.

70. The Conference went on to adopt the 11 draft resolutions in light of its own comments, ob-

servations and amendments. The resolutions, as amended, are contained in Annex I of the present report.

71. Following the adoption of the resolutions, the AU Commissioner for Economic Affairs, Dr. Maxwell Mkwezalamba reopened discussions on the statutes and annexes of the proposed African Monetary Fund with the aim of getting the Conference to reach a decision on the matter. However, some delegations objected to having the discussions reopened on procedural grounds. The delegation of Egypt objected on the grounds that a wider consultations among delegations was needed before any further discussions on the matter. In addition, he said the substantive comments made on the draft statutes by the delegation of Egypt also needed to be responded to by the AU Commission. In light of the objections, the Conference requested the AU Commission to undertake further consultations with member States as well as with legal experts to review the documents thoroughly in light of comments provided by member States. The Conference agreed to reflect this decision in the final Ministerial Statement.

### **Consideration and adoption of the draft Ministerial Statement and draft resolutions (agenda item 11)**

72. Under this agenda item, the Conference considered the draft Ministerial Statement for adoption. The draft statement was introduced by the Rapporteur of the Conference. The Rapporteur read out the draft ministerial statement in full, which includes a preamble with one main section on the theme of the Conference and nine sub-sections on various related issues and actions discussed by the Conference to address the challenge of governing development for economic transformation in Africa as follows: Promoting inclusive public policies for growth and development; harmonize and improve the quality of statistics in Africa; mobilizing financial resources for Africa's development; increase support to African Least Developed Countries (LDCs) in overcoming their special challenges; deepening regional integration; combating illicit financial flows; increasing resources for health financing; addressing the impact of climate change; enhancing support to NEPAD implementation, including APRM; supporting the implementation of the Comprehensive African Agricultural Development Programme (CAADP); investing in science and technology for development;

supporting ECA subregional offices (SROs); and mobilizing additional support for a further enhancement of the role of the repositioned IDEP. The Ministerial Statement also contained a vote of thanks.

73. The Ministers commended the Rapporteur and the secretariat for the clarity and comprehensiveness of the draft Ministerial Statement and considered it in detail. A number of delegations made general comments and observations on various sections of the draft Statement, and highlighted specific issues discussed by the Conference which the secretariat was requested to take into consideration in finalizing the draft statement. These included the need for further work and consultations on establishment of the proposed African Monetary Fund and the issue regarding *identifying alternative funding sources for the African Union Commission*. The secretariat was also requested to include a short paragraph in the statement recognizing the presence and active participation of Ministers of Health and Ministers of Environment at this year's Conference.

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

### **Any other business (agenda item 12)**

75. No proposals were received under this agenda item.

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

76. In his closing remarks, Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of ECA thanked the Ministers of Environment and Health, who were invited as special guests to the Conference. He expressed his deepest gratitude to Prime Minister Meles Zenawi of Ethiopia who delivered a keynote address at the opening of the Conference. He also thanked the Government and people of Ethiopia for the hospitality and support during the Conference. He commended all the speakers and participants for their valuable contribution to the discussions and for making the Conference a success.

77. The Executive Secretary noted that this was the best attended Conference of Ministers in recent years. He further noted that the Conference dealt

with a host of substantive contemporary and emerging issues on Africa's development agenda, and called on member States to join efforts in translating its outcomes, concrete initiatives and programmes for the accelerated growth and economic transformation of the continent. He underscored the key message from the debate on the theme of the Conference, which urged African countries to revive development planning and involve all stakeholders in the process. The Executive Secretary also underscored the important role that regional integration could play in accelerating economic growth and sustainable development. He indicated that the AU Commission and ECA would continue to work closely to support the efforts of member States through capacity-building, institutional strengthening, and technical advisory service lines.

78. He concluded by thanking and commending two senior staff members of ECA who will soon be going on retirement, namely Mr. Zadi Urbain and Mr. Arif Farazi for their contribution to the Conference of Finance, Planning and Economic Development. He also thanked Dr. Maxwell Mkwezalamba, AU Commissioner for Economic Affairs, and Ms.

Jennifer Kargbo, ECA Deputy Executive Secretary for their tremendous efforts in making the Conference a success.

79. In his closing remarks, Dr. Jean Ping, Chairperson of the African Union Commission thanked all the participants for their contribution during the deliberations of the Conference which led to the solid outcomes achieved. He also thanked the Government and people of Ethiopia for their hospitality and the support provided in organizing the Conference.

80. On the theme of the Conference, Dr. Ping stressed the need for policymakers to strike a balance between the role of the state and that of the market in economic development. He said that the state had a critical role in formulating economic policies and creating a conducive environment for development. In this regard, Dr. Ping urged African countries to give particular attention to sectors such as health, education, agriculture, and energy. He also stressed the need for countries to explore innovative financing mechanisms in order to accelerate progress towards achieving their development objectives, including meeting the MDGs.

## ANNEX I

### Resolutions and ministerial statement adopted by the Commission at its forty-fourth session

#### A. Resolutions

##### 879 (XLIV) *Governing development in Africa: the role of the State in economic transformation*

The Conference of Ministers,

*Recalling* African Union decisions and instruments related to democracy, governance and development, including:

- The Constitutive Act of the African Union (2000),
- The African Union Convention on Preventing and Combating Corruption (2003),
- The African Charter on Democracy, Elections and Governance (2007),
- The African Public Service Charter (2011),
- The Declaration of the New Partnership for Africa's Development on Democracy, Political, Economic and Corporate Governance (2002) and
- The Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa,

*Recognizing* the need to rethink the role of the State in economic diversification and the structural transformation of African economies,

*Noting* the five critical ingredients in creating a developmental State, namely good leadership, bureaucratic professionalism, a vibrant private sector, an engaging civil society and transformative policies derived from popular public participation,

*Inspired by* the successful lessons learned from developmental States in other regions, both in their aspirations and economic performance and in the reassertion of the legitimate role of the State in effectively managing development,

*Noting* the threats to growth and development posed by natural and man-made disasters,

1. Urges African governments to promote a developmental State that will:

- a. Transform its political system to a developmental one;
- b. Restructure the economy to ensure sustained diversification of the production and export base;
- c. Restructure its bureaucratic incentives away from rent-seeking towards facilitative, pro-growth and pro-poor allocation of resources;
- d. Promote democracy, political participation and transparency to inform the new developmental approach taken by the State; and
- e. Commit to continue pursuing business friendly environment.

2. Calls upon African governments to formulate and implement inclusive social and economic policies and strategies aimed at addressing social concerns such as widespread poverty and massive youth unemployment, while mainstreaming gender issues in governing development and economic transformation, as well as addressing the needs of vulnerable groups such as refugees, internally displaced persons, youth, the aged, the disabled and children;

3. Appeals to African countries to strengthen public fiscal governance, fiscal and budgetary transparency and accountability, institution building, balanced reforms and capacity building initiatives and autonomy in reform choices as necessary prerequisites for building a developmental State;

4. Calls upon African governments to enhance domestic resource mobilization by improving efficiency in the use of public resources, improving fiscal policies, strengthening tax administration, increasing accountability, addressing tax evasion, fraud and avoidance and minimizing fiscal leakages due to unfavourable contracting terms in the extractive industries;

5. Calls upon African countries to introduce measures to safeguard the continuity of developmental policies in order to prevent reversals resulting from changes in government;

6. Urges the African Union Commission, the Economic Commission for Africa and regional



economic communities to conduct further research and generate a body of knowledge on the role of the State, the private sector, civil society and other stakeholders in economic transformation;

7. Invites African countries to adopt development strategies and industrial policies anchored in strategic planning for structural transformation, inclusive growth and sustainable development;

8. Requests the Economic Commission for Africa and the African Institute for Economic Development and Planning to provide technical support in building the capacity of member States in formulating, implementing and evaluating their policies and development plans and strategies;

9. Encourages African countries to strengthen institutions responsible for long-term development planning and strategy setting;

10. Requests the African Union Commission, the Economic Commission for Africa and regional economic communities to assist in developing capacity needed for realizing the developmental State in Africa;

11. Urges African countries to strengthen institutions responsible for disaster mitigation, preparedness, response and recovery.

## 880 (XLIV) Millennium Development Goals

The Conference of Ministers,

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

*Also recalling* United Nations General Assembly resolution 64/184, inviting the United Nations regional commissions to hold regional consultations during the first half of 2010 to provide inputs to the preparations for the September 2010 United Nations High-Level Plenary Meeting on the Millennium Development Goals and *inviting* the regional commissions to consider initiatives to support the High-Level Plenary Meeting and its preparatory process,

*Recognizing* the progress being made by the continent towards attaining the targets set out in the Millennium Development Goals,

*Conscious* of the challenges that still remain in efforts to attain all the Millennium Development Goals by 2015,

*Commending* the efforts that the African Union Commission, the Economic Commission for Africa and the African Development Bank are making to provide African countries with a continental strategy on the Millennium Development Goals in order to coordinate, standardize and harmonize statistical activities and create harmonized databases at the sub-national, national and continental levels within the framework of the Strategy for the Harmonization of Statistics in Africa,

1. Takes note of the draft report on the Progress in Achieving the Millennium Development Goals in Africa 2011 (E/ECA/COE/30/9-AU/CAMEF/EXP/9(VI)) and recommends its adoption by the Assembly of Heads of State and Government in July 2011;

2. Calls upon African countries to mainstream Millennium Development Goals into their national development plans and strategies, implement MDG Acceleration Frameworks, set up monitoring and evaluation mechanisms and share the annual Millennium Development Goals reports with legislative bodies, civil society and the private sector;

3. Calls upon African countries to use the acceleration framework to speed up the implementation process of the MDGs;

4. Urges African countries to strengthen their statistical systems and institutions in order to produce reliable and timely statistics for the monitoring of the Millennium Development Goals in Africa;

5. Calls upon national, subregional and regional legislative bodies and civil-society organizations to use the findings of evaluations of Millennium Development Goals to support government efforts to accelerate the achievement of the Millennium Development Goals and strengthen action toward Millennium Development Goals which Africa continues to perform poorly;

6. Requests the African Union Commission, the Economic Commission for Africa and the Afri-

can Development Bank to formulate and implement a special programme to support African countries in achieving the Millennium Development Goals where the least progress is being made;

7. Further requests the African Union Commission, the Economic Commission for Africa and the African Development Bank to support the efforts of African countries to promote dialogue between government and key stakeholders and foster human and social development through social protection programmes and policies;

8. Calls upon African countries to design appropriate mechanisms for mobilizing domestic resources to finance programmes and initiatives in support of the achievement of the Millennium Development Goals;

9. Calls upon development partners to fulfil their commitments and deliver development financing in a timely and sustainable manner.

### **881 (XLIV) Enhancing United Nations support towards accelerating the implementation of the Ten-Year Capacity-Building Programme for the African Union and the programme of the New Partnership for Africa's Development**

The Conference of Ministers,

*Recalling* Economic and Social Council resolution 1998/46 on holding regular inter-agency meetings in each region to improve coordination among United Nations system organizations,

*Further recalling* General Assembly resolution 57/7 of 4 November 2002, calling for United Nations system organizations to coordinate their activities in support of the New Partnership for Africa's Development to ensure maximum results and to align their activities in Africa with the priorities of the Partnership,

*Recalling further* the declaration on "Enhancing UN-AU Cooperation: Framework for the Ten-Year Capacity-Building Programme for the AU", signed in November 2006 by the United Nations Secretary-General and the Chairperson of the African Union Commission,

*Mindful of* the challenges that still remain in efforts to coordinate United Nations system support to the African Union and its New Partnership for African Development programme,

*Recognizing* the achievements of the secretariat of the Regional Coordination Mechanism jointly provided by the African Union Commission and the Economic Commission for Africa and the increased leadership and ownership of the mechanism by the African Union Commission,

*Welcoming* ongoing efforts by the Economic Commission for Africa to strengthen Africa's subregional integration agenda through its five subregional offices, which have led to closer and more effective relationships with the regional economic communities and the member States through the development and implementation of multi-year programmes of assistance to the regional economic communities,

*Noting* with appreciation the efforts of the Economic Commission for Africa to enhance the coherence and coordination of United Nations support to regional economic communities through the establishment of subregional coordination mechanisms,

1. Calls upon the Economic Commission for Africa and the African Union Commission to ensure that support to the Ten-Year Capacity-Building Programme for the African Union from the United Nations and other partners is within the framework of the Regional Coordination Mechanism and the subregional coordination mechanisms;

2. Calls upon United Nations agencies, the African Union Commission and the African Development Bank to immediately develop a comprehensive work programme for the Ten-Year Capacity-Building Programme and to mobilize the required resources for its implementation;

3. Calls upon the United Nations system and the African Union to further strengthen the secretariat of the Regional Coordination Mechanism in view of its expanded mandate;

4. Calls for further support to subregional offices in order to accelerate the regional integration process and help member States and regional economic communities better tackle emerging development challenges.

## 882 (XLIV) Implementation of the African Charter on Statistics and the Strategy for the Harmonization of Statistics in Africa

The Conference of Ministers,

*Considering* the importance of statistical information for the formulation, monitoring and evaluation of development programmes and policies and the economic and political integration of Africa,

*Noting* the progress made by pan-African institutions like the African Development Bank, the African Union Commission and the Economic Commission for Africa in developing strategies aimed at supporting the African regional integration agenda, as well as the ongoing work to map existing statistical initiatives and programmes onto the Strategy for the Harmonization of Statistics in Africa,

*Welcoming* the adoption of the Strategy by the Assembly of African Heads of State and Government - a strategy that provides a framework for coordinating the development of harmonized statistics on the continent,

*Recognizing* the need to speed up the implementation of ongoing and future activities under the African Charter on Statistics and the Strategy for the Harmonization of Statistics in Africa,

### Signature and ratification of the African Charter on Statistics

1. Invites all African Union member States which have yet to sign and ratify the Charter to make every effort to do so within a period of one year to enable it to enter into force;
2. Requests member States, regional economic communities, the African Union Commission, the Economic Commission for Africa, the African Development Bank and other members of the African Statistical System to implement the peer review mechanism of national statistical systems and to ensure that all countries are covered within five years;

### Strategy for the harmonization of statistics in Africa

3. Requests member States, regional economic communities, the African Union Commission, the Economic Commission for Africa and the African Development Bank to take the necessary steps towards the implementation of all initiatives contained in the Strategy, and further develop other strategies in emerging areas such as gender statistics;
4. Invites development partners to support the implementation of the Strategy for the Harmonization of Statistics in Africa;

### African strategy for the implementation of the 2008 System of National Accounts

5. Requests that the African Group on National Accounts should be transformed into a permanent working group on national accounts just like the Inter-secretariat Working Group on National Accounts;
6. Requests that the System of National Accounts 2008 should be retained as the theme for African Statistics Day 2011;

### Plan of action on civil registration and vital statistics systems in Africa

7. Takes note of the progress made to improve civil registration and vital statistics systems in Africa and to support the process as an important pillar of the Strategy for the Harmonization of Statistics in Africa;
8. Requests the African Union Commission to institutionalize the Conference of African Ministers Responsible for Civil Registration and Vital Statistics as a standing regional platform to meet biannually for discussion and evaluation of political and policy issues related to civil registration and vital statistics in Africa;

### Statistical training programme for Africa

9. Requests all countries to strengthen statistical training programmes in their national strategies for the development of statistics;

10. Calls on all countries to support the Statistical Training Programme for Africa and the African Strategy to Improve Agriculture and Rural Statistics;

### **Labour Market Information System in Africa**

11. Urges the African Union Commission to pursue implementation of its project for the harmonization and coordination of labour market information systems;

12. Calls upon member States to allocate adequate resources to building a viable labour market information system to complement resources that will be mobilized from development partners;

### **Developing the Africalnfo database**

13. Calls upon the African Union Commission, the Economic Commission for Africa, the African Development Bank and the United Nations Children's Fund to strengthen their collaboration for the operationalization of the AfricaInfo initiative to ensure that it has a continental dimension, and produce a plan for its implementation;

### **Sixth African Symposium on Statistical Development**

14. Calls on all African countries to conduct their population and housing censuses by 2014;

15. Invites countries to establish close links between civil registration services and national statistics offices in a bid to make good use of civil status information to improve social and demographic statistics;

16. Calls on countries to contribute to making a success of the round of symposiums on civil registration and vital statistics.

### **883 (XLIV) African risk capacity: a Pan-African disaster risk pool**

The Conference of Ministers,

*Recognizing* the vulnerability of food-insecure populations as well as national economies to weather shocks, the effects of which may be exacerbated by climate change,

*Recalling* the resolution for the Establishment of the Joint Africa-Arab Fund for Disaster Response (Assembly/Africa-Arab/Res.2 (II)) adopted at the Second Africa-Arab Summit in Sirte, Libyan-Arab Jamahiriya on October 10, 2010 to establish a fund for disaster response, the Statutes, objectives and modalities of which are to be defined by the AUC and the league of Arab States,

*Acknowledging* that the current system of ad hoc unpredictable funding for disaster response causes the depletion of critical assets and the reallocation of government resources from planned investment in times of crisis, slowing economic growth and creating significant setbacks to development,

*Recognizing* the decision taken by the Third Joint African Union Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development, held in Lilongwe, Malawi, in March 2010 (EX. CL/596(XVII)), to "support efforts towards enhancing national and regional capacities to mitigate exposure to disaster risk through institutionalizing effective financial and other instruments such as strategic grain reserves, budgeted contingency funds as well as through sharing risk across regions",

1. Welcomes the African Union Commission's proposal to work towards the establishment of African Risk Capacity, an African-owned pan-African disaster risk pooling facility that would provide contingency funds to participating African Union member States in the event of extreme weather shocks and appreciates the Commission's leadership in exploring the feasibility and design of such a facility, that would complement and not duplicate existing structures and initiatives;

2. Supports the proposed consultation to be held with African Union member States in South Africa in early May 2011, where the findings to date will be shared and discussed, and the results of which will inform the Commission's report to the Executive Council at the June 2011 African Union Summit, to be held in Malabo, Equatorial Guinea;

3. Invites African Union member States to support the Commission's efforts through contributions to the design phase of the Risk Capacity project;

4. Endorses the interactive process in question and commits to providing support to the above-

mentioned discussions at the country and regional levels.

## **884 (XLIV) Climate change and sustainable development in Africa**

### **The Conference of Ministers,**

*Noting* that the impacts of climate change have far-reaching implications for Africa's growth, social, human and economic development, environmental sustainability, peace and security, and for sustainable development as a whole, and that the negative impacts are particularly high for least developed countries, coastal countries, small island developing States and the poor, mostly women and children,

*Recognizing* that climate change can severely undermine progress towards achieving sustainable development, including the targets set out in the Millennium Development Goals, or, alternatively, can provide the opportunity to pursue a sustainable development path, including the transition to a green economy, and that sound policy choices will be critical to avoid or mitigate such impacts,

*Appreciating* the contribution of the Seventh African Development Forum, held in October 2010 on the theme "Acting on climate change for sustainable development in Africa", in mobilizing high-level multi-stakeholder engagement on the climate change challenge in Africa,

*Welcoming* the launch at the Seventh African Development Forum of the Climate for Development in Africa (ClimDev-Africa) programme by the African Union Commission, the United Nations Economic Commission for Africa and the African Development Bank, as well as the progress made in operationalizing the programme,

*Mindful* of the major implications for Africa of the outcomes of the upcoming seventeenth meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Durban, South Africa, towards the end of 2011, especially as regards agreement on the second commitment period under the Kyoto Protocol,

*Recalling* the decision of the General Assembly to hold the United Nations Conference on Sustainable Development in Brazil in 2012 (Rio + 20), and *noting* its objectives, namely: to secure renewed political

commitment for sustainable development, and to assess progress to date and the remaining gaps in the implementation of the outcomes of the major summit on sustainable development and to address new and emerging challenges,

*Welcoming* the establishment of a regional preparatory process involving ECA, AUC, AfDB, RECs, UNEP, UNDP, and other UN agencies to adequately support African countries in their collective preparations for the Conference,

1. Commits to effectively mainstream climate change concerns into development policies, strategies and programmes in Africa, so as to support the development and implementation of climate change adaptation and mitigation programmes that leverage opportunities in technology transfer, as well as existing and future climate change financing options, such as the Reducing Emissions from Deforestation and Forest Degradation Plus programme and the Clean Development Mechanism;

2. Requests Africa's development partners to increase their support to the Programme of the Great Green Wall and the Climate for Development in Africa programme and its three implementation entities, namely the Africa Climate Policy Centre, the ClimDev-Africa Special Fund and the Climate Change and Desertification Unit, and in this context expresses appreciation to the Governments of Norway, Sweden and the United Kingdom of Great Britain and Northern Ireland, which generously supported the programme;

3. Calls upon member States to establish economic, regulatory and legislative mechanisms to enable transitioning to green economy development paths and engage in the Rio +20 preparatory process in order to effectively participate in the 2012 UNFCCC;

4. Calls upon the African Union Commission, the Economic Commission for Africa and the African Development Bank to continue working diligently towards ensuring that the ClimDev-Africa programme benefits African countries and regional economic communities, and enhances Africa's capacity and capability to meet the continent's developmental challenges arising from climate change;

5. Further calls upon the African Union Commission, the Economic Commission for Africa, the African Development Bank, the United Nations En-

vironment Programme and other partners to sustain their support to the African climate change negotiators and policymakers in order to ensure that Africa continues to participate effectively in the international climate change negotiations;

6. Encourages the Economic Commission for Africa and the African Centre for Meteorological Applications for Development to deepen their cooperation, in particular by effectively operationalizing the Memorandum of Understanding signed between the two institutions during the Seventh African Development Forum in October 2010.

## **885 (XLIV) Health financing in Africa**

### **The Conference of Ministers,**

*Mindful of* the 2000 Millennium Declaration and the Abuja Declaration on Health Financing in Africa adopted by the Summit of Heads of State of the African Union,

*Recalling* the 2010 Summit of Heads of State of the African Union Declaration on Maternal, Infant and Child Health and Development in Africa, which restated the commitment to provide sustainable financing by increasing the overall health resources envelope,

*Welcoming* the findings of the 10-year review of progress in the implementation of the Abuja Declaration on Health Financing in Africa and the attainment of the health targets set out in the Millennium Development Goals,

*Mindful of* the challenges that still remain in efforts to address the health outcomes of the most vulnerable, including children and young people, and attain all of the Millennium Development Goals, especially those that have seen the least progress, notably maternal health,

*Recognizing* that investing in health is crucial to economic growth and poverty alleviation, as recognized by African heads of State in the Declaration on Health as a Foundation for Development,

*Noting* that an equity-focused approach to and investments in the social determinants of health contribute to better health outcomes,

*Taking note of* the progress made by member States in improving health financing since the adoption of the Abuja Declaration, and *recognizing* the need for continued improvement of resources for health,

*Welcoming* efforts made to find solutions to the challenges posed by health financing,

1. Calls on member States to improve health investment, including efficiency and effectiveness, through integrated evidence-based planning and budgeting, risk pooling and performance-based financing;

2. Invites member States, regional institutions and development partners to mobilize additional resources through innovative mechanisms including debt relief, public-private partnerships and taxation on items such as harmful products;

3. Urges regional institutions and development partners to improve coordination and harmonization of support for national health priorities to deliver better health for African populations, especially the most vulnerable groups;

4. Invites member States to enhance governance and accountability mechanisms in the management of health resources;

5. Requests member States to develop the traditional medicine sector as a viable cost containment and complimentary strategy, and to bridge the gap between access and health needs;

6. Urges member States with excess capacity of human resources in the health sector to deploy some to countries emerging from conflict and disaster, based on bilateral agreements;

7. Encourages ministers of Finance and Health to partner in the implementation of strategies, linking with other sectors to realize intersectoral synergies;

8. Calls on member States to work towards meeting by 2015 the Abuja Declaration on Health Financing in Africa adopted by the Summit of Heads of States of the African Union;

9. Urges member States with the support of development partners to share best practices and knowledge through South-South cooperation;

10. Calls on development partners to fulfill their financial commitments, and programme their

resources in a timely manner in support of national processes and budgets;

11. Encourages to commit to partner with ministries of health and other relevant stakeholders to deliver improved health outcomes.

### **886 (XLIV) Illicit financial flows**

**The Conference of Ministers,**

*Recognizing* the importance of cooperation at the national, regional and international levels in combating illicit financial flows,

*Underlining* the growing need for accountable and transparent systems of governance as best practices in combating illicit financial flows,

*Realizing* that the enactment of appropriate legislation, effective oversight, accountability and financial control in a transparent manner are significant actions that governments in Africa should take in order to reduce and eventually eliminate illicit financial outflows,

1. Adopts the following actions to combat illicit financial flows:

- a. Determine the nature and patterns of illicit financial flows;
- b. Determine the level of illicit financial flows;
- c. Assess the complex and long-term implications of illicit financial flows for development;
- d. Sensitize African governments, citizens and international development partners as to the scale of illicit financial flows and their adverse effect on development, and also mobilize political support and sensitization of putting in place rules and regulations which are necessary to combat illicit financial outflows;
- e. Increase collaboration and cooperation among African Union member States, regional economic communities and international partners in an effort to reduce illicit financial outflows;
- f. Tackle illicit financial flows from Africa by establishing a specific institution or agency such as a high-level panel on illicit financial

flows and equipping it to deal with the problem effectively;

2. Encourages member States to mainstream the actions identified above into their policy, legal and regulatory frameworks and instruments;

3. Requests the African Union Commission and the United Nations Economic Commission for Africa to play an integral supportive role in implementing the actions identified above.

### **887 (XLIV) Enhancing science and technology for development in Africa**

**The Conference of Ministers,**

*Recalling* its resolution 856 (XLI) of 2 April 2008 on strengthening research and development and innovation for Africa's socio-economic development,

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

*Noting* with appreciation the significant outcomes and initiatives launched as a result of the first and second Science with Africa conferences, held in March 2008 and June 2010 respectively, and organized by the Economic Commission for Africa, the African Union Commission and their partners,

*Recognizing* the key initiatives launched since the second Science with Africa Conference on the theme "Science, innovation and entrepreneurship", leading to:

- a. The creation of the African Science, Technology and Innovation Endowment Fund to assist scientists, innovators and inventors to commercialize their research and inventions;
- b. The African Network for Drugs and Diagnostics Innovation, which supports innovation in Africa's fledgling pharmaceutical industries and promotes innovation in drug discovery and manufacture;
- c. The African Science to Business Challenge, which is to promote commercialization

of the findings of researchers, particularly young African scientists;

- d. The African Technology Development and Transfer Network as a platform for stimulating innovative business development in Africa; and
- e. The African Innovation Framework to guide countries in developing national innovation systems.

*Mindful of* the critical role science, technology and innovation can play in accelerating Africa's economic development and transformation agenda, as well as fostering greater regional integration, while addressing the continent's pressing development needs and challenges,

*Noting with appreciation* the leadership of the Economic Commission for Africa in the launch of pivotal initiatives in support of linking science, technology and innovation to business development,

1. Commends the leadership of the Economic Commission for Africa and the African Union Commission in sustaining the Science with Africa Conference, which has become the leading forum for interactions between scientists, policymakers and the private sector;
2. Requests the Economic Commission for Africa and the African Union Commission to continue their support for the effective implementation of those pioneering initiatives;
3. Invites African governments and the private sector to support the aforementioned pan-African initiatives and to contribute to the African Science, Technology and Innovation Endowment Fund in support of African innovators and inventors, particularly women innovators;
4. Calls on African countries to strengthen their intellectual property regimes to harness innovation in the deployment of science and technology, including the protection of national indigenous knowledge and bio-assets that have to be patented as sources of wealth creation;
5. Urges development partners to provide the necessary support to ensure the continued implementation of the outcomes of the Science with Africa Conference.

## **888 (XLIV) Proposed programme of work and priorities for the biennium 2012-2013**

**The Conference of Ministers,**

*Recalling* General Assembly resolution 41/213 of 19 December 1986 and subsequent relevant resolutions on programme planning,

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

*Recalling also* resolution 873 (XLIII) of 30 March 2010 adopted by the Conference of African Ministers of Finance, Planning and Economic Development, which endorsed the proposed strategic framework/biennial programme plan for the period 2012-2013,

*Noting with appreciation* the continued efforts of the Economic Commission for Africa to consolidate the gains resulting from its repositioning by scaling up its action towards achieving greater effectiveness and impact in programme delivery,

*Expressing its appreciation* to the secretariats of the United Nations Economic Commission for Africa, the African Union Commission and the African Development Bank for having strengthened their partnership and collaboration towards greater synergy, impact and avoidance of duplication of efforts,

*Welcoming* the systematic use of results-based management approaches in programme design and implementation,

*Having examined* the proposed programme of work and priorities for the biennium 2012-2013 contained in document E/ECA/COE/30/18,

1. Endorses the proposed work programme and priorities for the biennium 2012-2013;
2. Requests the Executive Secretary of the United Nations Economic Commission for Africa to ensure that commensurate resources are provided for effective implementation of the proposed programme of work for the period 2012-2013;



3. Urges the United Nations Secretary-General to continue his efforts to ensure that Africa retains highest priorities on the United Nations development agenda in order to enable African countries to meet the Millennium Development Goals and other development challenges;

4. Calls for enhanced use of results-based management approaches for better accountability and impact in programme delivery.

## B. Ministerial Statement

1. We, African Ministers of Finance, Planning and Economic Development, met in Addis Ababa, Ethiopia, on 28 and 29 March 2011 for the Fourth Joint Annual Meetings of the African Union (AU) Conference of Ministers of Economy and Finance and the United Nations Economic Commission for Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development.

2. We acknowledge the presence and active participation of the Ministers of Health and Ministers of Environment in our deliberations.

3. We deliberated on the theme of governing development in Africa. It is a theme that is both timely and pertinent, especially in view of the effort of our countries to promote structural economic transformation, scale up our integration endeavours, and achieve the Millennium Development Goals (MDGs) and other social development objectives.

4. We note that Africa's growth recovery in the aftermath of the global crisis has been swift and strong compared to previous downturns, thanks, among other factors, to stimulus packages, including countercyclical fiscal and monetary policies and sound macroeconomic measures adopted by many African countries. However, we are concerned that as in previous years, Africa's average growth rate, still heavily dependent on primary commodity production and exports, remains volatile and low relative to its potential, and did not promote robust employment or significantly reduce poverty.

5. We note that, with only four years remaining to the MDGs target date, a significant number of African countries will not achieve most of the targets at the current rate of progress. While acknowledging progress made in education, gender empowerment, HIV/AIDS and debt sustainability targets, poverty reduction, health-related MDGs and environmen-

tal sustainability remain areas of concern. We note that the resumption of economic growth offers us a new opportunity to harness our development effort, accelerate progress towards the MDGs, pursue people-centred policies for sustainable development, expand social protection, and explore innovative financial mechanisms.

### **Governing development in Africa – the role of the State in economic transformation**

6. We note that following the stagnation of the previous two decades, Africa has sustained relatively high growth rates since the turn of the twenty-first century, averaging more than 5 per cent per year. While this improved performance was widely shared across countries, it did not result in significant creation of employment or a sufficiently equitable distribution of benefits. The persistence of primary commodity dependence and limited economic transformation are not the result of lack of efforts by governments. However, previous experience with a range of alternative government-led and market-driven development approaches need to be improved in order to redress these structural problems.

7. We acknowledge that market mechanisms alone are not sufficient for rapid economic transformation and that governments have a central role to play in helping overcome problems of market failure related to information, coordination and externalities.

8. We underscore the need to rethink the role of the State in Africa's economic transformation and development and call for the construction of African developmental States that use the market as an instrument for governing development and promoting structural transformation in the context of a democratic, inclusive and comprehensive national development framework. We acknowledge that the role of the State in governing development and achieving economic transformation in Africa entails the planning, formulation and implementation of appropriate development plans and policies.

9. We recognize that a developmental State must have the political will and the capacity to articulate and implement expansionary, transformative and distributive economic and social development policies derived from democratically-organized public deliberations and not manipulated by technocratic and socio-political elites.

10. We also recognize that these efforts must involve the characterization of an effective developmental State in the African context and must be based on an understanding of country-specific political, economic, social, cultural and environmental realities. They should also take into consideration the historical record on the role of the State as well as best practices and lessons from Africa and other regions on the challenges of building a capable and dynamic developmental State.

11. We note that the developmental State has a crucial role to play in harnessing regional integration to promote economic and social development. We underscore the need for African developmental States to put in place strong regional and continental integration institutions with appropriate mechanisms to coordinate, implement, and monitor integration policies and programmes and enforce compliance by member States to agreed common goals and programmes.

12. Cognizant of the important role of effective and engaged leadership in a revamped vision and agenda of democratic developmental governance, **we commit to:**

- a. **Taking a direct and active role** in ongoing efforts at rebuilding local, national, subregional and regional capacities for development thinking and planning, economic management and policy coordination and the related long-term prospective studies, with a view to expanding the productive base of our economies, reinforcing industrial policy, strengthening their growth and achieving sustainable development;
- b. **Promoting inclusive public policy processes** that will ensure active citizen participation and inclusion in local, national, subregional and regional development processes;
- c. **Deepening the ongoing mobilization of additional support among African member States, the United Nations system and international development partners** for the consolidation of the role of the repositioned African Institute for Economic Development and Planning (IDEP) in building and renewing capacity for economic management and development planning in Africa. We note with satisfaction the increased support extended to IDEP by member States

and development partners and call on the United Nations to increase its annual grant to the Institute;

- d. **Supporting ongoing efforts to harmonize and improve the quality of statistical information.** We call upon the African Development Bank, the African Union Commission (AUC) and ECA to continue ongoing efforts to develop strategies and programmes under the Strategy for the Harmonization of Statistics in Africa. We commend the countries that have signed and ratified the African Charter on Statistics, and invite the remaining countries to make every effort to do so within a year. We call on partners to provide technical and financial support to countries to implement various strategies;
- e. **Mobilizing financial resources** to meet Africa's huge investment, especially through domestic savings, including pension funds and deposit insurance and innovative fund generating mechanisms, as well as strengthening financial institutions and banking and financial services in both urban and rural areas. Taxation being the main domestic financial resource, we commit to expanding the tax base by establishing schemes to bring the informal sector into the tax net through the promotion of indirect taxation. We will strive to minimize all bottlenecks in tax administration and increase domestic savings;
- f. **Identifying alternative funding sources for the African Union:** We acknowledge the necessity of ensuring adequate and sustainable funding for the African Union's activities and programmes and note the work undertaken so far by the African Union Commission to identify alternative funding sources. We encourage the African Union Commission to set-up the High-Level Panel on Alternative Funding Sources for the African Union in line with Executive Council Decision EX.CL/DEC 643(XVIII) of January/February 2011;
- g. **Establishing the African Monetary Fund:** We take note of the work in progress to establish an African Monetary Fund (AMF). However, substantive work with regard to the AMF's mandate, governance-related issues and operational aspects needs to be completed. In that regard, we call on the

- African Union Commission to consult with member States to build on the work already done and to have the draft AMF statutes and annexes finalized by a group of experts. We look forward to the completion of such work before the end of the year;
- h. **Advocating the cause of African least developed countries (LDCs)** with particular reference to the mobilization of resources for their development and the building of institutions that could assist them to overcome their special development constraints;
  - i. **Deepening regional integration.** We commend the achievements recorded by the regional economic communities (RECs) to date, and will continue to include regional integration provisions in our national planning frameworks and effectively further the implementation of integration programmes and activities;
  - j. **Combating illicit financial flows** from Africa by addressing the scale and magnitude of such flows into and from Africa and their impact on the development process. We call on recipient countries to take effective oversight and regulatory action to address this problem by effectively and rapidly implementing the resolution on this topic adopted by this meeting;
  - k. **Addressing the impact of climate change.** We will play our part to spearhead the transition to a green economy in Africa, inter alia, by supporting the necessary systemic and institutional transformations to ensure that green economies contribute to sustainable development and poverty reduction objectives, including improving welfare and the quality of life of Africa's citizens. We call on all development partners to accompany Africa in this journey;
  - l. **Increasing resources for health financing and** strengthening dialogue and partnership with ministries of health to ensure better understanding of health needs, budgeting and planning requirements and improved use of resources for health system strengthening. In addition to providing government support, we also commit to exploring other strategies for funding health care, including health insurance, risk-pooling public-private partnerships and leveraging opportunities and existing commitments;
  - m. **Supporting the Mutual Review of Development Effectiveness (MRDE)** in Africa. Having taken note of the 2010 MRDE report, we call on ECA and the Organization for Economic Cooperation and Development to consider producing more frequent annual updates or reviews on specific issues, in response to specific requirements;
  - n. **Supporting the African Peer Review Mechanism (APRM)**, as an Africa-driven process designed to institutionalize the practice of good governance on the continent, particularly in the current context unfolding in various parts of Africa. We thus enjoin AUC and ECA to ensure that the APRM plays a leading and significant role in the evolving African governance architecture, and we encourage member States that have not acceded to do so;
  - o. **Encouraging ongoing United Nations system support to the African Union and its New Partnership for Africa's Development (NEPAD)** in the context of the Regional Coordination Mechanism for Africa (RCM-Africa) and the subregional coordination mechanisms to strengthen AU/United Nations cooperation at the regional and subregional levels. We call for strengthening RCM-Africa through the provision of human and financial resources and operationalization of subregional coordination mechanisms, as a formal link between the United Nations and the RECs, the optimal implementation of the subregional multi-year programmes and the effective implementation of the Ten-Year Capacity-Building Programme of the AU;
  - p. **Supporting investment in science and technology.** We commend the ongoing efforts by the AUC and ECA in sustaining the Science with Africa Conference. We request member States, RECs, the AUC, ECA and development partners to support the Africa Science Technology and Innovation Endowment Fund, the African Technology Development and Transfer Network and the African Network for Drugs and Diagnostic Innovations as platforms for stimulating innovative business development in Africa and facilitating regional integration through re-

search and development collaboration, industrial alliances and open innovation;

- q. Implementing the Comprehensive African Agricultural Development Programme (CAADP).** We commend the 26 member States that have now signed compacts committing to the four pillars of the CAADP. We commit to putting in place country-appropriate mechanisms to ensure that budget allocations in the sector are spent towards the CAADP pillars, in order to increase agricultural production, productivity and risk management, thereby, improving food and nutrition security. We support the development of commodity value chains and platforms; commit to ensuring monitoring and evaluation for associated public expenditure reviews and reiterate our commitment to accelerating CAADP implementation across the continent; and
- r. Supporting ECA subregional offices (SROs).** We salute ECA's ongoing efforts to strengthen the subregional component of its regional integration agenda through the five SROs and the implementation of multi-

year programmes of assistance to RECs. We call for further support to SROs in order to accelerate the regional integration process and help member States and RECs to better tackle emerging development challenges. We also welcome ECA's efforts to enhance the coherence and coordination of United Nations support to RECs through the establishment of subregional coordination mechanisms.

#### ***Vote of thanks***

13. We thank the Government of the Federal Democratic Republic of Ethiopia for hosting the Conference and for the excellent facilities made available to us. We also thank the people of Ethiopia for their generosity and warm hospitality. We especially thank His Excellency Prime Minister Meles Zenawi for his inspiring key note address and for gracing the occasion with his presence.

14. Finally, we are grateful to AUC and ECA for successfully convening the Fourth Joint Annual Meeting of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development.

## **ANNEX II: Report of the Thirtieth Meeting of the Committee of Experts of the ECA Conference of African Ministers of Finance, Planning and Economic Development**

### **Introduction**

1. The meeting of the Committee of Experts of the fourth joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development was held in Addis Ababa, Ethiopia from 24 to 27 March 2011. Opening remarks were made by Dr. Winford Masanjala, Director of Economic Affairs, Ministry of Finance, Malawi on behalf of the Secretary to the Treasury and Chair of the outgoing Bureau of the Committee of Experts of the Conference. The opening statements were also made by H.E. Dr. Maxwell Mkwelalamba, Commissioner for Economic Affairs, African Union Commission and H.E. Mr. Abdoulie Janneh, Under-Secretary-General and Executive Secretary of the Economic Commission for Africa.

### **A. Attendance**

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

3. The following United Nations bodies and specialized agencies were also represented: Department of Economic and Social Affairs (DESA), Food and Agriculture Organization of the United Nations (FAO); International Labour Organisation (ILO), International Maritime Organization (IMO), In-

ternational Telecommunication Union (ITU), Office of Special Advisor for Africa (OSAA), Regional Commissions New York Office (RCNYO), United Nations Children's Fund (UNICEF), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP); United Nations Environment Programme (UNEP), United Nations Industrial Development Organization (UNIDO), United Nations Population Fund (UNFPA), United Nations High Commission for Refugees (UNHCR), The United Nations Office of High Commissioner for Human Rights (UNOHCHR), United Nations Office to the Africa Union (UNOAU), World Food Programme (WFP), World Health Organization (WHO), Joint United Nations Programme on HIV/AIDS (UNAIDS), and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women).

4. Observers from the following member States of the United Nations were present: Belgium, Denmark, France, Germany, Japan, Russian Federation, Spain and United Arab Emirates. Observers were also present from the Vatican.

5. Observers were present from the following organizations: Action Aid International (AAI); Africa Business Group, African Center of Meteorological Application for Development (ACMAD); African Forum and Network on Debt and Development (AFRODAD), Africa Humanitarian Action, African Health Economics and Policy Association (AfHeA), African Capacity Building Foundation (ACBF); African Development Bank (AfDB), African Peer Review Mechanism (APRM), African Public Health Alliance (APHA), Arab Bank for Development in Africa (BADEA), African Regional Organization of International Trade Union Confederation (ITUC – Africa), Bank of Central African States (BEAC), Central Bank of West African States (BCEAO), Bill and Melinda Gates Foundation, Consortium of Christian Relief and Development Associations (CCRDA), Canadian International Development Agency (CIDA), Coalition for Dialogue on Africa (CODA), Common Market for Eastern and Southern Africa (COMESA), Development Finance International; Envisioning Ethiopia; European Commission (EU), Economic Community of Central African State (ECCAS), Fahamu Networks for Social Justice, African Women Solidarity (FAS), Gavi Alliance, Global Fund, Global Business Coalition, Institute for Social Studies (ISS), The Horn Economic

and Social Policy Institute (HESPI), International Monetary Fund (IMF), International Organization of Employers (IOE), Uniting the trade unions in Africa (ITUC-Africa), Japan International Cooperation Agency (JICA), Johns Hopkins CCP, League of Arab States (LAS), Marie Stopes International, McKinsey and Co., Mo Ibrahim Foundation, New Partnership for Africa's Development (NEPAD), Organization for Economic Co-operation and Development (OECD), One Laptop per Child, Organisation internationale de la francophonie (OIF), Oxfam International (OXFAM), Pan-African Employers' Confederation, Princess of Africa Foundation, Reality of Aid Africa, Roll Back Malaria Partnership (RBM), Save the Children International, Southern African Development Community (SADC), Standard Chartered Bank, United States Agency for International Development (USAID), U.S. Mission to the African Union, West African Economic and Monetary Union (UEMOA), World Bank (WB) and World Vision.

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

6. The following agenda was adopted by the Committee:

1. Opening of the meeting
2. Election of the Bureau
3. Adoption of the draft agenda and programme of work
4. Overview of recent economic and social developments in Africa
5. Assessment of progress on regional integration in Africa
6. Review of progress towards the Millennium Development Goals and African Common Position on MDGs
7. Follow-up to the outcomes of major United Nations and African Union conferences and summits, including the 2010 Joint Annual Meetings of the AU and ECA
  - Review of progress in the implementation of the Monterrey Consensus on Financing for Development
  - Report on Mutual Review of Development Effectiveness
  - Annual review of progress of United Nations support to the African Union

and its NEPAD programme: Report of the 11<sup>th</sup> Regional Coordination Mechanism of United Nations agencies working in Africa

- Climate change and development in Africa
  - Ten-year review of progress in the implementation of the Abuja Declaration on Health Financing in Africa
  - Follow-up on the implementation of the African Charter on Statistics
  - Follow-up report on the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP)
  - Report on Science and Technology for Africa's Development
8. Presentation and discussion on the issues paper on the theme of the Conference: *Governing Development in Africa*
  9. Statutory issues
    - *ECA Annual Report, 2011*
    - *Proposed ECA programme of work and priorities for the biennium 2012-2013*
    - *Progress report on the work of the United Nations African Institute for Economic Development and Planning (IDEP)*
    - *Statutes and Annexes of the African Monetary Fund*
    - *Report on follow-up to the decisions and recommendations of the 2010 Joint Annual Meetings of the AUC and ECA*
    - *Information note on upcoming major conferences of the AU Commission and ECA*
  10. Any other business
  11. Consideration and adoption of the draft report of the Committee of Experts and draft resolutions
  12. Closing of the meeting

### Election of the Bureau

7. The following Officers were unanimously elected by the Committee to form the new

Bureau:

Chairperson - Guinea  
First Vice-Chairperson - Rwanda

Second Vice-Chairperson - Central African Republic  
 Third Vice-Chairperson - Mauritania  
 Rapporteur - Malawi

## C. Account of the Proceedings

### Opening Addresses

8. Dr. Winford Masanjala, Director of Economic Affairs, Ministry of Finance, Republic of Malawi, on behalf of the Secretary to the Treasury and Chair of the outgoing Bureau of the Committee of Experts, welcomed participants to the meeting. He noted that the theme of the 2011 meeting, "Governing Development in Africa", was one of the critical issues that required continuous attention, if African countries were to sustain the implementation of their respective development programmes. Despite the continent's notable economic growth performance in recent years, growth rates in many countries had remained below the level required to achieve the MDGs. Moreover, growth had not been accompanied by a comparable reduction in poverty levels, neither had it created enough jobs.

9. He highlighted the key points contained in the outcomes of the Lilongwe meeting as well as some achievements during Malawi's term as chair of the Bureau tenure, including the formulation of a draft Social Protection Plan for the Informal Economy and Rural Workers (SPIREWORK); and an Experts Group meeting on the Informal and Rural Economy. Progress was also highlighted in such areas as climate change, statistics, regional integration, establishment of African financial decisions and the efforts to reposition the African Institute for Economic Development and Planning (IDEP).

10. On the theme of the Conference, he said that the role of the State in development, particularly in developing countries could not be overstated. The theme of this year's Conference was, therefore, crucial for African countries, calling on them to rethink the role of the State in the continent's economic transformation and development. The central role of the State in the economic success of the Asian tigers and some Latin American countries reinforced the call for a more effective role for the State in governing Africa's development. He invited the meeting to give particular attention to the role of the State in African development so as to identify an appropriate

set of interventions to enhance the role of the State and other stakeholders in performing the key tasks necessary for economic transformation in Africa.

11. In his opening statement, Dr. Maxwell Mkwelalamba, Commissioner for Economic Affairs of the African Union Commission (AUC) delivered a statement on behalf of the Commission's Chairperson, His Excellency Dr. Jean Ping. He commended the efforts made by the AUC and ECA in jointly organizing the Annual Meetings with resounding success.

12. Dr. Mkwelalamba recalled that the theme of the conference had been agreed at the Lilongwe meeting in March 2010, based on the fact that the economic growth witnessed by most African countries over the last decade had not translated into a reduction in poverty and a higher standard of living for all citizens. Therefore, the role of the State in governing development, particularly in economic and social transformation, had to be reviewed. It was important to learn from the experiences of the "Asian Tigers" and some successful African and Latin American countries, to define the role of the State in governing Africa's development. The meeting should critically examine the role and functions of the State in economic management and transformation as well as the nature and extent of the effort in an African setting. Indeed, the success of the developmental State would depend on the inclusion of other stakeholders such as the private sector and the civil society,

13. In reviewing other items on the agenda of the meeting, he stressed the important role that regional integration could play in Africa's development, poverty reduction and attainment of the MDGs. In this regard, he noted that the Minimum Integration Program developed by the AUC, in collaboration with the Regional Economic Communities (RECs) were critical in moving the African integration agenda forward. He observed that the 2011 Report on Assessing Progress towards the Millennium Development Goals in Africa showed that Africa was making progress towards the MDGs, albeit at a slow pace. In that respect, the developmental state would have a large role to play in ensuring accelerated progress and commensurate gains in poverty reduction and wealth creation for the African people from economic growth. [The Commissioner also stressed the need for agreement on alternative sources of financing for the African Union to enable it meet the growing challenges.

14. In conclusion, the Commissioner stressed the fact that the deliberations of the meeting would have a significant bearing on Africa's efforts towards reducing poverty and inequality, creating employment and promoting sustainable development. To that end, it was important to clearly define the role of the State in governing development in the African context.

15. In his opening statement, Mr. Abdoulie Janneh, United Nations Under-Secretary-General and Executive Secretary of ECA, welcomed participants to the meeting and thanked and expressed his gratitude to the Government of the Federal Democratic Republic of Ethiopia for their support of the work of ECA and AU Commission. He said that the importance of the joint annual meetings of the ECA and AU Conference of Ministers as a forum for dialogue and consensus building on important development issues was further recognized by the Kampala Summit of the African Union held last July.

16. The Executive Secretary reviewed Africa's economic and social performance over the past year and indicated that the prospects for improved economic performance in Africa in 2011 remained favourable. In 2010, Africa grew by 4.5 per cent on average, up from 2.3 figures different from those in para. 22 percent in 2009 and would most likely maintain a steady growth of about 5 percent in 2011. This relatively strong performance was bolstered by a good showing in the agriculture and natural resources sectors, the rebound of tourism and the use of countercyclical policies in some countries. However, although the projected growth rates for 2011 were higher than those attained in 2009 and 2010, they were generally lower than pre-crisis rates and subject to several risks and uncertainties. He expressed concern that Africa's relatively strong growth performance did not translate into poverty reduction as it would require meaningful job creation, especially for the youth. He noted in particular that the high unemployment in many African countries coupled with rising oil and food prices, as well as the effects of climate change had the potential to undermine social stability and economic growth, as recently observed in several countries.

17. Turning to the theme of the Conference, the Executive Secretary noted that the theme of this year's Conference would put the issue of development back on the governance agenda in Africa. So far, there had been a vast improvement in the discourse and attitudes to accountability, democracy,

human rights and the rule of law in Africa. However, there should be similar commitment to restoring economic growth and development as central concerns of politics and policy making in Africa. Secondly, the meeting would provide an opportunity to address sectoral and cross cutting issues like trade and industrial policies, and the gender, social and environmental policies encapsulated in the MDGs. Above all, the theme of the Conference will allow for more focused discussions on the dynamics of the relationship between an effective developmental state and other stakeholders such as the private sector and civil society. The Executive Secretary also stressed the need for a clear vision of development and coherent, consistent and coordinated planning frameworks. He observed that several African countries had already embarked on that course of action and ECA had been working with them to build up planning capacities, especially through the instrumentality of a repositioned African Institute for Economic Development and Planning (IDEP), which required additional resources to deepen its work in that vital area.

18. On the issue of governance of development, he noted that there was a need to consider the regional dimension of development as well as international trends. While paying attention to national processes, African states should also incorporate regional and trans-boundary cooperation into policymaking. Regional integration and the provision of first-rate infrastructure were imperative if Africa was to overcome the limitations of small national economies. International trends also impacted on the governance of development in Africa, noticeably through global negotiations such as those on trade and climate change. The world was moving towards the "green economy" and Africa faced the challenge of balancing its desire for fast growth along conventional lines with the need to adapt to climate change and develop along more environmentally sustainable lines.

19. In conclusion, the Executive Secretary reviewed the achievement of the ECA secretariat in 2010 and stressed that partnerships was a key aspect of the Commission's work during the year. To that end, he informed the meeting that the AU/AfDB/ECA Joint Secretariat Support Office (JSSO) had already been established, while collaboration with multilateral and bilateral development partners continued to be strengthened. He further stated ECA remained committed to working with the AU Commission, the African Development Bank, the RECs



and all the member States towards the realisation of Africa's development agenda and vision in various programmatic areas.

**Overview of recent economic and social developments in Africa [Agenda item 4] (E/ECA/COE/30/2, AU/CAMEF/EXP/2(VI))**

20. The secretariat presented a document entitled "*Overview of economic and social conditions in Africa in 2010*". The presentation highlighted two key messages. First, developments in the global economy in 2010 had overall positive implications for African countries, although the direction and magnitude of the impact varied across countries and sub-regions. Second, Africa sustained and strengthened economic recovery in the aftermath of the recent global economic and financial crisis, but growth remained below the level necessary to reduce poverty and achieve the MDGs.

21. Global GDP growth rate increased from -2.1 per cent in 2009 to 3.6 per cent in 2010 and Africa's GDP growth increased from 2.4 per cent to 4.7 per cent over the same period. The economic recovery in Africa in 2010 was driven mainly by higher commodity prices, increased domestic demand in many African countries, increased foreign direct investments in extractive industries, the recovery in tourism sector and improved continued good macroeconomic management. Current account and fiscal account balances deteriorated slightly but remained generally sustainable in most African countries. Inflationary pressure subdued due to adequate agricultural supply, excess production capacities and strengthened currencies in some countries.

22. On the social development front, it was noted that despite notable improvements on some indicators such as education and gender parity, overall progress towards achieving most of the MDGs remain slow. The continent's inability to translate economic growth into meaningful job creation and hence poverty reduction is attributable to the narrow production base and the low level of economic transformation besides high inequality and inadequate budget allocations to social targets in some countries.

23. In the ensuing discussion, participants emphasized the need for the overview to provide a sectoral breakdown of the sources and determinants of growth in Africa. The meeting expressed concern

that despite an economic rebound, Africa still faced the difficult task of economic transformation to reduce dependence on commodity production and exports. The continent's economic growth remains highly vulnerable to external shocks especially volatility in commodity demand and prices. In this regard, the meeting underscored the need for Africa to broaden its production base and undertake necessary structural and institutional reforms needed to build infrastructure, enhance regional integration, and promote the role of the private sector in the development process.

24. The meeting expressed concern at the high rate of poverty and unemployment particularly among the youth despite recent high growth in many African countries and underscored the need for appropriate strategies and policies. The discussion further underscored the imperative for social development to be an integral part of growth and development policies in Africa and that social cohesion is critical for Africa to consolidate and promote its development agenda.

25. Based on the discussion the following specific recommendations were made:

- a. To curb volatility stemming from international macroeconomic fluctuations and mitigate the impact of external shocks, there is need for significant and meaningful economic diversification and transformation.
- b. Although macroeconomic management remains prudent, macroeconomic balances of African countries need to be kept within sustainable and growth enhancing levels.
- c. Need for policies to address the structural constraints of infrastructure deficit, rigid regulatory framework and weak regional integration.
- d. Effective policies are required to promote shared growth and employment creation in order to improve living standards, particularly mainstreaming gender and youth concerns in development planning and national budgets.
- e. Analysis of growth factors should include a breakdown of the sources and key determinants of growth as these varied from one country to another.

**Assessment of progress on regional integration in Africa [Agenda item 5] (E/ECA/COE/30/10/Rev.1, AU/CAMEF/EXP/10 (VI)/REV.1)**

26. The Secretariat made a presentation based on the report entitled, *Overview of Progress Towards Regional and Continental Integration in Africa*. The presentation highlighted the progress being made by the Regional Economic Communities (RECs) in the implementation of the Abuja Treaty establishing the African Economic Community. The East African Community (EAC) is the only REC to have reached the stage of the Common Market. Others were either at the stage of Free Trade Area or slowly moving towards the Customs Union. The presentation identified a number of challenges which continued to impede progress towards regional integration in Africa. These include inadequate mainstreaming of regional agreements in national development policies, strategies and budgetary allocations; non-implementation of protocols on free movement of peoples and right of establishment; and inadequate financing of integration programmes and projects. Among the initiatives taken by the African Union to address these challenges were the establishment of the African Investment Bank, the African Central Bank, the African Monetary Fund, the Minimum Integration Programme, the Plan of Action for industrial development in Africa and the Comprehensive Africa Agriculture Development Programme (CAADP).

27. In the ensuing discussion, many participants emphasized the importance of regional integration in Africa and called upon member States to reaffirm their commitment to the integration process. In this regard, the meeting underscored the need for peace, security and stability as well as the need to facilitate the free movement of peoples and factors of production. The meeting also underscored the need to pay attention to the risks posed by youth unemployment and gender inequalities in integration policies, programmes and projects, so that the specific needs and niches for women and youth as important social groups are taken into account.

28. The discussion on the issue of financing for regional integration underscored the need for the rapid operationalization of appropriate self-financing mechanisms and the Integration Fund so that integration programmes and projects could be effectively implemented, bearing in mind some concerns

expressed that tax-based mechanisms could have possible negative impact for some member States.

29. With regard to mainstreaming regional integration at the national level, the Committee suggested that this could be achieved by embedding regional integration into national constitutions as a means of assuring sustained national commitment and support for the process. The meeting also underscored the need to popularize the regional integration agenda amongst the general public so that civil society would be encouraged to play an active role in the process. In a similar vein, it was suggested that member States should establish a network of experts at national level to look into all AU objectives and decisions in order to help catalyze and accelerate progress in achieving regional integration.

30. The Committee also deliberated on the issue of multiple memberships to the RECs which had contributed to the slow progress of regional integration. It was observed that a number of pan-African institutions were dealing with regional integration issues and member States were often over stretched in contributing financial resources to these institutions. In this regard, the Committee emphasized the need to rationalize the number of institutions dealing with regional integration in order to avoid duplication of efforts and waste of resources. Furthermore, the Committee urged Member States that hold multiple membership of RECs to take decisive actions on their memberships, as multiple memberships curtail progress in the formation of customs unions.

31. The Committee also noted the reluctance of some member States to relinquish their sovereignty to supranational bodies, a major obstacle to the attainment of Continental integration. In this connection, the on-going debate on the proposed Union Government was cited as an example of the reluctance of member States to support it mainly due to fear that they will lose their sovereignty. The Committee, however, concluded that the issue of sovereignty needed to be taken up at the highest level of Heads of State and Government.

32. There was some discussion on the targets with respect to agriculture, health and education. In this regard, it was noted that there were obvious advantages and benefits to be gained from setting targets but it was also important to consider what it would imply for budget allocation given that coun-

tries had different priorities competing for limited resources.

## Recommendations

- a. Urge AUC to accelerate the adoption of appropriate self-financing mechanisms and the operationalization of the Integration Fund to buttress Africa's regional integration agenda.
- b. Encourage member States to continue their efforts through a range of actions including the establishment of national network of experts, to mainstream regional integration decisions and commitments in national development plans, strategies and budgetary allocations.
- c. Urge the RECs, the AUC, member States, regional and continental organizations as well as development partners to mainstream gender and youth concerns in regional integration programmes and projects and support mechanisms.
- d. Request Member States, which did not do so, to include Provisions of regional integration in their national development plans as well as in their national legislations through constitutional backing.
- e. Request Member States to accelerate removing obstacles on free movement of persons, goods, capital and services across the continent.
- f. The issue of regional integration including the recommendations made, should be submitted to the AU Summit of Heads of State and Government for their consideration and endorsement, since it is of constitutional importance.

## Review of progress towards the Millennium Development Goals and African Common Position on MDGs [Agenda item 6] (E/ECA/COE/30/9, AU/CAMEF/EXP/9(VI))

33. The secretariat made a presentation based on the report entitled, *Progress in Achieving the Millennium Development Goals (MDGs in Africa, 2011)*. The presentation highlighted areas where significant progress had been achieved in 2010, such as primary education, women's empowerment, debt sustainability and access to treatment for HIV/AIDS. On the other hand, slow progress had been made in the areas

of poverty reduction, health-related MDGs and environmental sustainability. Overall, the majority of African countries were not on track to achieve most of the MDG targets by 2015. The recovery from the recent economic and financial crisis provided opportunities for Africa to harness accelerated economic growth for achieving the MDGs.

34. The Secretariat suggested that social protection should be considered a policy option in accelerating progress towards the MDGs, and that certain social protection instruments had proved to have a strong effect on poverty reduction, especially when they had been institutionalized. There were huge interregional and intraregional differences in achieving the MDGs, as well as problems of data. Lastly, the need for development partners to reduce fragmentation and focus efforts on MDG-related priorities was highlighted.

35. The general discussion that followed highlighted the main policy options and strategies that needed to be pursued by African countries to speed up progress towards the MDGs.

36. A key theme was that economic growth had not contributed to poverty reduction or the achievement of other key MDGs. Many participants expressed concern that, although economic growth seemed encouraging, it did not create adequate jobs and poverty levels remained high. Furthermore, it was mentioned that sources of economic growth in many countries lay largely in extractive sectors, which were capital-intensive, did not create adequate employment and did not reduce poverty.

37. Several participants mentioned that certain statistical data were not available or that data presented did not reflect the national situation. The example of absolute poverty was cited, together with the fact that the MDG indicator on poverty might not accurately capture the reality on the ground. It was also mentioned that the lack of data made it difficult to assess progress.

38. There was also concern that MDG indicators and targets might not be relevant in assessing social development. For example, primary school enrolment did not capture the reality of education quality. Many participants raised the question of the appropriateness of indicators, suggesting that the indicators should go beyond those in the Millennium Declaration.

39. Concerning regional integration and the sharing of best practices in pursuing the MDGs, it was emphasized that regional integration could contribute to poverty reduction only if it was anchored in peace and political stability. The link between intra-African partnerships and strengthening efforts to achieve the MDGs were also raised. The linkages between environmental sustainability, poverty reduction and health-related MDGs was emphasized. Participants noted that the environmental targets of the MDGs were often neglected, and that environmental programmes were poorly funded. There was a need to integrate the MDGs into national development plans and to prioritize them in economic and social policies. The question was raised of whether ODA should be targeted towards achieving the MDGs directly through social sectors or via productive sectors. Youth unemployment was also identified as one of the major concerns which could adversely impact on peace, security and political stability.

## Recommendations

40. The following policy recommendations were made:

- a. Emphasis should be placed on creating economic dynamism through macroeconomic stability, forging the right political linkage between democracy, economic development and the MDGs, improving access to finance for small and medium-sized enterprises and addressing infrastructural deficits.
- b. Countries should prioritize the MDGs and mainstream them into national development plans and strategies through active participation by civil society and the private sector, and implement the MDGs through an acceleration framework. Appropriate accountability mechanisms should also be established.
- c. ECA and AUC should elaborate a special programme to ensure achievement of the MDGs in Africa, divided into two phases – one between the present and 2012 and the second between 2012 and 2015.
- d. There should be a mechanism for dialogue between government, the private sector and civil society for economic transformation, job creation, good governance and aid transparency.

- e. While development partners should honour their commitments and deliver ODA in a timely and sustainable manner, member States should strive to achieve the MDGs.
- f. Given the paucity of statistical data available in the countries, national statistical systems should be strengthened and indicators for measuring progress in the achievement of the MDGs improved.
- g. Request member States to provide additional financial resources for the three MDGs (poverty eradication, health related areas and environmental sustainability) where limited progress has been achieved.

## **Follow-up to the outcomes of major United Nations and African Union conferences and summits, including the 2010 Joint Annual Meetings of the AU and ECA [Agenda item 7] (E/ECA/COE/30/15, AU/CAMEF/EXP/15(VI))**

### **i. Monterrey Consensus on Financing for Development (E/ECA/COE/30/11, AU/CAMEF/EXP/11(VI))**

41. The secretariat made a presentation based on the report entitled, *Implementation of the Monterrey Consensus on Financing for Development*. He noted that substantial progress had been made in the area of debt relief and official development assistance (ODA), but that performance in domestic resource mobilization, foreign capital inflows and international trade had been disappointing. In the area of domestic resource mobilization, a slight increase had been observed in gross domestic savings. Government revenues, which constituted the main domestic financial resource for African governments, had been held back by a shallow tax base, an unbalanced tax mix and poor tax administration. International financial flows, in particular inflows of FDI and remittances, had diminished as a result of the recent economic crisis. ODA, on the other hand, had shown an increase, but legitimate concerns had been raised over the sustainability of aid flows. Africa's, merchandise exports had contracted drastically owing to the sharp decline in both the prices and the volume of Africa's key primary exports. The key issue was lack of diversification in terms of structure and destination. The growing trade between Africa and the rest of the South provided an opportunity for Africa to diversify its exports in terms of destinations, but not yet in structure. Debt sustainability had

generally improved, but there were concerns about the stalemate in the Doha Round of trade negotiations and the lack of inter-institutional coordination to ensure a stable international financial system for development.

### Discussion

42. In the ensuing discussion, the Committee commended the secretariat for the comprehensive and insightful presentation. The Committee noted a significant gap between government revenues and investment requirements in Africa and the need for more domestic resources in the face of declining external finance. It was noted that, in general, domestic revenues were also experiencing declining trends due to a narrow tax base, ineffective tax administration and a lack of transparency, fairness and uniformity. The Committee also raised concerns about decreasing FDI inflows to Africa owing to the financial crisis, but also as a result of the discovery of more attractive destinations. However, that situation could constitute an opportunity for African governments to explore new avenues for mobilizing resources internally. The presenter concurred with the Committee and further stressed the lack of fiscal legitimacy and its negative impact on capacity-building.

### Recommendations:

- a. The improvement of the macroeconomic framework, the development of capital markets and the establishment of an efficient fiscal policy, particularly through better management of public finance.
- b. Broadening of the tax base to bring more actors into the tax system, and strengthening of tax administration, in particular with respect to extractive industries.
- c. Prioritization of the effective utilization of available resources, considering Africa's limited resources and huge financial needs.
- d. The setting up of mechanisms to formalize the informal sector, given the important role of the sector and its potential contribution to domestic resource mobilization.
- e. Efforts to improve the efficiency of the financial system in generating and allocating funds.
- f. A reorientation of FDI towards diversified and higher-value-added sectors.

### ii. Mutual Review of Development Effectiveness

43. The Secretariat presented the 2010 Mutual Review of Development Effectiveness (MRDE) in Africa report, jointly prepared by the United Nations Economic Commission for Africa (ECA) and the Organisation for Economic Cooperation and Development (OECD) as a mutual accountability process. The presentation highlighted the main objectives, findings, and recommendations of the report. It was noted that NEPAD Heads of State and Government Orientation Committee (NEPAD HSGOC) at its 23<sup>rd</sup> Summit held in July this year in Kampala, Uganda had endorsed main lines of the executive summary of the report. At its summit, the NEPAD HSGOC also called upon the two institutions to continue with the Mutual Review process and mandated that the Mutual Review process should serve as the main mutual accountability mechanism for monitoring and assessing the delivery on commitments made by both African countries and their development partners related to the African economic development agenda.

44. Key priorities identified by the report are: (a) African governments - to continue with the agenda for political and economic reform set out in NEPAD's founding statement; to intensify efforts to promote regional economic integration, and collective regional action on key political issues; and to increase domestic revenue mobilization, and to ensure that this is directed effectively towards meeting the MDGs. (b) development partners - to continue efforts to tackle issues such as tax havens, transfer pricing, and illicit capital flows; to take action to open markets further, and in particular to inject political will and momentum, and to deliver their existing commitments to increase the volume and improve the effectiveness of development assistance. (c) International community - to agree on ambitious and binding targets for the reduction of emissions; to agree on ways to increase the volume and improve the effectiveness of climate change finance to Africa; and to respond positively to Africa's claim for stronger representation in discussions on wider systemic issues, and in international institutions.

45. In the discussions that followed the presentation, the Committee welcomed the MRDE report in highlighting key future priorities for African countries and development partners. In particular, the Committee noted that the report gave due prom-

inence to the seriousness of illicit financial outflows which deny African countries of significant resources for development. In view of the serious consequences of illicit financial flows in African countries, the Committee proposed that a resolution be drafted for adoption by the Conference of Ministers to help address the problem more effectively. The resolution should recommend the measures and mechanisms to ascertain the nature and extent of the problem of illicit financial flows, the types of regional and continental institutions and agencies that need to be set up to tackle the problem in an effective manner, and the role of ECA and AUC in capacitating the institutions and agencies.

### **iii. United Nations support to the African Union and its NEPAD programme: Report of the 11th Regional Coordination Mechanism of United Nations agencies working in Africa (E/ECA/COE/30/16)**

46. The secretariat made a presentation based on the report entitled, United Nations support to the African Union and its NEPAD programme, March 2010-March 2011. Annual review of progress in United Nations support to the African Union and its NEPAD programme: report on the eleventh meeting of the Regional Coordination Mechanism (RCM) of United Nations agencies working in Africa

47. The secretariat made a presentation under this agenda item, describing the structure and operations of the RCM and the highlights of its eleventh meeting.

48. The RCM was jointly operated by AUC and ECA. Its purpose was to improve the coordination and coherence of support from the United Nations system to the African Union and its NEPAD programme at the regional and subregional levels. The Mechanism was operationalized through nine thematic clusters which had been established in accordance with Africa's development priorities.

49. The RCM had recorded several achievements in the reporting period, including a successful review of the Ten-Year Capacity-Building Programme for the AU, which had been the subject of a declaration on cooperation between the United Nations and the AU aimed at enhancing the capacity of the AU to act as an effective partner of the United Nations in addressing Africa's development challenges.

50. The presenter enumerated key recommendations made by the RCM at its eleventh meeting and underscored progress made in their implementation. A comprehensive work plan for building the capacity of AUC, the NEPAD Agency and the regional economic communities was being developed. In addition, modalities for operationalizing a Sub-regional Coordination Mechanism for Eastern and Southern Africa were being finalized.

51. The presenter urged member States to contribute ideas on how to build the capacity of African regional institutions, particularly AUC, the NEPAD Agency and the regional economic communities.

52. The Conference took note of the recommendation.

### **iv. Climate change and development in Africa (E/ECA/COE/30/12, AU/CAMEF/EXP/12(VI))**

53. Under this agenda item, the secretariat made a presentation on a "*Report on the outcome of the sixteenth Conference of the Parties to the United Nations Framework Convention on Climate Change and its implications for Africa*" (E/ECA/COE/30/12, AU/CAMEF/EXP/12(VI)). The report provided information on three main issues: the international climate change negotiations, key elements of the Cancun agreements and their implications for Africa, and an update on the ClimDev-Africa programme. The report highlighted key developments in the international negotiations on climate change, outlining the elements that had emerged from the Cancun climate change conference held in December 2010. Elements relevant to Africa included adaptation, mitigation in developing countries, finance for climate change, technology transfer and the programme for Reducing Emissions from Deforestation and Forest Degradation (REDD+). The centre would also help African negotiators to prepare for the next session of the Conference of the Parties, to be held in Durban, South Africa, in December 2011. Africa needed to take a proactive stance, explore financing options in advance of the conference, and negotiate the details of the future international architecture, including the Clean Development Mechanisms, to maximize benefits for the continent.

### **Discussion**

54. In the ensuing discussion, the Committee reiterated that, while Africa bore least responsibility

for greenhouse gas emissions, it was the continent most affected by its impacts. It underscored the need for adaptation funds to be made more accessible to Africa. It emphasized that climate change impacts were both national and regional concerns. National initiatives to enable better understanding of the impacts of climate change, such as Egypt's efforts to map climate change impacts on its northern coast, could be useful in informing decision-making at all levels. The Committee commended the partnership approach promoted by ClimDev-Africa, and stressed the need to further strengthen partnerships at all levels, so as to secure concrete results and deal effectively with the climate change challenge.

55. In that regard, the Committee noted with satisfaction the partnership forged between ECA and ACMAD through the signing of a Memorandum of Understanding which testified to the progress being made by ACMAD in addressing climate issues.

### Recommendations

- a. African ministers responsible for finance should engage proactively in international forums on climate change to keep up the momentum, and should focus efforts on ensuring Africa's fast and easy access to financial resources, particularly for adaptation, including through the operationalization of the Green Climate Fund.
  - b. ClimDev-Africa and its ACPC should continue to pursue strategic partnerships, thereby leveraging competitive advantages, to widen and deepen activities to achieve concrete results in climate change adaptation and mitigation in the region.
  - c. ECA and ACMAD should be encouraged to undertake joint technical studies in climate change-related sectors and review and propose measures for strengthening cooperation between the two institutions.
- v. Ten-year review of progress in the implementation of the Abuja Declaration on Health Financing in Africa (E/ECA/COE/30/22, AU/CAMEF/EXP/22(VI))**

56. The secretariat made a presentation based on the report entitled, *Information Note: 10 Years After the "Abuja Commitment" to allocate 15% of national budgets to Health*. The Secretariat through the presentation informed the Committee that only six

countries in Africa met the Abuja Declaration on the health financing target of dedicating 15% or more of total government expenditure on health. Even those countries that had met the target still performed poorly on at least one of the related MDGs indicators. In view of the low per capita health spending and a low percentage of total government expenditure spent on health, there remained several challenges in the area of health in Africa. These include severe shortfall in human resources for health, and low access to services by the most vulnerable. It was further reported that health service delivery infrastructure remains weak, coordination of donor funds was still poor, donor funds may not address national health priorities, and private expenditure comprised the largest proportion of the health spending.

57. Several corrective measures had been identified in the health sector, such as mobilization of additional resources for health by leveraging the private sector and exploring new tax regimes to finance health priorities; strengthen risk pooling to develop and strengthen health insurance schemes; spending resources more efficiently, including improving donor coordination and implementation of performance-based financing; strengthen the governance of the health sector, including improvement of public financial management and increase oversight to health financing; strengthen evidence-base and leverage resources across health programmes and initiatives, and encourage CSO participation. Appropriate prioritization of health sector to garner investment; management and governance of health resources; operationilization of monitoring and follow-up mechanisms were also identified as some of the key challenges. The presentation concluded by equating the health of people to human capital development and the consequent government expenditure on the health sector as an investment in economic and social development.

58. In the ensuing discussion, several issues were flagged by the Committee, including: concerning accuracy of data and indicators; need to distinguish between government contributions and external health funding in calculating the indicators; importance of experience sharing on achievement of Abuja target; governance and management of health resources and expenditures; suitable working conditions for the health workers; proliferation of unqualified staff; proper storage of drugs; and resource mobilization for the sector. Similarly, other delegates argued in favour of efficiency and transparency of financial flows

to health in equitable and sustainable manner and to consider the sector allocations in line with national priorities and budget processes. Some considered that absorption capacity of financial resources in certain countries may be low, leading to inappropriate utilization of available funding. Therefore appropriate capacity assessment was necessary. In conclusion, it transpired that the target percentage allocation alone for health sector was not an efficient planning tool, and addressing the underlying issues required combination of adequate investment in health coupled with a proportionate investment in the social determinants of health. The following recommendation emerged from the deliberations:

- a. Strengthen the evidence generation and promote the use of evidence for health policy planning. More specifically, conduct research on:
  - Scientific, economic and political justification of the recommended target;
  - Alternative financing of health;
  - Health Administration and efficiency;
  - Mobilize more resources; strengthen risk pooling; and spend resources more efficiently.
- b. Strengthen governance of the health sector through linking budget allocations to outcomes and quality of service; improve financial management; and adequately engage CSOs for oversight.
- c. (c) Institute machinery for promoting the broader introduction of health insurance for vulnerable groups.
- d. (d) Member states and donors should increase financial resources for health sector issues (health workers, drugs, infrastructures etc.) and improve efficiency and effectiveness within the framework of the Paris declaration on aid effectiveness and the Accra Agenda for Action
- e. Decentralize health services to improve access to health care; including disbursement of funds to health committees at the community level to effectively manage the resources
- f. Adopt innovative financing through public private partnerships; health insurance contribution based on income; tax leverage, among others, taking into consideration that

the majority of people are engaged in the informal economy.

- g. Explore alternative ways to achieve macroeconomic stability and demand for relaxation of conditionalities.
- h. Strengthen social protection systems targeting vulnerable population groups through exemptions from cost sharing, and provide free hospital care.

#### **vi. Follow-up on the implementation of the African Charter on Statistics (E/ECA/COE/30/13, AU/CAMEF/EXP/13(VI))**

59. The secretariat made a presentation entitled “Implementation *Status of the Conference Resolution on the African Charter on Statistics*”. It was reported that since the adoption of the African Charter on Statistics in 2009, only 20 countries had signed the Charter and still fewer had ratified it. The Committee was informed about the adoption of the Strategy for the Harmonization of Statistics in Africa by heads of State and Government in Kampala in 2010, as well as the drafting of an African Strategy for the Implementation of the 2008 System of National Accounts. In addition, various sectoral strategies had been developed for the effective implementation of the Strategy for the Harmonization of Statistics. They included: (a) an African Implementation Plan of the Global Strategy for Improving Agricultural and Rural Statistics; (b) an International Comparison Programme for Africa; (c) Improving Civil Registration and Vital Statistics Systems in Africa; (d) Improving MDGs Monitoring and Reporting; (e) African PHC programme; (f) Africa Infrastructure Knowledge Programme; (g) Statistical Training Programme for Africa; (h) Labour Market Information Systems; and (i) Development of Action Plan on AfricaInfo.

#### **Discussion**

60. During the ensuing discussion, participants commended the efforts of ECA, AUC and their partners in implementing the Charter as an overall framework to strengthen Africa’s statistical capability, noting that the Charter was very ambitious and encompassed all statistical aspects. However, they noted with concern that only a few countries had signed and ratified the Charter. Member States were urged to fulfill their commitment to sign and ratify the Charter by 2012, and AUC was requested to im-



plement it through an incremental process on the basis of key priorities such as MDG indicators.

61. In the ensuing discussions the Committee also took note of the quality constraints on data on MDG indicators (such as the prevailing status of poverty), as a result of which the true progress towards MDGs was not being assessed adequately.

**Recommendations:**

- All member States that have not yet signed and ratified the Charter should do so to make it enter into force as soon as possible, in view of its importance to statisticians, planners, decision-makers and other stakeholders.
- ECA, AUC and their partners should develop a data validation process for the MDG indicators and develop a regional statistical programme for the MDG indicators.
- Countries and partners should strengthen their statistical capabilities, especially for the MDG indicators.

**vii. Follow-up report on the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP) (E/ECA/COE/30/14, AU/CAMEF/EXP/14(VI))**

62. The secretariat made a presentation based on the report entitled, *Status of CAADP Implementation and the MDGs*. Under this agenda item, the Secretariat introduced a “Draft working paper for the Ministers of Finance Meeting on March 2011: Follow-up report on the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP)”. The paper provided an overview of the implementation of CAADP, which had been established in 2003 to make a significant contribution to the achievement of the first and, in part, the seventh Millennium Development Goals. The presenters noted that 26 countries had signed compacts committing to the continent-wide priorities for investment and action in agriculture outlined in the CAADP framework. Eight countries had reached or surpassed a 10 per cent budgetary allocation, while nine were in the 5-10 per cent range. Despite all those efforts, the annual growth rate in agricultural GDP in sub-Saharan Africa remained below the target of 6 per cent. However, CAADP had given the aid effectiveness agenda an added im-

petus in the agricultural sector and had developed instruments for more structured and integrated action, such as the Global Agriculture Food Security Programme Trust Fund and the Multi-Donor Trust Fund. AUC was working towards establishing an African-owned contingency funding facility (African Risk Capacity, ARC) for sovereign risk that would provide participating governments with immediate cash in the event of an extreme drought. Moreover, WFP modelling results showed climatic diversity across Africa creating a powerful portfolio effect of 50 per cent, further reducing the contingency funding requirement for drought by half. If African countries were to pool their drought risk, the pool’s capital requirement would be half the sum involved if each country created its own reserve – making Pan-African solidarity in the creation of a disaster risk pool a cost-effective financing mechanism in support of African food security.

63. In the ensuing discussion, the Committee agreed that there was indeed slow implementation of CAADP, attributed to limited involvement by non-State actors in the CAADP process, thereby compromising progress in the country round-table processes. It was also noted that there was limited capacity in strategic institutions at the national and regional levels to accelerate CAADP implementation in all member States owing to limited budgets and high demand on CAADP support institutions, especially those which facilitate the development and technical review of investment plans. The Committee advocated the validation and endorsement of a Mutual Accountability Framework to monitor commitments made by stakeholders. Some delegates stressed that member States should accelerate work towards the committed allocation of 10 per cent of national budgets to the agricultural sector. The Committee acknowledged that for most member States, economic growth was linked to the agricultural sector, which implied the necessity to invest in agriculture in order to achieve broad-based economic growth with a positive impact on employment. There was a suggestion to use the Kenya Women Enterprise Fund for Agriculture as a best practice to be shared and scaled up among African countries.

64. The Committee discussed the possibility of ensuring that the absorptive capacity of each sector should be linked to its performance before budget allocation, in order to enhance the impact on the most vulnerable people. Moreover, there was a need to enhance coordination and alignment among all stake-

holders so as to increase efficiency in the utilization of allocated resources. The Committee welcomed the idea of ARC because Africa remained reliant on international assistance when hit by disasters. ARC would help develop the capacities of member States to deal with natural disasters. The Committee urged the organizers of the upcoming Experts' Meeting on the ARC's Financial and Institutional Design Study in early May in South Africa to cultivate political buy-in through the endorsement of the Ministerial Conference.

### Recommendations:

- a. Member States should put in place mechanisms to ensure that budget allocations are spent towards the CAADP pillars in order to increase food production, productivity, access to food and risk management and, in turn, improve food and nutrition security. In the process, particular attention should focus on the role of women and youth in all CAADP pillars.
- b. Member States should increase resource mobilization efforts to undertake actions towards establishing strong mechanisms for monitoring and reporting progress towards achieving the CAADP objectives. In this regard, member States should ensure better governance in terms of managing allocated resources.
- c. Member States should consider the creation of a Rapid Stand-by Force for risk management to deal with natural disasters on the continent.
- d. While recognizing the expenditure targets set out in the various declarations on health services and agriculture, it was proposed that policy priorities of individual member states should inform the level of finance allocated in each sector.
- e. Innovative mechanisms, including public-private partnerships, for financing investment in agriculture, such as research, infrastructure and statistical data, should be explored.
- f. The Ministerial Conference should consider a resolution to support ARC and endorse the upcoming Experts' Meeting.

### viii. Report on Science and Technology for Africa's Development (E/ECA/COE/30/19, AU/CAMEF/EXP/19(VI))

65. The secretariat made a presentation based on the report entitled, *Promoting Science, Technology*

*and Innovation for Development in Africa*. The secretariat presented the document E/ECA/COE/30/19 entitled "*Promoting Science, Technology and Innovation for Development in Africa: Follow-up report on the implementation of Science with Africa Conference*". The presentation discussed the key challenges in promoting Science, Technology and Innovation (STI) for development in Africa; the gaps in moving from science to business, steps in unleashing innovation and entrepreneurship, and the ECA and AUC role in this regard. It went on to highlight the main objectives of the Conference, the main outcomes and recommended actions, for which implementation will be coordinated under the UN Regional Coordination Mechanism (RCM) by ECA, and the African Union Commission (AUC).

66. During the discussions that followed, the Committee commended efforts by AUC and ECA in sustaining the Science with Africa Conference as a foremost forum for promoting the importance of science, technology and innovation in improving the quality of life, creating employment, industrial development and regional integration in Africa. In addition the Committee acknowledged that human capital is the key to scientific capacity and called upon African countries to adopt strategies and measures to better integrate science education at all levels. It also noted the need to harness the indigenous scientific potential and that of the Diaspora through adequate enabling environment. The Committee also noted that ECA and AUC are implementing business development efforts and science and technology programs through financing and regional innovation platforms. The Committee further welcomed the establishment of Pan-African initiatives such as: the Africa Science Technology and Innovation Endowment Fund (ASTIEF); the African Technology development and Transfer Network; and the African Network for Drugs and Diagnostic Innovations as platforms for stimulating innovative business development in Africa and facilitating regional integrations through R&D collaborations, industrial alliances and open innovation. Of particular importance was the formulation and implementation of African Innovation strategy for job creation, local innovation promotion, market competitiveness and wealth creation;

### Recommendations:

- a. ECA and AUC should urge each African government to have a national Intellectual Property

(IP) policy and system that take into account local indigenous knowledge, national science, innovation systems and economic development plans;

- b. ECA and AUC to support the development of African Indigenous knowledge technology repository and ensure that these technologies are patented;
- c. ECA and AUC to support women innovation programs and mainstreaming gender in science, technology and innovation systems in Africa

**Presentation and discussion on the issues paper on the theme of the Conference: Governing Development in Africa [Agenda item 8] (E/ECA/COE/30/03, AU/CAMEF/EXP/3(VI))**

67. The secretariat presented the Issues Paper on the theme of the Conference “**Governing Development in Africa.**” The presenter briefly reviewed progress made by African countries and identified major challenges to the continent’s economic and social development in terms of governing development and promoting economic transformation. In this regard, there was a need to rethink the role of the State in promoting economic development in Africa by addressing three key questions, namely: why do we need to rethink the role of the State in development in Africa? What should be the role of the State in Africa’s development? And how can the developmental State i.e fostered to emerge and how do we hold it accountable?

68. Regarding the first question, that Africa’s high growth in the last decade had not translated into meaningful reduction of poverty and social development. It had remained below the level necessary for achieving the MDGs and not been inclusive enough to lift millions out of poverty. African economies remained characterized by high levels of volatility and lack of meaningful economic transformation. The lack of structural transformation and the pervasive market failures suggested the need to launch a new debate on the role of the State in governing development on the continent. Economic transformation in the majority of African countries had been limited because of ineffectiveness of national strategies, both State-led and market-based; distortion of incentives for economic diversification and transformation associated with natural resource abundance; the

adverse effects of the environment, climate change and demography; the ideology of minimal State intervention that had weakened the capacity of the State and the bureaucracy to govern development; the abandonment of development planning; high inequality and the inability of the market to address information, coordination and externality problems or boost productive capacity and infrastructure to generate economic take-off.

69. With respect to the second question, the State must take the lead in promoting development in African countries by providing a clear development vision, coordinating change through a planning process, managing distributional conflicts, mitigating investment risks and information problems, and promoting regional integration to overcome the limitations of small, fragmented economies, among other measures, and address restrictions imposed by international economic arrangements and partnerships. There was strong and ample evidence that today’s advanced economies relied on government intervention to ignite and facilitate both their take-off and catch-up processes.

70. Regarding the question of how the developmental State could emerge in Africa, there was a need to understand the characteristics of an effective developmental State and the role of key stakeholders in its construction and operationalization. The developmental State must have the political will and legitimacy to lead; strong and functional institutions; a competent, professional, and neutral bureaucracy; and facilitate institutionalized engagement of key societal actors (private sector, civil society etc) through democratic deliberations on development policy and strategy. It should be transparent and accountable and able to avoid the pitfalls of State intervention.

71. In the ensuing discussion, participants generally agreed that structural transformation was important for Africa’s sustainable development and that the State had a key facilitating role to play in that regard. However, they noted that most African States lacked the capacity to be facilitators of development and required to undertake certain reforms to effectively play that role. Political, social, judicial and public finance reforms were among those that required urgent attention. It was agreed that strong institutions were essential to formulate and manage the implementation of the vision of a developmental State.

72. The meeting underscored the role of the State in maintaining macroeconomic stability, investing in infrastructure facilities and human development, protecting property rights, enforcing contracts promoting private investment, including FDI and promoting social cohesion. In order to play this facilitative role, the efficiency and effectiveness of the public sector needed to be improved. In addition, developmental imperatives had to emphasize gender mainstreaming as well as protection of human rights of vulnerable groups such as refugees, internally-displaced people, children and the elderly. Governing development in Africa also had to emphasize the quality of leadership as well as the curbing of corruption and rent seeking, which required attitudinal change. The meeting noted that the recent events in North Africa highlighted the importance of the social and political dimensions of development to peace and security.

73. The Committee underscored the important role of the State in stimulating public investment. In that regard, the development of capital and financial markets, widening of the tax base, and increased domestic savings, were highlighted as ways to mobilise domestic resources to fund national development plans. Resources of the African diaspora, including remittances, were also possible sources of finance for Africa's development.

74. Noting that social reforms were as important as economic reforms, the Committee highlighted the need for better targeting of social programmes and upgrading of skills as possible intervention areas. Decentralization of State functions was also one strategy for taking service provision closer to the people. It was particularly stressed, in this regard, that building a capable State able to deliver on the needs of its people was critical to achieving an effective developmental State in Africa. It was further noted that one of the pillars of a capable State was good public financial management. The meeting also underscored the fact that the devolution and decentralization of power and resources within countries could allow governments to get closer, be more responsive and accountable to their citizens, as well as increase the scope for citizens to influence policy priorities and to participate in their implementation.

75. The Committee noted that most African countries lacked the capacity to manage economic transformation, including capacity to design, implement, monitor and evaluate their implementation. A contributing factor to the weak capacity of African

States was the brain drain from the public to private sector as well as from the African public sector to developed or emerging countries. In that regard, the Committee underscored the need to explore the use of institutions on the continent such as IDEP in building the capacity of the public sector in Africa.

76. In the context of development planning, the Committee underscored the need for African countries to formulate strategic plans that clearly articulate their development vision, and noted that the State had a critical role to play in developing the requisite human, institutional and technical capacities to support the formulation, planning, implementation, monitoring and evaluation of development plans. The Committee also identified several key areas where the State could and must play a role in promoting economic development, including infrastructure, health, and education, good governance, and macroeconomic policymaking.

## Recommendations

77. Based on the above discussions and conclusions, participants made the following recommendations:

- a. African countries should develop long-term strategic plans (25-30 years) that clearly articulate their development vision;
- b. Member States should mainstream gender issues and strengthen gender equality as well as protect human rights, especially the rights of vulnerable groups such as refugees, internally displaced persons, youth, the aged, the disabled and children in the promotion of the State's role in governing development and economic transformation;
- c. Economic and political reforms including macro-economic policies should be carried out simultaneously with a view to addressing public demands such as freedom, dignity and social justice, which are key-components of a sustainable development process. Democracy, political participation, and transparency need to inform the new developmental approach taken by the State;
- d. AUC and ECA should cooperate with a number of African states with a view to reform their legal frameworks which could eventually be introduced more widely across

- the continent following evaluation and the learning of necessary lessons;
- e. Africa's regional organizations should work together in articulating a long term vision for the continent's development;
  - f. Member States should strengthen public financial governance to ensure better fiscal and budget transparency; accountability, institution building, balance reforms and capacity building initiatives, and autonomy in reform choices;
  - g. Member States should strengthen their ministries responsible for planning for better implementation of their national development plans;
  - h. Member States should strengthen necessary checks and balances to prevent corruption;
  - i. ECA/IDEP should conduct further research on the role of the State, private sector, civil society, and development partners in economic transformation;
  - j. ECA/IDEP should strengthen capacity-building programmes to prepare government officials to play an effective role in economic transformation. They should also strengthen capacity-building programmes to prepare government officials to play an effective role in economic transformation;
  - k. Member States should strengthen their capacities in the following areas that are critical to the goals of self-reliance and stability embedded in the concept of the development State: (i) early warning and preparedness; (ii) vulnerability analysis; (iii) emergency response; and (iv) targeted safety nets to protect livelihoods and conserve natural and economic assets;
  - l. The developmental State should transform: (i) its political system from rent-seeking to developmental; (ii) structure of production towards production that is domestically sound and ensures value for money for its exports, and (iii) restructure its public sector from rent-seeking towards facilitative, and pro-growth and pro-poor allocation of resources (iv) actively promote public-private partnerships and private investment;
  - m. Member States should adopt more coherent policies to eliminate discrepancies between

development planning and financial planning processes.

## Statutory issues [Agenda item 9]

### i. *ECA Annual Report, 2011*

78. Under this agenda item, the secretariat presented the *ECA Annual Report, 2011* (E/ECA/COE/30/17) highlighting the main achievements during the period between April 2010 and March 2011. The ECA representative provided a summary of the annual report in three parts: (a) major programme activities and achievements; (b) issues arising from the meetings of the subsidiary bodies of the Commission, including the Inter-governmental Committees of Experts of the subregional offices; and (c) improving administrative and programme management processes.

79. The presentation highlighted the major activities and achievements of the ECA secretariat under the ten substantive subprogrammes which made up the programme structure approved in the Strategic Framework for the 2010-2011 biennium. The subprogrammes had addressed themes that were broadly consistent with the major development challenges confronting African countries, as follows: macroeconomic analysis, finance and economic development; food security and sustainable development; governance and public administration; information and science and technology for development; trade, economic cooperation and regional integration; gender and women in development; supporting subregional activities for development; development planning and administration; statistics; and social development. Other programmes included the United Nations support to the African Union and its New Partnership for Africa's Development; the United Nations Regular Programme of Technical Cooperation; and the United Nations Development Account.

80. The Committee's attention was also drawn to several important flagship publications, including the 2011 Economic Report on Africa, the report on Assessing Regional Integration in Africa, the 2010 Africa MDGs Report (jointly prepared by ECA, AU, AfDB and UNDP), the Report on the Mutual Review of Development Effectiveness, jointly prepared by ECA and OECD, and the second Joint African Statistical Yearbook. ECA has also organized a number of key regional and international conferences, workshops and seminars, including the ADF-VII,

the fifth African Economic Conference, the first Conference of African Ministers Responsible for Civil Registration (August 2010), the eleventh session of the Regional Coordination Mechanism (November 2010) and preparations for the United Nations Conference on Sustainable Development to be held in June 2012 in Rio. A number of expert group meetings had also been organized as part of the ECA peer review mechanism to improve the quality and relevance of its knowledge resources. Technical assistance had been provided to member States on a wide range of issues.

81. All five ECA subregional offices had recorded concrete achievements in the implementation of the multi-year programmes of cooperation with their corresponding regional economic communities, addressing such issues as the Millennium Development Goals, gender, governance, trade, regional integration, statistics, information and communication technology and science and technology.

82. In the discussion that followed, the Committee commended the ECA secretariat for its achievements during the year. It made recommendations for improving future editions of the report. Some delegations underscored the need to include the challenges faced by the ECA secretariat in implementing its programme of work and conducting an appropriate evaluation. In response to an observation made by the representative of Namibia, the secretariat expressed regret at the omission by the report of the meeting of the Intergovernmental Committee of Experts of the Subregional Office for Southern Africa hosted by the Government of Namibia and promised to issue an addendum after the meeting.

**ii. Proposed ECA work programme and priorities for the biennium 2012-2013 (E/ECA/COE/30/18)**

83. Under this agenda item, the secretariat introduced the "Proposed programme of work and priorities for the biennium 2012-2013" (E/ECA/COE/30/18). The proposed programme of work and priorities is based on the approved Strategic Framework of ECA.

84. The programme was structured around 10 subprogrammes, covering the following areas: macroeconomic analysis, finance and economic development; food security and sustainable development; governance and public administration; information and science and technology for development; trade,

economic cooperation and regional integration; gender and women in development; subregional activities for development; development planning and administration; statistics; and social development. It had been prepared in line with the principles of results-based-management (RBM), and would continue to be anchored around the two key pillars of the ECA repositioning, namely promoting regional integration and helping Africa to meet its special needs, including the MDGs.

85. In the discussion that followed, the Committee commended the secretariat on preparing a programme of work guided by the principles of results-based management. However, the Committee observed that the issues of regional integration, capacity-building in the area of statistics and governance in relation to new political developments on the continent should be featured more prominently. It also suggested that the contents and titles of some subprogrammes should be amended.

86. The Committee was informed that capacity-building in Statistics, regional integration and governance had already been taken into account. It was also indicated that additional support to member States in building capacity in these areas would be made available using resources from the Regular Programme of Technical Cooperation (RPTC). Regarding the focus and suggested renaming of some subprogrammes, the Committee was reminded that the programme of work had been prepared in accordance with the 2012-2013 Strategic Framework and already approved by the member States. The proposed changes in the programme structure could be considered within the context of the next Strategic Framework.

87. The Committee took note of the presentation and the document in light of the above comments.

**iii. Progress report on the work of the United Nations African Institute for Economic Development and Planning (IDEP) (E/ECA/COE/30/20)**

88. The secretariat made a presentation based on the report entitled, *African Institute for Economic Development and Planning to the 2011 session of the Conference of Ministers*. The secretariat introduced a progress report on the work of the United Nations African Institute for Economic Development and Planning (IDEP). The Institute had continued with

the reform plan agreed and the repositioning process endorsed at the previous Conference of Ministers, including: revamping of its management; renewal of its portfolio of programmes and activities; implementation of a new institutional strategic plan; full reintegration of the institute's work into ECA programmes; reinforcement of the programmatic relationship between IDEP and the African Union Commission; expansion of the Institute's partnerships in the five subregions; strengthening and building of partnerships; and renovation of training facilities and capacity development. Accordingly, substantive training activities, policy research work and policy dialogue initiatives had been undertaken during the past year, and the Institute had substantially restored its standing and strategic role in Africa.

89. The Committee took note of the significant progress made by IDEP in 2010 and commended the management for efforts to increase the Institute's grant from \$1 million in 2009 to \$6 million in 2010. Several participants praised the efforts made by IDEP, while the South African delegate expressed his country's willingness to regularize its support to the Institute. Other delegates suggested that IDEP should focus its research and training programme on a few areas. The secretariat welcomed the suggestions and assured the Committee that focus areas had been developed in line with the principles of Delivering as One.

**iv. Statutes and Annexes of the African Monetary Fund (AU/CAMEF/EXP/23(VI))**

90. The Committee was informed that the draft Statutes and Annexes were tabled before the 4<sup>th</sup> Joint Conference for information purposes only. However, some delegations registered their interest to continue consultations on enriching and tightening the draft statutes and annexes and stated that this interest will be pursued further at the joint ministerial level as requested by the extra-ordinary CAMEF held in Yaoundé in December 2010.

**v. Report on follow-up to the decisions and recommendations of the 2010 Joint Annual Meetings of the AUC and ECA (E/ECA/COE/30/15, AU/CAMEF/EXP/15(VI))**

91. The secretariat introduced a report entitled "Follow-up to the decisions and recommendations of the third joint annual meetings of the AU Con-

ference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development" (E/ECA/COE/30/15, AU/CAMEF/EXP/15(VI)) on progress made in implementing the resolutions adopted by the 2010 Conference of Ministers. It further provided an overview of the major activities undertaken by the two institutions and highlighted progress on implementing the Brussels Programme of Action for the Least Developed Countries (LDCs), addressing the impact of climate change, realizing the vision of a food-secure Africa and combating illicit financial flows.

92. The secretariat also reported on preparations for the Fourth United Nations Conference on LDCs, to be held in May 2011, including the articulation of a common African position. It further highlighted progress in the implementation of Africa's integration agenda; capacity-building and policy development in trade, infrastructure and natural resource development; the preparation of the fourth report on Assessing Regional Integration in Africa (ARIA-IV); the submission of the African Common Position on the MDGs to the High-Level Plenary Meeting on MDGs in September 2010 and the organization of the Seventh African Development Forum (ADF-VII) on the theme "Acting on climate change for sustainable development in Africa", held in October 2010. The Committee was also briefed on the preparations for the thirteenth session of the African Ministerial Conference on the Environment (AMCEN-13).

93. The AUC and ECA, in partnership with FAO and UNIDO, made significant progress in preparing and implementing an effective programme of work on developing regionally integrated value chains of strategic food and agricultural commodities in the COMESA and ECOWAS subregions. ECA also developed and widely disseminated to all stakeholders the Framework and Guidelines on Land Policy in Africa and the Declaration of African Heads of State on Land. The Committee was also briefed on key activities aimed at combating the impact of illicit financial outflows on the social and economic development of the continent.

94. In the ensuing discussion, the Committee welcomed the efforts and progress made by the two institutions and strongly urged them to work more closely to respond to the decisions and recommendations of the joint annual meetings in order to fully

exploit the complementarities between the two institutions.

**vi. Information note on upcoming major conferences of the AU Commission and ECA**

95. The secretariat introduced document E/ECA/COE/30/Inf/5 and AU/CAMEF/EXP/Info.5(VI) to inform the member States in advance about the main events which AUC and the ECA planned to organize between April and the end of 2011.

96. The note was designed so as to bring to the Committee's attention only the meetings requiring large-scale participation by member States. Hence the meetings for the small groups of experts and specialized workshops and internal meetings in the two Commissions were not included. The meetings on the list were included on a thematic basis in order to give the experts a glimpse of the joint activities during the rest of the year at the regional and sub-regional levels. A more detailed calendar, in the four languages, would soon be available on the ECA and AU websites. The dates of the meetings were indicative, and at the appropriate time letters of invitation would be sent to the member States to confirm the exact dates and solicit their participation.

97. In the discussion that followed, some delegates suggested that in view of the importance of governance in North Africa currently and the fact that only two meetings in English had been scheduled for governance and public administration, additional meetings should be scheduled in other languages of that subregion. The secretariat explained that even though the two Commissions supported the holding of additional meetings in other subregions and outside Addis Ababa, the additional-costs involved necessitated holding a good proportion of those meetings at headquarters.

98. The Committee suggested that coordination and integration of the activities of the two institutions should be further synergized in order to enhance the effectiveness of the two institutions, since the participants targeted were the same.

**Any other business [Agenda item 10]**

99. Under this agenda item, the Chairperson invited delegates to raise any other related issues, if any.

100. The Committee suggested ECA and AUC take ownership of past consensus formulated in international and regional meetings relating to the promotion of the economic and social development such as (i) Dakar Declaration 2006 and (ii) Declaration of Nouakchott.

101. The Committee encouraged the two institutions to ensure that conferences and meetings organized are held in the official languages of the two institutions.

102. The Chairperson commended all the delegates for their inputs.

**Consideration and adoption of the draft report of the Committee of Experts and draft resolutions [Agenda item 11]**

103. Under this agenda item, the Committee considered the draft report of its meeting (as contained in the document E/ECA/COE/30/L30/L, AU/CAMEF/EXP/Draft (VI), together with 12 draft resolutions for consideration and adoption by the fourth Joint Annual Meeting of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development. Several delegations made comments and proposed amendments to the report. After constructive discussions by participants, the Committee adopted the present report together with 11 out of the 12 draft resolutions submitted to the Committee. The draft resolutions, as amended by the Committee are attached to the present report for consideration by the fourth session of the Conference of Ministers.

**Closure of the meeting [Agenda item 12]**

104. On behalf of the AUC and ECA, Mrs. Jennifer Kargbo, Deputy Executive Secretary, of the United Nations Economic Commission for Africa expressed her satisfaction with the deliberations and commended the participants for their contributions to the discussions. She expressed her appreciation for the constructive spirit of the debate on challenging issues. She thanked the Chairperson and the Bureau for leading the meeting to a successful conclusion.

105. After thanking all participants for their support, the depth of the debate and their commitment, the Chairperson of the Bureau of the Committee of Experts thanked ECA and AUC for a productive meeting. He then declared the meeting closed.