

# **ECONOMIC COMMISSION FOR AFRICA**

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## Contents

<b>Introduction</b> .....	<b>1</b>
<b>I. Matters brought to the attention of the Economic and Social Council</b> .....	<b>1</b>
<b>II. Work of the Commission since its fiftieth session</b> .....	<b>3</b>
<b>Highlights of results achieved</b> .....	<b>3</b>
A. Executive direction and management.....	3
B. Programme of work .....	6
1. <i>Macroeconomic policy</i> .....	6
2. <i>Regional integration and trade</i> .....	7
3. <i>Innovations, technologies and the management of Africa's natural resources</i> .....	8
4. <i>Statistics</i> .....	10
5. <i>Capacity development</i> .....	11
6. <i>Gender and women in development</i> .....	11
7. <i>Subregional activities for development</i> .....	12
8. <i>Development planning and administration</i> .....	16
9. <i>Social development policy</i> .....	17
C. Technical cooperation.....	18
1. <i>Regular programme of technical cooperation</i> .....	18
2. <i>NEPAD Planning and Coordination Agency</i> .....	21
3. <i>United Nations Development Account</i> .....	21
D. Programme support.....	25
E. Challenges.....	25
<b>III. Reports of the meetings of the subsidiary bodies of the Commission, including intergovernmental committees of experts of the subregional offices</b> .....	<b>26</b>
<b>IV. Report of the Conference of Ministers on the work of its fifty-first session</b> .....	
<b>Annex I Ministerial statement</b> .....	<b>1</b>
<b>Annex II Resolutions</b> .....	
<b>Annex III Report of the Committee of Experts</b> .....	<b>15</b>
<b>Annex IV Reports of the meetings of the subsidiary bodies of the Commission, including intergovernmental committees of experts of the subregional offices.</b>	



## **Introduction**

1. The present annual report of the Economic Commission for Africa covers the period from 31 March 2017 to 15 May 2018, and has been prepared in accordance with paragraph 18 of the Commission's terms of reference. The report was adopted at the fifty-first session of the Conference of African Ministers of Finance, Planning and Economic Development, which was held in Addis Ababa on 14 and 15 May 2018.

## **I. Matters brought to the attention of the Economic and Social Council**

2. At its fifty-first session, the Conference of African Ministers of Finance, Planning and Economic Development adopted six resolutions and a ministerial statement addressing various topics on the theme, "African Continental Free Trade Area: creating fiscal space for jobs and economic diversification". The Commission brings these resolutions to the attention of the Economic and Social Council in view of their significance to the work of the Commission and requests the Council's endorsement. The resolutions are summarized as follows:

### **(a) 956 (LI) African Institute for Economic Development and Planning**

By this resolution, the Conference endorsed the updated statutes of the African Institute for Economic Development and Planning and requested the Executive Secretary of the Commission to transmit the statutes to the Economic and Social Council for consideration and adoption and for the subsequent issuance of the appropriate directive to ensure their implementation. It also endorsed the reconstituted membership of the Governing Council of the Institute and requested the Commission, in collaboration with the Institute, to take all steps necessary to request the General Assembly to increase the regular grant to the Institute from \$2.6 million to 5 million per biennium in support of the Institute's programme;

### **(b) 957 (LI) Review of the intergovernmental structure of the Economic Commission for Africa**

By its resolution, the Conference decided to grant additional time to the Commission to conduct further review and analysis of the intergovernmental structure of the Commission, and requested the Executive Secretary to report to the Conference at its next session on restructuring the conference structure and subsidiary bodies of the Commission, including the intergovernmental committees of experts;

### **(c) 958 (LI) Implementation of international migration programmes in Africa**

By its resolution, the Conference requested the Commission, in partnership with the African Union, to continue to provide support and advice to member States on mainstreaming migration policies into their national development plans and strategies and to track and monitor the progress made in implementing migration programmes in Africa through various means, including by convening periodic conferences. The Conference also called upon the Commission, through its regional and subregional offices, to address the critical areas concerning migration, including sustainable development, thereby providing frameworks for action by member States, the private sector and civil society;

**(d) 959 (LI) Revised strategic framework and biennial programme plan of the Economic Commission for Africa for the biennium 2018–2019**

By its resolution, the Conference acknowledged the new strategic focus of the Commission on supporting the sustainable development of Africa through a growth-enabling macroeconomic and microeconomic environment with, as its key priorities, eradicating poverty and addressing inequality; achieving gender equality and the empowerment of women; accelerating economic integration and trade through increased diversification, stronger institutions, better governance and closer engagement with the private sector and between the public and private sectors; promoting green and blue economic development paths through energy, natural resources and climate change adaptation and mitigation; expanding domestic resource mobilization as a long-term path to sustainable development finance; and forging a data-informed policy architecture;

**(e) 960 (LI) Harnessing the potential of the African Continental Free Trade Area and creating fiscal space for jobs and economic diversification**

By its resolution, the Conference requested the Commission to work in collaboration with the United Nations Conference on Trade and Development (UNCTAD) and the African Union Commission Specialized Agency for Capacity Development to support the States members of the African Union in developing national strategies to benefit from the African Continental Free Trade Area that complement the broader trade policy of each State party to the agreement establishing the African Continental Free Trade Area and in identifying the key trade opportunities, current constraints and steps required to take full advantage of the African market. It also requested the Commission to support the States members of the African Union in enhancing their fiscal space and mobilizing additional domestic resources through strengthening tax administration, improving the efficiency and effectiveness of public spending, tapping into private financing and improving the sustainability of borrowing. Furthermore, the Conference requested the Commission and other development partners to support the mobilization of resources and promote investment to facilitate the harnessing of the full benefits of the African Continental Free Trade Area;

**(f) 961 (LI) Africa Regional Forum on Sustainable Development**

By its resolution, the Conference decided formally to establish the Africa Regional Forum on Sustainable Development under the auspices of the Commission to follow up on and review the implementation of the 2030 Agenda for Sustainable Development and to act as a multi-stakeholder forum at which matters relating to sustainable development and the structural transformation priorities of Africa could be discussed. It also decided that the Regional Forum would be convened annually by the Chair of the Bureau of the Regional Forum, with the support of the secretariat of the Commission, and that its meetings would be aligned with the schedules, programmes of work and themes of the Council forum on financing for development follow-up and the high-level political forum on sustainable development. The Conference further decided that the Regional Forum would take into consideration decisions relating to sustainable development taken by the African Union, including in connection with Agenda 2063.

3. The ministerial statement is at annex 1 and the resolutions are at annex II.

## II. Work of the Commission since its fiftieth session

4. The report contains highlights of the results achieved in the domain of executive direction and management, which comprises the Office of the Executive Secretary, the Strategic Planning, Partnerships and Operational Quality Division, the Public Information and Knowledge Management Division and the business continuity mechanism. It also presents results from the nine subprogrammes of the Commission, which, together, constitute its programme of work; the results achieved in the four thematic areas of the regular programme of technical cooperation, the New Partnership for Africa's Development (NEPAD) and in the development account projects; and the results achieved by the Division of Administration. Brief consideration is also given to the challenges faced by the Commission in its work during the period and the solutions devised in an endeavour to surmount those challenges.

### Highlights of results achieved

#### A. Executive direction and management

**Expected accomplishment 1:** Enhanced coordination, planning and monitoring of the programme of work and resources thereto

##### Results achieved

5. The Office of the Executive Secretary successfully continued its policy engagement and advocacy in support of transformative and sustainable development in Africa, working across a number of regional and global platforms. The seventeenth quarterly briefing of ambassadors provided an opportunity for the ECA leadership to brief African ambassadors on the ongoing substantive activities of the Commission and the technical support being provided to member States.

6. ECA submitted and defended its proposed programme budget for the biennium 2018–2019, for programme 15, section 18; and programme 9, section 11 and section 23. The three sections were endorsed by the General Assembly in December 2017. In addition, ECA rolled out its new programme and project management manual and capacity-building programme, with the aim of, first, improving accountability and “delivering as one ECA”, through a programme approach that is integrated, coordinated, coherent and holistic; second, achieving and demonstrating strategic outcomes; and, third, enhancing staff programme management capacity. The new manual is now serving as a point of reference for standard operating procedures and programmatic requirements applicable to all programmes and projects implemented by ECA.

7. In the context of the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) commended ECA for being a pioneer in the integration of resource-tracking mechanisms among entities of the United Nations system through the development and implementation of a gender marker in its budgetary systems. This achievement is in line with resolution 2017/9 of the Economic and Social Council on gender mainstreaming, in which the Council called upon United Nations entities to adopt resource-tracking mechanisms.

**Expected accomplishment 2:** Broadened the extrabudgetary resource base through increased and predictable extrabudgetary funding

### Results achieved

8. During the reporting period, 39 new partnership agreements were signed, comprising 4 donor agreements and 35 strategic and technical agreements, of which 16 were with member States, 2 with regional economic communities, 15 with non-State entities and 2 with agencies of the United Nations system. ECA was able to mobilize extrabudgetary resources, amounting to a total of \$9.98 million. The reduction in this total is attributable to a shift in donor priorities to such areas as migration, the refugee crisis and the general rechanneling of development funding to respond to humanitarian needs.

**Expected accomplishment 3:** Reduced exposure of the Commission to risk, legal liabilities and claims

### Results achieved

9. Progress has been made in reducing the Commission's exposure to risks, legal liabilities and claims, as evidenced by the number of agreements and legal instruments reviewed during the biennium. A total of 226 agreements and legal instruments were reviewed, and 93 per cent of these were cleared and finalized in accordance with established risk reduction criteria and were deemed to contain the risk reduction clauses required. In addition, ECA resolved claims to the organization that totalled \$250,000, representing a 100 per cent reduction of the amount that had originally been claimed.

**Expected accomplishment 4:** Communications, publications, knowledge services and information and communications technology components of the Commission's subprogrammes are effectively delivered on a timely basis

### Results achieved

10. ECA achieved its goal of effectively addressing demand for minimal information and communications technology (ICT) service downtime, longer service hours and shorter time for changes, and achieved all these at reduced cost and with higher quality. This included providing effective ICT services to ECA staff members and user communities from other United Nations entities. During the past year, ECA focused on improving the quality of its support services through such measures as aligning the related processes and procedures with Information Technology Infrastructure Library (ITIL). ECA has deployed a system for the management of user and device access for improved security, which makes it possible to gain access to content and resources securely from anywhere.

**Expected accomplishment 5:** The organizational change strategies under the purview of the Public Information and Knowledge Management Division (communications, publications, knowledge management and information and communications technology) are introduced and implemented

### Results achieved

11. ECA continued to enhance its outreach and media relations, culminating in extensive coverage of its work, themes, launches and key events. Its social media presence and engagement continued to expand, and increasingly extensive coverage was provided on the website in English and in French, resulting in the tripling of the hits on the website in 2016–2017, compared with the previous biennium.

12. The recommendations contained in the ECA knowledge management strategy are being fully implemented. During the reporting period, knowledge management was integrated with the new programme and project management initiative being rolled out throughout the Commission as a means of significantly improving ECA



programme and project performance. Where publications are concerned, ECA continued to project a consistent visual identity system for all its internal and external printed and digital communications, and in enhancing the recognizability of the Commission's products.

**Expected accomplishment 6:** Policymaking organs effectively supported with communications, documentation, knowledge and information and communications technology services

#### Results achieved

13. ECA continued to ensure the uninterrupted provision of services, such as Internet, email, file sharing, voice conferencing and videoconferencing, video streaming, application development for automation, application hosting and security services for all its users and for major conferences and meetings.

**Expected accomplishment 7:** Enhanced reduction of carbon footprint for printing and publishing

#### Results achieved

14. The ECA archives and records management programme has made possible the digitization of workflows associated with the creation, management and dissemination of administrative records, thus helping to reduce duplication in physical records.

15. A print management application designed to measure printing usage was deployed, along with several automated systems aimed at helping the Commission to optimize its printing activities and to promote a paperless environment. After receiving the ISO-14001:2004 recertification in May 2016, ECA has since commenced a migration to ISO-14001:2015, the highest environmental management level, in its printing operations, with the aim of gaining full certification in September 2018.

**Expected accomplishment 8:** Enhanced quality of the Commission's knowledge products and services through improved quality assurance processes

#### Results achieved

16. ECA continued to produce its annual report on assuring quality, which takes into account ECA quality standards and assurance procedures as spelled out in the ECA quality assurance policy. ECA undertook quality reviews of selected ECA products and services, including the 2017 annual business plan, the ECA 2016 annual report, the project proposals of the Advisory Committee on Administrative and Budgetary and Financial Matters, the eighth edition of the report on assessing regional integration in Africa; the performance management dashboard; the 2017 Conference of Ministers; African Development Week; and the 2017 Africa Regional Forum on Sustainable Development.

17. In addition, reviews were undertaken of 12 country profiles for the following countries: Botswana, Burkina Faso, the Comoros, the Congo, Guinea-Bissau, Gabon, Lesotho, Namibia, Sao Tome and Principe, Sierra Leone, Togo and Zimbabwe, together with the structural transformation, employment, production and society (STEPS) profiles of five pilot countries, one from each subregion: Benin, Cameroon, Ethiopia, Morocco and Zambia. The credibility of the Commission's knowledge generation and delivery interventions was enhanced through increasingly rigorous quality reviews.

**Expected accomplishment 9:** Enhanced organizational learning and accountability through credible, reliable and useful evaluations of the Commission's programmes and projects

#### **Results achieved**

18. ECA concluded an independent evaluation of the Africa Trade Policy Centre. It was concluded that the Centre was adept and efficient in addressing its ambitious yet demand-driven interventions, that it was highly effective in leading the African Continental Free Trade Area process and in managing the implementation of the Action Plan for boosting intra-African Trade and that it was exemplary in carving out for itself a niche as a leading and recognized trade policy centre in Africa. The Clear evidence was found of the Centre's footprints in many of the common African positions, outcome documents, decisions and resolutions (some 35 in total) taken at the African ministerial level. In addition, specific shortcomings were found, including that the second phase of the Centre's project had not been entirely successful in institutionalizing a sound monitoring and evaluation system that was vital to capturing the lessons learned and informing decision-making. Its partnerships with non-governmental constituents, however, should have been better harnessed to maximize its outcomes.

19. During the reporting period, the Evaluation Section coordinated two major audits conducted by the Office of Internal Oversight (OIOS), and all recommendations emulating from these audits are diligently tracked and reported upon.

## **B. Programme of work**

### **1. Macroeconomic policy**

**Expected accomplishment 1:** Improved capacity of member States to analyse and interpret development trends and to design and implement macroeconomic policies and development plans that promote inclusive growth and structural transformation

#### **Results achieved**

20. ECA contributed to revitalizing and influencing policy decisions on planning for the 2030 Agenda for Sustainable Development and Agenda 2063 and, through policy-simulation models and dialogue platforms, to facilitating alignment and coherent integration of the both agendas into national development plans, and also to the tracking of performance against both instruments.

21. Work by ECA on the nexus between urbanization and industrialization, as detailed in the 2017 edition of the *Economic Report on Africa: Urbanization and Industrialization for Africa's Transformation*, has supported the prioritization of urban issues in national development and sector planning processes in Cameroon, Chad, Morocco, Uganda and Zambia. The policy work also informed the reformulation by Uganda of its national urban policy and by Zambia of its seventh national development plan.

**Expected accomplishment 2:** Enhanced capacity of member States to accelerate private sector development and mobilize domestic and external resources for transformative growth and development

#### **Results achieved**

22. ECA studies on the global governance architecture for combating illicit financial flows and on base erosion and profit shifting in Africa have formulated

alternative measures and policy complements for African policymakers to consider. Mozambique and South Africa have taken decisions to freeze or review double taxation agreements, while others have introduced new information technology tools to identify mispriced trade in goods.

23. ECA influenced policy on private sector development and the mobilization of domestic and external resources for development. The case studies of Botswana, Ghana and Nigeria, which formed part of the study on enhancing local entrepreneurship in Africa, encourage African policymakers to review and adopt new entrepreneurship priorities.

**Expected accomplishment 3:** Enhanced capacity of member States to adopt good economic governance practices and standards for improved public sector management and service delivery

#### **Results achieved**

24. Through the fifth edition of the *African Governance Report*, under the topic of natural resource governance and domestic resource mobilization for structural transformation, ECA advocated policy options to help African Governments to achieve a better understanding of the challenges and opportunities for good governance and to adopt appropriate policies for managing natural resource wealth and for transforming and more sustainably developing their economies and societies.

25. ECA advocated the leveraging of the African Peer Review Mechanism as a more effective tool to tackle the challenges of financing Africa's development, in particular by improving the landscape of domestic resource mobilization and public financial management.

## **2. Regional integration and trade**

**Expected accomplishment 1:** Enhanced capacity of member States and regional economic communities to develop and implement policies and programmes to accelerate industrialization, with a focus on regional infrastructure, energy, regional value chains, food security and agriculture

#### **Results achieved**

26. ECA built the knowledge base and skills of African member States and increased their capacity to develop and implement policies that encourage regional value chains and agribusiness. To that end, it produced research and cases studies on value chain analysis and trained government officials in this domain. ECA also participated in the design of a master's degree programme on industrial policies with the University of Johannesburg in South Africa. This programme will be jointly delivered with the Institute of Development and Economic Planning.

**Expected accomplishment 2:** Enhanced capacity of member States and regional economic communities to develop and implement policies and programmes in the areas of intra-African and international trade, and the creation of an environment conducive to attracting investments

#### **Results achieved**

27. ECA provided technical support and training to member States and the African Union Commission in the negotiations for the establishment of the African Continental Free Trade Area. ECA provided the draft text that was used as the basis for the negotiations. The support provided by ECA contributed to the successful conclusion by member States of the negotiations, resulting in the four main legal instruments underpinning the African Continental Free Trade Area: first, the Agreement Establishing the African Continental Free Trade Area; second, the Protocol on Trade in Goods; third, the Protocol on Trade in Services; and, fourth, the

Protocol on Rules and Procedures on the Settlement of Disputes. At the extraordinary session of the Assembly of Heads of State and Government of the African Union that was held in Kigali on 21 March 2018 to open the Agreement for signature, 44 countries signed the Agreement pending ratification through their national constitutional processes. The Agreement will enter into force following the deposit of 22 instruments of ratification with the Chairperson of the African Union Commission.

28. On investment issues, ECA assisted member States in the continuing debate on the reform of international investment agreements, thereby ensuring that these are aligned with their development objectives and national strategies. In collaboration with UNCTAD, ECA worked with four countries (the Congo, Malawi, Nigeria and Zambia) in preparing investment guides (known as “iGuides”) on investment opportunities in these countries.

**Expected accomplishment 3:** Improved capacity of member States to design and implement land policies and programmes that ensure secure gender-equitable land rights and effective and efficient use and management of land for sustainable development

#### **Results achieved**

29. ECA continued to strengthen the capacity of member States in the design and implementation of land policies and programmes. Eight member States, namely, Angola, Burundi, Côte d’Ivoire, Ethiopia, Kenya, Malawi, the Niger and Somalia, implemented land governance programmes designed in accordance with the framework and guidelines on land policy in Africa developed by ECA, the African Development Bank (AfDB) and the African Union Commission, and the voluntary guidelines on the responsible governance of tenure developed by the Food and Agriculture Organization of the United Nations (FAO). ECA supported the secretariat of the Intergovernmental Authority on Development (IGAD) in implementing a comprehensive land governance programme.

30. Working in collaboration with the African Union Commission, ECA implemented the 30 per cent campaign for women’s land rights, with a view to promoting gender equality and the empowerment of women. A ministerial dialogue session was held on key land governance issues in the context of implementing the 2030 Agenda and identified specific measures designed to strengthen women’s land rights in Africa.

### **3. Innovations, technologies and the management of Africa’s natural resources**

**Expected accomplishment 1:** Enhanced capacity of member States to nurture and harness new technologies and innovations for development

#### **Results achieved**

31. ECA continued to support African countries and the regional economic communities in their efforts to harness new and emerging technologies and innovations to meet their development aspirations. Technical and advisory services are being provided to Guinea-Bissau and South Sudan for the development of their ICT and science, technology and innovation policies, new tools for assessing and monitoring innovation performance in Africa were designed for NEPAD and a harmonized framework was devised to provide free roaming services in the Economic Community of West African States (ECOWAS) region. A senior expert dialogue was held on the theme of higher education, science, technology and innovation in support of African integration and development, and three expert group meetings were convened to assess the continent’s research infrastructure, the governance of science, technology and innovation, block-chain technologies and the impact of new developments in ICT. A review was undertaken of the World Summit on the

Information Society to monitor and sustain the African consensus on the implementation of the Summit's outcomes.

32. In addition, programmes on biomedical engineering for young innovators, led by ECA, were held in Egypt and Kenya and introduced students from 17 universities to new technologies in this domain. During the reporting period policy-relevant information was distilled from a number of knowledge products.

**Expected accomplishment 2:** Enhanced capacity of member States to formulate and implement policy reforms with a focus on the most innovative sectors to foster a green economy in the context of sustainable development and poverty eradication

#### Results achieved

33. Working in collaboration with the African Union Commission, AfDB, the Department for Economic and Social Affairs, the United Nations Environment Programme, the United Nations Development Programme (UNDP), the United Nations Population Fund, FAO and UN-Women, ECA convened the third session of the Africa Regional Forum on Sustainable Development, held in Addis Ababa from 17 to 19 May 2017, in preparation for the 2017 meeting of the high-level political forum on sustainable development. Through the Africa Forum, ECA was able to campaign for and gain consensus among member States, regional economic communities and major groups on policy options to advance integrated implementation and follow-up of the 2030 Agenda and Agenda 2063 as a policy choice and decision.

34. ECA carried out four studies, on the political economy of a green economy transition in Africa, on fostering sustainable transformation of agriculture in Africa through an inclusive green economy, on macroeconomic frameworks for an inclusive green economy in Africa and on achieving the Sustainable Development Goals in Africa through an inclusive green economy, and organized ad hoc expert group meetings and prepared knowledge products in support of evidence-based decision-making processes.

**Expected accomplishment 3:** Enhanced capacity of member States and other stakeholders to formulate and implement policies, strategies and regulatory frameworks for the management of mineral resources in line with the Africa Mining Vision

#### Results achieved

35. ECA provided advisory services and technical assistance to 21 member States, and, following those measures, a number of countries have explored and taken measures to review their mining codes and to renegotiate contracts. Continental advocacy of and debate on the impact of illicit financial flows and domestic resource mobilization generated from studies by the African Minerals Development Centre continue to take place at various levels, such as the Special Declaration by African Heads of State and Government on the report of the high-level panel; the establishment of a consortium on curbing illicit financial flows to implement the panel's recommendations; the use by the Southern African Development Community (SADC) of the Commission's work on mineral value chains to review its own mineral value chain policy and industrialization strategy; and the emergence of a regional mining-based industrialization process in the SADC region.

**Expected accomplishment 4:** Improved capacity of member States and other stakeholders to implement and integrate climate change adaptation approaches into key sectoral and national development policies, strategies and programmes to reduce vulnerability and strengthen resilience of impacts

### Results achieved

36. In supporting member States in their efforts to meet the challenges of climate change, the deployment was completed of a cloud-based, high-resolution 1km operational numerical weather prediction and early warning system, launched in 2017 and now fully operational in the Comoros, Mauritius and Seychelles. Forecasters from all three countries have been trained in its use and management. The systems provide a cost-effective and comprehensive approach to operational weather forecasting, compared with most existing and costly licence-based systems. In addition, ECA continued to build the capacity of African countries in the use of climate information and the climate information service to support poverty reduction and promote social and economic development under the Weather and Climate Information Services for Africa programme. The model for the analysis of the social and economic benefits and resulting value for money of climate information and the climate information service, which was launched in 2017, is now being customized through its application to disaster risk reduction, with a view to ensuring its enhanced uptake and encouraging investments.

#### 4. Statistics

**Expected accomplishment 1:** Strengthened capacity of member States routinely to collect, compile, store, analyse, disseminate and use official statistics and indicators in the economic, social, demographic and environmental fields to produce high-quality data, including data disaggregated by sex, for policymakers and the public in general

### Results achieved

37. The statistical development indicators methodology developed by ECA has been recognized by partners, including the International Monetary Fund and the Partnership in Statistics for Development in the Twenty-first Century, for adoption at the global level. Many member States are adopting the methodology to enhance their statistics infrastructure.

38. The integration of statistical and geospatial information will certainly benefit member States in the provision of services that are of the greatest value to users, with a specific focus on the 2030 Agenda, Agenda 2063, the 2020 round of censuses and national regional priorities. The Commission's policy influence was also reflected in the implementation of the Africa Programme for Accelerated Improvement of Civil Registration and Vital Statistics and the development of the African Programme on Gender Statistics. In particular, ECA facilitated comprehensive reviews of the Africa Programme in Benin, Chad, the Congo, Côte d'Ivoire, Madagascar, Mali and the Niger.

**Expected accomplishment 2:** Improved availability of quality and harmonized statistics for development in the Economic Commission for Africa databank

### Results achieved

39. The ECA statistical database, ECASStats, has been further revamped as an online statistical database for socioeconomic data on African countries and serves as a one-stop shop for validated data and metadata, which can be accessed free from anywhere. Recent data sets have increased the number of data points for 32 African countries. The data sets from the result of the validation meeting have been entered in the ECASStats portal and are now accessible by users.<sup>1</sup> The African Statistics Pocketbook includes harmonized data for all 54 African countries and is designed for

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<sup>1</sup> African Statistical Year Book, Available from <http://ecastats.uneca.org/asyb2017/Browsebydatatableindicators.aspx?id=28>. The ECA data portal can be accessed at: <http://ecastats.uneca.org/>.

use as a quick reference guide for social and economic issues. The publication has been disseminated to member State representatives in various workshops and to development partners.

## 5. Capacity development

**Expected accomplishment 1:** Strengthened capacity of the African Union to implement, monitor and evaluate the priorities and programmes of its organs and institutions

### Results achieved

40. ECA continued to play a constructive role in strengthening the African Union and its organs and institutions. This included the provision by ECA of functional support and technical input to high-level and statutory meetings, such as those of the African Peer Review Mechanism and NEPAD, intended to monitor and evaluate the African Union's priorities and programmes. ECA also provided sustained support to the Mechanism and to the subregional coordination mechanism as a key consultation framework for the joint planning and implementation of support to the various regional economic communities. This work takes place in the context of the Framework for a Renewed United Nations-African Union Partnership on Africa's Integration and Development Agenda 2017–2027, which was developed in a collaborative venture between the African Union and the United Nations system, as the successor to the Framework for the Ten-Year Capacity-Building Programme for the African Union (2006–2016).

**Expected accomplishment 2:** Strengthened capacity of member States' pan-African institutions, regional economic communities and intergovernmental organizations to formulate and implement sound policies and programmes for the advancement of the development agenda of Africa in the context of Agenda 2063 of the African Union and the international development agenda beyond 2015

### Results achieved

41. Upon request and in synergy with the regular programme of technical cooperation, ECA delivered strategic support to Chad, Côte d'Ivoire, Egypt, Ethiopia, Liberia, Madagascar, Nigeria, Rwanda, the Sudan, Senegal, Togo and Uganda, and regional bodies, namely, the African Union Commission, the secretariat of the African Peer Review Mechanism, IGAD, the NEPAD Planning and Coordination Agency and the Common Market for Eastern and Southern Africa (COMESA), in the context of the 2030 Agenda and Agenda 2063. This took place through a combination of advisory services, technical assistance and policy dialogues in the thematic fields of development planning and statistics, regional integration, industrialization and trade, economic and social development, governance and conflicts, and natural resources management.

## 6. Gender and women in development

**Expected accomplishment 1:** Enhanced capacity of member States and regional economic communities to implement and report on progress on gender equality and women's empowerment and in addressing emerging issues that have an impact on women and girls

### Results achieved

42. In the current biennium, the African Gender and Development Index was rolled out in 20 countries. In its response to this initiative, the Cabinet of Mauritius underscored that the Index offered a critical mechanism for measuring the comparative status of women and men in the social, economic and political spheres. The findings of the Index informed the discussions held during the third session of the

Africa Regional Forum on Sustainable Development and the second session of the Committee on Gender and Social Development. The Index was also used to inform the African gender scorecard. Policy briefs and gender outlooks were produced and used to inform the work of member States on gender equality and women's empowerment.

**Expected accomplishment 2:** Strengthened capacity of member States and regional economic communities to mainstream gender and women's concerns into national policies and programmes

#### **Results achieved**

43. ECA strengthened the capacity of member States to mainstream gender into national policies through its knowledge products on women's rights to social protection in Africa, covering Chad, Kenya, Mauritania, Namibia and Senegal. The report on women's economic empowerment, "Boosting female entrepreneurship in Africa", likewise covered five countries, namely, Cameroon, Egypt, Ethiopia, Mali and Swaziland. In addition, the African Centre for Gender provided technical support and advisory services to the government of Zanzibar in its endeavour to mainstream Sustainable Development Goal 5 into its development strategy, and gender mainstreaming support to the Government of Mauritania. In addition, it organized the training of more than 20 middle-level and senior officers from various ministries in the mainstreaming of gender into their national development plans.

### **7. Subregional activities for development**

#### **(a) North Africa**

**Expected accomplishment 1:** Enhanced capacity of member States in the North Africa subregion to produce and disseminate quality and timely data for evidence-based planning, policymaking and improved economic management at the national and subregional levels

#### **Results achieved**

44. ECA strengthened the capacity of national institutions in Egypt, Morocco and the Sudan through field missions that focused on producing country profiles which involved the review of primary sources used and methods of data collection, and capacity development to improve the availability, quality and analysis of statistical data. The country profiles were validated by partner institutions and were disseminated widely.

45. In addition, ECA initiated a tripartite cooperation venture with the national statistics office of Mauritania and the High Commission for Planning in Morocco, with the aim of implementing the 2008 national account system in Mauritania by introducing a new base year and methods to ensure that gross domestic product measurements were more comprehensive. ECA also contributed to a regional workshop that enabled the Central Agency for Public Mobilization and Statistics of Egypt to use tablet-style computers to collect and disseminate data relating to price index calculation.

**Expected accomplishment 2:** Enhanced capacity of member States in the North Africa subregion to address economic, social and environmental regional and subregional development issues in the region and subregion in collaboration with the Arab Maghreb Union and enhanced subregional cooperation and dialogue among member States



### Results achieved

46. ECA organized the seventh North Africa Development Forum, on the theme of governance, structural transformation and sustainable inclusive development, followed by an international colloquium in Rabat. The fourth annual consultative meeting of the subregional coordination mechanism for North Africa, on the theme of promoting regional initiatives in support of the achievement and monitoring of the Sustainable Development Goals in North African countries in the context of the 2030 Agenda and Agenda 2063, was held during the first quarter of 2018. The meeting facilitated the sharing of information on current and future regional initiatives undertaken by partners in support of the achievement of the Goals.

47. In addition, the first report on the achievement of the Sustainable Development Goals in the Maghreb countries (Algeria, Mauritania, Morocco and Tunisia) was completed in collaboration with the secretariat of the Arab Maghreb Union and presented during a regional workshop. In the report, the progress achieved is assessed, the main challenges are identified and guidance is provided for the development of a regional road map to assist member countries in promoting regional solutions to achieve the Goals.

### (b) West Africa

**Expected accomplishment 1:** Enhanced capacity of member States in the West Africa subregion to produce and disseminate quality and timely data for evidence-based planning, policymaking and improved economic management at the national and subregional levels

### Results achieved

48. ECA, in collaboration with the national statistics offices of some member States of the subregion, namely, Burkina Faso, Cabo Verde, the Gambia, Ghana, Guinea Bissau, Nigeria, Sierra Leone and Togo, international non-governmental organizations and regional economic communities, produced eight country profiles for these member States. In addition, as part of its efforts to reinforce the capacity of the national statistics systems of ECOWAS member States to compile and make available development information on their economic and social profiles, the Subregional Office for West Africa provided substantial support to Côte d'Ivoire, Guinea, Guinea-Bissau, the Niger and Senegal in the formulation of their long-term development plans, with a time frame of 25 to 30 years and in the context of the 2030 Agenda and Agenda 2063.

49. ECA also launched campaign initiatives to promote its think tank knowledge products. High-level policy dialogues helped to trigger the debate on such issues as untapped energy sources in Nigeria, regional integration and social inclusion in Ghana and issues of security and development in the Sahel region.

**Expected accomplishment 2:** Strengthened capacity of West African member States, regional economic communities and intergovernmental organizations to accelerate the implementation of subregional initiatives in support of their development efforts

### Results achieved

50. In collaboration with the regional team of the United Nations Development Group and the United Nations Office for West Africa and the Sahel, ECA is contributing to the preparation of a revised version of the United Nations integrated strategy for the Sahel through consultations with 10 of the countries participating in the initiative, namely, Burkina Faso, Chad, Cameroon, the Gambia, Guinea, Mali, Mauritania, the Niger, Nigeria and Senegal. Under the coordination of the Subregional Office for West Africa and in collaboration with other entities, such as the Subregional Office for North Africa and ECOWAS, ECA conducted a study on the implications

of the bid by Morocco to join ECOWAS, which guided the decisions of the Heads of State during the thirtieth ordinary session of the African Union Assembly of Heads of State and Government, from December 2017 to January 2018. The Subregional Office for West Africa participated actively in meetings of the United Nations Development Group and the subregional coordination mechanism, at which, among other contributions, it helped to coordinate the mapping of the subregion's priorities.

(c) **Central Africa**

**Expected accomplishment 1:** Enhanced capacity of member States in the Central Africa subregion to produce and disseminate quality and timely data for evidence-based planning, policymaking and improved economic management at the national and subregional levels

**Results achieved**

51. ECA continued its efforts to assist member States in producing and disseminating high-quality and timely data for evidence-based planning and policymaking. The findings from country profiles triggered high-level policy dialogues in Cameroon, Chad, the Congo and Gabon. This demonstrated the ability of the Subregional Office for Central Africa meaningfully to engage member States, the regional economic communities and others stakeholders in the search for credible pathways and policy options to structurally transform the economies in the region. The development perspectives shared during the policy dialogues have been translated into policy instruments of the beneficiary countries. In its effort to build the capacities of national statistics offices, ECA helped Gabon, as a pilot country, to use mobile technologies for data collection in civil registration area, with a view to setting up a system to centralize data on births and deaths collected in health facilities and registry offices in order to produce useful statistics for decision-making.

52. To mainstream the 2030 Agenda and Agenda 2063 into national development plans, ECA assisted Cameroon and the Congo with training courses and workshops designed to identify challenges, raise awareness on the substance of the two agendas, enhance understanding of links between the agendas and national priorities and provide countries with practical approaches and tools enabling them to integrate the agendas into their national development plans and strategies.

**Expected accomplishment 2:** Strengthened capacity of member States, the Central African Economic and Monetary Community and the Economic Community of Central African States to accelerate implementation of regional and subregional initiatives

**Results achieved**

53. Continuing its efforts in support of the regional economic communities of the Central Africa subregion, ECA provided support, for example, to the Central African Economic and Monetary Community (CEMAC) in the formulation and finalization of the economic and financial reform programme that was adopted by the community to address macroeconomic unbalances in the CEMAC area following the 2014 oil price shock. Efforts by ECA to promote regional integration contributed to the adoption by the Central Africa Heads of State on 31 October 2017 of the measure on the free movement of people in the CEMAC area. Furthermore, through ECA support, CEMAC and the Economic Community of Central African States (ECCAS) have adopted a range of significant free-trade instruments, including the CEMAC-ECCAS certificate of origin, the list of documents required for applications for the CEMAC-ECCAS preferential tariff, the product origin verification form and the procedure for applying for the CEMAC-ECCAS preferential tariff, which will potentially facilitate the implementation of the African Continental Free Trade Area.

54. ECA also supported efforts to rationalize and strengthen the programmatic focus of the subregional coordination mechanism for United Nations system-wide support to the African Union and its NEPAD Programme, in line with the priorities and needs of the regional economic communities and member States in Central Africa. This endeavour resulted in the adoption, in November 2017, of 12 flagship programmes in four outcome areas, namely, structural transformation for inclusive and sustainable economic development; market access and insertion in value chains; the improvement of human and social conditions; and the promotion of governance, peace and security.

**(d) East Africa**

**Expected accomplishment 1:** Enhanced capacity of member States in the East Africa subregion to produce and disseminate quality and timely data for evidence-based planning, policymaking and improved economic management at the national and subregional levels

**Results achieved**

55. ECA finalized and published four country profiles for countries of this subregion, namely, Kenya, Rwanda, Uganda and the United Republic of Tanzania. The country profiles were presented at the fiftieth session of the Conference of Ministers, held in Dakar in March 2017. Country profiles for the Democratic Republic of the Congo, Seychelles and South Sudan have also been finalized and await presentation in those countries. A subregional profile was finalized and presented during the meetings of the intergovernmental committee of experts, in Moroni in November 2017, and of the subregional coordination mechanism, in Djibouti in October 2017. Furthermore, market access studies for Gabon and Nigeria were requested by the Government of Rwanda, following its decision to rejoin the ECCAS region and high-level engagement between it and the senior management of ECA.

**Expected accomplishment 2:** Strengthened capacity of East African member States and regional organizations to implement subregional initiatives in support of the development priorities of the subregion

**Results achieved**

56. ECA continued to support priority areas, including the blue economy, sustainable tourism and energy security, through such measures as the IGAD regional tourism meeting held in Djibouti from 21 to 23 August. The meeting provided an opportunity to link the sustainable tourism master plan to the emerging global and continental development agendas, in particular the 2030 Agenda and Agenda 2063.

57. ECA organized a two-phase technical training course for experts and government officials from member States in the field of energy demand and supply planning and management and financial planning for energy supply expansion. It also supported Madagascar in its efforts to align its national mining strategy with the African Mining Vision and the development of a national strategic framework on the blue economy, based on the ECA publication *Blue Economy Policy Handbook for Africa*.

58. As the entities providing secretariat services for the subregional coordination mechanism for Eastern and Southern Africa, the Subregional Office for Southern Africa and the Subregional Office for East Africa, in collaboration with IGAD, convened the annual meeting of subregional coordination mechanism stakeholders in in Djibouti in December 2017. That meeting provided a forum for regional economic communities, intergovernmental organizations and entities of the United Nations system to engage in dialogue on refocusing the mechanism for the coordinated delivery of support to regional economic communities and awareness-raising about the 2030 Agenda and Agenda 2063 for policy mainstreaming purposes. Consensus

emerged that the regional economic communities and intergovernmental organizations should designate focal persons to anchor the processes of the subregional coordination mechanism and that a task force should be set up to take stock of recent and current reforms of the African Union and the United Nations and should consider their implications for the focus of the subregional coordination mechanism.

(e) **Southern Africa**

**Expected accomplishment 1:** Enhanced capacity of member States, the Common Market for Eastern and Southern Africa and the Southern African Development Community to produce and disseminate quality and timely statistics for evidence-based planning, policymaking and improved economic management at the national and sub regional levels

**Results achieved**

59. ECA produced and disseminated country profiles for all 11 member States of the subregion under its jurisdiction. Country profiles for Angola, Malawi, Mauritius, Mozambique, South Africa and Swaziland were launched in 2017, while those for Botswana, Lesotho, Namibia, Zambia and Zimbabwe were ready for dissemination in 2018. Using the campaign approach, ECA organized public events to launch the profiles, thereby generating enthusiasm for the publication. As a result, the country profiles have continued to emerge as useful tools and credible sources of data for evidence-based policy engagement and dialogue on key development issues, including economic transformation.

**Expected accomplishment 2:** Strengthened capacity of the Southern African member States, the Common Market for Eastern and Southern Africa and the Southern African Development Community to accelerate implementation of subregional initiatives in support of their development efforts

**Results achieved**

60. The Subregional Office for Southern Africa supported several initiatives that contributed to strengthening the capacity of member States and regional economic communities for policy formulation and implementation, including the policy seminar held in Johannesburg in April 2017; a lively policy debate on the role of China in fostering regional integration vis-à-vis the SADC industrialization strategy; support for a joint subregional initiative by the African Union Commission, SADC and COMESA to agree on a coordination framework on the ratification, incorporation and implementation of legal instruments; assistance for the establishment of the SADC information and communication technologies observatory, a central platform for information and communication technologies indicators that enhances the role that such technologies play in catalysing regional integration; and support for the trade facilitation forum of the Port Management Association of Eastern and Southern Africa (PMAESA), held in Lusaka in June 2017, which motivated the Government of Zambia to undertake a comprehensive cross-sector assessment aimed at ensuring policy alignment for enhanced trade facilitation.

**8. Development planning and administration**

**Expected accomplishment 1:** Enhanced capacity of member States for results-oriented development planning, including long-term visioning, sectoral policy design and planning, urban and regional planning and decentralized planning

**Results achieved**

61. Working through the African Institute for Economic Development and Planning, ECA organized 11 skills workshops for 410 African public officials, 108,

or 26 per cent, of whom were women, from 50 countries in the formulation, analysis, implementation and monitoring and evaluation of sustainable and inclusive development planning. A recent impact tracer study has demonstrated that participants from 39 countries have made use of the skills, knowledge and tools gained from the workshops to spearhead improvements in development planning in their countries, in line with the training objectives. The workshops covered such issues as data analysis and macroeconomic modelling for development planners, social policy, agricultural policy, domestic resource mobilization, transport and infrastructure, energy planning, governance and development, and gender-related matters.

**Expected accomplishment 2:** Strengthened capacity of member States to develop and deploy better approaches to economic policy formulation, management, monitoring and evaluation

#### Results achieved

62. The African Institute for Economic Development and Planning provided 10 skills workshops for 234 African public officials, 81 of whom, or 35 per cent, were women, from 47 countries in the formulation, analysis, implementation, monitoring and evaluation, and negotiation of a number of economic policy-related issues. A recent impact tracer study has demonstrated that participants from 39 countries have made use of the skills, knowledge, and tools gained from the workshops to spearhead improvements in economic policy management in their countries, in line with the training objectives. The workshops covered such issues as trade policy and negotiations, industrial policy, drafting minerals contracts and negotiations, minerals governance, the green economy and gender-responsive economic policy management. In addition, 10 students completed the two-year master's degree in industrial policy offered by the University of Johannesburg and the Institute.

### 9. Social development policy

**Expected accomplishment 1:** Increased capacity of member States to mainstream social development concerns into policies and strategies, with particular emphasis on the demographic dividend and related components, including employment, social protection, population, youth and ageing issues, including their gender dimensions

#### Results achieved

63. ECA collected national and subnational data and computed the African Social Development Index in 12 member States, namely, Benin, Burkina Faso, Cabo Verde, Chad, Cameroon, Gabon, the Gambia, Ghana, Sao Tome and Principe, Senegal, Sierra Leone and Togo. This has, in turn, generated demand for additional technical assistance in Cabo Verde and Gabon, among other countries. ECA also documented best practices on policies and programmes for young people, using data and case studies from Botswana, Ethiopia, Kenya, Mozambique, Nigeria and Sierra Leone, and these will benefit countries that would like to reference or replicate similar initiatives. In addition, ECA facilitated the successful launch and inaugural meetings of the high-level panel on migration in June 2017 and January 2018, respectively. The subprogramme successfully facilitated consultations on the global compact for safe, orderly and regular migration, with a view to providing African input to the compact.

**Expected accomplishment 2:** Strengthened capacity of member States to improve or reform urban policies and programmes that support inclusive development, with a particular focus on increased employment, economic opportunities and enhanced livelihoods, including the integration of urban policies in national development programmes

### **Results achieved**

64. Work by ECA in Cameroon, Chad, Morocco, Uganda and Zambia created knowledge and fostered commitment to the strategic integration of urbanization in national development and sector planning. ECA informed the formulation of the seventh national development plan of Zambia and the national urban policy recently launched by Uganda. In addition, through the 2017 Economic Report on Africa, a large number of countries resolved to integrate urbanization into national development and requested further technical assistance with their efforts to interconnect urbanization, industrialization and structural transformation policies. An e-learning course was successfully delivered to 156 policymakers and decision-makers on urbanization and industrialization. In addition, the compilation and application of urban data in policies were supported through a methodological guide informed by more than 30 countries, which provided a foundation for the follow-up and review of Sustainable Development Goal 11 and the New Urban Agenda in Africa.

## **C. Technical cooperation**

### **1. Regular programme of technical cooperation**

#### **(a) Macroeconomic policy**

**Expected accomplishment 1:** Strengthened capacity of national policymakers to design and implement appropriate macroeconomic policies and strategies that are cross-sectorally congruent and contribute to achieving inclusive growth and sustainable development

**Expected accomplishment 2:** Increased awareness and knowledge of policy options and their implications

### **Results achieved**

65. In order to further their awareness of and knowledge on appropriate macroeconomic options and their implications, requesting Governments and regional economic communities used ECA advisory services for policymakers to improve the design and implementation of sustainable and equitable growth-oriented policies and strategies in the context of the Sustainable Development Goals. These included Djibouti, Ethiopia, the Gambia, Ghana, Kenya, Somalia, South Sudan, the Sudan, Zimbabwe and the IGAD secretariat.

66. ECA also made use of its knowledge generation to support mandated strategic initiatives in the areas of curbing illicit financial flows and promoting domestic resource mobilization, while formulating recommendations on tackling the scourge of the unemployment of young people, in coordination with the high-level panel on migration. Furthermore, the Regional Coordination Mechanism for Africa was also used as a joint platform with the African Union, its member States and the regional economic communities to address the issue of population growth and its linkages to economic growth and poverty reduction.

#### **(b) Regional integration and industrialization**

**Expected accomplishment 3:** Improved capacities to formulate, implement and manage industrial policies and agreements and their linkages to export development strategies with a view to achieving more effective participation in the global economy and economic transformation

**Expected accomplishment 4:** Strengthened capacity of policymakers to assess the impact of industrial policy on other areas of development, particularly on economic growth and development as well as regional integration

#### **Results achieved**

67. ECA supported strategic initiatives such as the mid-term reviews on the Programme for Infrastructure Development in Africa, the Continental Free Trade Area and the African Growth and Opportunity Act through advocacy and the development of policy options to respond to external industrial factors impinging on the formulation, implementation and management of industrial policies and agreements. To that end, ECA also helped to strengthen the capacity of policymakers in the area of negotiations on trade agreements, with the aim of ensuring improved terms of engagement with the rest of the world.

68. Working in collaboration with the Economic and Social Commission for Western Asia, ECA prepared a study on the new tariff reform in Tunisia, with a view to showcasing the impact and compatibility of the reform process with current initiatives such as the Action Plan for Boosting intra-Africa Trade, the African Continental Free Trade Area, the Greater Arab Free Trade Area and the Arab Customs Union.

69. ECA provided support to SADC in the formulation and subsequent implementation of its 2015 industrialization strategy and road map. The road map was considered by the SADC ministerial task force, which also reviewed the status of implementation of the COMESA-East African Community-SADC Tripartite Free Trade Area agreement and preparatory work on the commencement of the African Continental Free Trade Area negotiations. Both initiatives received technical support from ECA.

#### **(c) Development planning**

**Expected accomplishment 5:** Strengthened capacity of member States for better development planning and the formulation of policies and approaches

**Expected accomplishment 6:** Enhanced capacity of member States of the Economic Commission for Africa for better economic policy formulation, analysis and management

#### **Results achieved**

70. ECA has supported various African countries in the incorporation into their national laws of the Sustainable Development Goals and responded to requests from Cabo Verde, Egypt and Gabon for assistance in the mainstreaming of the Goals and updating of planning and policy modelling tools, and in strengthening national statistics systems. It also responded to requests for support with accountability frameworks in national planning from Benin, Burkina Faso, Cameroon, the Congo, Egypt, Kenya, Liberia, Nigeria, the Sudan, Togo, Uganda and Zambia. Ethiopia is also a recipient of technical support from ECA for the country's Sustainable Development Goals roll-out plan, delivered in line with the "Delivering as one" initiative through intervention within the United Nations country team.

71. In addition, ECA assisted various countries in the formulation of strategic policies, such as the Benin national development plan; the Guinea Vision 2040; and the East African Community Vision 2050. ECA also provided comparable support to the Governments of Liberia, the Niger and Zambia.

(d) **Natural resources and sustainable development**

**Expected accomplishment 7:** Enhanced capacities of member States and regional organizations to formulate, implement and monitor sustainable development policies and strategies, with particular emphasis on supporting natural resources development and management

**Expected accomplishment 8:** Enhanced capacity of member States to formulate and implement policy reforms and negotiate natural resources exploitation contracts to enable member States to realize fuller benefits from the mineral sector

**Results achieved**

72. With a view to enhancing the capacities of member States and regional organizations to formulate, implement and monitor policies in natural resources development and management, ECA provided support to Chad, Djibouti, Madagascar, Rwanda, Togo, Uganda and Zimbabwe, and the East African Community in the field of the blue economy, encompassing, among other activities, mining, energy resources, fisheries and marine life, tourism and maritime transportation and trade, along with a number of other development sectors. Among the notable accomplishments in this area was the support furnished to Chad in the drafting and then adoption of the country's mining and policy codes aligned with to the principles of the African Mining Vision and the development objectives of Chad, in order for the country to benefit more fully from its mineral sector.

73. In pursuing its strategy to use its knowledge products to push for coherence and evidence-based policies that could enhance the capacities of member States to formulate, implement and monitor strategies and policy reforms, ECA produced and disseminated a number of studies on subregional conflicts in the context of natural resources exploitation. These studies also helped to drive home the importance of conflict prevention and sustainable development as mutually reinforcing concepts.

74. In furtherance of its contribution to Africa's transformative agenda in the context of the 2030 Agenda and Agenda 2063, ECA commenced implementation of its new fellowship framework in 2017. This is a cross-cutting programme that covers all four thematic areas of the regular programme of technical cooperation, with a view to building a critical mass of experts in Africa that can serve as a resource for formulating, implementing and monitoring development activities within the continent. The aim is to ensure that at least one fellowship is awarded annually for each of the Commission's 54 member States. The pioneer cohort of 30 fellows<sup>2</sup> finished their first six-month contract on 31 March 2018. They provided substantive support to the work of ECA divisions and policy centres<sup>3</sup> and, in the process, produced 30 research papers, most of which are still in the draft stage. Upon its conclusion, this programme will have strengthened the capacities of member States to design and implement appropriate policies and strategies that are cross-sectorally congruent and contribute to achieving inclusive growth and sustainable development.

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<sup>2</sup> From the following countries: Algeria, Benin, Botswana, Burkina Faso, Cameroon, Chad, the Congo, Côte d'Ivoire, the Democratic Republic of the Congo, Egypt, Ethiopia, Kenya, Malawi, Mali, the Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, the Sudan, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe.

<sup>3</sup> African Centre for Statistics; African Climate Policy Centre; African Institute for Economic Development and Planning; African Minerals Development Centre; African Trade Policy Centre; Capacity Development Division; Division of Administration; Land Policy Initiative; Macroeconomic Policy Division; Regional Integration and Trade Division; Social Development Policy Division; Special Initiatives Division; and the subregional offices for Central Africa, East Africa, North Africa, Southern Africa and West Africa.



## 2. NEPAD Planning and Coordination Agency

**Expected accomplishment 1:** Enhanced coherence, coordination and cooperation among United Nations agencies and organizations in support of the African Union and its New Partnership for Africa's Development programme at the regional and subregional levels

### Results achieved

75. ECA continued to foster the cooperation, coordination and coherence of agencies and organizations of the United Nations system at the regional and subregional levels in support of the African Union and its NEPAD programme. As the lead entity of the secretariat of the Regional Coordination Mechanism for Africa, ECA convened the eighteenth session of the Mechanism, which helped to build consensus on the Mechanism's work programme in support of the African Union's implementation of the 2030 Agenda and Agenda 2063, in particular through an implementing mechanism for the Framework for Renewed United Nations-African Union Partnership on Africa's Integration and Development Agenda 2017–2027. In addition, and in the spirit of the 2016 quadrennial comprehensive policy review of operational activities for development of the United Nations system, for the first time the session was held in part with that of the regional team of the United Nations Development Group.

**Expected accomplishment 2:** Enhanced capacity of regional and subregional organizations, in particular the African Union, the Planning and Coordination Agency of the New Partnership for Africa's Development and the regional economic communities to design, implement and monitor their programmes

### Results achieved

76. Following the practice of the Regional Coordination Mechanism for Africa, at its annual sessions, the subregional coordination mechanism identified opportunities for the joint planning, implementation and monitoring of development programmes at the subregional levels, together with the regional economic communities, intergovernmental organizations and agencies of the United Nations system, with a view to working together in a coordinated manner so as to generate economies of scale and to maximize impact. In synergy with the regular programme of technical cooperation, ECA delivered support to regional and subregional bodies, such as the African Union Commission, ECOWAS, IGAD, COMESA, the NEPAD Planning and Coordinating Agency and the consortium of stakeholders, to stem illicit financial flows, through the provision of advisory services and technical assistance and the conduct of policy dialogues in the thematic fields of regional integration, infrastructure development and trade, and economic and social development, as well as those of conflicts and natural resources management.

## 3. United Nations Development Account

### (a) Projects under tranche 9: Supporting Member States in designing and implementing strategies and policies towards sustainable, equitable and inclusive development

**Project title:** Strengthening the capacities of African Governments to negotiate transparent, equitable and sustainable contracts in extractive industries for broad-based sustainable growth and socioeconomic development

77. Working through the African Minerals Development Centre, ECA provided hands-on training to hundreds of officials and artisanal and small-scale mining operators, enabling them to reap the benefits of the minerals sector for sustainable development. As a result, seven member States, namely, Burkina Faso, Chad, the Congo, the Democratic Republic of the Congo, Equatorial Guinea, Malawi and the Niger, established new structures and mechanisms for contract negotiations, including

the review of their mineral codes. At the same time, country-level dialogue on contract negotiations was stepped up among multi-stakeholders. In addition, three major knowledge products were developed, namely, a study on assessing skills in the mining sector in SADC; a brief on strategic views on contract negotiations, presented at the negotiation support forum held under the Group of Seven initiative on strengthening assistance for complex contract negotiations (G-7 CONNEX Initiative); and a collaborative framework with UNDP on developmental minerals (i.e., minerals and materials that are mined, processed, manufactured and used domestically in industries such as construction, manufacturing, and agriculture),<sup>4</sup> with the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development and the Minerals and Energy for Development Alliance on transfer pricing.

**Project title:** Strengthening Member States' capacities in designing and implementing strategies and policies for inclusive and sustainable cities in Africa

78. The results and outcomes of the ninth tranche of the Development Account, on improved design and implementation of equality-based public policies, were informed by the country studies of Côte d'Ivoire and the United Republic of Tanzania, demonstrating the policy relevance of non-monetary inequalities. This resulted in the production of a toolkit that builds on the country results and other findings and helps to build the capacities of member States and other stakeholders to formulate improved equality-based public policies. The project also contributes substantially to building the capacity of African countries to tackle inequality, in line with the 2030 Agenda.

**Project title:** Promoting equality: strengthening the capacity of select developing countries to design and implement equality-oriented public policies and programmes

79. The persistence of high inequality in Africa has generated a debate on the monetary aspect (expressed as the Gini coefficient) of the distribution of income. This tranche of the Development Account focused both on monetary inequality and on the inequality of opportunity in public policies and the driving forces behind those inequalities. The two countries selected in Africa were Côte d'Ivoire and the United Republic of Tanzania, with the aim of reflecting the continent's linguistic diversity and variations in inequality measures. The two studies have been successfully concluded, and a toolkit on the improved design of mainstreaming equity in public policies is a significant outcome of this tranche of the Development Account. The project has also made an equally important contribution by building the capacity of African countries to tackle inequality, in line with the 2030 Agenda.

**Project title:** Strengthening the capacity of Governments in the Economic and Social Commission for Asia and the Pacific, Economic Commission for Africa and Economic and Social Commission for Western Asia regions to respond to the needs of youth in formulating inclusive and sustainable development policies

80. The online Youth Policy Toolbox was developed, showcasing 30 best-practice projects on school-to-work transition that were being implemented in Angola, Botswana, the Gambia, Kenya, Liberia, Madagascar, Mali, Mozambique, Nigeria, Rwanda, Sierra Leone, Togo, Zambia and Zimbabwe. The toolbox is a repository of knowledge, experience and good practice, designed to provide policymakers with a comprehensive resource facility for developing inclusive and responsive policies for young people. It strives to engage the participation of a range of stakeholders and thereby increase the store and diversity of knowledge and views.

**Project title:** Strengthening capacity for policy analysis, forecasting and development planning in selected African countries

81. The implementation of an ECA-wide forecasting model for Africa was launched, and the model is expected to be rolled out in the coming years to the rest of

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<sup>4</sup> As defined by the Development Minerals Programme of the African, Caribbean and Pacific countries and the European Union. Available from <http://developmentminerals.org/index.php/en/>.

the continent. The model has been formulated and further refined during the period under review and is aimed at enhancing policy development and planning among African countries. ECA initiated the process of implementing and popularizing the model in Burundi, Djibouti, Egypt and Ethiopia and expects to finalize it and transfer it to other countries soon.

**Project title:** Strengthening the capacity of African leaders to use mobile technologies to collect data for effective policy and decision-making

82. ECA has implemented pilot projects in 11 countries on the use of mobile devices for statistical data collection from the Development Account project. In the first phase of the project, Cameroon, Ethiopia, the Gambia, Kenya, Tunisia and Zimbabwe conducted surveys using tablets. In the second phase, the project assisted Egypt, Gabon, Lesotho, Mali and Uganda in using mobile devices for statistical data collection to encourage people to complete survey questionnaires themselves, following the self-enumeration approach. These 11 countries now have locally developed guidelines and software applications for the use of mobile technology for data collection. Local partnerships have been established at the national level, under which national statistics offices in all project countries are working with local training and research institutions.

**Project title:** Strengthening the capacity of the African Peer Review Mechanism countries to conduct effective self-assessment and implement their national plans of action

83. Under the African Peer Review Mechanism Development Account, external reviews were prepared for Liberia and Uganda and tailor-made training courses were administered to hundreds of African Peer Review Mechanism stakeholders, from such countries and regions as Algeria, Chad, Côte d'Ivoire, Equatorial Guinea, the Gambia, Namibia, Senegal, Somalia, Somaliland, the Sudan and the United Republic of Tanzania. Those courses enabled them effectively to launch the Mechanism's self-assessment exercise, encouraged their accession, ensured an inclusive and competent process through consultations between the executive and citizens and helped to harmonize their national programme of action for the Mechanism with their national development strategies. As a result, the Sudan and Uganda were peer-reviewed in January 2018 by the Assembly of Heads of State and Government of the African Union, the Gambia acceded to the process, Côte d'Ivoire completed its self-assessment, Egypt launched its national process and Zanzibar validated its first progress report, which was integrated into the federal progress report of the United Republic of Tanzania. In addition, Liberia finalized its external country review report. ECA also produced the Mechanism's continent-wide monitoring and evaluation system, which is aligned with the monitoring and evaluation frameworks of the 2030 Agenda and Agenda 2063 and an e-learning manual on the harmonization of national plans for the Mechanism with national development strategies.

**(b) Projects under Development Account tranche 10: Supporting member States in implementing the post-2015 development agenda: strengthening statistics and data, evidence-based policies and accountability**

**Project title:** Strengthening of the capacities of African Governments to integrate accountability in development planning

84. Scoping missions to the five pilot countries, namely, Benin, Cameroon, Egypt, Kenya and Zambia, were successfully planned and carried out. The scoping missions concluded a series of high-level meetings with relevant stakeholders, such as ministries of development planning and statistics, at the national and regional levels, members of civil society organizations and other stakeholders. The mission also identified and established focal points to provide liaison between pilot countries and

the Development Account project team. The project also produced nine inception reports and six case studies, which lay the foundation for the development of national strategies for the five pilot countries. Benin and Zambia are currently in the process of developing national strategies on the basis of the recommendations from the case studies.

**Project title:** Aligning the 2030 Agenda for Sustainable Development with planning frameworks in Africa

85. ECA has engaged policymakers in aligning their national development plans with the 2030 Agenda and Agenda 2063 with the use of the Commission's integrated planning and reporting toolkit. Technical interventions were mounted in four of the original pilot countries (Cameroon, Morocco, Rwanda and Zambia) and two additional countries (the Congo and Uganda) that had requested support from ECA. Capacity-building workshops on the application of the toolkit were held in the Congo and Uganda in 2017 and in Cameroon in 2018. The national development plans and results frameworks for Ethiopia, the Gambia and Sierra Leone were also reviewed for alignment with the two agendas. The results frameworks of the national development plans are integrated into the toolkit to facilitate alignment with the 2030 Agenda and Agenda 2063 and to support progress monitoring. Policy modelling formed part of the training measures undertaken in Cameroon and Uganda, which helped to foster a better understanding of the requirements for effective adaptation of the two agendas in national development plans and to prioritize public investment.

**Project title:** Collecting and compiling natural capital accounts as a metric for sustainable development

86. ECA conducted an e-training course on the construction and production of supply-use tables and environmentally extended supply-use tables, which helped to raise the awareness and strengthen the technical capacity of 30 member States in the methodologies, techniques and applications of natural capital accounts. From these countries, five will be selected to undergo further technical training in data collection, compilation, analysis and dissemination. In turn, this will contribute to a set of critical statistics and indicators for measuring, monitoring and reporting on the Sustainable Development Goals, including Goal 6, on clean water and sanitation; Goal 7, on affordable and clean energy; Goal 9, on industry, innovation and infrastructure; Goal 12, on responsible, consumption and production; Goal 13, on climate action; and Goal 14, on life below water. Through the implementation of the project, ECA is working with the countries involved to support the adoption and application of one of the most important international statistical standards, namely, the System of Environmental-Economic Accounting-2012.

**Project title:** Better monitoring of social protection in Africa

87. Under the region-wide project on the better monitoring of social investment, Kenya and Nigeria have delivered the first part of their country studies. These studies have led to the production of knowledge products and policy engagement with member States through a policy brief entitled, "Monitoring of social investments: Are spending targets useful?" The relevance of the policy brief has been acknowledged by 82 per cent of experts, and 80 per cent have recognized the usefulness of the key results for policy. The Kenya country report will be disseminated in partnership with the Kenyan Institute for Public Policy Research and Analysis, which is keen to collaborate with ECA to extend this work. The project has also assisted in the preparation of a chapter on the financing of social assistance in the report on state of social protection in Africa, jointly prepared with UNDP. Collaboration with UNDP and other partners has enhanced outreach by ECA with research institutes and its contribution has been acclaimed by international experts.

## D. Programme support

**Expected accomplishment 1:** Efficient and effective administrative and financial support to the Commission and its subregional offices through human resource, financial management, central support services and Umoja

### Results achieved

88. During the reporting period, ECA further streamlined its administrative and finance operations, by maximizing the benefits of the Umoja system, which include increased operational effectiveness and timeliness, improved accountability, enhanced transparency, better internal controls and reduced manual effort. Staff training and development programmes contributed to enhancing staff skills and competencies for effective implementation of the Organization's mandate and helped staff members to develop their careers.

89. In addition, ECA received an unqualified audit report for its compliance with the International Public Sector Accounting Standards, the key initiative in its business transformation process. With regard to the use of the Conference Centre at ECA, the Commission increased its average occupancy rate from 84 per cent in the previous biennium to 89 per cent in 2017. It also completed the design phase of the main renovation work and conservation of art works for the African Hall project.

### Challenges

90. The region faced major political, social and economic challenges, in addition to environmental risks, that have, in some cases, sparked instability. The member States required immediate and practical solutions for a development approach that improves governance, advances structural changes, reduces social pressure and promotes environmental sustainability.

91. Member States continued to be challenged in their ability to respond to emerging policy issues at the continental and global levels. This was compounded by data gaps due to weaknesses in national statistics systems and the limited prioritization of the collection of the statistics needed to inform policy options and ensure adequate progress in reporting against national development plans and other international and regional development frameworks.

92. The insufficient and unreliable flow of extrabudgetary financial resources to ECA, combined with the increased demands for policy support and capacity development services from member States and subregional and regional institutions, constituted another major challenge. This was compounded by weak capacity in regional and national implementing institutions. With regard to the African Institute for Economic Development and Planning, even though some member States have been settling their arrears in full, ensuring payment by all member States of their contributions remains a major challenge.

93. ECA continued to tackle the above challenges through the following measures: leveraging partnerships with other institutions, such as universities, to build the capacity of member States in policy analysis and implementation; active involvement in the evaluation of public policies and in facilitating the availability of reliable, regular and disaggregated data and statistics; and the implementation of a rigorous resource mobilization strategy and roll-out plan.

### **III. Reports of the meetings of the subsidiary bodies of the Commission, including intergovernmental committees of experts of the subregional offices**

94. During the period under review, the secretariat prepared and serviced meetings of various subsidiary bodies of the Commission. The meetings included the second session of the Committee on Gender and Social Development, the tenth session of Committee on Regional Cooperation and Integration and the annual meetings of intergovernmental committee of experts of the five subregional offices.

95. The reports of the second session of the Committee on Gender and Social Development and the tenth session of the Committee on Regional Cooperation and Integration are contained in E/ECA/CGSD/2/9 and E/ECA/CRCI/10/9, respectively. The reports of the annual meetings of the intergovernmental committee of experts of the five subregional offices are set out in the following documents (see annex IV).

- (a) Central Africa (ECA/SRO/CA/ICE/33/17);
- (b) East Africa (ECA/EA/ICE/21);
- (c) North Africa, (ECA/SRO-NA/ICE/32/6);
- (d) Southern Africa (ECA/SA/ICE.XXII/2017/9.1);
- (e) West Africa (ECA/WA/ICE/20/01d).

96. The reports provide a summary of the major issues discussed, the outcomes of the meetings and the matters that were brought to the attention of the Commission for action or information.

## **IV. Report of the Conference of Ministers on the work of its fifty-first session**

### **A. Opening of the session [agenda item 1]**

#### **1. Attendance**

97. The meeting was attended by representatives of the following States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Libya, Madagascar, Malawi, Mali, Mauritania, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, Somalia, South Africa, South Sudan, Sudan, Swaziland, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia, Zimbabwe.

98. The following regional economic communities were represented: Central Africa Economic and Monetary Community, Common Market for Eastern and Southern Africa, East Africa Community, Intergovernmental Authority on Development, Economic Community of West African States.

99. The following United Nations bodies and specialized agencies were represented: United Nations Secretariat, Food and Agriculture Organization of the United Nations, International Labour Organization, International Maritime Organization, International Monetary Fund, International Telecommunication Union, International Organization for Migration, Joint United Nations Programme on HIV/AIDS, Office for the Coordination of Humanitarian Affairs, Office of the United Nations High Commissioner for Human Rights, United Nations Conference on Trade and Development, United Nations Human Settlements Programme (UN-Habitat), United Nations Children's Fund, United Nations Development Group, United Nations Development Programme, United Nations Educational, Scientific and Cultural Organization, United Nations Entity for Gender Equality and the Empowerment of Women, United Nations Industrial Development Organization, United Nations Integrated Strategy for the Sahel, United Nations International Strategy for Disaster Reduction, United Nations Office for Project Services, United Nations Office on Drugs and Crime, United Nations Office to the African Union, United Nations Population Fund, World Bank, World Food Programme, World Health Organization.

100. Observers from the following States Members of the United Nations were present: Cuba, Finland, Hungary, Ireland, Netherlands, Norway, Qatar, Russian Federation, United Arab Emirates, United States of America.

101. Representatives of the following intergovernmental and regional organizations were also present: African Development Bank, African Union Commission, Banque des États de l'Afrique Centrale, League of Arab States, NEPAD Planning and Coordinating Agency.

102. Observers were present from the following organizations: Addis Ababa University, African Capacity-Building Foundation, African Centre for Economic Transformation, African Humanitarian Action, African Peer Review Mechanism, Africa Policy Research Institute Limited, African Risk Capacity Agency, African Tax Administration Forum, AKLDP/USAID Tufts University, AMC Overseas FZE, Ethics and Anti-Corruption Commission, Crisis Action, Ethiogreen Production and Industry PLC, Ethiopian Agricultural Transformation Agency, Ethiopian Teachers Association, Femmes Africa Solidarity, Geneva Global Inc., German Society for International Cooperation, International Council of Voluntary Agencies, Igbinedion University, Jigjiga University, Mams (BHM Ventures), Mercy Corps, National Planning Commission, National Youth Council, Norwegian Agency for Development

Cooperation, One Campaign, RAND Corporation, Rail Road Association, Rail Working Group, SDG Centre for Africa, Seychelles Institute of Teacher Education, University of Dschang, University of Sheffield, University of South Africa, University of Yaounde.

## 2. Opening statements

103. The opening session was moderated by the chief executive officer of Mark Eddo Media, Mark Eddo. Opening statements were made by the Champion of the African Continental Free Trade Area, President of the Niger, Mahamadou Issoufou; the Minister of Economics, Finance and Planning of Senegal, Amadou Ba; the Executive Secretary of the Economic Commission for Africa (ECA), Vera Songwe; the Deputy Chairperson of the African Union Commission, Thomas Kwesi Quartey; the Governor of the Central Bank of Ireland, Philip Lane; and the Prime Minister of Ethiopia, Abiy Ahmed.

104. In his statement, delivered by video link, Mr. Issoufou recalled that a second phase of negotiations of the African Continental Free Trade Area had begun, leading to the adoption of legal instruments on intellectual property rights, investment and competition policy. He highlighted the need to focus on awareness-raising campaigns targeting citizens, political leaders and public administrators, which would result in a better understanding of the advantages of a continental free trade zone. He stressed that the full implementation of the African Continental Free Trade Area and the free movement of goods and services could create an enabling environment in favour of employment and economic diversification and would be highly beneficial for African member States, citizens, companies and financial markets.

105. Speaking in his capacity as Chair of the outgoing Bureau, Mr. Ba noted the important role of ECA and other partners in supporting African member States in negotiations to establish the African Continental Free Trade Area and in capacity development, the reinforcement of economic integration and the adaptation of national development plans under the frameworks of the 2030 Agenda for Sustainable Development and Agenda 2063. He stressed that growth in Africa would remain fragile if there were no diversification or structural transformation of the economies of member States. The ministers of finance, planning and economic development had an essential role to play in ensuring that the promise of the African Continental Free Trade Area would become a reality through continuous improvements in the mobilization of domestic resources, the strengthening of public expenditure efficiency and efforts to combat corruption and illicit financial flows, to ensure the budgetary margins necessary to finance the 2030 Agenda and Agenda 2063.

106. Ms. Songwe underlined the need for a different kind of pan-Africanism that was economic in nature and would place Africa on par with the rest of the world, ensuring that, in accordance with the 2030 Agenda, “no one is left behind”, while also ensuring that gains were fairly distributed. Efforts to combat corruption had to succeed in order to advance global economic development. She noted the need for a strong service sector supported by increased growth in manufacturing. ECA was restructuring its work programme to focus on governance, introduce private sector economics and promote five strategic directions, namely, reorienting staff and their work, maintaining macroeconomic activities and ensuring resilience, promoting innovative infrastructure for innovative financing, focusing on transboundary issues such as the Sahel and strengthening its position on the global stage.

107. Mr. Kwesi Quartey said that the March 2018 launch and signing of the agreement to establish the African Continental Free Trade Area would assist Africa in its work to implement the 2030 Agenda and Agenda 2063. He noted



that, while intra-African trade would be a game-changer, Africa must also produce. To do so, it must industrialize and add value to its agricultural, extractive and manufacturing sectors. In addition, African countries must educate their people and invest in science and technology to realize the immense gains provided by the African Continental Free Trade Area. African integration would increase consumer spending and spur structural transformation.

108. Mr. Lane noted that free trade on its own was not sufficient to promote economic development, but should be accompanied by strong institutions and complementary financial and business policies. In that context, maintaining macroeconomic stability for growth and investment was essential for all countries. Critical elements for enhanced trade and development included a strong industrial policy to underpin the transformation of economies; fiscal policy and financial space; training and retraining to move countries towards a digital economy; and innovative financing, including access to trade finance and the role of debt financing. He cautioned on the need to manage risks associated with debt financing and foreign financing in general. Free trade should be underpinned by macroeconomic stability, infrastructure development, good domestic policies and strong institutions in order to unleash the potential for trade and growth among countries.

109. Mr. Ahmed highlighted recent advances in economic integration, including the African Union reform process and the single African air transport market. The signing of the agreement establishing the African Continental Free Trade Area was another achievement in that regard, but he reminded delegates that trade was not an end in itself but rather a tool for the advancement of the well-being of the Africans, including women and young people. With the African Continental Free Trade Area in place, opportunities for investment would increase, making its prompt implementation essential.

## **B. Election of the Bureau and adoption of the agenda and programme [agenda item 2]**

110. The following countries were unanimously elected to form the new Bureau:

Chair: Sudan (North Africa)

First Vice-Chair: Equatorial Guinea (Central Africa)

Second Vice-Chair: Ethiopia (East Africa)

Third Vice-Chair: Lesotho (Southern Africa)

Rapporteur: Senegal (West Africa)

111. The newly elected Chair, Magdi Hassan Yassen, Minister of State for Finance of the Sudan, introduced the theme of the current session of the Conference of Ministers. The agenda was adopted, as follows:

1. Opening of the session.
2. Election of the Bureau and adoption of the agenda and programme of work.
3. High-level ministerial policy dialogue on the theme of the fifty-first session: “African Continental Free Trade Area: creating fiscal space for jobs and economic diversification”.
4. High-level round-table discussions:
  - (a) Round table 1: Africa Continental Free Trade Area: transforming Africa;

- (b) Round table 2: Africa Continental Free Trade Area: fiscal space and financial sustainability for Africa;
  - (c) Round table 3: Private sector and the implementation of the Africa Continental Free Trade Area.
5. Presentation of the revised strategic framework 2018–2019.
  6. Consideration of recommendations and adoption of draft resolutions.
  7. Consideration and adoption of the draft ministerial statement.
  8. Other matters.
  9. Closing of the session.

### **C. High-level ministerial policy dialogue on the theme of the fifty-first session: “African Continental Free Trade Area: creating fiscal space for jobs and economic diversification” [agenda item 3]**

112. The Executive Secretary chaired the policy dialogue. The keynote speaker was Cornell University Professor and Senior Fellow at the Brookings Institution, Eswar Prasad. The panellists included the Minister of Finance of Ghana, Ken Ofori-Atta; the Governor of the Central Bank of Ireland, Philip Lane; the Secretary of State for Budget of Angola, Aia-Eza Nacilla Gomes da Silva; and the Commissioner of Trade and Industry of the African Union Commission, Albert Muchanga.

113. Mr. Prasad focused on the role of fiscal and structural policies in expanding regional trade. The success of the African Continental Free Trade Area required an adequate support framework, the harmonization of trade regimes, the elimination of trade barriers, greater financial integration, the mobility of labour and capital, the uniformity of current and capital account regulations, the integration and efficiency of regional payment and settlement systems, and macroeconomic stability. While a currency union had potential benefits such as positive effects on trade and investment, it also had potential costs including constraints on countercyclical fiscal policy. As had happened in India, Africa’s structural transformation would likely entail moving directly from an agriculture-based to a service-led economy, bypassing the traditional industrial expansion stage, which require the quality infrastructure and flexible labour markets that African countries lacked.

114. Mr. Ofori-Atta underscored the importance of the African Continental Free Trade Area to the development of Africa by promoting industrial integration and greater value addition to African products, allowing Africans to be price setters as opposed to price takers. The fact that Africa would host 25 per cent of the world’s population by 2050, with women playing increasingly important roles in economic development, called for good leadership to promote inclusive growth and sustainable development. It was important for African countries to work together to promote prosperity for all and to reduce the need for development assistance. Ministers of finance across the continent should form a core group to push for the entry into force and implementation of the African Continental Free Trade Area.

115. Mr. Lane noted that the opening of markets through free trade was more beneficial to small countries and increased the access of small exporting companies to foreign currency. Larger countries must show leadership on free trade. For all countries to benefit, additional policies and stronger coordination were needed in the areas of macroeconomic and fiscal policy management,

regulatory convergence, common industry standards, exchange rate regimes, the management of foreign exchange risks and cross border payment systems, and cooperation among central banks. The larger export platform offered by free trade could help economies to rebound from crises and to gain access to foreign currency to reduce the impact of a recession. To maximize the benefits of free trade, it was critical for countries to diversify their exports. The tourism sector in Africa had great potential to benefit from free trade. Although free trade and openness created some vulnerabilities, countries could build their resilience through the diversification and strengthening of their services sectors.

116. Ms. Gomes da Silva indicated that the Government of Angola was strongly committed to deep reforms to open up in order to prepare for the implementation of the African Continental Free Trade Area. It was imperative that the country break away from its dependence on oil through economic diversification, first by harnessing the potential offered by the free trade zones of its subregion and later expanding elsewhere in the African Continental Free Trade Area. Doing so would require harmonization and changes in policies, institutions and processes, including reforms to put in place a strong financial system.

117. Mr. Muchanga highlighted challenges in the implementation of the African Continental Free Trade Area and the next steps in that process. It was vital to change the mindset of Africans who did not believe that the African Continental Free Trade Area could deliver and to ensure that member States ratified the agreement within the next 9–12 months. He commended Ghana and Kenya for ratifying the agreement and noted that the Niger and Rwanda were in an advanced stage of the ratification process. The African Union Commission was working with all 11 countries that had not signed the agreement to ensure that they did so as soon as possible. The Commission was also supporting the implementation of the African Continental Free Trade Area in respect of the removal of trade barriers, the harmonization of payment systems, the creation of a single African air transport market, and the organization of intra-African trade fairs.

118. In her closing remarks, the Executive Secretary of ECA commended the keynote speaker and panellists for shedding light on key issues that could affect the implementation of the African Continental Free Trade Area and for sharing lessons learned.

## **D. High-level round-table discussions [agenda item 4]**

### **1. Round table 1: African Continental Free Trade Area: transforming Africa**

119. The round table was chaired by the Minister of Finance of Senegal, Amadou Ba. The lead speaker was the Vice-President and Treasurer of the International Finance Corporation (IFC), Jindong Hua. The panel comprised the Minister of Finance of Ethiopia, Abraham Tekeste; the Secretary-General of the Common Market for Eastern and Southern Africa, Sindiso Ngwenya; and the Executive Director of UN-Habitat, Maimunah Mohd Sharif.

120. Opening the discussion, Mr. Ba said that the African Continental Free Trade Area would command a market of \$300 billion and that its full realization would require targeted investment to facilitate the movement of people and goods. It would be important to support small economies and the least developed countries and address the needs of the vulnerable.

**(a) Presentations**

121. Mr. Hua focused on harnessing local capital markets for development. African countries needed to develop vibrant, deep, liquid and large domestic and regional capital markets to mobilize savings. Such markets included large and strong inclusive equity, bond markets, derivatives and commodities. Apart from South Africa, whose capital markets were already strong, Africa needed to build its capital markets. For the markets to be transparent, capacity-building was essential. In particular, local currency capital markets were a necessity.

122. Mr. Tekeste drew attention to the pace of structural economic transformation, following the signing of the agreement establishing the African Continental Free Trade Area, including the need to enhance productive capacity and diversify economies. Such transformation required technological upgrades and skills enhancement. Political and long-term commitments were needed, as was a stable macroeconomic environment. He added that a stable policy and legal framework was crucial to support the development of a vibrant private sector, inclusive of both small and large enterprises. Investing in people was also required for them to have the skills necessary to support industrialization.

123. Ms. Mohd Sharif recapped the importance of the African Continental Free Trade Area in boosting employment, increasing the competitiveness of African industrial products and increasing the rate of diversification of Africa's economies. She highlighted the importance of investment in urban infrastructure and services needed to boost the productive capacities of African economies and industrialization. Urbanization and integrated development planning and policies were essential to sustained economic growth and rapid social development.

124. Mr. Ngwenya noted that the current discussion on the African Continental Free Trade Area recalled similar discussions that had led to the formation of the Organization of African Unity and the adoption of the Abuja Treaty, among others. Africa was a continent in transition in terms of political, institutional and economic development. It needed to determine whether it had the right set of institutions that were fit for purpose and able to deliver on their mandates. He said that the system of economic governance on the continent was not conducive to structural transformation, given that it required a resource shift from low to high productivity sectors at the same time. There remained no adequate depth for the capital markets to perform efficiently.

**(b) Discussion**

125. Participants noted that business as usual could not be an option if Africa were to make a difference with the African Continental Free Trade Area. Bold decisions and diligence were needed. On the other hand, possible disadvantages of the African Continental Free Trade Area might make those countries that had not yet signed the agreement reluctant to do so.

126. Participants agreed that one of the major development problems in Africa was the lack of resources, including the weak mobilization of savings. The development of capital markets and regional integration were indeed important. Capacity development was crucial to effective implementation of the African Continental Free Trade Area. Consequently, there was a need to audit the technical and institutional capacity for implementation. In addition, government-led development was needed, as were coordinated and, integrated planning and taking into account the ecological footprint.

127. Debt in sub-Saharan Africa was of concern. The dynamics had changed because cyclical domestic debt was an emerging challenge. The depth of the

financial sector determined the ability to finance projects from domestic savings.

128. It was noted that even small countries could succeed in developing vibrant capital markets because the regulatory framework and rule of law were more important in attracting domestic and international players. Governments had to play a central role in that regard.

129. Participants highlighted that the issue of security was important for the implementation of the African Continental Free Trade Area. It was also noted that there was increased fragmentation due to conflict, which could hinder trade and regional integration.

**(c) Recommendations**

130. In the light of the discussion, the following recommendations were made:

(a) African countries should ensure the timely and effective implementation of the agreement establishing the African Continental Free Trade Area. There is need to mobilize and allocate adequate resources to support structural transformation. Long-term commitments, underpinned by political leadership, instructional development and private sector champions, are therefore needed;

(b) Member States should pursue and strengthen capacity for the development of domestic and regional capital markets as an important strategy for mobilizing domestic resources to stimulate free trade and finance development. In this regard, countries could take advantage of capacity development opportunities offered by IFC to develop capital markets;

(c) Lessons should be drawn from the experience of regional economic communities, which have made achievements in defining rules of origin and trade facilitation, among others;

(d) Member States should strengthen the governance systems and institutional arrangements to promote structural transformation and diversification and the implementation of the African Continental Free Trade Area;

(e) Member States should identify and develop effective complementary policies and strategies to support attainment of the goals of the African Continental Free Trade Area. Strong macroeconomic policies are therefore essential. Policies in key areas such as security, industrialization, and urban and infrastructure development are also crucial to attainment of the goals;

(f) Countries should increase investment to expand the existing national and regional infrastructure to address bottlenecks to intra-African trade and achieve the goals of the African Continental Free Trade Area.

**2. Round table 2: African Continental Free Trade Area: fiscal space and financial sustainability for Africa**

131. The second round-table discussion was moderated by Mr. Eddo, who noted that, even with the creation of the African Continental Free Trade Area, there remained a need to diversify, bolster infrastructure and allocate optimum fiscal space for public and private investment. In particular, the multiplicity of currencies in Africa was one of the factors hampering trade on the continent.

132. The lead presentation was delivered by the Special Envoy of the African Union Peace Fund and former President of the African Development Bank, Donald Kaberuka, followed by presentations from the Minister of Planning of the Niger, Aichatou Boulana Kane; the Minister of Economy and Finance of

Morocco, Mohamed Boussaid; the Executive Secretary of the African Capacity-Building Foundation, Emmanuel Nnadozie; and University of Warwick professor and former Economic Adviser to the Minister of Finance of Greece, Herakles Polemarchikis.

**(a) Presentations**

133. Mr. Kaberuka called upon participants to ensure that the recommendations arising from the meeting were implemented. Beyond tariff reduction, it was necessary to allay fears regarding the loss of revenue and jobs in the wake of the African Continental Free Trade Area. With reference to the impact on regional economic communities, he noted that the rules of the regional economic communities would prevail in the event that they conflicted with those of the African Continental Free Trade Area. He invoked the experience of the Common Market for Eastern and Southern Africa (COMESA), where tariffs had been reduced with no adverse impact on revenues. The formation of the African Continental Free Trade Area was a gradual process that addressed not only merchandise but also services such as trade finance and insurance. He called upon member States to seek ECA assistance in developing strategies for accessing capital markets. He also called upon member States to consider linking the African Continental Free Trade Area with the reforms of the African Union, which aimed to address the overreliance on financing from foreign donors and a small number of African member States that was limiting the organization's ability to fulfil its mandate.

134. Ms. Kane stressed the important role of ECA in negotiations in connection with the African Continental Free Trade Area. For example, ECA was helping the Niger to formulate an industrial strategy to add value to its production and was supporting the country in integrating Agenda 2063 and the 2030 Agenda for Sustainable Development into its next five-year development plan.

135. Mr. Boussaid drew attention to such advantages of the African Continental Free Trade Area as increased exports and export revenue and reduced dependency on external currencies, which would help to shield African countries from exchange rate shocks and stressed that it would be misguided to focus on losses arising from the African Continental Free Trade Area. African countries would need to involve the private sector and maintain macroeconomic balance to ensure the success of the African Continental Free Trade Area.

136. Mr. Nnadozie focused on the importance of fiscal space and financial sustainability. There was a reciprocal relationship between domestic resource mobilization and the African Continental Free Trade Area: higher revenue mobilization would provide resources for implementing the African Continental Free Trade Area, with the latter in turn promoting the sustainable mobilization of resources. It would assist in the creation of a sustainable fiscal base and in economic diversification and industrialization.

137. Mr. Polemarchikis shared insights from the experience of Greece, arguing against austerity measures in the midst of a debt crisis. In such a context, neither austerity nor deregulation were appropriate, as they could deepen inequality and lead to the exclusion of large segments of the populations. He recommended that African countries place inequality on the agenda of discussions relating to the African Continental Free Trade Area.

**(b) Discussion**

138. In response to a question on how the African Continental Free Trade Area could comfortably co-exist with other trade arrangements, Mr. Boussaid observed that such coexistence would actually encourage the signing of bilateral and multilateral agreements with other trading blocks.

139. In response to a question regarding financial reforms that would not hurt growth, Mr. Kaberuka noted that it was not debt stock but the speed of debt accumulation that should be of concern. States should consider instituting independent debt management offices and be cautious about overreliance on domestic debt, as doing so tended to crowd out private-sector borrowing, raise interest rates and kill jobs.

**(c) Recommendations**

140. In the light of the discussion, the following recommendations were made:

(a) Member States should link the African Continental Free Trade Area with the reforms of the African Union;

(b) Member States must settle outstanding arrears with the African Union and support its new funding formula in order for the Union to fulfil its mandate;

(c) Member States must focus on growing their economies and reducing dependence on foreign aid, and focus on proper governance of commodities and complex products and greater reliance on mobilizing domestic resources;

(d) Member States should turn to ECA for technical support in formulating strategies and reforms with a view to the ratification of the African Continental Free Trade Area;

(e) Member States should devote time and resources to putting in place the reforms that are necessary for and conducive to the successful implementation of the African Continental Free Trade Area;

(f) Member States should actively involve the private sector in their implementation of the African Continental Free Trade Area;

(g) Member States should mobilize resources, improve tax administration and tackle illicit financial flows;

(h) Member States should not be discouraged from accessing debt finance through capital markets, but rather to do so in a smart way that avoids debt traps, and direct that financing towards productive investments that will attract additional investment;

(i) Member States should ensure that inequality is addressed as part of their discussions on the African Continental Free Trade Area;

(j) Member States should ensure debt transparency, debt governance and sufficient debt management capacity, the last preferably through an independent body.

**3. Round table 3: Private sector and the implementation of the African Continental Free Trade Area**

141. The third round-table discussion was chaired by the Minister of Economy and Finance of Mauritania, Moctar Ould Djay. The session discussions were led by the Chair of the Rail Working Group, Howard Rosen, and the panel comprised the Chief Economist of the Afreximbank, Hippolyte Fofack; the Ambassador of Rwanda, Hope Tumukunde Gasatura; the President and Chief Executive Officer of the Trade and Development Bank, Admassu Tadesse; and the Under-Secretary-General and Special Adviser on Africa, Bience Philomena Gawanas.

**(a) Presentations**

142. Mr. Rosen highlighted the importance of efficient distribution networks to the success of the African Continental Free Trade Area. There was a need to invest in railways infrastructure, including rolling stock, and also to encourage private sector investment in railways, which generally had lower unit costs than roads. To encourage such investment, transactions should be standardized, in line with the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Railway Rolling Stock (Luxembourg Protocol), which was aimed at establishing enforceable rights in railway rolling stock for creditors, lessors and equipment vendors.

143. Mr. Fofack emphasized the need for Africa to develop infrastructure. Supporting private sector development would lead to an increase in exports, thereby increasing the revenue and external reserves of countries and leading to more fiscal space and infrastructure investment and development. The development of industrial parks and vibrant value chains was needed. The African Continental Free Trade Area would provide an opportunity for Africa's private sector to participate in trade both within and outside Africa.

144. Mr. Tadesse highlighted the need for Governments to develop measures that would encourage linkages between the operations of large foreign enterprises with those of domestic operators. Procurement policies of large enterprises should be geared towards developing local communities and local enterprises. Dual and multiple listings of foreign companies could be used to promote ownership by local communities without creating complications for foreign companies. The latter should develop training programmes targeted at local employees and upwards and downward linkages with local operators in the context of regional value chains. Institutional issues, including access to finance, needed to be addressed. The African diaspora should be leveraged as a source of skills and capital.

145. Ms. Gasatura stressed that the engagement of the private sector was of paramount importance in the negotiations and necessary for the effective implementation of the African Continental Free Trade Area. It was critical that, in working towards ratification of the African Continental Free Trade Area and its two protocols, Governments should ensure that the private sector had a comprehensive understanding of the initiative. Using the example of Rwanda, she noted that a negotiation team had been put in place to increase awareness of the public and private sector on the African Continental Free Trade Area and its relevance.

146. Ms. Gawanas stressed that the focus needed to be shifted to the major beneficiaries of the African Continental Free Trade Area, namely, the most vulnerable and marginalized sectors of the population. With regard to the private sector, while it was a given that major firms should be involved in debates on the African Continental Free Trade Area, it was more difficult to listen to the informal sector or smallholder farmers, which required more attention. Governments should therefore develop tailored packages to ensure effective support for the diverse private sector. Continuous debates should also be conducted on access to finance, information and regulation under the African Continental Free Trade Area framework for those in the informal sector so that they were not overwhelmed by bigger markets. Such efforts should also be aimed at encouraging an entrepreneurial mindset, in particular among young people. She underscored the need for strong leadership and strong governance of natural resources, which could involve cross-sectoral dialogues among African ministries.



**(b) Discussion**

147. Participants expressed support for the Luxembourg Protocol as a means of remedying the lack of funding for railway rolling stock. In addition, they highlighted the need to specifically consider the plight of vulnerable population groups and those working in the informal sector, including women involved in informal cross-border trade, during the implementation of the African Continental Free Trade Area.

148. Participants also stressed the need to increase and enhance the capacity of the private sector to ensure its investment in and benefit from the potential that came with the implementation of the African Continental Free Trade Area. The domestic private sector needed to be supported so that it could compete with large foreign-owned firms on the basis of the opportunities that would come with the implementation of the African Continental Free Trade Area.

149. Central banks could focus not only on the stability component of macroeconomic policy but also on developmental aspects, such as increasing access to credit for small firms and lines of credit to large African banks that were able to provide funds for the development of small and medium-sized enterprises in Africa and start-ups. Attention was also drawn to the need to establish effective public-private partnerships in the development of national infrastructure.

**(c) Recommendations**

150. In the light of the discussion, the following recommendations were made:

(a) Member States should sign, ratify and, if applicable, initiate legislation to implement the provisions of the Luxembourg Protocol;

(b) Central banks should focus not only on the stability component of macroeconomic policy, but also on developmental aspects aimed at promoting structural transformation by boosting access to credit for small and medium-sized enterprises and start-ups in Africa;

(c) Attention should be paid to the inclusion of the informal sector in the implementation of the African Continental Free Trade Area, aimed in particular at fostering innovation and developing the capacity of young people and women entrepreneurs.

**E. Presentation of the revised strategic framework 2018-2019 [agenda item 5]**

151. The Executive Secretary presented the revised strategic framework of ECA for the period 2018–2019, which encapsulated the outcome of the recent ECA reform process and articulated the Commission’s vision, overall objectives and programmatic focus. Pursuant to the framework, ECA would advance its position as a premier knowledge institution; help to accelerate economic diversification in Africa; devise innovative methods to finance sustainable infrastructure; assist in developing solutions to transboundary social issues; and support African member States in formulating regional responses to governance challenges.

152. The Chair noted that extensive deliberations had taken place on the strategic framework during the meeting of the Committee of Experts, as set out in the report of the Committee (E/ECA/CM/51/2). The Conference of Ministers took note of those deliberations and endorsed the revised strategic framework.

## **F. Consideration of recommendations and adoption of draft resolutions [agenda item 6]**

153. Following a discussion on the recommendations and draft resolutions, participants endorsed the resolutions with some amendments (see annex II).

154. The Conference also discussed the offer by Morocco to host the fifty-second session of the Conference of African Ministers of Finance, Planning and Economic Development. Although representatives welcomed the offer, several were of the view that more time should be given to allow for the submission of additional offers. After further discussion, the offer by Morocco was accepted.

155. Representatives stressed the need to respect and apply the rules of procedure of the Conference in a consistent manner in all sessions of the Conference

## **G. Consideration and adoption of the draft ministerial statement [agenda item 7]**

156. The Conference considered the draft ministerial statement, made general observations and proposed amendments, after which the ministerial statement was unanimously adopted (see annex I).

## **H. Other matters [agenda item 8]**

157. No matters were raised under the agenda item.

## **I. Closing of the session [agenda item 9]**

158. Closing remarks were made by the Executive Secretary, who thanked the Government of Ethiopia for its contribution to the success of the session and all participants for their active and committed participation. She looked forward to meeting them all again in Morocco at the fifty-second session of the Conference.

159. Noting the challenge posed by the need to reconcile different views and interests, the Chair commended all participants on their engagement at the current session. In closing, he too expressed thanks to the Government of Ethiopia and then declared the meeting closed.

## Annex I

### Ministerial statement<sup>1</sup>

*We, African ministers of finance, planning and economic development,*

Meeting in Addis Ababa on 14 and 15 May 2018 for the fifty-first session of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development,

Honoured by the video address of the Champion of the African Continental Free Trade Area, the President of the Niger, Mahamadou Issoufou, in which he called upon all African countries to expedite the ratification of the African Continental Free Trade Area,

Honoured by the presence of the Prime Minister of Ethiopia, Abiy Ahmed; the Deputy Chairperson of the African Union Commission, Thomas Kwesi Quartey; and other high-level dignitaries and special guests,

Inspired by the opening statements of Mr. Kwesi Quartey; the Minister of Economics, Finance, and Planning of the Republic of Senegal, Amadou Ba; the Executive Secretary of the Economic Commission for Africa, Vera Songwe; and the Governor of the Central Bank of Ireland, Phillip Lane,

Having deliberated on the theme “African Continental Free Trade Area: fiscal space for jobs and economic diversification” and cognizant that, with the signing of the Agreement Establishing the African Continental Free Trade Area by 44 member States of the African Union, the continent has laid the foundation for a new phase of African integration,

*Do hereby state that:*

1. We note that the gross domestic product of Africa grew at a rate of 3.1 per cent in 2017, up from 1.6 per cent in 2016, registering the second-fastest growth rate of any region in the world, after East and South Asia. This economic performance was due mainly to continued improvement in macroeconomic management, increased public and private investment, growth in private consumption and a rebound in trade. Africa is expected to continue its recovery, growing at 3.6 per cent in 2018 and 3.8 per cent in 2019. Potential risks to growth in Africa could, however, include a slow recovery in advanced and emerging economies, the tightening of financial markets in developed economies, weather-related shocks and security concerns in some countries;

2. We recognize that Africa has made significant progress in achieving desired economic and social outcomes, with poverty rates declining in the various subregions, albeit at a slow pace. Notwithstanding these improvements, a number of challenges remain. Poverty and unemployment, in particular among young people, persist, together with increasing income and gender inequalities;

3. We acknowledge that promoting peace and security as well as stability, along with combating violent extremism and terrorism, are critical undertakings for Africa in its endeavour to achieve inclusive and sustainable development. We therefore call upon member States to continue collaborative efforts to ensure that peace and security are upheld in Africa and throughout the world;

4. We recognize that African countries have made progress on the various dimensions of regional integration, such as trade, regional

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<sup>1</sup> The draft ministerial statement was issued as E/ECA/CM/51/3.

infrastructure, financial and productive integration, including regional payment systems, the free movement of persons and the right of establishment. Numerous obstacles still need to be surmounted in this regard, however;

5. We reaffirm our commitment to regional integration as a major driving force behind inclusive economic development in Africa, and welcome the new milestone reached in African integration through the signing of the Agreement Establishing the African Continental Free Trade Area in Kigali on 21 March 2018 by 44 member States of the African Union;

6. We welcome the launch of the single African air transport market in January 2018, which has the potential to improve the efficiency of continental air transport and to contribute to the growth of the continent's global share of the aviation and tourism industry, and encourage all member States to join this initiative;

7. We recognize the potential of the African Continental Free Trade Area to advance African industrialization, economic diversification and development that sustain the creation of decent jobs on the continent and foster prosperity for all Africans, consistent with Agenda 2063 of the African Union and the 2030 Agenda for Sustainable Development. Accordingly, we note the importance of promptly ratifying and implementing the legal instruments of the African Continental Free Trade Area;

8. We acknowledge the importance of national plans and strategies to seize the opportunities presented by the African Continental Free Trade Area. These national plans and strategies should be designed to complement the broader trade policy of each State and identify the key trade opportunities, current constraints and steps required to take full advantage of the African market, including the empowerment of women and young people;

9. We note the need to pursue policies and investment to make the most of the opportunities presented by the African Continental Free Trade Area, as outlined in the Action Plan for Boosting Intra-African Trade. This will include supporting trade facilitation measures, including simplified trade regimes for informal cross-border traders, upgrading infrastructure and improving the business environment to attract the private sector, which will help African firms to take advantage of the opportunities presented by the African Continental Free Trade Area;

10. We are mindful that the current infrastructure bottlenecks in Africa remain a serious impediment to the continent's integration, and commit ourselves to pursuing efforts to modernize and expand our infrastructure assets, in particular the railways, which remain the most efficient and environmentally sustainable way of moving people and goods. In this regard, we note the importance of international instruments on matters specific to railway rolling stock;

11. We note that the short-term impact of the African Continental Free Trade Area on tariff revenue is likely to be minimal and will be outweighed in the medium and long term by positive impacts of revenue from other sources of taxes as a result of expected increases in growth and economic diversification;

12. In this regard, we recognize the importance of enhancing fiscal space and sustainability in our countries and maintaining investment in the social sector, in particular in health and in education. In particular, we will strengthen efforts to increase our tax revenue by boosting our tax-to-gross domestic product ratios to achieve a minimum level of 20 per cent over the next three years in each of our economies. Efforts will also include action to pursue new sources of tax revenue, including levies on financial transactions, royalties, income taxes, land taxes and leases, and by encouraging private sector growth and moving informal businesses into the formal sector;

13. We also acknowledge the importance of increasing the efficiency of tax administration in our countries by modernizing tax systems, further improving economic and corporate governance in the extractive sector and mobilizing additional revenue from natural resource rents;

14. We note the significant losses of tax revenue that result from base erosion and profit shifting by multinational corporations and are cognizant of the need to take measures to tackle these problems. We encourage the investment chapter that will be negotiated under the second phase of the African Continental Free Trade Area to address loopholes that encourage treaty shopping and enable multinational corporations to reduce their tax liabilities using existing intra-African international investment agreements;

15. We also underscore the need to take steps to tackle harmful competition among African countries, including by using the second phase of the African Continental Free Trade Area negotiations on competition policy;

16. We note the need to improve the quality and efficiency of public spending. In this regard, we encourage African countries to implement integrated resource mobilization, budgeting and development planning processes and decentralized public financial management; to intensify efforts to combat corruption; and to simplify subsidy and procurement regimes and approval processes for investment;

17. We note that private finance presents a large potential source of capital to fund public projects. Accordingly, we are cognizant of the need to develop and deepen domestic capital markets and leverage private capital for development projects, while ensuring that such projects provide balanced risk-sharing and accountability within a coherent overall development strategy;

18. We recognize the need to make use of government borrowing as a source of financing for development, while ensuring that borrowing remains within sustainable limits. We also recognize that decisions to implement the African Continental Free Trade Area can assist us in gaining access to additional international financial resources;

19. We acknowledge the continued efforts of the Economic Commission for Africa and other United Nations agencies, working closely with the African Union Commission, the African Development Bank, the Planning and Coordinating Agency of the New Partnership for Africa's Development, the African Capacity- Building Foundation and the regional economic communities, to make African integration a reality. This effort will be enhanced by the African Union-United Nations framework for the implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development;

20. We also underscore the benefits of migration for economic and human development in Africa. We therefore stress the importance of cooperation at the national, regional and international levels to ensure safe, orderly and regular migration with respect for the human rights and dignity of migrants, regardless of their origins or status;

21. We call upon the Economic Commission for Africa to continue its close collaboration with the African Union Commission and other regional, continental and international institutions such as the regional economic communities, the African Development Bank and the United Nations Conference on Trade and Development to provide technical support to facilitate the ratification process and implementation of the African Continental Free Trade Area;

22. We also call upon the Economic Commission for Africa to support member States in enhancing their fiscal space and mobilizing additional domestic resources through strengthening tax administration, improving the efficiency and effectiveness of public spending, developing and strengthening

capital markets and leveraging private financing, and improving debt sustainability;

23. We are cognizant of the significant and preeminent role of human and institutional capacity development in the achievement of the aspirations of Agenda 2063, the Sustainable Development Goals and the African Continental Free Trade Area. We appreciate the commendable work that the African Institute for Economic Development and Planning is undertaking in this respect. We call upon the United Nations to continue and to increase its support to the African Institute for Economic Development and Planning in support of the structural transformation of Africa;

24. We welcome the offer by Morocco to host the fifty-second session of the Conference of African Ministers of Finance, Planning and Economic Development.

### **Vote of thanks**

25. We thank the Government and people of Ethiopia for the hospitality that they have continued to afford the Economic Commission for Africa and for the courtesies extended to us, which have ensured the success of our meetings;

26. Lastly, we wish to extend our gratitude to the Economic Commission for Africa for successfully convening the fifty-first session of the Conference of African Ministers of Finance, Planning and Economic Development.

## Annex II

### Resolutions and decision adopted by the Conference of Ministers at its fifty-first session

#### A. Resolutions

##### 956 (LI) African Institute for Economic Development and Planning

*The Conference of Ministers,*

*Recalling* Economic and Social Council resolution 2013/2 of 5 July 2013, by which the Council endorsed the updated statute of the African Institute for Economic Development and Planning, on the recommendation of the Conference of African Ministers of Finance, Planning and Economic Development, as set out in its resolution 908 (XLVI) of 26 March 2013,

*Recalling also* its recommendation set out in resolution 942 (XLIX) of 5 April 2016 for the Governing Council of the African Institute for Economic Development and Planning to further consider the revised statutes based on amendments to them approved by the Council at its fifty-fourth meeting, held in Addis Ababa in February 2016,

*Taking note* of the decision of the Governing Council of the African Institute for Economic Development and Planning at its fifty-fifth meeting, held in Addis Ababa in March 2017, approving in full the amendments to the statute of the Institute presented to the Conference of African Ministers of Finance, Planning and Economic Development at the ninth Joint Annual Meetings of the African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration and the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development, in 2016,

*Recalling* article IV, paragraph 3, of the updated statute of the African Institute for Economic Development and Planning, by which the Conference of Ministers of Finance, Planning and Economic Development is required to appoint the 10 members of the Governing Council of the Institute who will serve as representatives of African Governments,

*Recognizing* the central role of planning in meeting the development priorities of Africa, in particular in support of the implementation of the 2030 Agenda for Sustainable Development<sup>1</sup> and Agenda 2063: The Africa We Want,

*Acknowledging* the critical role that an adequate capacity-building programme will play in the achievement of the development objectives of member States, in particular those of the 2030 Agenda and Agenda 2063,

*Taking note* of the achievements of the African Institute for Economic Development and Planning in 2017, as presented in the progress report on the work of the Institute,<sup>2</sup>

*Taking note also* of the decision of the Governing Council of the African Institute for Economic Development and Planning at its fifty-sixth meeting, held in Dakar in March 2018, recommending an increase in the regular United Nations grant to the Institute, from 2.6 million to 5 million United States dollars per biennium,

*Commending* the Economic Commission for Africa on its continued provision of support to the African Institute for Economic Development and Planning,

<sup>1</sup> General Assembly resolution 70/1.

<sup>2</sup> E/ECA/COE/37/8.

*Cognizant of* and concerned by the uneven and unpredictable nature of the assessed annual contributions of member States to the African Institute for Economic Development and Planning, a situation that limits its ability to sustain its provision of much-needed capacity-building support to member States,

*Recognizing with appreciation* the effort made by a number of countries to pay all or part of the arrears in their contributions to the African Institute for Economic Development and Planning,

*Aware* of the increasing demand for the training courses of the African Institute for Economic Development and Planning, as evidenced by the doubling of the number of applications between 2014 and 2017 to the Institute for skills development training courses, and appreciative of the strategic initiatives being implemented by the Institute to meet the rising and varying capacity development needs of member States,

1. *Endorses* the updated statutes of the African Institute for Economic Development and Planning and requests the Executive Secretary of the Economic Commission for Africa to transmit the statutes to the Economic and Social Council for consideration and adoption and for the subsequent issuance of the appropriate directive to ensure their implementation;

2. *Also endorses* the reconstituted membership of the Governing Council of the African Institute for Economic Development and Planning;

3. *Requests* the Economic Commission for Africa, in collaboration with the African Institute for Economic Development and Planning, to take all steps necessary to request the General Assembly to increase the regular grant to the Institute in support of the Institute's programme;

4. *Also requests* the Economic Commission for Africa to adopt a more systematic gender sensitive programme-based approach to the provision of financial support to the African Institute for Economic Development and Planning to enable the Institute to adequately support the capacity development needs of member States;

5. *Reiterates* its call to member States for the more regular payment of assessed annual contributions and the settlement of arrears to the African Institute for Economic Development and Planning, and calls upon the Institute to redouble its recovery efforts as part of a more comprehensive resource mobilization strategy.

*Sixth meeting of the plenary, 15 May 2018*

## **957 (LI) Review of the intergovernmental structure of the Economic Commission for Africa**

*The Conference of Ministers,*

*Recalling* its resolution 908 (XLVI) of 26 March 2013 on refocusing and recalibrating the Economic Commission for Africa to support Africa's structural transformation, in which it mandated the Executive Secretary to realign the programmes and priorities of the Commission with its new strategic orientation, with a view to supporting the transformative development agenda of the African Union,

*Recalling also* its resolution 943 (XLIX) of 5 April 2016 on the proposed strategic framework and biennial programme plan of the Economic Commission for Africa for the biennium 2018–2019, in which it requested the Executive Secretary to undertake an independent, comprehensive and thorough review of the intergovernmental structure of the Commission, including its intergovernmental committees of experts,



*Noting* the ongoing reforms of the United Nations development system,

*Noting also* the unique role of the Economic Commission for Africa and its comprehensive mandate as the main economic and social development centre of the United Nations system for the African region,

*Taking note of* the report on the implementation of resolution 943 (XLIX)<sup>1</sup> and the request therein for additional time to carry out a more comprehensive review,

*Considering* that the effectiveness and efficiency of the intergovernmental structure of the Economic Commission for Africa benefits from engagement and communication between the secretariat, member States, major groups and other stakeholders,

1. *Commends* the efforts of the Executive Secretary to facilitate an effective process of consultation on the comprehensive review exercise;
2. *Decides* to grant additional time to the secretariat to conduct further review and analysis of the intergovernmental structure of the Economic Commission for Africa;
3. *Requests* the Executive Secretary to report to the Conference of Ministers at its next session on restructuring the conference structure and subsidiary bodies of the Economic Commission for Africa, including the intergovernmental committees of experts.

*Sixth meeting of the plenary, 15 May 2018*

## **958 (LI) Implementation of international migration programmes in Africa**

*The Conference of Ministers,*

*Recognizing* the substantial benefits of and opportunities afforded by safe, orderly and regular migration and the key role of migration in promoting development in Africa, and the critical role of international migration within, from and to Africa in the global migration discourse,

*Reaffirming* its resolution 940 (XLIX) on international migration in Africa, in which it called for the establishment of a high-level panel on international migration in Africa,

*Noting* the important contribution of the High-level Panel on International Migration in Africa, supported by the Economic Commission for Africa and the African Union Commission, and the urgent need to support member States in achieving the Sustainable Development Goals on migration,

*Noting also* the need to implement and monitor the outcomes of the global compact for safe, orderly and regular migration, currently under negotiation,

*Noting with appreciation* the continued efforts of the Economic Commission for Africa, in partnership with the African Union Commission and other development partners, to undertake regional and subregional consultations and to initiate studies that have informed migration discourse on the continent,

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<sup>1</sup> E/ECA/COE/36/8.

*Recognizing* the urgent need for African member States to implement migration commitments, including the Migration Policy Framework for Africa<sup>1</sup> and its plan of action for the period 2018–2027, the African Continental Free Trade Area and the Protocol to the Treaty Establishing the African Economic Community on Free Movement of Persons, Right of Residence and Right of Establishment,

*Recognizing also* that the primary role of regional economic commissions, in accordance with the report of the Secretary-General on repositioning the United Nations development system to deliver on the 2030 Agenda for Sustainable Development,<sup>2</sup> is to engage as policy think tanks and provide data and analytical services and policy advice, including on migration issues,

*Recognizing further* that the regional economic commissions continue to serve as platforms for engagement with regional intergovernmental institutions for intraregional and interregional exchanges, thereby extending and expanding new forms of development cooperation and regional partnerships,

*Noting* that the Economic Commission for Africa is a fundamental institution for generating innovative thinking and forging regional policy consensus on the continent,

*Mindful* of the importance of cooperation at the national, regional and international levels to ensure the implementation of migration commitments involving the full respect for human rights and the humane treatment of migrants, regardless of migration status,

1. *Requests* the Economic Commission for Africa to continue to work with the African Union, regional economic communities, member States and other stakeholders on policy research, regional dialogue and capacity development on migration issues, in particular on creating a positive narrative and developing strategies to harness it for regional development;

2. *Also requests* the Economic Commission for Africa, in partnership with the African Union, to continue to provide support and advice to member States on mainstreaming migration policies into their national development plans and strategies;

3. *Further requests* the Economic Commission for Africa, in partnership with the African Union and in close consultation with other relevant regional organizations, to track and monitor the progress made in implementing migration programmes in Africa through various means, including by convening periodic conferences;

4. *Calls upon* the Economic Commission for Africa, through its regional and subregional offices, to address the critical areas concerning migration, including sustainable development, thereby providing frameworks for action by member States, the private sector and civil society.

*Sixth meeting of the plenary, 15 May 2018*

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<sup>1</sup> A/61/345, annex.

<sup>2</sup> A/72/124-E/2018/3.

## **959 (LI) Revised strategic framework and biennial programme plan of the Economic Commission for Africa for the biennium 2018–2019**

*The Conference of Ministers,*

*Recalling* its resolution 908 (XLVI) of 26 March 2013, in which it mandated the Economic Commission for Africa to establish its new strategic direction and programmes to support the structural transformation of Africa,

*Recalling also* General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system,

*Recognizing with appreciation* the report of the Executive Secretary on the work of the Economic Commission for Africa for the period April 2017–March 2018,<sup>1</sup> which highlights the significant results that the Commission achieved in all its programme areas,

*Recognizing* the continuing efforts of the Economic Commission for Africa to reposition itself and its programmatic orientation with enhancements to be able to effectively support the implementation of and follow-up to the 2030 Agenda for Sustainable Development,<sup>2</sup> the Addis Ababa Action Agenda of the Third International Conference on Financing for Development<sup>3</sup> and Agenda 2063: The Africa We Want of the African Union,

*Noting with appreciation* the strategic objectives of the Economic Commission for Africa to deliver ideas and actions for an empowered, inclusive and transformed Africa in the framework of the 2030 Agenda and Agenda 2063 through its three core functions, namely, its function as a think tank, its convening function and its operational function,

*Acknowledging with appreciation* the new strategic focus of the Economic Commission for Africa on supporting the sustainable development of Africa through a growth-enabling macroeconomic and microeconomic environment with, as its key priorities, eradicating poverty and addressing inequality; achieving gender equality and the empowerment of women; accelerating economic integration and trade through increased diversification, stronger institutions, better governance, and creating an enabling environment for the private sector; supporting the infrastructure, energy and service sector developments, and strengthening the finance and capital markets sector including through innovative finance; promoting green and blue economic development paths through energy, natural resources and climate change adaptation and mitigation; expanding domestic resource mobilization as a long-term path to sustainable development finance; and forging a data-informed policy architecture,

*Having examined* the revised strategic framework and biennial programme plan for the biennium 2018–2019,<sup>4</sup>

*Having considered* the note by the secretariat on the new strategic directions for the Economic Commission for Africa: putting ideas into action for an empowered and transformed Africa,<sup>5</sup>

1. *Takes note* of the exchange of views among member States on the strategic objectives of the Economic Commission for Africa contained in the report

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<sup>1</sup> E/ECA/COE/37/5.

<sup>2</sup> General Assembly resolution 70/1.

<sup>3</sup> General Assembly resolution 69/313, annex.

<sup>4</sup> E/ECA/COE/37/4.

<sup>5</sup> E/ECA/COE/37/14.

on the follow-up by the Commission to the resolutions of the special meeting of the Permanent Representatives of the member States to the Commission;<sup>1</sup>

2. *Adopts* the revised strategic framework and biennial programme plan for the biennium 2018–2019.

*Sixth meeting of the plenary, 15 May 2018*

## **960 (LI) Harnessing the potential of the African Continental Free Trade Area and creating fiscal space for jobs and economic diversification**

*The Conference of Ministers,*

*Reaffirming* its commitment to regional integration as a major factor behind inclusive economic development in Africa,

*Noting with deep appreciation* the efforts of the Economic Commission for Africa, in collaboration with the African Union Commission and other development partners, to promote regional integration in support of broad-based and inclusive development in Africa,

*Welcoming* the milestone reached in economic integration in Africa through the signing of the agreement establishing the African Continental Free Trade Area in Kigali on 21 March 2018 and the call for its ratification and effective implementation,

*Acknowledging* the potential of the African Continental Free Trade Area to advance African industrialization, value addition, economic diversification and development to promote businesses, trade and job creation on the continent, consonant with the 2030 Agenda for Sustainable Development<sup>2</sup> and Agenda 2063: The Africa We Want of the African Union,

*Reaffirming* its commitment to supporting the African Continental Free Trade Area to the greatest extent possible, in accordance with the agreed road map to its establishment,

*Recognizing* that potential tariff losses emanating from the African Continental Free Trade Area in the short term could be offset in part in the medium and the long term by other taxes, such as value added taxes, as a result of economic diversification brought about by the African Continental Free Trade Area,

*Mindful* that current levels of tax revenue are not sustainable, and that enhancing fiscal space, including through mobilizing additional domestic resources, therefore remains critical,

*Recognizing* the importance of securing policy space for the operationalization of the African Continental Free Trade Area,

*Noting* the need to strengthen knowledge and capacity on issues relating to the African Continental Free Trade Area,

*Committed* to pursuing integrated policies, including through targeted efforts to implement the Action Plan for Boosting Intra-African Trade and to undertake the action necessary to make the most of the opportunities presented by the African Continental Free Trade Area,

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<sup>1</sup> E/ECA/COE/37/6.

<sup>2</sup> General Assembly resolution 70/1.

*Noting* that the realization of the full benefits of the African Continental Free Trade Area requires the mobilization of massive resources and investment to address boundary constraints,

*Noting also* the importance of regularly tracking progress on the state of implementation of the African Continental Free Trade Area,

*Resolved* to improve the efficiency and effectiveness of public expenditure and to tackle corruption,

1. *Calls upon* the Economic Commission for Africa to continue to provide technical support to the African Union Commission and the member States of the African Union to conclude the negotiations of the agreement to establish the African Continental Free Trade Area;

2. *Also calls upon* the Economic Commission for Africa to work closely with the African Union Commission and other regional, continental and international institutions, such as the regional economic communities, the African Development Bank and the United Nations Conference on Trade and Development, to provide technical support to facilitate the ratification process and implementation of the African Continental Free Trade Area;

3. *Further calls upon* the Economic Commission for Africa to continue to support member States in their efforts to enhance their structural transformation through industrialization, economic diversification and value addition;

4. *Requests* the Economic Commission for Africa to work, in collaboration with the United Nations Conference on Trade and Development, the African Capacity-Building Foundation, the African Development Bank, and the regional economic communities, and other continental institutions, to support the member States of the African Union in developing national strategies to benefit from the African Continental Free Trade Area that complement the broader trade policy of each State party to the agreement to establish the African Continental Free Trade Area and in identifying the key trade opportunities, current constraints and steps required to take full advantage of the African market;

5. *Also requests* the Economic Commission for Africa to support the member States of the African Union in enhancing their fiscal space and mobilizing additional domestic resources through strengthening tax administration, improving the efficiency and effectiveness of public spending, tapping into private financing and improving the sustainability of borrowing;

6. *Calls upon* the Economic Commission for Africa, in collaboration with the African Union Specialized Agency for Capacity Development, the African Development Bank, the regional economic communities, and other continental institutions, to formulate a comprehensive capacity development and training programme on issues relating to the African Continental Free Trade Area for the benefit of its member States;

7. *Urges* member States to maintain the policy space and coherence necessary while negotiating international trade and investment agreements, with a view to realizing the full potential of the African Continental Free Trade Area and attaining the continental structural transformation goals;

8. *Requests* the member States of the African Union that have signed the legal instruments of the African Continental Free Trade Area to ensure their rapid ratification and effective implementation, and calls upon the member States that have not yet signed the instruments to take the action necessary to do so;

9. *Requests* the Economic Commission for Africa and other development partners to support the mobilization of resources and promote

investment to facilitate the harnessing of the full benefits of the African Continental Free Trade Area;

10. *Calls upon* the Economic Commission for Africa to monitor progress and report regularly on the implementation of the African Continental Free Trade Area, and to measure its impact on structural transformation through industrialization, economic diversification and value addition.

*Sixth meeting of the plenary, 15 May 2018*

## **961 (LI) Africa Regional Forum on Sustainable Development**

*The Conference of Ministers,*

*Recalling* the outcome document of the United Nations Conference on Sustainable Development, entitled “The future we want”,<sup>1</sup> in particular paragraph 84 on establishing a high-level political forum on sustainable development and paragraph 97, in which the General Assembly acknowledged the importance of the regional dimension of sustainable development and the ability of regional frameworks to complement and facilitate the effective translation of sustainable development policies into concrete action at the national level,

*Recalling also* General Assembly resolution 67/290 on the format and organizational aspects of the high-level political forum on sustainable development, in which the Assembly acknowledged the importance of the regional dimension of sustainable development and invited the regional commissions to contribute to the work of the forum, including through annual regional meetings, with the involvement of other relevant regional entities, major groups and other relevant stakeholders as appropriate,

*Recalling further* the Addis Ababa Action Agenda of the Third International Conference on Financing for Development,<sup>2</sup> which highlights the central role of technological cooperation for the achievement of sustainable development,

*Reaffirming* the commitments entered into by African countries at United Nations conferences and at the summits, review conferences and meetings of the Assembly of the African Union, convened with a view to working towards achieving sustainable development,

*Recalling* General Assembly resolution 61/16, in which the Assembly urged the regional commissions to contribute, within their mandates, to the review of progress made in the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields,

*Reaffirming* that the 2030 Agenda for Sustainable Development<sup>3</sup> and Agenda 2063: The Africa We Want of the African Union are mutually reinforcing and relevant to structural transformation and sustainable development in Africa, and also reaffirming its unwavering commitment to the effective and integrated implementation of, follow-up to and monitoring of the 2030 Agenda and Agenda 2063,

*Recalling* its resolutions 930 (XLVIII) and 939 (XLIX), in which the secretariat was requested, in collaboration with the African Union Commission and other partners, to convene the Africa Regional Forum on Sustainable Development on an annual basis for follow-up to and review of the Addis Ababa Action Agenda, the 2030 Agenda and Agenda 2063,

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<sup>1</sup> General Assembly resolution 66/288.

<sup>2</sup> General Assembly resolution 69/313, annex.

<sup>3</sup> General Assembly resolution 70/1.

*Recognizing* the importance of formalizing the Africa Regional Forum on Sustainable Development as an intergovernmental forum under the auspices of the Economic Commission for Africa to follow up on and review progress made in the implementation of the 2030 Agenda,

1. *Decides* formally to establish the Africa Regional Forum on Sustainable Development under the auspices of the Economic Commission for Africa to follow up on and review the implementation of the 2030 Agenda for Sustainable Development<sup>3</sup> and to act as a multi-stakeholder forum at which matters relating to sustainable development and the structural transformation priorities of Africa can be discussed;

2. *Also decides* that the Africa Regional Forum on Sustainable Development will be convened annually by the Chair of the Bureau of the Forum, with the support of the secretariat of the Economic Commission for Africa, and that its meetings will be aligned with the schedules, programmes of work and themes of the Economic and Social Council forum on financing for development follow-up and the high-level political forum on sustainable development;

3. *Further decides* that the Africa Regional Forum on Sustainable Development will take into consideration decisions relating to sustainable development taken by the African Union, including in connection with Agenda 2063;

4. *Encourages* member States to volunteer for national reviews and calls upon the Africa Regional Forum on Sustainable Development to develop modalities for holding such reviews, in accordance with the principles and guidelines of the 2030 Agenda;

5. *Underscores* the need for secure, stable, adequate and predictable financial resources to enable the Africa Regional Forum on Sustainable Development to hold annual meetings and carry out its mandate effectively;

6. *Calls upon* the Economic Commission for Africa, in collaboration with the African Union Commission and other partners, to take all steps necessary to organize on a regular basis a multi-stakeholder forum on science, technology and innovation as an input into the work of the Africa Regional Forum on Sustainable Development;

7. *Requests* the Economic Commission for Africa, the African Union Commission, the African Development Bank and other partners to continue to support the work of the Africa Regional Forum on Sustainable Development, including by ensuring the full and effective participation of representatives of member States, major groups and other stakeholders in the Forum;

8. *Calls upon* Governments, intergovernmental and non-governmental organizations, major groups and other donors to provide technical support and financial resources for the work of the Africa Regional Forum on Sustainable Development, with a view to enhancing integrated follow-up and review and promoting the timely, effective, full and coherent implementation of the 2030 Agenda and Agenda 2063.

*Sixth meeting of the plenary, 15 May 2018*

## **B. Decision**

### **A (LI) Date, venue and theme for the fifty-second session**

At its sixth plenary meeting, on 15 May 2018, the Conference of African Ministers of Finance, Planning and Economic Development decided that its fifty-second session would be held in Morocco in 2019 on a date in the month of March or April selected after consultations with the African Union Commission, and that the theme of the fifty-second session would be: “Fiscal policy, trade and the private sector in the digital era: a strategy for Africa”.

*Sixth meeting of the plenary, 15 May 2018*



## Annex III

### Report of the Committee of Experts

#### Introduction

1. The thirty-seventh meeting of the Committees of Experts of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development was held in Addis Ababa from 11 to 13 May 2018.

#### Part One

##### I. Opening of the meeting [agenda item 1]

###### A. Attendance

2. The meeting was attended by representatives of the following States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Libya, Madagascar, Malawi, Mali, Mauritania, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, Somalia, South Africa, South Sudan, Sudan, Swaziland, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia, Zimbabwe.

3. The following regional economic communities were represented: Central Africa Economic and Monetary Community, Common Market for Eastern and Southern Africa, East Africa Community, Intergovernmental Authority on Development, Economic Community of West African States.

4. The following United Nations bodies and specialized agencies were represented: United Nations Secretariat, Food and Agriculture Organization of the United Nations, International Labour Organization, International Maritime Organization, International Monetary Fund, International Telecommunication Union, International Organization for Migration, Joint United Nations Programme on HIV/AIDS, Office for the Coordination of Humanitarian Affairs, Office of the United Nations High Commissioner for Human Rights, United Nations Conference on Trade and Development, United Nations Human Settlements Programme (UN-Habitat), United Nations Children's Fund, United Nations Development Group, United Nations Development Programme, United Nations Educational, Scientific and Cultural Organization, United Nations Entity for Gender Equality and the Empowerment of Women, United Nations Industrial Development Organization, United Nations Integrated Strategy for the Sahel, United Nations International Strategy for Disaster Reduction, United Nations Office for Project Services, United Nations Office on Drugs and Crime, United Nations Office to the African Union, United Nations Population Fund, World Bank, World Food Programme, World Health Organization.

5. Observers from the following States Members of the United Nations were present: Cuba, Finland, Hungary, Ireland, Netherlands, Norway, Qatar, Russian Federation, United Arab Emirates, United States of America.

6. Representatives of the following intergovernmental and regional organizations were also present: African Development Bank, African Union Commission, Banque des États de l'Afrique Centrale, League of Arab States, NEPAD Planning and Coordinating Agency.

7. Observers were present from the following organizations: Addis Ababa University, African Capacity-Building Foundation, African Centre for Economic Transformation, African Humanitarian Action, African Peer Review Mechanism, Africa Policy Research Institute Limited, African Risk Capacity Agency, African Tax Administration Forum, AKLDP/USAID Tufts University, AMC Overseas FZE, Ethics and Anti-Corruption Commission, Crisis Action, Ethiogreen Production and Industry PLC, Ethiopian Agricultural Transformation Agency, Ethiopian Teachers Association, Femmes Africa Solidarity, Geneva Global Inc., German Society for International Cooperation, International Council of Voluntary Agencies, Igbinedion University, Jijjiga University, Mams (BHM Ventures), Mercy Corps, National Planning Commission, National Youth Council, Norwegian Agency for Development Cooperation, One Campaign, RAND Corporation, Rail Road Association, Rail Working Group, SDG Centre for Africa, Seychelles Institute of Teacher Education, University of Dschang, University of Sheffield, University of South Africa, University of Yaounde.

## **B. Opening statements**

8. The opening of the thirty-seventh meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development was chaired by the Coordinator of the General Directorate for Planning and Economic Policy of the Republic of Senegal, Mayacine Camara, Chair of the outgoing Bureau of the Committee of Experts.

9. Opening statements were also delivered by the Executive Secretary of the Economic Commission for Africa (ECA), Vera Songwe, and the Permanent Representative of the Federal Democratic Republic of Ethiopia to the African Union and ECA, Woinshet Tadesse.

10. In his opening remarks, Mr. Camara congratulated ECA on its sixtieth anniversary and commended the Commission on its rich record of achievements to date, including its promotion of Agenda 2063 and of efforts to combat illicit financial flows and, most recently, the signing of the agreement on the African Continental Free Trade Area. Welcoming the selection of the African Continental Free Trade Area as the theme of the current session, he noted that the agreement marked an important step towards the creation of an African economic community, one of the major aspirations of the Abuja Treaty, and that it also offered an opportunity for the continent to reduce its dependence on official development assistance and to enhance domestic resource mobilization as the engine of its economic growth.

11. In her statement, Ms. Songwe stressed the need to act boldly to capitalize on the African Continental Free Trade Area, by creating fiscal space to foster investments to ensure economic diversification and create jobs. It was vital to operationalize the agreement to generate growth that supported diversification, industrialization and development; promote small and medium-sized enterprises and empowered women and young people through employment and entrepreneurship.

12. Noting concerns about the implications of the African Continental Free Trade Area for fiscal policies in Africa, she emphasized that the impact of the agreement on fiscal revenue would be minimal since intra-African trade constituted a small share of the continent's total trade and had mostly been liberalized under various regional economic arrangements. The agreement provided opportunities to wider public sector reforms and create more fiscal space, for the continent to mobilize internal resources to meet the targets of the 2030 Agenda and Agenda 2063. To that end, African countries needed to design long-term strategies and prudent macroeconomic frameworks. Despite the priority already attached to infrastructure development, much remained to be done and full advantage must be taken of the African Continental Free Trade Area, to which ECA was fully committed. In conclusion, she congratulated Ghana and Kenya as the first countries to have ratified the agreement.

13. In her remarks to participants at the current session, Ms. Tadesse welcomed

the theme, as the African Continental Free Trade Area was a flagship project of Agenda 2063 that opened up immense new scope for the African economic integration agenda. She also congratulated Ghana and Kenya for having deposited their instruments of ratification, demonstrating the commitment of Africans to the vision of an integrated, prosperous and peaceful Africa. She noted that much work remained to be done, however, in pursuit of the ultimate goal of accelerating intra-African trade and using trade as an engine for growth and sustainable development. In particular, she noted outstanding issues from the first phase of negotiations that must be resolved and the commitment needed from member States to reach consensus during the second phase, so that the agreement could benefit all member States. In addition, she emphasized the need for the agreement to be accompanied by national strategies to build productive capacities and put in place trade-related infrastructure in order to ensure equitable benefits to all African countries.

## **II. Election of the Bureau and adoption of the agenda and programme of work [agenda item 2]**

14. The following countries were elected by the Committee to form the new Bureau:

Chair: Sudan (North Africa)

First Vice-Chair: Equatorial Guinea (Central Africa)

Second Vice-Chair: Ethiopia (East Africa)

Third Vice-Chair: Lesotho (Southern Africa)

Rapporteur: Senegal (West Africa)

15. The experts adopted the following agenda:

1. Opening of the meeting.
2. Election of the Bureau and adoption of the agenda and programme of work.
3. Overview of recent economic and social developments in Africa.
4. Assessment of progress on regional integration in Africa.
5. Presentation on the theme of the fifty-first session of the Conference of African Ministers of Finance, Planning and Economic Development: “African Continental Free Trade Area: creating fiscal space for jobs and economic diversification”.
6. Statutory issues of the Economic Commission for Africa:
  - (a) Report of the Executive Secretary on the activities of the Economic Commission for Africa (covering the period April 2017–March 2018);
  - (b) Report on the follow-up by the Economic Commission for Africa to the resolutions of the special meeting of the Permanent Representatives of the member States to the Economic Commission for Africa;
  - (c) Report of the tenth session of the Committee on Trade and Regional Integration;
  - (d) Revised strategic framework for the period 2018–2019;
  - (e) Report of the second session of the Committee on Gender and Social Development;
  - (f) Review of the intergovernmental structure of the Economic Commission for Africa pursuant to resolution 943 (XLIX);

- (g) Report on the subsidiary bodies of the Economic Commission for Africa and reports by the subsidiary bodies;
  - (h) Report on United Nations support for the African Union and its New Partnership for Africa's Development programme;
  - (i) Progress in the implementation of the priority areas of the Programme of Action for the Least Developed Countries for the Decade 2011–2020;
  - (j) Implementation of international migration programmes in Africa.
- 7. Date, venue and theme of the fifty-second session of the Conference of African Ministers of Finance, Planning and Economic Development.
  - 8. Other matters.
  - 9. Consideration and adoption of the draft report of the meeting of the Committee of Experts; consideration of recommendations and draft resolutions.
  - 10. Closing of the meeting.

16. The Bureau of the Economic Commission for Africa had met on 3 May 2018 in Addis Ababa to review the preparations for the fifty-first session of the Conference of African Ministers of Finance, Planning and Economic Development and had decided that, to enhance the efficiency of the work of the Conference of Ministers, it would establish an ad hoc drafting committee to take responsibility for reviewing and clearing the draft report of the Committee of Experts in advance of its consideration for adoption by the Committee in plenary. In addition, the drafting committee would review the draft ministerial statement and draft resolutions with a view to merging, reconciling or clarifying them as necessary prior to their consideration by the Conference of Ministers in plenary meeting. The secretariat drafting team would work with the ad hoc drafting committee and, at the end of each segment, would submit the part of the report relating to that segment to the drafting committee. The drafting committee would have a membership of 10, made up of members of the outgoing and incoming Bureau, and would be chaired by the first Vice-Chair of the incoming Bureau.

## **Part Two**

### **Account of proceedings**

#### **III. Overview of recent economic and social developments in Africa** [agenda item 3]

#### **IV. Assessment of progress on regional integration in Africa** [agenda item 4]

##### **A. Presentations**

17. In view of the common ground shared by items 3 and 4 of the agenda, it was decided to take them up as a single item. Accordingly, under item 3, the representative of the secretariat provided an overview of recent economic and social developments in Africa, highlighting the main messages in the overview of recent economic and social conditions in Africa, set out in document E/ECA/COE/37/2/Rev.1. The representative noted that Africa's economic growth performance had modestly

recovered in 2017 after experiencing its lowest levels in 2016 since the beginning of the century. Poverty (measured by poverty headcount ratio) had been declining, although at a relatively slow pace due to high poverty gaps, inequality and lack of decent job creation. But significant progress had been made in both education and health.

18. Under item 4, introducing the assessment of progress on regional integration in Africa, set out in document E/ECA/COE/37/3, the representative of the secretariat recalled that regional integration was a longstanding priority for Africa, as demonstrated by continental initiatives such as Agenda 2063, the Programme for Infrastructure Development in Africa and the Action Plan for Boosting Intra-African Trade. Most recently, the launch of the African Continental Free Trade Area had further advanced the economic integration process already started by the regional economic communities. The prompt and effective implementation of the African Continental Free Trade Area was expected to provide momentum for intra-African trade, but inclusive gains would be contingent on supporting measures and policies to address the non-tariff constraints to trade and investment.

## **B. Discussion**

19. In the ensuing discussion, experts noted that the average economic growth rate in Africa remained below the level needed for inclusive and sustainable social and economic development. Investment was identified as the key factor for economic growth and must be stepped up to support industrialization and structural transformation. Private investment remained low, however, despite its potential for job creation and value addition given the continent's rich resource endowment. It was agreed that ECA should continue to support member States in their efforts to build a strong and diversified industrial sector that was capable of creating more decent jobs, and reduce episodes of growth volatility and poverty.

20. While widespread commitment was declared to the African Continental Free Trade Area, it was acknowledged that implementation of the initiative remained a challenge. Experts suggested that the success of the agreement was tied to its impact on transformation, diversification and value addition in African countries, which should form the basis for the monitoring of regional integration and the progress made on the initiative. It was expected that the second edition of the Africa regional integration index and the new country business index for the African Continental Free Trade Area being developed by ECA would capture some aspects of the progress being made and provide information on the baseline.

21. It was noted that trade performance in Africa had been boosted by global economic recovery and commodities exports. Experts noted the crucial importance of understanding the composition and direction of Africa's trade. While intra-African exports had increased over the past few years, that same trend was not reflected in intra-African imports, which showed the effect of underdeveloped regional value chains and low levels of intraregional trade in intermediate goods among African countries. By lowering intra-African barriers to trade, the African Continental Free Trade Area was expected to provide a platform for enhancing productive integration and value chain development in Africa.

22. In addition, concerns were raised about the regularity, quality and relevance of the statistics used on the continent, in particular those pertaining to social development issues. Experts stressed that ECA must take the steps necessary to ensure the timely availability of data and statistics, as the latter remained critical for development planning, policy design and implementation. The high level of corruption in Africa was noted as a critical risk factor militating against economic and social development, in particular through its impact on public expenditures that deepened fiscal deficits. The ECA publication African Governance Report V was cited as a policy tool that could support member States in their efforts to maximize domestic resource mobilization through improved and effective natural resource management.

## **C. Recommendations**

23. In the light of the discussions, the Committee of Experts made the following recommendations:

(a) Member States should continue to focus on medium and long-term strategies to attract private investment and build infrastructure to boost productivity and competitiveness, applying effective fiscal policy as a critical tool for growth and stability;

(b) Industrialization could contribute significantly to job creation, reduced growth volatility and the eradication of poverty. ECA should continue to support member States in their efforts to enhance transformation, diversification and value addition, which could benefit significantly from the more diversified intra-African trade under the African Continental Free Trade Area and from its implementation. ECA should therefore report regularly on the progress of the implementation of the African Continental Free Trade Area and measure its impact on transformation, diversification and value addition;

(c) There is an urgent need for the prompt signing, ratification and implementation of the African Continental Free Trade Area. Cooperation between ECA and the African Union in supporting the process remained critical, complemented by investment regulations and policies;

(d) The availability and use of timely and reliable data and statistics should be a top priority for ECA if it is to remain effective and relevant to African countries. To that end, effective mechanisms are needed to link ECA and its member States to ensure the timely availability of the most recent national data and statistics, including geospatial data.

## **V. Presentation on the theme of the fifty-first session of the Conference: “African Continental Free Trade Area: creating fiscal space for jobs and economic diversification” [agenda item 5]**

### **1. Presentation**

24. The representative of the secretariat introduced the theme of the fifty-first session of the Conference: “African Continental Free Trade Area: creating fiscal space for jobs and economic diversification”, and presented the key messages under the theme as set out in document E/ECA/COE/37/13. While the African Continental Free Trade Area presented an opportunity to leverage trade for industrialization, economic diversification, economic growth and job creation, it would affect African countries differently given the diversity in their economic configurations. Safeguards should therefore be provided for vulnerable countries and such groups as women, young people and informal cross-border traders. African countries would need to explore ways to enhance their fiscal positions and should invest new resources in the complementary Action Plan for Boosting Intra-African Trade, thereby ensuring that the benefits of the initiative were enjoyed by all.

### **2. Discussion**

25. The ensuing discussion revolved around the quality of public expenditure in African countries, improving their fiscal space, the impact of the African Continental Free Trade Area, in particular a potential loss in revenue and alternative sources of revenue, and the specific needs of countries to optimize their benefits from the initiative. Other issues discussed included trade in services, innovation and intellectual property rights in the context of the African Continental Free Trade Area

and its alignment with national development plans, regional development initiatives and other trade agreements in which African countries were engaged.

26. Regarding the improvement in fiscal space, experts stressed that prioritizing investment was a prerequisite to maximizing the benefits of the African Continental Free Trade Area and regional integration in general. Fiscal space was viewed from the perspective of mobilizing additional resources to finance investment in support of sustainable development. It was emphasized that the potential loss in revenue resulting from creation of the African Continental Free Trade Area should not lead to a reduction in expenditure on critical sectors such as infrastructure and technology, which suffered from a huge financing gap in Africa. Other areas that required urgent investment included capacity-building and trade facilitation measures, especially for landlocked countries. Undertaking those investments would require countries on the continent to improve their domestic resource mobilization, notably their tax collection mechanisms, and to develop innovative financing approaches. Tax exemptions and tax evasion, in particular in the extractive industry sector, also had to be curbed. In effect, African countries had to mobilize more resources from the multinational companies that exploited natural resources on the continent.

27. Overall, while acknowledging concerns about loss in tariff revenue from the African Continental Free Trade Area, it was noted that those would be offset by the multiplier effect of increased trade in value-added goods and the associated job creation.

28. Experts underscored the importance of public expenditure management, which encompassed ideas on prioritizing and planning for development, to the achievement of socially desired outcomes. They stressed the importance of good economic governance as being at the heart of public expenditure management. Dealing with corruption and poor economic management, for example, by blacklisting corrupt agents and managing public tendering processes, and bringing on board both public and private sector entities in those efforts, offered a means of enhancing economic governance and anti-corruption efforts. Those efforts could help to ensure that public resources reached the average African, thereby achieving value for money.

29. Experts noted that growth in some African countries was driven mostly by services and that the agreement on the African Continental Free Trade Area included a protocol on trade in services. At the same time, there were considerable gaps in statistics on trade in services in most African countries that needed to be addressed for effective evidence-based decision-making during the implementation of the African Continental Free Trade Area. In that regard, it was observed that building the capacities of African countries in the area of statistics on trade in services was critical.

30. In terms of the alignment of the agreement on the African Continental Free Trade Area with existing trade arrangements on the continent, experts raised concerns related to the economic partnership agreements that were already being implemented by some member States. In that regard, it was clarified that ECA had undertaken a study indicating that economic partnership agreements could have adverse effects on the African regional integration agenda. Deepening African economic integration in the context of the African Continental Free Trade Area prior to the full implementation of the economic partnership agreements could offset the negative effects of those agreements. That implied, however, that the transition periods provided under the economic partnership agreements should be used by African countries to fast-track the implementation of the agreement on the African Continental Free Trade Area in order to achieve the goals of Agenda 2063.

31. It was noted that the African Continental Free Trade Area was generally aligned with the national development plans of African countries and that it was one of the priority areas of the first ten-year implementation plan of Agenda 2063. In addition, experts stressed the role of fostering innovation by safeguarding intellectual property rights in optimizing the benefits of the African Continental Free Trade Area and supporting the structural transformation of African economies. Their attention was drawn to the ECA publication *Assessing Regional Integration in Africa VII:*

*Innovation, Competitiveness and Regional Integration*, which dealt extensively with the links between regional integration, innovation and competitiveness.

32. Intellectual property rights would be the subject of the second phase of the African Continental Free Trade Area negotiations scheduled to commence in August 2018. Existing legal and regulatory frameworks on intellectual property rights were not necessarily adapted to the African context and everyday realities. Different policy regimes and sets of rules protecting intellectual property rights existed in various parts of the continent. In that context, experts recognized the critical need to harmonize intellectual property rights frameworks with a view to stimulating innovation and enabling member States to reap the full benefits of the African Continental Free Trade Area.

33. Experts deliberated on the potential benefits that countries with special needs, such as landlocked and small island developing States, would reap from the implementation of the agreement. They noted the specific features of different countries had been given close attention during the negotiations and that the final text of the agreement establishing the African Continental Free Trade Area included provisions on customs cooperation that addressed issues of critical importance, including opportunities, for countries with special needs. Experts also discussed the need to support member States in implementing the agreement, in particular in demonstrating short and long-term gains, identifying its possible pitfalls, and addressing capacity gaps and related institutional challenges through evidence-based impact studies, simulations and tailored capacity support.

### **3. Recommendations**

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

(g) ECA should widely disseminate the findings of its research on the impact of the African Continental Free Trade Area;

(h) ECA should provide country-specific solutions on how to ensure that the African Continental Free Trade Area does not undermine social spending;

(i) ECA should strengthen its research on the impact of the African Continental Free Trade Area, with particular attention to specific countries and ways in which the associated challenges could be tackled;

(j) ECA and other development partners should undertake research and propose resource mobilization pathways to support the implementation of the African Continental Free Trade Area;

(k) ECA, acting through the African Institute for Economic Development and Planning and in collaboration with other partners such as the African Capacity-Building Foundation should develop a comprehensive capacity development programme on the African Continental Free Trade Area for the African Union, regional economic communities and member States;

(l) Member States are encouraged to improve their tax collection and tax administration systems;

(m) ECA should support and build sustainable capacity in national statistical systems with a view to improving the quality and availability of trade data, given the inadequacy of statistics on trade in services in many African countries;

(n) Member States should prioritize the ratification of legal instruments and conclude work on the road map for the operationalization of the African Continental Free Trade Area;

(o) Member States are encouraged to maintain the necessary policy space while negotiating international trade and investment agreements in the light of the



African Continental Free Trade Area, in order not to compromise the regional integration and structural transformation efforts being made on the continent;

(p) ECA should undertake an assessment of existing frameworks governing intellectual property rights and support member States in the process of their harmonization before and during the second phase of the African Continental Free Trade Area negotiation process.

## **VI. Statutory issues [agenda item 6]**

### **A. Report of the Executive Secretary on the activities of the Economic Commission for Africa (covering the period April 2017–March 2018)**

### **B. Report on the follow-up by the Economic Commission for Africa to the resolutions of the special meeting of the permanent representatives of the member States to the Economic Commission for Africa**

#### **1. Presentation**

35. Under sub-items (a) and (b) of agenda item 6, representatives of the secretariat presented the report of the Executive Secretary on the work of the Commission for the period April 2017–March 2018, set out in document E/ECA/COE/37/5, and the report on the follow-up by the Economic Commission for Africa to the resolutions of the special meeting of the permanent representatives of member States to the Economic Commission for Africa, set out in document E/ECA/COE/37/6.

#### **2. Discussion**

36. The experts took note of the documents, without further discussion of the sub-items.

### **C. Report of the tenth session of the Committee on Regional Cooperation and Integration**

### **D. Revised strategic framework for the period 2018–2019**

### **E. Report of the second session of the Committee on Gender and Social Development**

### **F. Review of the intergovernmental structure of the Economic Commission for Africa pursuant to resolution 943 (XLIX)**

#### **1. Presentation**

37. Under sub-items (c), (d), (e) and (f) of agenda item 6, representatives of the secretariat presented the report of the tenth session of the Committee on Regional Cooperation and Integration, set out in document E/ECA/CRCI/10/; the revised strategic framework for programme 15, on economic and social development in Africa, of the United Nations biennial programme plan, set out in document E/ECA/COE/37/4; the report of the second session of the Committee on Gender and Social Development, set out in document E/ECA/CGSD/2/9; and the note by the secretariat on the review of the intergovernmental structure of the Economic Commission for Africa pursuant to resolution 943 (XLIX), set out in document E/ECA/COE/37/7/Rev.1. In their presentations, representatives highlighted salient points in the respective documents, with a view to guiding their discussion by the experts.

## 2. Discussion

38. In the ensuing discussion, experts highlighted the need for the regional economic communities to adopt solid frameworks to assess the economic impact of the African Continental Free Trade Area. Thus, risks relating to food security and its management could be minimized using regional mechanisms for food storage and the pooling of costs. Investment in innovative technical solutions for improving electricity supply would also contribute to the enhancement of intra-African trade, as exemplified by the work of the Organization for the Development of the Senegal River.

39. The secretariat noted that ECA had facilitated the creation of innovative power generation pools in East and Southern Africa. The African Union Commission, together with its member States, was working on the standardization and regulation of electricity markets with a view to further enhancing cross-border trade. Infrastructure services, including energy services, would be addressed by the trade-in-services protocol of the African Continental Free Trade Area.

40. The secretariat affirmed that ECA supported the creation of regional mechanisms to improve food security, pointing to the Economic Community of West African States as a good example in that regard. Experts were informed that the ECA economic model for analysing the impact of free trade arrangements, including the African Continental Free Trade Area, was global in outlook and that a significant number of African countries had been included in its database.

41. It was noted that the new strategic orientation of ECA was more responsive to the needs and priorities of Africa in the context of the 2030 Agenda and Agenda 2063. Experts noted the need for a sharper focus on the thematic areas that were in line with the mandate of ECA in order to avoid duplication of the work being done by other United Nations system entities. ECA should assist member States in developing tools and mechanisms for the implementation of the Sustainable Development Goals, in particular in respect of cross-cutting issues such as data collection. They also addressed the sequencing of the strategic reorientation of ECA and its alignment with the reform agenda of the Secretary-General that was currently being negotiated among member States.

42. The secretariat drew the attention of the experts to Economic and Social Council resolution 671 A (XXV), from which the ECA mandates were derived. The new strategic orientation took into account the reform agenda of the Secretary-General, in particular the roles and functions of the regional commissions in advancing the regional dimension of development. That had been set out in the statement of collaboration between the United Nations Development Group and the five regional commissions. The recently signed framework between the United Nations and the African Union on the implementation of the 2030 Agenda and Agenda 2063 underscored the central role of ECA in regional development. ECA was also mandated to manage the Regional Coordination Mechanism for Africa, thereby further strengthening United Nations support for the African Union.

43. In recognition of the nexus between development and peace and security, it was noted that the Secretary-General had emphasized the role of the regional commissions in crisis prevention and in supporting improved resilience, in line with the 2030 Agenda and Agenda 2063. In that regard, ECA had been mandated by the Deputy Secretary-General to take a leadership role in promoting socioeconomic development in the Sahel.

44. Experts noted that the informal sector was large and dominated by women. It was therefore necessary to develop a programme to integrate the informal sector into the larger development framework and ensure the participation of women in economic activities. The alignment of national objectives on gender with the 2030 Agenda and Agenda 2063 should be mainstreamed into all ECA programmes.

45. The secretariat noted the importance attached to gender and how that related to poverty, inequality and jobs in Africa. It informed the experts that the

harmonization of gender indices within the context of the 2030 Agenda and Agenda 2063 would assist in strengthening the capacity of national statistics offices to develop gender-sensitive statistics. It also reported on current work in the areas of gender and agricultural value chains in the context of the African Continental Free Trade Area. It was noted that insufficient attention had been given in existing national accounts to gender-disaggregated data and the contribution of women to economic activities. The experts therefore expressed the need for disaggregated statistics on gender.

46. Experts requested clarification on how the statutory committees would be streamlined, in the light of the new strategic orientation and the role and engagement of ambassadors based in Addis Ababa. Clarification was also sought on which sections of the ECA rules of procedure would be reviewed.

47. The secretariat indicated that additional time would be required to finalize the review in order to take on board the outcomes of ongoing reform processes. The review would assist in soliciting input from member States to ensure that the intergovernmental structure was more efficient and effective and to support policy processes. The preliminary findings of the review highlighted the limited engagement between the secretariat and the representatives of the member States in Addis Ababa and pointed to the need for improved engagement with the ambassadors based there.

### **3. Recommendations**

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

(a) ECA should expand the application of the economic model of the African Continental Free Trade Area to include all member States, with a view to facilitating inclusive impact assessments;

(b) ECA should support member States in their efforts to integrate the informal sector into the larger development framework;

(c) ECA should continue to mainstream gender in all its programmes and report on the status of mainstreaming;

(d) At the next quarterly briefing, the secretariat and permanent representatives of member States in Addis Ababa should further consider the role of the permanent representatives in the intergovernmental structure of ECA and the frequency of their meetings;

(e) ECA should be granted more time to finalize the review of the intergovernmental structure.

## **G. Report on the subsidiary bodies of the Economic Commission for Africa**

### **1. Presentation**

49. Under sub-item (g) of agenda item 6, representatives of the secretariat presented reports of the meetings of the intergovernmental committees of experts for the various subregions, which were set out, for Central Africa, in document ECA/SRO/CA/ICE/33/17; for East Africa, in document ECA-EA/ICE/21; for North Africa, in document ECA/SRO-NA/ICE/32/6; for Southern Africa, in document ECA/SA/ICE.XXII/2017/9.1; and for West Africa, in document ECA/WA/ICE/20/01d. In addition, they presented the progress report on the work of the African Institute for Economic Development and Planning, set out in document E/ECA/COE/37/8; the note on the draft revised statute of the African Institute for Economic Development and Planning, set out in document E/ECA/COE/37/9; and the progress report on the third session of the Africa Regional Forum on Sustainable Development: achievements, main outcomes and way forward, set out in document E/ECA/COE/37/11. In their presentations, the representatives drew attention to issues of particular concern highlighted in the various documents, with a view to seeking the input of experts.

## 2. Discussion

50. The ensuing discussion centred on issues of capacity development, in line with the objectives of the 2030 Agenda, Agenda 2063 and the reforms to the African Union; the paucity of data and statistics for the implementation, monitoring and review of and follow-up to the continental and regional agendas; the harmonization of national, regional and international development frameworks; deepening regional financial integration; and value addition and beneficiation of Africa's natural resources.

51. The experts strongly commended the work of the African Institute for Economic Development and Planning in building the human and institutional capacities of African member States. They expressed concern, however, at the lack of visibility of the Institute among member States and called for increased communication to enhance its visibility on the continent, given the quality of the training that it provided and the importance of its mandate. The representative of the Institute noted the recommendation and informed the experts that work was already under way to address that challenge. The experts encouraged and underscored the need for the Institute to work in partnership with other capacity development institutions on the continent in order to offer more comprehensive and stimulating capacity development to member States.

52. The experts submitted requests for capacity development in various areas, including training in support of the mainstreaming of the 2030 Agenda and Agenda 2063 into national development plans, the African Continental Free Trade Area, data and statistics, and value chains. They also requested that the Institute train African diplomats. The Institute reiterated its commitment to supporting all member States in those and other equally important skills and to including African diplomats in its training.

53. The experts expressed concern at the low representation of women in training provided by the Institute in 2017. It was clarified that gender parity remained an important priority for the Institute, and measures employed by the Institute to ensure gender parity in its training were identified. Member States were called upon to encourage the nomination of women participants to training courses offered by the Institute.

54. The experts sought clarification on the criteria that the Institute was using to identify countries and universities in which to offer master's degree programmes. While no specific criteria had been established, it was clarified that past collaborative experiences, coupled with a commitment to efficiency, effectiveness and continent-wide development, guided the partnerships of the Institute with universities. In addition, the experts urged the Institute to ensure that its programmes were open to participants throughout the continent.

55. With regard to the payment of assessed contributions and arrears, the experts sought clarification on the table provided in the progress report on the work of the Institute and were informed that it contained only a list of member States that had contributed in 2017 in accordance with the past recommendation of both the Governing Council of the African Institute for Economic Development and Planning and the Conference of Ministers. The experts noted the differences in the fiscal years applied by the Institute and various member States.

56. Experts who had requested the list of countries that were members of the Governing Council and the Institute's Technical Advisory Committee and the associated terms of reference were advised to seek those through bilateral discussions between their member States and the Institute.

57. The experts noted the recommendation by the Governing Council calling for increased financial support for the Institute and expressed their strong support for the recommendation, given the critical role that the Institute was required to play in building the capacity of member States towards achieving the Sustainable Development Goals and the aspirations of Agenda 2063. They also noted the

Institute's draft revised statute, as approved and submitted to the Conference by the Governing Council.

58. With regard to the issue of statistics, raised in connection with the progress report on the third session of the Africa Regional Forum on Sustainable Development, experts reiterated that the lack of accurate and timely data and statistics remained a problem, impeding their efforts to attain the Sustainable Development Goals and the aspirations of Agenda 2063.

59. In connection with the work of the subregional offices, experts commended ECA and those offices on the support that they provided to member States in crucial areas, notably development planning, statistics, regional integration and industrialization, including regional value chains.

60. Experts noted the need to harness natural resources, with a view to making them a lever for industrialization in the context of the African Continental Free Trade Area. In addition, it was noted that African countries remained vulnerable to the volatility of commodity prices on international markets and were thus regularly subject to a deterioration in the terms of trade and macroeconomic imbalances, including a drop in fiscal and export revenue and economic downturns. That situation pointed to the imperatives of economic diversification, increased value addition and industrialization to ensure sustained growth rates and higher living standards.

61. Experts expressed concern at the limited awareness of Agenda 2063 and noted the urgent need for the wide dissemination of information on that instrument. In addition, exogenous shocks, especially the price volatility of commodities, continued to take their toll on the growth prospects of many African countries.

### **3. Recommendations**

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

(a) The African Institute for Economic Development and Planning should sustain and increase its capacity development support for member States in order to build the skills necessary to support the effective implementation of the African Continental Free Trade Area, the 2030 Agenda and Agenda 2063. Such training programmes should be responsive to the capacity development needs arising from the reforms to the African Union and those of the diplomatic community, in particular diplomatic officials based in Addis Ababa. In developing and implementing the capacity development activities, the Institute should work in partnership with other regional capacity development institutions. It should also continue and increase its efforts to ensure gender parity in the participation of its training programmes;

(b) Member States should support the critical role and mandate of the Institute through the settlement of outstanding arrears and the regular payment of their assessed annual contributions;

(c) ECA should provide systematic financial support to the Institute and take all steps necessary for the General Assembly to increase its grant to it, in line with the recommendations of the Governing Council;

(d) The Executive Secretary should transmit the draft revised statute of the Institute to the Economic and Social Council once it is adopted by the Conference of Ministers at its session, to be held on 14 and 15 May 2018;

(e) ECA should intensify its support to member States to strengthen and enhance their statistics and data capacities in order to document the voluntary national review and the work of the Africa Regional Forum on Sustainable Development with regard to the 2030 Agenda and Agenda 2063;

(f) The African Union Commission and ECA and its partners should take all action necessary to raise awareness of Agenda 2063 alongside the 2030 Agenda;

(g) ECA should support member States with appropriate approaches to ensure that their natural resources are processed locally rather than exported in raw form. In particular, ECA should guide member States that have already signed long-term contracts allowing the export of untransformed products. The goal should be to ensure that natural resources contribute optimally to promoting inclusive and job-creating growth and industrialization;

(h) Subregional reports on recent economic and social progress should be enriched with additional issues, including health, access to energy, access to water and intraregional trade;

(i) ECA should provide the African Centre for Statistics and the subregional offices with adequate human and financial resources so that they are able to fulfil their missions.

## **H. Report on United Nations support for the African Union and its New Partnership for Africa's Development programme**

### **1. Presentation**

63. The representative of the secretariat presented the report on United Nations system support for the African Union and its New Partnership for Africa's Development programme, set out in document E/ECA/COE/37/10, and outlined the modalities by which that support was provided, as detailed in the report. The representative noted, in particular, that the United Nations would continue to support the African Union as it implemented its far-reaching reforms, and identified the role that ECA would play in that process.

### **2. Discussion**

64. In the ensuing discussion, experts raised concerns relating to the alignment of continental initiatives, such as the New Partnership for Africa's Development, the African Peer Review Mechanism, the African Growth and Opportunity Act and the African Continental Free Trade Area, with the 2030 Agenda and Agenda 2063. They underscored the importance of harmonizing national monitoring and evaluation frameworks with the continental and international agendas. It was emphasized that the coherent implementation of all those initiatives and agendas in the context of national development priorities required a good understanding of the relationships among them. The mapping of such relationships was therefore critical in identifying their linkages and synergies to ensure coherent integration and avoid the duplication of efforts.

65. In addition, on the connected issue of transboundary infrastructure development, experts deliberated on the potential benefits of that process development and how it could deliver on the Africa regional integration agenda. They noted that investment in transboundary infrastructure development in Africa was beset with concerns relating to high risk and an overabundance of laws, policies and regulations, and the fact that investment opportunities were scarce. Their attention was drawn to a model law for the development of transboundary infrastructure projects in Africa, which concerned the harmonization of legal, regulatory and policy frameworks in relation to private sector investment in infrastructure projects in Africa, in particular those falling within the purview of the Programme for Infrastructure Development in Africa.

### **3. Recommendations**

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

(a) African countries should leverage synergies among multiple development initiatives by mapping the relationships among them and integrating the various agendas into national development plans;

(b) ECA should strengthen the capacities of African countries to identify intersectoral synergies and trade-offs among the various agendas in order to shape national policy prioritization and sequencing;

(c) Where transboundary infrastructure development is concerned, member States should adopt the model law to facilitate private sector investment and financing in transboundary infrastructure development;

(d) ECA should raise the awareness of member States regarding the model law to promote the harmonization of cross-border rules, regulations, laws and policies governing transboundary infrastructure projects in Africa.

## **I. Progress in the implementation of the priority areas of the Programme of Action for the Least Developed Countries for the Decade 2011–2020**

### **1. Presentation**

67. Under sub-item (i) of agenda item 6, the representative of the secretariat presented the summarized report on progress in the implementation of the priority areas of the Istanbul Programme of Action for the least Developed Countries for the Decade 2011–2020, set out in document E/ECA/COE/37/12, and drew attention to findings in the report of concern to the Commission, notably that progress among African least developed countries remained mixed, and that a range of remedial measures were required on the part of Governments to meet the graduation eligibility criteria for least developed countries.

### **2. Discussion**

68. In the ensuing discussion, experts congratulated the five African countries that were close to graduation from the least developed country category. They noted that the criteria for assessment of the progress of African least developed countries needed to be made clearer and that 12 countries, only 2 of which were from Africa, had been recommended for graduation from that category in 2018, leaving the continent with 31 least developed countries.

### **3. Recommendations**

69. In the light of the discussion, the Committee made the following recommendation: ECA should provide support to member States in the areas of social and economic development, including infrastructure development, thereby ensuring that as many countries as possible graduate from the least developed country category.

## **J. Implementation of international migration programmes in Africa**

### **1. Presentation**

70. Under sub-item (j) of agenda item 6, the representative of the secretariat introduced the note by the Executive Secretary on the migration programme of the Economic Commission for Africa, set out in document E/ECA/COE/37/16, and highlighted salient points in that document. In particular, experts were informed of the role played by ECA in addressing the issue of international migration within, to and from Africa, in the light of the importance vested in migration by such instruments as the 2030 Agenda.

### **2. Discussion**

71. In the ensuing discussion, experts drew attention to the importance of data on migration and pointed out several dimensions, such as the number of people involved and the impact on families and remittances. In order to fully understand those issues, it was important to have comprehensive data. Up-to-date and disaggregated data and knowledge were critical for evidence-based policymaking to effectively address, in a holistic manner, the multilayered factors behind migration.

72. The experts also noted that the discourse on the migration of African people to Europe and other regions was informed in large part by economic and social issues, politics and emotions. On the basis of the statistics presented, it was noted that Africa's migration trends were no different from those of other regions and that, in fact, much of the migration occurred within the continent. The actual and potential benefits of migration to Africa and the recipient countries were widely ignored. Remittances from Africans living outside the continent accounted for a large portion of total foreign currency receipts. Owing to the high costs of formal money transfer systems, however, people chose to use informal means, which were not reflected in official statistics. African migrants were frequently blamed for various problems, such as unemployment. The many programmes that had been implemented in Africa to avoid a brain drain, and those implemented by the developed countries to encourage people to return home, had not stopped migration because of the poor working conditions in the migrants' countries of origin. It was also noted that the migration initiatives encompassed efforts to address underemployment and unemployment and that the free movement of labour allowed for the optimal allocation of human capital, given that skills moved to regions, industries and countries where they commanded the highest value.

73. Turning to the issue of the African Continental Free Trade Area and its impact on migration, experts emphasized that, without people, goods and services would be unable to cross borders. In that regard, for intraregional trade to become a reality in Africa, the protocol on the free movement of people should be ratified in parallel with the agreement on the African Continental Free Trade Area, and implementation of the agreement and all its protocols should follow immediately thereafter.

### **3. Recommendations**

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

(a) Member States should strengthen their focus on data relating to migration;

(b) Member States should explore practical measures that would unleash the full potential of migration for sustainable development, in particular by integrating migration into development planning;

(c) The secretariat should enhance its support to member States in strengthening the capacity and systems for data generation and analysis in the area of migration and in other areas in general;

(d) African countries should design their own migration and employment policies that are informed by their own realities and supported by robust data;

(e) African countries should design and implement policies to create decent work, better working conditions and competitive pay in order to reduce migration outside Africa and to avoid a brain drain;

(f) The secretariat and other regional bodies should provide technical support to strengthen the capacities of African countries to design policies that generate and safeguard decent work for nationals and immigrants, in line with the Sustainable Development Goals;

(g) Member States should facilitate cost-effective money transfer mechanisms on the continent in order to increase the use of formal channels and improve foreign currency records;

(h) Member States are urged to ratify the protocol on free movement of persons enshrined in the Treaty Establishing the African Economic Community, followed by its implementation;

(i) African member States are encouraged to engage the private sector in infrastructure development.



## **VII. Date, venue and theme of the fifty-second session of the Conference of African Ministers of Finance, Planning and Economic Development** [agenda item 7]

75. The representative of the secretariat referred the experts to the note on the dates, venue and theme for the fifty-second session of the Conference of African Ministers of Finance, Planning and Economic Development in 2019, set out in document E/ECA/COE/37/15. He proposed that the meeting be held in Addis Ababa in March 2019 on the theme, “New fiscal policy for Africa”.

76. Possible dates were discussed for the fifty-second session of the Conference of Ministers in 2019. The Committee questioned the month proposed for the next session and recommended that the secretariat consult with the African Union Commission on an appropriate date. The venue proposed by the secretariat was endorsed, unless a member States makes another proposal.

77. Following discussions on the theme suggested by the secretariat, the Committee identified three additional themes for further deliberation:

(a) The need to advance the African Continental Free Trade Area through economic transformation, diversification and value-addition towards the digital economy era;

(b) The role of the private sector in implementing the African Continental Free Trade Area, with a view to socioeconomic transformation, diversification and value addition in the era of the digital economy;

(c) Fiscal policies for the African Continental Free Trade Area within the frameworks of the 2030 Agenda and Agenda 2063.

78. The Chair invited experts to deliberate further on the four proposed themes and come to an agreement on a single theme. Experts took note of the subthemes for the round-table discussions to be held during the fifty-first session of the Conference of Ministers, in addition to the discussion on the overall theme of the fifty-second session. In the light of those considerations, the secretariat, after having taken into account all proposals, proposed a compromise theme for the fifty-second session: “Fiscal policy, trade and the private sector in the digital era: a strategy for Africa”. The Committee, after deliberation, endorsed the theme of the fifty-second session.

## **VIII. Other matters** [agenda item 8]

79. Following a request by the representative of one member State for time to be allocated for a presentation on the Luxembourg Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Railway Rolling Stock, the Chair invited a representative of the Rail Working Group to present the Protocol to the Committee.

80. The representative of the Rail Working Group presented an overview of the critical role of railways, stressing that significant investment would be needed in Africa in both rail infrastructure and rolling stock in the coming years. The Luxembourg Protocol would facilitate the financing of new procurements of rolling stock using private capital and the movement of rolling stock across national borders, which was of vital importance to cross-border trade and the movement of people on the continent.

81. Experts noted the role of railway networks in supplementing road and air transport and in contributing to the realization of the African Continental Free Trade Area. They also discussed the potential merits of the Luxembourg Protocol and observed that more time would be required for its close examination, in compliance with established procedures for reviewing and adopting legal instruments. Additional time would also be needed for experts to consult the competent authorities in their

respective countries. Deliberation on the Luxembourg Protocol was deferred to the next session of the Conference.

## **IX. Consideration and adoption of the draft report of the meeting of the Committee of Experts and consideration of recommendations and draft resolutions** [agenda item 9]

82. Under this agenda item, the Committee considered the draft report of its meeting together with the six resolutions for consideration and adoption by the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development. Several experts made comments and proposed amendments to the report and to the draft resolutions. After extensive discussion, the Committee unanimously adopted the report. The resolutions, as amended by the Committee, are attached to the present report for consideration and adoption by the Conference of Ministers.

## **X. Closing of the meeting** [agenda item 10]

83. Closing remarks were made by the Chair of the outgoing Bureau of the Committee of Experts and the Deputy Executive Secretary. The Chair commended experts on their fruitful deliberations and the spirit of consensus displayed in drawing up the recommendations. The Deputy Executive Secretary noted that the spirited participation by experts during the session reflected the timeliness and relevance of the theme of the Conference and that their insights and recommendations would help to shape and improve the Commission's work in supporting implementation of the African Continental Free Trade Area.

84. Following those statements and the customary exchange of courtesies, the Chair declared the meeting closed.

## Annex IV

### **Reports of the meetings of the subsidiary bodies of the commission, including intergovernmental committees of experts of the subregional offices**

#### **Report of the tenth session of the Committee on Regional Cooperation and Integration\***

##### **I. Introduction**

1. The tenth session of the Committee on Regional Cooperation and Integration was held in Addis Ababa on 1 and 2 November 2017, on the theme, “Implementation of the continental free trade area and shared gains”. The main objective of the session was to examine the efforts being made to fast track the implementation of the Action Plan for Boosting Intra-African Trade and an agreement to establish a continental free trade area). The participants also took stock of other developments taking place within the subprogramme on regional cooperation and integration in the following areas: intra-African and international trade, infrastructure, industrialization, food security and agriculture, investment and land policies.

##### **II. Attendance**

2. The tenth session was attended by the following African member States: Algeria, Angola, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d’Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Equatorial Guinea, Kenya, Lesotho, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, Somalia, South Africa, South Sudan, the Sudan, Swaziland, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia, Zimbabwe.

3. Also attending the session were representatives of the following institutions: Economic and Social Commission for Western Asia (ESCWA), Food and Agriculture Organization of the United Nations (FAO), United Nations Conference on Trade and Development (UNCTAD); Government of the United Republic of Tanzania (Zanzibar Planning Commission); African Union Commission; Common Market for Eastern and Southern Africa (COMESA), East African Community, West African Economic and Monetary Union (WAEMU); International Institute for Sustainable Development, Pan African Chamber of Commerce and Industry, Strathmore Tax Research Centre, and WINMORE Development Consultants.

4. The full list of participants will be circulated as an information document.

##### **III. Opening of the session**

5. The session was opened by the outgoing Chair of the Bureau of the Committee on Regional Cooperation and Integration, the Representative of the Sudan. In his remarks, the outgoing Chair expressed his thanks to ECA for organizing the session and to the host Government for the quality of the

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\* This report was issued under symbol E/ECA/CRCI/10/9.

associated arrangements and preparations. He underscored the importance of the session, whose focus was the process and the negotiations in place towards establishing a continental free trade area. The realization of the proposed free trade area, according to the outgoing Chair, would be crucial in advancing Africa's development agenda. He concluded that the discussions and outcomes of the tenth session would catalyse commitments and actions at the national, regional and continental levels.

6. In her opening remarks, Ms. Vera Songwe, Executive Secretary of the Economic Commission for Africa, welcomed participants and representatives of partner organizations. In her overview of the role of the Committee on Regional Cooperation and Integration, the Executive Secretary clarified the mandate of the Committee, which was to review the overall work of the Economic Commission for Africa (ECA). She highlighted the importance of regional integration and the promotion of intra-Africa trade as the bedrock of Africa's transformation and underscored the importance of the theme of the session: "Implementation of the continental free trade area and shared gains". The Executive Secretary stated that the theme was timely, given new developments in Africa-related trade, regional cooperation and integration — all of which represented the pillars of Africa's transformative agenda. Aspects of the work undertaken by ECA were also highlighted, including the eighth edition of the report, *Assessing Regional Integration in Africa (ARIA VIII)*, which explored the importance of establishing a continental free trade area in order to attain economic growth in Africa.

7. The Minister of Trade of the Federal Democratic Republic of Ethiopia delivered an opening statement in which he welcomed the participants to the session and to Addis Ababa and commended ECA for its work in organizing such an important meeting, whose focus was the timely theme on the ongoing negotiations to establish the continental free trade area. He pointed out that the outcome from the session would go a long way in achieving Africa's agenda of regional integration. Commenting on the current negotiations to establish the continental free trade area, the Minister commended Nigeria for the good work in chairing those negotiations. The Minister of Trade emphasized the need to consider the mutual benefits to be reaped from the continental free trade area, by taking into consideration key differences of member States in the negotiation process, including those from landlocked and less developed countries. He concluded by reiterating the strong commitment of his Government to reaching an agreement to establish the continental free trade area.

8. Following the election of the new Bureau, the incoming Chair of the Bureau, the representative of South Africa, acknowledged the good work of the outgoing Bureau. She thanked the Commission for its outstanding work, which was based on expertise and experience, and looked forward to its continuing support. She highlighted the main objectives of the present session of the Committee, which included reviewing the work undertaken by the secretariat in the biennium 2016–2017 relevant to regional integration and trade. In addition, the current session served as a platform for reviewing and deliberating on developments in specific sectoral areas, and for making recommendations to guide the work of the subprogramme in biennium 2018–2019.

#### **IV. Election of the Bureau**

9. The participants elected the following countries to constitute its Bureau on the basis of rotational regional representation:

Chair:	South Africa
First Vice-Chair:	Uganda
Second Vice-Chair:	Democratic Republic of the Congo

Third Vice-Chair: Mali  
Rapporteur: Egypt

## **V. Adoption of the agenda and programme of work**

10. The representative of South Africa, the newly appointed Chair, presided over the session and proposed that the agenda be adopted, which was seconded by Swaziland. The Committee adopted the agenda and the programme of work without any amendments.

## **VI. Progress in the implementation of the regional integration and trade programme**

### **A. Surveying developments in Africa's regional integration with a view to influencing policy**

#### **1. Presentation**

11. The presentation highlighted the key results achieved by the Regional Integration and Trade Division (RITD) for the period January 2016 to June 2017.

12. In land governance, RITD provided technical support to member States and regional economic communities on policy reform and mainstreaming land governance issues in agricultural programmes. The Division also engaged in strengthening the capacity of policymakers and traditional leaders relating to the management of large-scale land-based investments. In addition to research on land policy issues, ECA also strengthened the capacities of African universities and institutions of higher learning through the establishment of a network of excellence on land governance in Africa.

13. In the area of food security and agriculture, the Division carried out research that contributed to initiatives designed to help Africa rethink agricultural and rural transformation; agricultural production systems; agribusiness and regional value chains; and developing an agriculture sector with a private sector focus. RITD also provided training on developing regional value chains, which contributed to the continental agribusiness strategy and implementation plan aimed at developing a structure and business plan for a continental apex agribusiness.

14. In regional and international trade, the Division played a significant role in developing the template agreement for the expected establishment of the continental free trade area. That template agreement was being used as the basis for negotiations. RITD undertook research and produced technical papers for African Ministers of Trade on the continental free trade area, African Growth and Opportunity Act, Economic Partnership Agreements, trade and climate change, investment and regional trade agreements.

15. A key report, the seventh edition of *Assessing Regional Integration in Africa (ARIA VII)*, was published in line with the theme, "Innovation, competitiveness and regional integration". ECA also launched a report on the Africa regional integration index, which provided data on the status and progress of regional integration on the continent.

16. Furthermore, the Division delivered trainings on trade and gender, trade policy modelling, and analysis. It also initiated work to develop a Monitoring and Evaluation Framework for Boosting Intra-African Trade Action Plan. In December 2016 and in collaboration with the African Union Commission, the African Development Bank and the African Export-Import Bank, the Division

organized Africa Trade Week, a multi-stakeholder platform to discuss topical trade policy issues in Africa.

17. On industrial and infrastructure development, RITD provided technical assistance on developing industrial policy for member States and regional economic communities. Research was undertaken on the industrial policy landscape in Africa, developing a methodology for the localization of energy technologies to boost the continent's manufacturing potential and on promoting infrastructure development for Africa's industrialization. ECA also provided technical support to the African Union Commission, culminating in the launch of the single African air transport market in June 2017. RITD contributed to a better understanding of the role of bioenergy in the energy plans of African countries through a United Nations Development Account project on implementing a biofuel programme for household and transport sectors.

18. On investment, RITD carried out studies on investment policies and bilateral investment treaties, and provided policy advice on the development of industrial sectors in Namibia, in order to boost trade and foreign direct investment. The Division also conducted policy advocacy in support of the continental dialogue on investment. Two studies were prepared by the Division on the drivers that may support boosting intra-African investment, and on the linkages between double taxation treaties and bilateral investment treaties in Africa. Those studies will support and inform policy processes on the continent, such as the continental dialogue on investment.

19. The results outlined above were achieved through leveraging strategic partnerships including with Governments, organizations and agencies with the United Nations system, the African Development Bank and the African Union Commission.

## **2. Discussion**

20. During the discussion, concerns were raised about the ability of certain African countries to apply and implement effectively a possible agreement that would establish a free trade area. Similarly, small and landlocked countries in particular expressed concerns that their gains from the regional integration process in Africa would be limited. It was also observed that some other countries have managed to tune their landlocked status to their own advantage. It was noted that the eighth edition of the report, *Assessing Regional Integration in Africa (ARIA VIII)*, provided important insights into how to alleviate such concerns.

21. Also during the discussion, participants acknowledged that the infrastructure deficit and non-tariff barriers continued to be major challenges that needed to be dealt with in order for African economies to industrialize, become more competitive in the international market, and be able to export their products under specific trade agreements and arrangements. In that regard, building and upgrading value chains would be critical. One example cited was to develop the required infrastructure and capacities for roasting and blending raw coffee beans in order to be able to export coffee under the African Growth and Opportunity Act.

22. In regard to investment issues, it was noted that data collection on intra-African investments remained a challenge for African countries. There was a need to collect and compile data on intra-African investments, including, in particular, on foreign direct investment originating from and heading to African countries. Also stressed was the need to identify key financial challenges faced by the continent and the importance of investments in infrastructure aimed at unlocking the regional trade potential.

23. The discussion focused on the critical need to review infrastructure bottlenecks in Africa and how best to tackle them. It was noted that the Programme for Infrastructure Development in Africa (NEPAD) had developed

programmes and projects to build infrastructure and promote industrial development. In that regard, a key issue was to ensure that the infrastructure projects of the Programme for Infrastructure Development in Africa (PIDA) would contribute to industrial development. It was also noted that, at the Dakar Financing Summit (held on 14 and 15 June 2014), for example, proposals for 16 projects were introduced and that ECA was working with the New Partnership for Africa's Development (NEPAD) to find alternative ways to fund those projects, such as through pension funds and other financing sources.

24. It was emphasized that there was a need to set up regional value chains, which could promote industrialization and which would include raw materials from Africa. However, it was pointed out that the cost of transportation of inputs was impeding the competitiveness of African economies. Also, the opportunities provided by ongoing trade corridor projects needed to be reviewed, with the objective of making them competitive. The discussion turned to strategic and integrated planning, which was identified as necessary for effectively addressing development issues in Africa.

### **3. Recommendations**

25. The following recommendations were made:

- (a) Member States and regional economic communities are encouraged to adopt sound monitoring and evaluation frameworks to ensure the effective implementation of regional integration commitments;
- (b) ECA, the African Union Commission and the African Development Bank should increase technical assistance in generating and collecting data on trade and regional integration.

#### **Recommendations for ECA**

26. The following recommendations were made:

- (a) ECA, in collaboration with its partners, to collect and compile data on Intra-African investments;
- (b) Undertake a review study to identify financial challenges faced by African countries, such as those related to infrastructure and industrial projects;
- (c) Undertake a study on promoting regional value chains for specific strategic commodities, with a view to examine key obstacles;
- (d) ECA, in collaboration with its partners, to undertake a continental study on regional integration issues, including the continental free trade area, with particular attention to the landlocked countries and small island developing States in Africa.

## **B. Progress on land policy formulation and implementation in Africa**

### **1. Presentation**

27. The secretariat provided background on the Land Policy Initiative, noting that it was established in 2006 as a platform to build consensus on an African agenda on land. The Initiative had contributed to efforts to integrate key land governance concerns into the 2030 Agenda for Sustainable Development and Agenda 2063, and served as a key platform for implementing the first Ten-Year Implementation Plan for Agenda 2063. Other key decisions relevant to land policy were the African Union Declaration on Land Issues and Challenges in Africa (2009), the Nairobi Action Plan on Large Scale Land-Based Investments (2011) and the Malabo Declaration for Agriculture Growth in Africa (2014). In

addition, there were recommendations of the African Union Specialized Technical Committee on Agriculture, Rural Development, Water and Environment (2015; 2017) and recommendations of the Committee on Regional Cooperation and Integration (2015).

28. Notable evidence of progress in the implementation of those decisions and recommendations over the past two years included: the official launch of the African Land Policy Centre to coordinate implementation of the African Union Agenda on Land; the roll-out of a 12-country pilot projects to collect data on land governance data and track progress related to land policy reforms; and the establishment of the Network of Excellence on Land Governance in Africa to improve training and research.

29. The presentation then focused on the findings of a recent study on Land, Ethnicity and Conflict in Africa, noting that the majority of conflicts that hampered Africa's development were rooted in land governance issues exacerbated by politicization of ethnicity. The Secretariat gave a synopsis of the Guidelines for the Development of Curricula on Land Governance in Africa, and concluded with the following six recommendations to support the continued implementation of the ECA Committee on Regional Cooperation and Integration and the African Union Specialized Technical Committee decisions:

- (a) ECA with the African Union Commission and the African Development Bank should institutionalize the African Land Policy Centre in a manner that ensures financial stability, operational efficiency and strong ownership;
- (b) ECA and the African Land Policy Centre should support member States, including universities, to review and develop programmes on land governance based on the *Guidelines for the Development of Curricula on Land Governance in Africa*, recently endorsed by the African Union Specialized Technical Committee on Agriculture, Rural Development, Water and Environment;
- (c) ECA and the African Land Policy Centre should develop guidelines to mitigate land and ethnic-based conflicts for use by member States and others when reviewing policies and strengthening institutions in accordance with the recent African Union Specialized Technical Committee decision;
- (d) ECA and the African Land Policy Centre should scale up efforts to support regional economic communities to institutionalize land governance programmes to ensure sustainability in line with the recent African Union Specialized Technical Committee decision;
- (e) ECA and the African Land Policy Centre should provide technical assistance to member States in implementing the decisions of the Committee on Regional Cooperation and Integration and the Specialized Technical Committee, to review land policies and programmes to facilitate the achievement of the 30 per cent target for women's land rights by 2025;
- (f) ECA and the African Land Policy Centre should collaborate with member States to scale up the programme to integrate land into agriculture (national agriculture investment plans and regional agriculture investment plans) and other sectors in accordance with the African Union Specialized Technical Committee decision.



## 2. Discussion

30. The importance of land in Africa's socioeconomic transformation was emphasized. The multifaceted dimensions of the issue, and the significance of land policy with regard to regional integration were explored. Member States and regional institutions were called on to apply an integrated approach in addressing land-related challenges. In that regard, the need to take note of the interlinkages of land, water and climate change in developing strategies and programmes was underscored.

31. The discussions then focused on the need to secure land rights across the various tenure regimes in Africa. It was noted that secure land rights were a prerequisite for the investment and the management of natural resources to make them sustainable. The need to ensure equitable access to land for women and smallholder producers was also emphasized. Member States were called upon to implement the African Union decision to allocate 30 per cent of a country's documented land rights to women by 2025. Attention then was drawn to the need to ensure that smallholder producers, the primary agricultural producers in Africa, had a pathway for growth, through increased allocation of land, along with the provision of other supportive inputs and services.

## 3. Recommendations

32. The following recommendations were made:

- (a) ECA and the African Land Policy Centre are called on to support member States to advance regional integration by promoting harmonization and the convergence of land policies in relevant protocols and programmes of the regional economic communities and by integrating land policies in Regional Agricultural Investment Plans and National Agricultural Investment Plans;
- (b) ECA is called on to build its institutional capacity in support of land governance by institutionalizing the recently launched African Land Policy Centre in a manner that ensures financial stability, operational efficiency and strong ownership in accordance with the 2015 decision of the Committee on Regional Cooperation and Integration;
- (c) In line with a recent African Union decision, ECA and the African Land Policy Centre is called upon to rely on the recommendations of a recent study on land, ethnicity and conflict to develop guidelines for member States to use to mitigate land-based and ethnic-based conflicts.

## C. Status of food security in Africa

### 1. Presentation

33. The secretariat observed that Africa, despite its immense wealth of natural resources, was the world's most food-insecure continent. Around 230 million people, or one out of every five, were chronically food insecure. Africa made up approximately 16 per cent of the world's population, and yet as many as one-third (29 per cent) of those affected by hunger worldwide were African. African countries had, in general, made notable progress in enhancing food security, but still needed to work rigorously towards ensuring food and nutrition security, and improving livelihoods. Indeed, African countries must ensure political stability, building effective institutions, reinforced by supporting policies, macroeconomic as well as "pro-poor" policies, culminating in a comprehensive approach that addresses food security through a multisectoral orientation and within the broader scope of rural and agricultural transformation, and regional integration. In the short term, African countries

should consider programmes that deliver quick results, in particular, measures that improve access to food through social programmes.

## **2. Discussion**

34. Liberalizing trade in Africa, along with strategic planning and sound governance, were recognized as actions that would substantially influence food security in Africa. However, to liberalize trade in agricultural commodities and products, the movement of goods should be facilitated. That would not only entail an improved inter-State infrastructure and transportation, but also harmonized standards and the easing of non-tariff barriers.

35. Furthermore, to effectively harness the potential benefits of regional integration, the bottlenecks that hinder agricultural productivity must be addressed. That would entail taking into consideration the specific needs of small-scale farmers, which, as a group, contribute significantly to agricultural production in Africa.

36. Owing to constraints on time and resources, and given the gravity of the situation in regard to food insecurity in Africa, out-of-the-box solutions were urgently needed at all levels of agricultural value chains, from production to processing and consumption. One solution would be to revive an interest in and an appetite for indigenous food by making it more available and accessible. Evidence showed that most indigenous crops were well adapted to the African climate and environment conditions and fertilization requirements. To accomplish that, strategies were required that increased the appeal of indigenous food to young people.

37. Levelling the playing field was required in order to bring about positive outcomes for freeing trade within Africa. That would ensure that all member States would benefit equally from the establishment of the continental free trade area. It was imperative, in that regard, to develop programmes that could provide direct technical assistance to advance productive capacity in African countries where it was most needed.

38. Adding value to agricultural commodities was essential in order to diversify the continent's export base away from extractive-based commodities, and improve welfare in rural areas, which, in turn, would reduce food insecurity and poverty.

## **3. Recommendations**

39. The following recommendations were made:

- (a) As boosting agricultural production is required to improve food security in Africa, member States are encouraged to empower small-scale farmers by making them more commercially oriented through the adoption of farming models that fit with the specificities of small-scale production in Africa;
- (b) To tackle food insecurity, member States are encouraged to adopt a holistic approach carrying out strategic planning and joint programming at the national and sectoral level in order to create synergies and complementarity, and to synchronize the planning and monitoring of agricultural programmes;
- (c) Member States are encouraged to promote regional agricultural value chains through the following actions: improve transboundary infrastructure and transportation, harmonize standards, and enhance the productive capacity of agriculture and agribusiness, including agro-industry;
- (d) Member States are encouraged to integrate national food reserves into regional food reserves in order to better adapt to the adverse

effects of climate change and to cover food shortages in African countries.

## **D. Developing and promoting strategic agricultural commodity value chains for food security and sustainable development**

### **1. Presentation**

40. The Secretariat explained that the development and promotion of agricultural value chains and agro-industrial clusters provided an appropriate avenue, through building incentives and linkages, to enhance investment in the agricultural sector. The point was made that investing in agriculture was an effective means of addressing hunger and malnutrition and other challenges, including poverty, water and energy use, climate change, and unsustainable production and consumption, thus contributing to the achievement of a number of Goals enshrined in the 2030 Agenda for Sustainable Development. It was further underscored that developing and promoting value chains and industrial clusters provided an appropriate platform enabled investment. To harness the full potential of regional agricultural value chains in Africa, however, would require the development of a sound political and regulatory framework, and the development of a conducive business environment, in addition to the establishment of an inter-State transportation and road network.

### **2. Discussion**

41. During the discussion, it was noted that African agriculture relies on rudimentary techniques, which result in extremely low productivity, further exacerbating poverty and hunger in the continent, especially in rural areas. Furthermore, it was noted that the transfer of technologies was essential to the promotion of agricultural value chains. In that regard, the importance of research was highlighted as being a critical element in improving agricultural productivity. The mechanization of agriculture was also noted as being crucial in making technological progress in the sector in Africa.

42. It was stressed in the course of the discussion that there was a need to revitalize agriculture in Africa. Furthermore, it was pointed out that industrialization in Africa should start with the mechanization of agriculture. According to participants who contributed to the discussion, the importance of industrialization in Africa could not be overemphasized; they made particular reference to the availability of and access to energy, both of which were cited as prerequisites to industrialization. Specifically, the mechanization of agriculture in Africa should aim to use clean energy.

43. On another but related point, it was noted that the establishment of a continental free trade area could contribute towards boosting agricultural output by enhancing market access and depth through encouraging the use of more specialized knowledge and technology adoption and transfer.

### **3. Recommendations**

44. The following recommendations were made:

- (a) Member States are encouraged to increase public expenditure on efforts to promote agricultural transformation, including in research and development and in developing regional agricultural value chains;
- (b) Member States are encouraged to promote the mechanization of agriculture;
- (c) Member States are encouraged to strengthen the capacity of small-scale farmholders in applying advanced farming techniques;

- (d) Pan-African institutions are called upon to accelerate the establishment of a continental coordination platform that aims at unifying and pooling limited resources and efforts towards the promotion of agribusiness and agro-industry development in Africa, exploiting the many agro-ecological zones.

## **E. Inclusive infrastructure development: the key to promoting Africa's industrialization**

### **1. Presentation**

45. The point was stressed by the secretariat that industrialization was critical for African economies to achieve structural transformation, where resources were shifting from lower to higher productivity, and to value added activities. It was explained that such an approach would ultimately result in sustained growth, job creation and poverty reduction. It was pointed out that numerous opportunities existed for African economies to scale up industrial activities, including large resource endowments, increasing domestic demand, and expanding regional markets driven by trade agreements. If African economies were to tap into those opportunities while promoting value added activities, an inclusive infrastructure development would remain a necessary enabler. Promoting industrialization and infrastructure development was sine qua non to achieving some of the Sustainable Development Goals of the 2030 Agenda and the aspirations of Agenda 2063.

46. Furthermore, the secretariat indicated that the industrialization of African economies was required in order to find ways that helped the continent address infrastructure bottlenecks. It was noted that such changes would require effective planning and strong coherence through shared strategic plans and policies, similar to the coordination that existed between national and regional infrastructure development programmes. The establishment of special economic zones, under certain conditions, were effective in circumventing the persistent and significant infrastructure constraints on the continent. Ongoing success stories across the continent existed in Egypt, Ethiopia, Kenya and South Africa.

### **2. Discussion**

47. It was pointed out that there was consensus that infrastructure deficits were limiting the full benefits of industrialization for the continent, though countries were moving very slowly towards addressing such deficits. Energy was cited as the most critical infrastructure asset that was posing a serious impediment to the industrialization trajectory in Africa. Emphasis needed to be placed on clean energy production patterns that would ensure that industrial processes were sustainable.

48. Industrialization also needed to be looked at in the context of a full value chain approach, starting with the production of inputs (e.g. fertilizers), and including products and services. The successful implementation of a continental free trade area would require massive industrialization at the continental level. Another issue that needed to be addressed was the mismatch between most African education systems and the needs of industry.

49. It was observed that poor governance impacted negatively on infrastructure development on the continent, as the main focus tended to be on building, with less focus on the maintenance of current infrastructure assets.

### **3. Recommendations**

50. The following recommendations were made:

- (a) Member States are recommended to improve the governance of the infrastructure sector, taking into consideration issues of repair and maintenance of the existing assets;
- (b) Member States are urged to scale up their efforts in addressing energy deficits and to tap into the vast renewable energy potential of the continent;
- (c) Member States are encouraged to promote the development of Special Economic Zones and Industrial Zones to scale up value added activities;
- (d) Member States are encouraged to allocate priority to the development of quality infrastructure to reduce logistical costs and enhance inter-connectivity.

#### **Recommendation for ECA**

51. The following recommendation for ECA was made:

Undertake a study on the linkages between industrialization and a continental free trade area, as the latter would not be successful without the former.

## **F. Sharing best practices: boosting intra-African investment**

### **1. Presentation**

52. The secretariat presented the main objectives and key findings of a study that had been undertaken by ECA, “Drivers for boosting intra-African investment flows towards Africa’s transformation, which built on and was a follow-up to an earlier ECA study on investment policies and bilateral investment treaties in Africa. The main objectives of the current study were to analyse the drivers of boosting intra-African investment flows and to provide a solid theoretical and empirical framework aimed at strengthened investment policies in order to boost intra-African investment. In addition, the study also explored the progress made in negotiating the continental free trade area and linked the benefits of such a trade area with the promotion of intra-African investments. Some continental initiatives that had been undertaken by Governments and some pan-African institutions in promoting investment regulations were also highlighted. The initiatives included: (a) work on establishing the trade area – which was instrumental in creating a single continental market for goods and services; (b) the efforts of regional economic communities in the development of investment regulations; (c) ECA study on bilateral investment treaties and double taxation treaties, which have been an integral part of the work of policymakers to counter the perception of risk and promote foreign direct investment (FDI); and (d) a pan-African investment code aimed at harmonizing existing investment regulations.

53. Some of the key trends on FDI flows in Africa were also highlighted. A key message on such trends is that the continent remains one of the world’s fastest-growing economic regions. That fact provides incentives for foreign companies to consider Africa as a potential destination for their investment. Factors contributing to the increasing growth in investment include: improved government policies, improved macroeconomic conditions, and reforms on investments. Reference was made to some studies which, among other things, reveal that global investment flows have increased rapidly, from approximately \$200 billion at the beginning of the 1990s to \$1.75 trillion in 2016. The results from the study reveal that geographical distribution of FDI in Africa in 2016 remains heterogeneous. A breakdown was provided of investment levels in each of the five regions of the continent. Drivers of intra-African investment were highlighted, focusing on both continental and regional levels. In his summary,

the secretariat highlighted key conclusions and policy recommendations, and urged African member States to take crucial steps towards implementation.

## 2. Discussion

54. It was pointed out that the establishment of a continental free trade area would significantly boost intra-African trade. It was very important to ensure, however, that once the trade area was established, African countries would undertake not to participate in discriminatory practices. In addition, any international agreements and protocols, including trade facilitation and customs agreements, must be localized in order for the continent to reap the greatest benefits from such an area. Deeper regional integration in Africa was also called for, based on the view that it was a critical factor in supporting intraregional trade and investment. The importance of investment for Africa's development, as a source of both finance and productive assets, was also stressed. It was noted that the establishment of a continental free trade area would serve as an effective tool in dealing with the numerous challenges and bottlenecks associated with efforts to boost intra-African investment. One of the highlighted challenges was the high cost of production, a key contributing factor to the low productivity levels. In that regard, it was noted that the establishment of such a trade area would present an opportunity to reduce the cost of factors, underpinned by the free movement of people, goods, services and capital. In addition, it was observed that harnessing internal savings would improve intra-African investment.

55. Regarding investment challenges, it was pointed out that tapping the potential of intra-African trade and investment depended on the capacity of African countries to do the following: increase the pace of production and industrialization; mobilize domestic resources in order to boost intra-African investment; accommodate trade facilitation; and reduce the costs of doing business. In that regard, the point was made that the promotion of intra-African investment could be done through mobilizing internal savings by strengthening the financial system; Moreover, the it was noted that establishment of a continental free trade area could also be complemented by reforms to the business climate to promote intra-African investment. Another point that was emphasized was the need to consider the risk perception relating to Africa in developing a risk framework.

56. It was observed that productive capacity in Africa was impeded primarily by high production costs. It was noted that large-scale industrialization could harness the potential benefits from the continental free trade area. It was also noted that it was an opportune time to consider the impact of business tourism on intra-African investment and particularly within the region of Eastern Africa. To do that, reliable data would be required on bilateral investment disaggregated by country and sector and on trade in value added. It was observed that such data would enable ECA to perform more detailed and in-depth analyses of the investment determinants. In that regard, it was noted that service-driven foreign direct investment had taken precedence because the data, especially the announced greenfield investment, masked its growth. To attain more balanced growth, investments across the economic sectors must be more evenly distributed. In that regard, it was noted that reliable data on investment by sectors could help to ensure that. Furthermore, it was noted that African countries faced difficulties in producing data on investment owing to the lack of required statistical expertise and vocational trainings.

57. It was observed that many investors were reluctant to invest in Africa because of the perception of elevated risk. In that regard, it was suggested that harmonization of rules and regulatory investment frameworks within and across African regions, and the establishment of the continental free trade area, could help to mitigate that concern. In addition to the suggestion of a negative perception, it was pointed out that a lack of political stability and policy

predictability were also factors that affected adversely investment flows to Africa.

### **3. Recommendations**

58. The following recommendations were made:

- (a) Member States are encouraged to give effect to regional and international investment instruments and agreements and to those within the proposed framework for the establishment of the continental free trade area;
- (b) Member States are encouraged to improve the quality of and access to education through targeting specific training and vocational programmes to improve labour skills and scale up the expertise of their labour force;
- (c) Member States are encouraged to improve the quality of and access to education, based on the view that a more educated workforce would increase investment potential, boost intra-African investment flows and promote associated innovation, technology and knowledge transfers;
- (d) Member States are called upon to improve the business climate, which is essential to attracting investments;
- (e) Member States are urged to observe the principle of non-discrimination especially in relation to incentives for investors, given that favouring intra-African investors in a discriminatory manner would have a negative impact on sources of investment from outside Africa.

#### **Recommendations for ECA**

59. The following recommendations for ECA were made:

- (a) Establish a database on intra-African investment and foreign direct investment by sector;
- (b) Undertake an assessment study on the nexus between a continental free trade area and existing trade and investment agreements;
- (c) Undertake a continental study with a focus on trade in value added, to help uncover the centrality of the services in the regional value chains and in Africa's transformation agenda.

## **VII. General discussion on the theme of the tenth session, "Implementation of the continental free trade area and shared gains"**

### **1. Panel discussion**

60. The discussion began with the panellists giving their views on the theme of the tenth session of the Committee. Notably, all concurred with the view that African countries should support the establishment of the continental free trade area.

61. The first panellist highlighted the important role of trade as an engine for development and economic growth and noted that the contribution of intra-Africa trade to Africa's total trade is minimal. He further pointed out that Africa needed to tackle its supply-side constraints in order to be able to scale up the continent's productive base. Another limitation noted was that African markets remained too small and fragmented to attract investments. Moreover, he observed that establishing the continental free trade area would help in mitigating some of those constraints by creating a wide market comprised of more than 1.2 billion consumers, which would make the continent more

attractive for investment and enable a more efficient pooling of resources. That, in turn, according to the panellist, would enhance structural transformation and foster the development of regional value chains. The establishment of the continent-wide free trade area could potentially boost intra-African trade up to 50 per cent of total trade in Africa and could raise the continent's share of global trade from 3 to 6 per cent. He concluded by providing an update on the status of the negotiations to establish the continental free trade area, by stating that it was in the first phase, which was expected to be concluded by the end of 2017.

62. The second panellist indicated that shared gains from the establishment of the continental free trade area were dependent on the utilization of provisions of the agreement to establish it by the private sector. She noted that building on the experience of the Tripartite Free Trade Area was essential and the agreement to establish the continental free trade area needed to be more comprehensive, in particular with regard to the rules of origin provisions. She also highlighted that rules of origin provisions should be flexible and easy to comply with in order to support efforts to develop and link them with value chains, and urged member States to involve the private sector throughout the process to establish the continental free trade area. Lastly, she stressed the need for the continental free trade area, once established, to accompany the implementation of the Boosting Intra-African Trade Action Plan.

63. The third panellist focused on issues relating to technical barriers to trade and sanitary and phyto-sanitary measures. He emphasized that much could be learned from the successes of the East African Community in developing the East African Community Protocol on Standardization, Quality Assurance, Metrology and Testing. He cited the challenges faced by other regions in implementing the protocol and called upon member States to give priority to the standards, which would be key in boosting trade and development. He also underscored the importance of sanitary and phyto-sanitary measures and conformity assessment, and called upon member States to abide by international and national standards.

64. The fourth panellist highlighted the importance of ensuring that the establishment of the continental free trade area would result in win-win outcomes for African countries and the people of Africa, in particular the most vulnerable. She shared a number of proposals, which included, most importantly, that the interests of vulnerable people and countries should be safeguarded in the final text of the agreement to establish the free trade area and not simply left until the implementation phase. She recommended that the implementation of the agreement to establish the trade area and the position of Africa in the multilateral trading system should be guided by the aspirations that underpin the process to establish it, namely, structural transformation, industrialization and regional integration. She concluded by underscoring the importance of monitoring and evaluation in the implementation of such initiatives, which could be guided by lessons learned from the implementation of similar initiatives, such as the East African Community-European Union Economic Partnership Agreement.

65. The final panellist observed that the private sector was hardly visible in the development of ideas, negotiations and implementation relating to trade agreements even though it was influenced by the relevant policy decisions. He also noted that one of the weaknesses of private sector actors was that they often failed to come together, as they tended to be fragmented into different interest groups. In addition, he pointed out that the private sector, which ultimately would implement policy decisions, needed to receive more support, in particular from Governments and developing partners, to help it to gain a better understanding of the reforms. In the context of the continental free trade area, according to the final panellist, the debate on tariffs was not the number one priority for the private sector; questions pertaining to productive capacity and



trade facilitation, especially customs and standards issues, were the most pressing concern.

## 2. General discussion

66. It was acknowledged that the establishment of the continental free trade area could be an important tool for addressing the continent's challenges associated with socioeconomic development, unemployment, food security and poverty. At the same time, member States noted that the continental free trade area in itself, once established, would not be enough to ensure a transformational change and inclusive gains, but it would provide a comprehensive platform to address the issues and challenges at stake. It was pointed out that, in order for the free trade area to bring the intended benefits, there would be necessary to implement supporting policies, strategies and measures aimed at, among other actions, building productive capacities, improving trade facilitation, increasing investment and closing infrastructure gaps. In that respect, member States also highlighted the need for special and differentiated treatment when implementing the continental free trade area modalities. In addition, it was noted that compensation mechanisms would need to be put in place to ensure that potential losses owing to the reforms relevant to liberalization, such as loss in revenue from tariff reductions, could be offset and benefits from the establishment of the continental free trade area could be better shared among member States. Furthermore, the point was emphasized that there was a need for wide consultation with all stakeholders on the negotiations, implementation, and monitoring and evaluation of the agreement to establish the continental free trade area, including with relevant line ministries, women, young people, the private sector and civil society.

67. Particular emphasis was placed on the key role of the private sector in the process to establish the continental free trade area. During the deliberations, a communication strategy was discussed, which would play a vital role in advocating a free trade area and enhance understanding of the agreement by the private and public sectors. Moreover, structures were called for to support a more unified voice for the African private sector. It also indicated that the implementation of the agreement to establish the continental free trade area must be accompanied by a solid monitoring and evaluation framework to ensure its effectiveness and accountability to stakeholders at national, regional and continental levels. In that regard, it was stated that ECA and the African Union Commission could play a role in that regard, including at the subregional level. It was also discussed that regional economic communities and ministries in charge of economic integration could assume their roles at the regional and national levels, respectively.

68. In addition, it was noted that trading relations with external partners must also be considered in the implementation of the agreement to establish the continental free trade area. It was pointed out that, in particular, the implications on a continental free trade area of external commitments, such as the Economic Partnership Agreements, must be understood. Member States should make use of the Aid for Trade to finance reforms relevant to an agreement relating to a free trade area. It was also emphasized that it was important to ensure that the establishment of such a free trade area would strengthen the position of Africa vis-à-vis its external partners and would not create new vulnerabilities. Any study that looked at the interactions between trade agreements (including the Economic Partnership Agreements) and the continental free trade area should be made widely available. In view of the fact that youth unemployment had remained high, the point was stressed that there was a need for African countries to develop curricula better suited to the priorities of the continent and to the needs of the labour market. Moreover, the point was made that offering decent jobs should be a high priority in implementing the 2030 Agenda and Agenda 2063.

### 3. Recommendations

69. The following recommendations were made:

- (a) ECA, in collaboration with the African Union Commission, should take a leading role in monitoring the implementation of the various components of the agreement to establish the continental free trade area;
- (b) Member States are encouraged to enhance the implementation of the Boosting Intra-African Trade Action Plan and African Union Commission and partners should carry out the tracking of progress made in that regard and provide technical assistance for the implementation;
- (c) Member States are encouraged to involve the private sector in the process to establish the continental free trade area to ensure that the design of the agreement addresses their priorities and concerns;
- (d) ECA and the African Union Commission should also enhance their support to the private sector in taking advantage of the continental free trade area and other trade agreements and arrangements. Specifically, more work should be focused on standardization;
- (e) ECA and the African Union Commission are encouraged to collaborate in the organization of annual review meetings for members of the private sector from African Union member States to enable them to take stock of the progress in implementing the agreement to establish the continental free trade area and give recommendations to speed up the process;
- (f) Member States are urged to put in place policies that recognize and enhance the role of FDI (including intra-African investments) as a vehicle for expanding intra-African trade and strengthening the productive capacity of their economies;
- (g) Member States are encouraged to raise the awareness of their respective constituencies of the continental free trade area, in order to inform and better prepare them to harness the potential benefits of such a trade area;
- (h) The chief negotiators are urged to be faithful to the continental free trade area negotiations principles that were originally agreed at the launch of the negotiation process.

#### **Recommendation for ECA**

70. The following recommendation for ECA was made:

Undertake a study aimed at profiling the private sector in Africa to enable the development of a structure that helps the private sector reap the benefits that would come with the establishment of the continental free trade area.

## **VIII. Review of the 2016–2017 work programme of the Regional Integration and Trade Division and priorities for the biennium 2018-2019**

71. The review of the work programme for 2016–2017 and priorities for 2018–2019 were adopted without amendments. However, in implementing its programme of work for the biennium 2018-2019, the secretariat undertakes to:

- (a) Reach out to member States and regional economic communities and improve communications, including through producing popular versions of key publications;
- (b) Develop case studies showcasing best practices in member States, subregional or continental organizations.

## **IX. Consideration and adoption of the report of the tenth session**

72. The Committee adopted the report with some amendments and requested the secretariat to forward the final report to the participants.

## **X. Closing of the session**

73. Following the customary exchange of courtesies, the session was declared closed at 9.05 p.m. on Thursday, 2 November 2017.

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## **Report of the second session of the Committee on Gender and Social Development\***

### **Introduction**

1. The Economic Commission for Africa (ECA), through its Social Development Policy Division, convened the second session of the Committee on Gender and Social Development in Addis Ababa on 11 and 12 October 2017, under the theme: “Achieving the 2030 Agenda and Agenda 2063: from planning to implementation of the gender and social development goals for inclusive and sustainable development”.
2. The Committee was formed through a merger of the Committee on Women in Development and the Committee on Human and Social Development. It is a statutory body of experts and policymakers, entrusted with providing guidance and advice to the Social Development Policy Division through the review of activities implemented during the biennium 2016–2017, and strategic vision and direction for the biennium 2018–2019.
3. The aim of the second session of the Committee on Gender and Social Development was to review progress on gender and social development in Africa, and identify achievements, challenges, and implementation gaps to ensure the desired impacts. In particular, the Committee provided guidance and expert opinion on the Division’s priorities and activities, and made recommendations for strengthening ECA programmes to ensure that the needs of member States and regional economic communities were better served, taking into account the regional context and country specificities. Conclusions and recommendations were adopted at the end of the two-day session.
4. The meeting was attended by representatives from the following member States: Algeria, Angola, Benin, Botswana, Burundi, Cabo Verde, Cameroon, Chad, Congo, Côte d’Ivoire, Democratic Republic of the Congo, Ethiopia, Egypt, Gambia, Ghana, Guinea, Guinea-Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, South Sudan, Sudan, Togo, Uganda, United Republic of Tanzania, Zambia and Zimbabwe. The following United Nations bodies and specialized agencies were also represented: the Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and the United Nations Office for Project Services (UNOPS). The list of participants will be circulated in an information document.

### **I. Opening of the session**

5. The representative of Malawi, who had served as chair of the outgoing Bureau, opened the session and welcomed participants. Joseph Kazima, in his opening remarks, conveyed greetings from the Minister of Gender, Children, Disability and Social Welfare of Malawi, and on behalf of his Government, expressed his appreciation to African member States for electing Malawi as Chair of the Bureau for the first session of the Committee on Gender and Social Development.
6. He reminded the distinguished representatives that the theme of the first session was “Sustainable Development Goals in Africa: Enhancing gender-responsive and social development policies”. The outcome of that session was action-oriented conclusions and recommendations, which illustrated a

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\* This report was issued under this symbol E/ECA/CGSD/2/9.

collective commitment from member States to translate the 2030 Agenda into measurable actions and results. He reported that several actions had been taken by a number of countries and in response to that, ECA was requested to implement the recommendations of the first session of the Committee, which were shared during the second session.

7. He stressed the importance of implementing the commitments that had been undertaken and emphasized the need for a timely response by Governments to integrate the Sustainable Development Goals into national planning processes and national priorities. He added that the synergies would enable member States to implement gender and social development goals, including poverty, inequality and unemployment, in particular of women and young people, rapid urbanization and the pressing need to harness the demographic dividend.

8. Welcoming remarks followed from Giovanie Biha, the Deputy Executive Secretary, Knowledge Delivery, ECA, who expressed gratification that 44 member States were represented at the session of the Committee on Gender and Social Development. She said it demonstrated a commitment on the part of countries to integrate the social perspectives of the 2030 Agenda and Agenda 2063.

9. The Deputy Executive Secretary, Knowledge Delivery said that the 2030 Agenda was the most ambitious anti-poverty and pro-planet agenda ever adopted by the United Nations, and that Africa contributed substantially to the agenda. She mentioned the aspiration of the Secretary-General, that the 2030 Agenda be founded on leadership, cohesion, accountability and results.

10. The Deputy Executive Secretary, Knowledge Delivery reported that ECA had taken the lead in ensuring the synergies of both the 2030 Agenda and Agenda 2063, which provided the framework to guide both planning and implementation while facilitating monitoring of progress by member States.

11. Noting the substantial increase in demand from member States of ECA's knowledge products, policy advice, technical assistance, and support for capacity strengthening, and alerting member States to the notable progress on gender and social outcomes that had been achieved, she said that two challenges remained: implementation of the 2030 Agenda and Africa 2063 and to "leave no one behind". She welcomed the guidance and suggestions on mapping the future direction of ECA on gender and social development for the coming biennia, which would enable the Commission to deepen its analytical work in various aspects of gender and social development and to continue to support member States in their efforts to achieve the Goals and targets enshrined in the 2030 Agenda. She concluded by thanking the representatives for supporting the work of ECA and wished them fruitful deliberations.

12. Her Excellency Alemitu Omdu, State Minister of the Federal Democratic Republic of Ethiopia welcomed over 70 representatives of member States, regional economic communities and agencies within the United Nations system to the Federal Democratic Republic of Ethiopia, and to the second session of the Committee on Gender and Social Development on the theme, "Achieving the 2030 Agenda and Agenda 2063: from planning to implementation of the gender and social development goals for inclusive and sustainable development".

13. She recounted that Ethiopia had fully integrated the Millennium Development Goals in its national development plans and achieved remarkable outcomes through effective government leadership and the coordination of all stakeholders. She added that Ethiopia pursued pro-poor policies, implementing development plans and programmes that were in line with global development agendas, including the Brussels Programme of Action and the Istanbul

Programme of Action for Least Developed Countries, which led to remarkable and positive outcomes in economic growth and sustainable development.

14. In addition, the State Minister observed that a national review had confirmed that the policies and environment in place enabled the effective implementation of the Sustainable Development Goals and political commitment, which was demonstrated by the integration of the Sustainable Development Goals and Ethiopia's second phase of the Growth and Transformation Plan (GTP II) in the national planning mechanisms and was recently approved by the Council of Ministers and ratified by the House of the People's Representatives of the Federal Democratic Republic of Ethiopia (FORE).

15. She reiterated that integrating gender and social development goals in national plans was important, and commented that Ethiopia had, among its interventions, introduced pro-poor policies and strategies, and a decentralized administrative system, which facilitated the effective implementation of the 2030 Agenda and Agenda 2063 and was a way of operationalizing both the global and regional agendas, while leveraging financial and human resources in the country.

16. She urged other member States to embrace monitoring and reporting tools such as the Voluntary National Reporting, which could enhance sharing of progress, lessons and experiences that were worth replicating in other development contexts.

17. Her Excellency Alemitu Omdu thanked member States for participating in the meeting, invited them to experience the rich culture of the country and commended ECA for convening the second session of the Committee.

## II. Election of the Bureau

18. The following countries were unanimously elected:

Chair:	Madagascar (Southern Africa)
First Vice-Chair:	Burkina Faso (West Africa)
Second Vice-Chair:	Mozambique (Eastern Africa)
Rapporteurs:	Chad (Central Africa) Tunisia (North Africa)

19. In handing over the reins and the chairpersonship to the incoming Bureau, the outgoing Chair thanked the outgoing Bureau represented by the Democratic Republic of the Congo, Malawi, Mali, Mauritania and South Sudan for effective teamwork and a job well done. He recalled that the first Bureau elected at the first session of the Committee on Gender and Social Development had an important job ahead of them to steer the Social Development Policy Division and guide their programmatic work in order to meet the demands of the new 2030 Agenda and Agenda 2063. He noted that, during their tenure, they proposed benchmarks guided by the theme of the first session: "Sustainable Development Goals in Africa: Enhancing gender-responsive and social development policy", through which the work of ECA on gender and social development should be delivered. The Chair reported that the Bureau was able to work efficiently with the Social Development Policy Division to ensure that recommendations made during the Committee's first session were taken by the Conference of Ministers to the Economic and Social Council and ultimately to the General Assembly.

20. He congratulated the incoming Chair and Bureau members for their election and expressed his confidence in the Bureau to ably steer the Committee

and to meet the objectives of the session. To conclude, he officially handed over to the incoming Chair.

21. The incoming Chair expressed her gratitude on behalf of her country for the selection of Madagascar as the Chair of the second session of the Committee on Gender and Social Development. She thanked the outgoing Chair and Bureau for delivery on their mandate in an effective and efficient manner. She reiterated her commitment on behalf of her country, together with all the Bureau members, to deliver on such important matters of responsibility.

### **III. Consideration and adoption of the agenda and programme of work**

22. Following the election of the new Bureau, the agenda and programme of work of the Committee's second session were adopted unanimously by the Committee. The agenda was as follows:

1. Opening of the session.
2. Election of the Bureau.
3. Consideration and adoption of the agenda and programme of work.
4. Reports to the Committee on Gender and Social Development — reporting and discussion:
  - (a) Subprogramme 9 — Social development policy;
  - (b) Subprogramme 6 — Gender and women in development.
5. Parallel sessions:
  - (a) Informality and inequality in Africa;
  - (b) The demographic dividend in Africa: an entry point to implementing and monitoring the Addis Ababa Declaration on Population and Development;
  - (c) An urban lens on national development planning;
  - (d) Women's economic empowerment: boosting female entrepreneurship in Africa.
6. General discussion on the theme of the second session, "Achieving the 2030 Agenda and Agenda 2063: from planning to implementation of the gender and social development goals for inclusive and sustainable development":
  - (a) Presentation of the Issues Paper;
  - (b) Four breakout sessions;
  - (c) Reporting back on the breakout sessions and discussion on the way forward.
7. Consideration and adoption of the report of the second session.
8. Closing of the session.

## IV. Reports to the Committee on Gender and Social Development — reporting and discussion

### A. Subprogramme 9 — Social development policy

#### 1. Presentation

23. Presenting the report of subprogramme 9 on social development policy, Saurabh Sinha, Chief, Employment and Social Protection, Social Development Policy Division, outlined the mandates of the subprogramme and the different modalities used to deliver its work programme, including through analytical work, policy and advisory support, development of capacity-building tools, promotion of policy dialogues and knowledge sharing, and training and capacity strengthening. He further provided details on the work undertaken during the period 2016–2017 by each section under the subprogramme, namely, the Population and Youth Section, the Urbanization Section, and the Employment and Social Protection Section.

24. He highlighted the contribution made by the Social Development Policy Division in the preparation of the 2017 ECA flagship report, *Urbanization and Industrialization for Africa's Transformation*. He brought to the attention of the experts the support provided to member States by ECA under its policy and advisory services in the areas of urbanization, migration, social protection and youth. He also provided insights in relation to the knowledge tools developed by the three sections, including the Guidebook on integrating urbanization in national development plans, African Social Development Index (ASDI), the Youth Policy Toolbox, and the Operational Guide on the Addis Ababa Declaration on Population and Development Beyond 2014.

25. Continuing to outline the work undertaken to provide training and build capacities in collaboration with the African Institute for Economic Development and Planning (IDEP), the presenter noted that strong partnerships were built during the period with other United Nations agencies, member States, the African Union Commission, regional economic communities, and research institutes on inclusive and sustainable development in implementing the 2030 Agenda and Agenda 2063.

26. He concluded his presentation by highlighting some of the planned activities for the period 2018–2019 in support of member States, including policy research on youth; strengthening of national capacities in production of quality urban data; capacitating planners to integrate urbanization in national plans; and a review of interlinkages between urbanization and agricultural transformation. Activities would also aim to enhance the capacities of member States to contribute to the achievement of a Global Compact on Migration; design and implement suitable policies to address the challenges of informal employment and skills mismatch, especially for youth and women; monitor investments in social protection policies and programmes, and contribute to achieving the targets of the Sustainable Development Goals on social protection; and develop suitable policies to implement the African Regional Nutrition Strategy while contributing to reduce human exclusion and achieve the targets on child stunting.

#### 2. Discussion

27. In the ensuing discussion, representatives expressed their appreciation for the quality of the presentations and the work undertaken by ECA since the first session.

28. Further details were requested regarding the guideline on urbanization and national development planning, and whether gender was mainstreamed in that tool. In that regard, the Secretariat further elaborated that integrating



urbanization, gender and social development for inclusive growth constituted important considerations in the guidebook.

29. Some participants expressed the view that linking urbanization to national development planning was important, given the new challenges faced by member States, such as climate change, which called for integrated responses.

30. Participants expressed their interest to apply ECA's tools for gender and social development to guide national policy formulation, planning and implementation, while there was a need to address some of the barriers such as the limited financial resources available at national level. In that respect, the secretariat clarified its emphasis on implementing its tools with national partners, through national implementation teams for data collection, capacity-building and implementation. It was noted that the process and implementation was fully owned by member States.

31. The point was emphasized during the discussion that there was a need to consider the adaptation of ECA's tools and guidelines to better respond to post-conflict countries in the continent, and their specific contextual needs and priorities.

32. ECA was called upon to provide further support in implementing and assessing the policy implications of its tools, to support member States in integrating urbanization in national development planning processes, and to strengthen its collaboration efforts within the United Nations system and with the African Union Commission in supporting member States to implement, monitor and evaluate the 2030 Agenda and Agenda 2063.

## **B. Subprogramme 6 — Gender and women in development**

### **1. Presentation**

33. Presenting the work of Subprogramme 6 on gender and women in development, Ngone Diop, Senior Gender Advisor, underscored that the mandate of the subprogramme was to support member States to achieve gender quality and women's empowerment. The presentation focused on the main achievements for the biennium 2016–2017, highlighting policy influence, results achieved, lessons learned and the main challenges faced by the subprogramme. It also discussed the planned activities for the biennium 2018–2019.

34. Among knowledge products, the African Centre for Gender has undertaken a number of policy research projects that have resulted in reports on the following themes: “Women's economic empowerment in Africa: boosting female entrepreneurship”; “Securing women's rights to social protection in Africa”; “Women in small-scale and artisanal mining”; and “Gender and climate change”. In addition, the African Centre for Gender continued to expand the implementation of the African Gender and Development Index. The speaker also reported on the strategic partnership developed and maintained with the African Union Commission, and within the United Nations system, civil society organizations, research institutions and academia in order to create synergy to better serve member States.

35. In addition, tailored technical support and advisory services were provided to member States and to the African Union Commission, at their request, with the view to supporting their efforts to accelerate achievement of gender equality and women's empowerment across the continent. ECA also aimed to lead by example. The recent results from the gender marker exercise showed that ECA needed to make more of an effort to ensure that its outputs and budget catered to gender issues more effectively.

## 2. Discussion

36. **Measurement of gender equality and social exclusion.** The Committee commended ECA for developing tools to assist its member States to promote and monitor progress in gender equality and social development. In particular, the African Gender and Development Index and the African Social Development Index were highlighted as valuable tools to assist African countries in measuring their performance in the promotion of gender equality and monitoring progress in meeting commitments made in relation to human rights instruments on women's rights and in reducing social exclusion, respectively. Although ECA supported countries technically and financially to implement those tools at the national level, it was envisaged that over time, countries would be able to use such tools using domestic resources in order to improve the sustainability of those interventions.

37. **Women's economic empowerment.** The Committee highlighted that despite the fact that a number of programmes had been implemented in a number of African countries, economic empowerment of women was far from being reached. The Committee called upon ECA to strengthen its programme on women's economic empowerment with a view to supporting member States to design effective programmes and policies. In that regard, Senegal requested the support of ECA to set up a national forum for women entrepreneurs in that country.

38. **Access to and control over finance.** The Committee noted with concern that women in African countries continued to face barriers in accessing finance. One of the main barriers was the lack of access to economic resources, including land, that could be used as collateral. Although popular, microcredit schemes had not proved to be a sustainable solution and usually catered to an urban population. It was emphasized that women needed financial literacy to manage loans of any size to avoid indebtedness.

39. **ECA-AfDB Joint Gender Index.** A representative of the African Development Bank commented on the joint index being developed by ECA and the African Development Bank, at the request of member States. The Index, which would be based on the ECA's African Gender and Development Index and the African Development Bank's Africa Gender Index, was expected to be launched in 2018.

40. **Social protection.** The Committee raised concerns about the significant proportion of women who did not have access to social protection, especially those working in the informal sector and domestic workers. The possibility was raised of introducing innovative mechanisms of social protection, including voluntary insurance schemes for women and men working in the informal sector.

41. **Integrating a gender perspective in national budgets.** The Committee noted the activities of subprogramme 6 in ensuring that a gender perspective was integrated into the work of ECA. In particular, the Committee highlighted ECA's gender parity marker, which provided an indicative measure of the resources being allocated to the promotion of gender equality. Several member States requested support to adapt the gender parity marker developed by ECA as part of their gender budgeting initiatives.

42. **ECA's support to the African Union Commission.** The Committee noted the support that ECA was providing to the African Union Commission to compile the annual Gender Scorecard, which was based on the African Gender and Development Index. Such support should be strengthened and expanded with a view to assist countries to promote gender equality and inclusive growth.

## V. Parallel sessions

### A. Informality and inequality in Africa

#### 1. Presentation

43. In presenting a report on informality and inequality in Africa, Adrian Gauci, Economic Affairs Officer, Employment and Social Protection Section, Social Development Policy Division, stated that the initial inequality and the pace and nature of economic growth in Africa had stymied the positive effects of changes in poverty levels. The slow pace of change had exacerbated existing inequalities and poverty reduction had not been commensurate with growth. Furthermore, economic growth had not created enough employment opportunities, and as a result, the large informal sector remained stagnant despite the positive economic upturn during the period 2000-2015. Informal workers, mostly young people and women, ranged from poorly educated individuals for whom informal jobs was the only alternative to unemployment (the “involuntarily” informal), to the highly educated young urban adults who had opted to be “voluntarily” employed in the informal sector, or run informal enterprises, to, for example, avoid cumbersome regulations or taxes.

44. The common features of informality used in the report focused on low productivity and low skills, particularly for subsistence informality. The predominance of young people and women in informal employment as a reflection of their lack of opportunity to participate in the formal labour market. Furthermore, it should be noted that acquiring the basic skills of literacy and numeracy were not homogenous across all groups. Primary school completion rates remained low and the basic skills were insufficient for skill profiles demanded by the labour market. That tended to crystallize informality and its link to inequalities with low productivity and insufficient social protection. The results of the research were of critical importance in implementing the 2030 Agenda and Agenda 2063 and providing synergies. The need to mainstream employment as a top priority in Africa must be complemented by sectoral policies anchored in equity within the context of “leaving no one behind”. Furthermore, the point was made that leveraging the informal sector for recalibrating training and productivity enhancing was vital. Finally, he observed that gender-sensitive policies must be cross-cutting across national and sectoral plans.

45. The comment was made that it was therefore important to establish clear linkages between informality and inequality for targeted policy interventions. A good understanding of the bidirectional linkage between informality and inequality in Africa would provide empirically-grounded information for the design of more inclusive policies and the implementation of the 2030 Agenda and Agenda 2063.

#### 2. Discussion

46. In the ensuing discussion, participants underscored the importance of a clear working definition of the term “informality” to allow for measurement and data collection. They noted the pervasive nature of informality in Africa in general and in member States in particular. The participants observed that informality was not a homogeneous phenomenon and as a result, it should be broken down into parts, to ensure that interventions were well targeted. They further observed that informality was driven by a number of factors, including lack of inclusive growth, exogenous shocks and recessions. The participants noted that women were disproportionately and overly represented in the informal sector. As examples, 63 per cent and 78 per cent of the women in Cabo Verde and in South Sudan, respectively, were working in the informal sector. In that regard, a participant noted that there was a clear distinction between

voluntary and involuntary informality. The point was raised during the discussion because involuntary informality was seen as a more serious challenge and because of the composition of vulnerable groups, such as women and young people.

47. The distinction between extreme and moderate poverty, using World Bank figures, was focused on and the comment was made that national poverty lines should be used as they reflected the country situation. The point was made that there was a need for robust, reliable data disaggregated by gender and age. Another point that emerged was that the lack of quality education was one of the drivers for entering in the informal sector.

48. Participants also shared the country experiences and specific policies related to employment and vulnerable groups. Among the countries covered were Cameroon, Chad, Ghana, Senegal, South Sudan and Zambia. The general thrust of the social protection programmes was to assist in productivity enhancement and training of women and young people working in the informal sector.

## **B. The demographic dividend in Africa: an entry point to implementing and monitoring the Addis Ababa Declaration on Population and Development**

### **1. Presentation**

49. In his presentation of the report on the demographic dividend in Africa, William Muhwava, Chief, Population and Youth Section, Social Development Policy Division at ECA, said that the demographic dividend was a boost to socioeconomic development expected when countries enter a phase of low age-dependency during their fertility transition. He commented that the demographic dividend would be used as an entry point to capture the interconnections of population to the 2030 Agenda and Agenda 2063. In that respect, he added that the Addis Ababa Declaration on Population and Development monitoring framework had been developed and would be available to member States to guide implementation of the commitments of the Addis Ababa Declaration in a way that was comprehensive, compact and integrative. The presentation highlighted that young people aged 15 to 24 years constituted a substantial proportion of the population in Africa, which was expected to increase rapidly in the future. According to United Nations projections, the number of young people aged between 15 and 24 years in Africa was expected to increase from 226 million in 2015 to 321 million in 2030.

50. It was noted that education was a critical pillar for attaining the demographic dividend and that young people in Africa were increasingly acquiring higher education and skills acquisition for employment. The speaker added that secondary education enrolment had expanded from 25 per cent in 1999 to 53 per cent in 2013. Moreover, enrolment in tertiary education in Africa had grown at almost twice the global average and faster than any other region in the world. The point was made that an estimated 59 per cent of young people between 20 and 24 years were expected to have secondary education by 2030. Their potential contribution to economic growth and development, according to the speaker, therefore remained largely untapped since not all of them could be absorbed into the formal labour market.

51. The comment was made that, currently, young people in Africa constituted 35 per cent of the working age population but comprised 60 per cent of the total unemployed population. In the past 10 years, over 37 million wage-paying jobs had been created against the approximately 110 million young people who joined the workforce in that period. The speaker pointed out that even more problematic was that the level of unemployment was at times higher

among the most educated, and that young African women were even worse off in the labour market as they faced numerous other barriers. It was noted that the cost of excluding women was high; it was estimated that between 2010 and 2014, the region lost \$95 billion and that in 2014 alone, the losses peaked at \$105 billion owing to gender gaps in the labour markets.

52. The speaker remarked that most of the activities focused on addressing current youth issues and concerns, while alternative policy options and scenarios on the future of youth and development were almost non-existent. He pointed out that there was a need for practical, future-oriented policies and related programmes to engage young people effectively in all aspects of the development of their countries and of the continent as a whole. He added that a new emergent and integrated Africa could be fully realized only if its demographic advantage — the large population of young people — was mobilized and equipped to help drive Africa's integration, peace and development agenda. In concluding, he noted that, as part of its contribution to Africa's socioeconomic transformation agenda, research would result in alternative policy options and scenarios for young people and development futures in the continent.

## **2. Discussion**

53. In the ensuing discussion, participants commended the Population and Youth Section for developing an Operational Guide on the Addis Ababa Declaration, an instrument that would offer countries clear and specific guidance for implementing the post-2014 International Conference on Population and Development Programme of Action and also serve as the means for monitoring the implementation of the Declaration.

54. It was pointed out that planning and programming in most African Union member States had moved beyond the sectoral approach, to adopt a multisectoral one. It was emphasized that, as a consequence, in designing population policies and programmes, there was a need to involve a range of individuals, including researchers and others in the academic sector, politicians, religious and civic leaders, development practitioners, and representatives from various communities.

55. One participant informed the Committee that his country had successfully involved faith-based agencies and religious leaders to clarify the role of Islam on matters related to population and the demographic dividend. He further offered the comment that his country had adopted a holistic approach in dealing with population issues. A number of participants remarked that an early age at marriage was delaying the onset of the demographic transition. In addition, a number of representatives commented that laws banning early marriage had been enacted by their legislative bodies.

56. The relevance of demographic data and research was recognized in informing policy formulation, implementation and monitoring. In addition, the existence of African traditions, values and practices, which continued to support a large family norm, was taken into consideration, as was the fact that young people, especially girls, continued to drop out of school. Moreover, it was noted that the African population was youthful, experienced poor access to appropriate health, was less skilled, poor and deprived, with limited opportunities for employment, access to regular incomes and livelihood, and had unequal access to resources. In concluding, the Committee recommended that ECA support member States in implementing and monitoring the demographic dividend through the Addis Ababa Operational Guide.

57. While recognizing the importance of the demographic dividend, participants noted that there were population subgroups needing attention, including infants, the elderly and women. In that regard, the point was made

that using the age structural transition approach on population dynamics should be central to the work of ECA.

58. The Committee also suggested that the following mechanisms be put in place for monitoring progress on the International Conference on Population and Development Programme of Action and the Addis Ababa Declaration on Population and Development:

- (a) ECA to work with Member States to develop an advocacy strategy on the review of the Addis Ababa Declaration on Population and Development +5 (International Conference on Population and Development Programme of Action +25), which would be used to get buy-in from member States to fully support and participate in the review;
- (b) Member States to consider and initiate domestic resource mobilization for the Addis Ababa Declaration reviews. A resource mobilization strategy would be developed;
- (c) Member States to produce regular reports on the implementation of the International Conference on Population and Development Programme of Action and the Addis Ababa Declaration;
- (d) ECA to assist member States to set up multisectoral national committees to provide oversight for the review of the Addis Ababa Declaration;
- (e) Member States to appoint focal persons to coordinate and liaise with ECA and the African Union Commission and the United Nations Population Fund (UNFPA) on all matters relating to review processes and relevant to the International Conference on Population and Development Programme of Action and the Addis Ababa Declaration;
- (f) ECA to urgently develop methodology and indicators to facilitate standardized reporting across Member States;
- (g) ECA, UNFPA and partners to assist in building the capacity of member States to monitor progress on the implementation of the International Conference on Population and Development Programme of Action and the Addis Ababa Declaration.

## **C. An urban lens on national development planning**

### **1. Presentation**

59. Presenting the report, “An urban lens in national development planning”, Edlam Yemeru, Chief, Urbanization Section, gave an overview of the importance of urbanization for structural transformation and inclusive growth in Africa. She explained the need to integrate the latter in national development plans of African countries, and began the presentation by explaining the dynamics of urbanization in Africa. She placed special emphasis on how swiftly urbanization was expanding and the magnitude of it, as well as the multifaceted impacts it would have on all African States.

60. Furthermore, it was observed that although urbanization offered significant opportunities, it was a necessary but not sufficient condition for growth. The quality of urbanization mattered immensely. Therefore, in order to promote high-quality urbanization, enormous efforts based on a strategic and multi-sectoral vision were required.

61. With regard to national development planning, the point was made that urbanization was not already strategically integrated in national development plans in the continent. That gap must be addressed if African countries were to

harness the potential of urbanization for structural transformation and inclusive growth. That was especially important considering that the opportunities associated with urbanization were transitory.

62. The speaker concluded by pointing out that a commitment to harness urbanization for structural transformation had been made at the global and regional levels in the form of the Sustainable Development Goals, Agenda 2063 and the New Urban Agenda. However, as urban issues were multisectoral, the harnessing of urbanization could only be done by integrating it into national development planning — for which ECA was in the process of preparing a guidebook to assist member States.

## **2. Discussion**

63. In the ensuing discussion, participants welcomed and expressed their appreciation for the innovative approach of ECA to support member States in leveraging urbanization for structural transformation as timely and highly relevant. It was emphasized that, given the scale and scope of the challenges of urbanization, as well as the associated opportunities, there was an urgent need for effective policy responses linked to national development planning, which could minimize externalities and optimize advantages.

64. Participants also highlighted specific examples of how support from ECA to member States in integrating urbanization in national development planning was already having an impact. They further outlined current and forthcoming opportunities for ECA to provide additional assistance to strengthen urbanization in national development planning, and voiced their intention to request such assistance.

65. Participants noted that for most African countries, the priority and focus in terms of development planning remained on the primary sectors, rural areas and agriculture; and, as a result, a paradigm shift was needed in the continent to give urbanization adequate consideration. In that regard, the work of ECA was seen as being of paramount importance.

66. Participants noted that although in general urbanization was included in their development plans or national urban policies, there was still scope to more fully integrate it in development planning from a strategic and cross-sectoral perspective linked to long-term national and sector priorities. In that regard, the work of ECA, especially the present report, were crucial. In particular, coordination across concerned entities remained a significant challenge.

67. Participants requested ECA to apply its guidebook on integrating urbanization in national development planning more widely to support member States in harnessing urban growth for inclusive growth, and, in particular, in strengthening coordination across sectors and entities. A number of key ongoing programmes and strategies for sustainable urbanization in some African countries and the relevance of the work of ECA to further strengthen them were highlighted. Moreover, it was noted that the work of ECA could focus on the following: opportunities linked to rising and changing patterns of urban consumption; the need to link housing and urban design to employment; silos between urban and economic planning authorities; strengthening urban data and statistics and the implications of climate change. In that regard, ECA could play an important role in supporting the regional implementation of the New Urban Agenda.

## **D. Women's economic empowerment: boosting female entrepreneurship in Africa**

68. The session was chaired by Lucile Bonkougou, the representative of Burkina Faso; the Rapporteur of the session was Martha Mbombo, the

Permanent Secretary of Namibia. Following the election of the Chair and the Rapporteur, the results from recent research conducted by the African Centre were presented. Using more than 30 surveys from five selected countries, the Center analysed where women entrepreneurs and firm owners were located; what productivity differentials were observed between male and female entrepreneurs; and what constraints women in business faced. The final part of the presentation included a set of policy messages and recommendations centred on entrepreneurship promotion programmes, financial inclusion strategies and legal barriers on women in accessing economic opportunities.

69. Member States expressed appreciation for the comprehensive nature of the report, which entailed compiling a large number of data sources in order to analyse women's economic empowerment through female entrepreneurship. During the ensuing discussion, member States emphasized that female entrepreneurship was a priority. They, however, indicated that they were in different stages of putting in place plans, frameworks and mechanisms to boost female entrepreneurship. Some were at the design phase while others were implementing programmes that were integrated into their national development plans. It appeared that the member States were using a variety of strategies to implement the programmes. For example, some countries had set financial inclusion strategies, while others were trying to come up with frameworks on women's economic empowerment, financial inclusion and boosting female entrepreneurship.

70. The participants acknowledged that there was an overarching vision with regard to women's economic empowerment in all countries. The political will was evident and the aspirations could be seen in the laws and strategies. Some countries were actively using quotas in order to ensure that female-owned enterprises represented 30 per cent of the enterprises that obtained government contracts.

71. The point was made that there were challenges at the planning and implementation phase. The plans were often not finalized. Hence the legal framework was not ready for the implementation phase. Another challenge was sectoral segregation that left women in less lucrative sectors or at the lower levels of the value-chain in a given sector. Productivity differentials were often rooted in such sectoral segregation.

## **VI. General discussion on the theme of the second session, "Achieving the 2030 Agenda and Agenda 2063: from planning to implementation of the gender and social development goals for inclusive and sustainable development"**

### **A. Presentation of the Issues Paper**

72. In his presentation, Jack Zulu, Social Affairs Officer, Employment and Social Protection Section, Social Development Policy Division, ECA said that the focus of the presentation was on the analysis of the key issues related to an effective implementation of the gender and social development goals in order to achieve inclusive and sustainable development in Africa. The presenter stressed the convergence between the global 2030 Agenda and the regional Agenda 2063, due to the fact that the latter was built on the Common African Position on the Post-2015 Development Agenda, which was taken into account in the 2030 Agenda. He stressed the importance of the role of ECA, articulated around organizations of consultations that culminated in the CAP; tailored technical support and capacity-building to member States for the alignment of national development strategies and plans to both Agendas; and fostering



interregional integration and facilitates international cooperation for Africa's inclusive and sustainable development.

73. The presenter concluded by recalling that, while Africa made important strides in implementing the Millennium Development Goals, persistent challenges remained and that the Goals remained unfinished business. The observation was also made that, by way of learning from such implementation, member States should take a wide range of actionable measures to accelerate an effective implementation of the 2030 Agenda and Agenda 2063. Following the main presentation, the discussants highlighted both future issues that needed to be addressed, and country perspectives.

74. In the ensuing discussion, participants commended ECA on the important work that it was doing on gender and social development, particularly in assisting member States to integrate the Sustainable Development Goals in national development plans. In that regard, participants shared relevant country experiences with specific attention to mainstreaming gender issues. Some countries had taken measures that required budgets of sectoral ministries to be passed only after obtaining a certificate of compliance with the national equity guidelines. To reinforce such good practices, member States requested the technical support of ECA. A representative requested ECA to provide assistance to her country's Equal Opportunity Commission on the gender marker. The comment was made that training and awareness-raising programmes had been implemented in many countries to support the effective implementation of national plans, which were responsive to the Goals enshrined in the 2030 Agenda.

#### **B. and C. Four breakout sessions, reporting back on the breakout sessions and discussion on the way forward**

75. In the respective parallel sessions, participants shared their country experiences, including challenges encountered in integrating gender and social development issues into the formulation processes of national plans. Challenges included the fact that issues related to gender and social development, especially gender issues, were not always addressed fully in the formulation process. The comment was made that significant effort had been invested in improving the statistical systems, however, data were missing in a number of sectors, including time use data (to measure unpaid care work); and the informal sector, and access to finance.

### **VII. Consideration and adoption of the report of the second session**

76. The Committee commended ECA on the effective organization of its second session of the Committee on Gender and Social Development, both in terms of substance and logistics. The Committee thanked ECA for the successful organization and emphasized the comprehensiveness of the various reports submitted by the Commission for review.

77. ECA was also commended on the valuable role that it played in coordination and collaboration with member States, and in its continued outreach, to identify and respond to their needs.

78. Given the wide-ranging recommendations arising from each of the agenda items, the secretariat decided that, for the purposes of the present report, the recommendations would be presented in a consolidated manner, headed by the relevant agenda item, as follows.

## **A. Recommendations**

### **1. Recommendations from agenda item 4: Reports to the Committee on Gender and Social Development – reporting and discussion**

79. Recommendations arising from the discussion of agenda item 4(a) Subprogramme 9 – Social development policy, are as follows:

#### **For member States:**

- Further link urbanization to the national development planning processes and frameworks to better respond to this new emerging trend in the context of Africa's structural transformation.

#### **For ECA:**

- Further support by ECA in implementing and assessing the policy implications of the tools it has developed.
- Strengthen its collaboration with the African Union Commission and other parts of the United Nations system in supporting member States in implementing, monitoring and evaluating Agenda 2063 and the 2030 Agenda.

80. Recommendations arising from the discussion of agenda item 4(b) Subprogramme 6 – Gender and women in development, are as follows:

#### **For member States:**

- Take steps to institutionalize the implementation and use of the African Gender and Development Index at the national level in order to ensure ownership and sustainable integration of the index into evidence-based policymaking.
- Develop new programmes and policies and strengthen existing ones for the social protection of women in the informal sector and domestic workers in light of the African Union Spirework Action Plan, reaffirming the Algiers Declaration on Investment in Employment and Social Security, which sanctioned the work of the second session of the Specialized Technical Committee on Social Development, Labour and Employment held in Algiers from 24 to 28 April 2017.
  - Strengthen monitoring and evaluation systems.

#### **For ECA:**

- Assist member States to adapt the ECA gender parity marker for use in the implementation of their gender budgeting initiatives.
- Strengthen the ECA programme on women's economic empowerment with a view to identifying effective interventions, including those related to promoting access to finance, for adoption by member States.
- Provide technical support to member States for the implementation and monitoring and evaluation of policies and programmes for women's economic empowerment.

#### **For ECA and the African Union Commission:**

- Strengthen partnerships to assist countries in promoting gender equality and inclusive growth, in line with agreed targets, the priority actions and strategic directions in Agenda 2063 and its Action Plan (2016-2026) for implementation; and the 2030 Agenda for Sustainable Development.
- Increase cooperation between the two organizations with the objective of more effectively assisting countries in their efforts to promote gender equality and inclusive growth.

**For ECA and the African Development Bank:**

- Accelerate the process of developing a single African gender index, which is scheduled to be launched in 2018, and ensure that member States are actively involved in the process of the development and finalization of the index.

**2. Recommendations from agenda item 5: Parallel sessions**

81. Recommendations arising from the discussion of agenda item 5(a) Informality and inequality in Africa, are as follows:

**For member States:**

- Commit to increasing access to quality education.
- Facilitate sectoral policies that deal with employment, education, gender and youth in national plans and visions.
- Anchor equity in national plans to tackle income inequalities and inequalities of opportunities.
- Develop legislative frameworks to support women's economic empowerment.
- Standardize the definition of the term "informality" to allow for data collection and comparison across countries and over time. The definition of informality should take into account the formalization of the informal economy.
- Apply a comprehensive approach in efforts to reduce inequality by helping young people, especially women, avoid the "informality trap" based on the view that secondary education, skills, health and employment are linked.
- Support women to shift from the informal to the formal sector.
- Mainstream sectoral policies that deal with employment, education, gender and youth in national plans and visions to ensure synergies across the informality and inequality linkages.
- Anchor equity in national plans to tackle income inequalities and inequalities of opportunities.
- Conduct a thorough analysis, by States and Governments, of the drivers of informality, before prescribing policy solutions.
- Revise curricula to respond to the demands of the job market – in response to the fact that many young people with degrees in Africa are unemployed.
- Introduce policies, at the national level, for specific components of informality rather than formalizing the informal sector.
- Prioritize gender in all interventions that deal with informality and inequality.
- Standardize the definition of informality to allow for data collection and comparison.
- Promote gender, health and employment as a multisectoral phenomenon that is seamlessly linked and accordingly requires a holistic comprehensive approach.

**For ECA:**

- Develop policy briefs on monitoring of social investments and knowledge products for analysing various aspects of informality.
- Organize training sessions and provide technical assistance to improve the design and implementation of suitable policies on employment and social protection.
- Provide support in developing new curricula, especially for technical and vocational education, and align the curricula with the demands of the job market.
- Extend support in designing and implementing suitable policies for specific components of informality rather than attempting to formalize the informal sector.
- Provide assistance in prioritizing gender in all interventions that deal with informality and inequality.
- Conduct a thorough analysis of the drivers of informality, which vary from country to country, before prescribing policy solutions.
- Provide technical support and capacity-building, especially in monitoring and the follow-up of programmes.
- Assist in developing and applying the knowledge products and tools to enhance policy formulation and to more effectively conduct integrated research on gender and informality.

82. Recommendations arising from the discussion of agenda item 5(b) The demographic dividend in Africa: an entry point to implementing and monitoring the Addis Ababa Declaration on Population and Development

**For ECA:**

- Work with member States to conduct research and studies for baseline indicators to inform national development planning as a basis for comparing future reviews of the Addis Ababa Declaration on Population Development and to measure progress.
- Design guidelines to assist mainstreaming and integrating demographic variables at different stages of the policy process starting with the design stage.
- Provide capacity-building on the integration of population variables into development planning to all member States. Work with national population agencies to sensitize politicians and policymakers on the Addis Ababa Declaration and its implementation guide.
- Dedicate the necessary resources to briefing and training policymakers in applying the objectives of the Declaration on Harnessing the Demographic Dividend. Policy briefs would be useful tools to use for this outreach.
- Undertake advocacy campaigns on the demographic dividend in member States.
- Build, with partners, the capacity and expertise of member States for demographic dividend interventions. Good practices generated from the continent and the Asian countries should guide policy and programmatic interventions in member States.
- Continue work on migration and involve member States, focusing on addressing the structural drivers and enhancing the inherent potential benefits of migration by supporting the development of migration policies that are development-sensitive and, conversely, development policies that are migration-sensitive;

- Supports, as requested by member States, the provision of technical support and capacity-building, especially in monitoring and the follow-up of policies and programmes. Further, member States indicated that ECA should support them in applying its various knowledge products and tools to improve policy formulation and conduct an integrated research on gender and informality. The context to be taken into account is the harnessing of the demographic dividend, which is an entry point to the implementation, monitoring and evaluation of the Addis Ababa Declaration on Population and Development.

83. Recommendations arising from the discussion of agenda item 5(c) An urban lens on national development planning, are as follows:

**For ECA:**

- Continue to support member States in their efforts to understand the centrality of urbanization and to better deal with urbanization issues, including by better linking urbanization to national development plans, national budgets and sectoral policies.
- Develop methodologies and tools and provide training sessions for national experts from all sectors to support capacity-building in this area, to support a common understanding of urban issues, promote linkages and ensure coordination in planning and implementation.
- Work closely with Governments to develop policy briefs on the central role of cities, with a special focus on employment, especially for the youth, gender equality and social inclusion, under the framework of structural transformation.
- Assist member States in strengthening urban data and statistics to support the integration of urbanization into national development planning.
- Facilitate policy dialogues at national and subregional levels, to convey these messages at the highest level of decision-making.
- Organize training sessions and provide technical assistance, as requested, on integrating urbanization into national development planning.
- Support member States in the implementation, monitoring and review of the New Urban Agenda.
- Conduct studies and compile experiences and practices on the opportunities arising from urbanization for inclusive and sustainable development and growth.

**For member States:**

- Strategically link national development planning with urbanization for structural transformation.
- Request that an urban lens be turned on national development planning.

84. Recommendations arising from the discussion of agenda item 5(d) Women's economic empowerment: boosting female entrepreneurship in Africa, are as follows:

(a) **Capacity-building.** Efforts are needed at different levels.

**For member States:**

- Require help to develop national plans and tackle the challenges lying ahead in designing and implementing the plan.
- Develop legislative frameworks to support women's economic empowerment.
- Require innovative strategies to create financial institutions, such as women's banks or women's entrepreneurship funds, with simplified procedures to increase their access to and control over finance.

- Allocate an appropriate budget for building women's capacity and to support their economic empowerment, in line with the recommendation of the Beijing Platform for Action.
- (b) **Information production and sharing.** Setting up tools, portals and online platforms so as to have the opportunity to share best practices.

**For member States:**

- Share information around such practices, given that member States have implemented interesting strategies and programmes.

**For ECA:**

- Commit to remain available, on the part of international institutions in Africa, including ECA, to support member States with technical advisory services, capacity-building programmes and knowledge products and tools with particular attention given to rural women.
  - Support member States in gaining access to information on procedures regarding access to finance, markets and business opportunities.
- (c) **Tackling barriers that hamper women's economic empowerment opportunities.** Women's unpaid care work and time poverty, negative norms on women's career progress, violence against women and harmful practices that limit women's human capital development and access to economic opportunities.
- (d) **Setting affirmative action.** Various mechanisms should be created to help women to gain equal access to government contracts i.e. for instance allocate specific quota (percentage) of public contracts to women.

3. **Recommendations from agenda item 6: General discussion on the theme of the second session, "Achieving the 2030 Agenda and Agenda 2063: from planning to implementation of the gender and social development goals for inclusive and sustainable development"**

85. Recommendations arising from the discussion of agenda items 6(b) and 6(c) on the breakout sessions, are as follows:

**For member States:**

- Encourage and strengthen the capacity of sectoral ministries and other government entities to align their policies, strategies, programmes and budget to Agenda 2030 and Agenda 2063 for achieving the Sustainable Development Goals and the Aspirations of Agenda 2063, using evidence-based planning.
- Strengthen institution mechanisms and coordination at the national level, such as through parliamentary committees on Sustainable Development Goals and gender, national steering committees, social development machineries and national planning committees on issues related to gender, urbanization and social development.
- Apply a cluster approach to encourage interconnectedness among different sectors and improve baseline data and quarterly or periodical reporting for data requirements.
- Apply a decentralized approach for implementing the 2030 Agenda.
- Commit resources at the subnational and local government levels to execute programmes.
- Set gender sensitive budgets in line with the Sustainable Development Goals and Agenda 2063.

**For ECA:**

- Provide capacity support in aligning gender and social development issues.
- Extend technical advisory and capacity-building support for the establishment of national observatories and platforms for monitoring and evaluation of gender, urbanization and social policies.
- Provide support in strengthening statistical systems, indicator development, data collection, analyses and disaggregation of indicators related to the 2030 Agenda and Agenda 2063.

86. In addition, participants made the following recommendations:

**For member States:**

- “Own” the 2030 Agenda and Agenda 2063 by aligning them with medium-term plans, national strategies and priorities. Countries would need to strengthen their capacities on how to integrate the Sustainable Development Goals and Agenda 2063 in policies, budgets and programmes through evidence-based planning. Sectoral ministries should also align their plans to the 2030 Agenda and Agenda 2063.
- Strengthen institutional mechanisms and coordination at the national level such as parliamentary committees on the Sustainable Development Goals and gender, national steering committees, social development machineries, and national planning committees on issues of gender, urbanization and social development. A cluster approach for the interconnectedness of sectors was also deemed necessary. In order to do this, improved baseline data and quarterly or periodical reporting for data requirements were outlined.
- Take a decentralized approach to implementing the 2030 Agenda and the need to commit resources at subnational, local government levels to execute programmes.
- Explore new approaches and partnerships in support of the implementation of the Agendas at national and subnational levels such as strengthening domestic resource mobilization and public private partnerships for gender, social and urbanization programmes. In that regard, campaigns and advocacy programmes for the mobilization of national resources was highlighted. The need to promote widely the 2030 Agenda to all the stakeholders was emphasized.
- Develop gender-responsive budgets in line with the 2030 Agenda and Agenda 2063.

**For ECA:**

- Request that ECA technical support be scaled up to integrate the gender and social development-related goals in national planning, implementation and monitoring and evaluation processes.
- Request that ECA provide support in technical, advisory and capacity-building areas, on the establishment of national observatories and platforms for monitoring and evaluation of gender, urbanization and social policy.
- Request that ECA support the strengthening of national statistical systems, indicator development, data collection, analyses and disaggregation of indicators of Agenda 2030 and Agenda 2063.
- Ensure that the Chair of the Bureau of the Committee on Gender and Social Development attended and reported back on the outcomes of the second session of the Committee to the Conference of Ministers of Finance, Planning and Economic Development, scheduled for March-April 2018.

## **B. Adoption of the report**

87. After due consideration, the Committee on Gender and Social Development adopted the report of the second session.

## **VIII. Closing of the session**

88. Following final remarks from the Director, Social Development Policy Division, ECA, Thokozile Ruzvidzo, and the customary exchange of courtesies, the Chair declared the meeting closed at 7.35 p.m. on Thursday, 12 October 2017.

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## **Report of the thirty-third session of the Intergovernmental Committee of Experts for Central Africa\***

### **I. Introduction**

1. The Economic Commission for Africa (ECA) Subregional Office for Central Africa organized the thirty-third session of the Intergovernmental Committee of Experts for Central Africa in Douala, Cameroon, from 26 to 29 September 2017 on the theme of “Made in Central Africa: from the vicious to the virtuous circle”, in partnership with the Ministry of the Economy, Planning and Regional Development of Cameroon.

2. The main goal of the meeting was to give experts the opportunity to discuss economic and social development issues in Central Africa, in particular the industrial fabric, and propose strategies to speed up structural transformation of the economies of the subregion.

3. Another aim of the meeting was to take stock of the implementation of subregional, continental and international initiatives and review the progress made in executing the Economic Commission for Africa Subregional Office for Central Africa programme of work for 2016.

### **II. Participation**

4. A total of 150 experts participated in the meeting. Apart from representative of Cameroon, the host country, the following member States were represented: Angola, Burundi, the Central African Republic, Chad, the Congo, the Democratic Republic of the Congo, Equatorial Guinea, Gabon and Sao Tome and Principe.

5. Delegates of the following institutions participated in the meeting: the African Development Bank (AfDB), the African Intellectual Property Organization, the African Power Pool, the Bank of Central African States, the Central African Economic and Monetary Community (CEMAC), the Central African Forests Commission, the Economic Commission on Cattle, Meat and Fish Resources, the French Development Agency, the Embassy of France and the Multisector Subregional Institute of Applied Technology and Project Planning. The following agencies of the United Nations system were also represented: the International Telecommunication Union, the United Nations Development Programme and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women).

6. Private sector representatives included delegates of the following organizations: the Cameroon Women Entrepreneurs Network, the Baba Danpullo, Mugano investment Group, the Cameroon Employers' Association, the Cameroon Businesswomen's Association, MTN Cameroon, Orange Cameroon and VELIA SARL. Representatives of the Advanced School of Economic and Business Sciences of the University of Douala, non-governmental organizations and civil society, including FISTEC, Ever Green Technology, GIC AFATEX-International, the Network of Civil Society Organizations for the Green Economy in Central Africa, the Youth Employment Service and the media also attended the meeting.

### **III. Opening ceremony**

7. The opening ceremony was chaired by the Director General for the Economy and Public Investments Programming of the Ministry of the Economy, Planning and Regional Development of Cameroon, Isaac Tamba. Four speeches by the following officials were given: the Director of the Subregional Office for Central Africa, Antonio Pedro; the Deputy Executive Secretary of ECA, Giovanie Biha; the outgoing chair of the Intergovernmental Committee of Experts, Dorothy Bekolo, and Mr. Tamba, who opened the thirty-third session.

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\* This report was issued under this symbol ECA/SRO/CA/ICE/33/17.

## **IV. Election of the Bureau**

8. Participants elected the Bureau as follows:

Chair: Cameroon  
Vice-Chair: Chad  
Rapporteur: Gabon

## **V. Adoption of the agenda and programme of work**

9. The participants adopted the agenda and programme of work.

## **VI. Conduct of deliberations**

10. The proceedings were conducted in plenary and parallel sessions to deepen the discussions. Presentations were made on the various items of the agenda, followed by discussions.

### **1. Presentation of the working document entitled “Made in Central Africa: from the vicious circle to the virtuous circle”**

11. In his introduction, the presenter recalled that the significant economic downturn in Central Africa that had begun in 2015 was due to the decline in the international prices of commodities. He contended that, with a production system dominated by primary commodities exports, limited manufacturing and very weak technological development, Central Africa was trapped in a vicious circle. The circle was sustained by many industrialization initiatives and plans that had failed to deliver on expected results and by several negative internal and external factors.

12. The presenter nevertheless indicated that Central African economies possessed advantages, notably natural resources endowments and other favourable enablers for exiting the vicious circle and migrating towards a virtuous one wherein the manufacturing industry would drive growth and development. In that connection, he recommended that the subregion draw inspiration from initiatives, such as industrialization master plans, special economic zones, project preparation, implementation units and project preparation facilities.

13. He then proposed priority actions contained in the following seven variables: (a) the definition of strategic guidelines for the accelerated industrialization of Central Africa; (b) the need for strong leadership and appropriate institutional structuring of industrial policy; (c) the prioritization of industrialization policies in national and regional development plans and policies; (d) heavy investment in industrial infrastructure and in human capital for rapid technological development; (e) strengthening national and regional capacity to implement industrial and infrastructure projects; (f) establishing the requisite institutions to finance industrialization; and (g) supporting small and medium-sized enterprises, national champions and foreign direct investment for the successful integration of regional and global value chains.

14. The presenter pointed out in his concluding comments that a paradigm shift at the national and regional levels demanded a change of mindsets, dialogue and strong commitment by private and public sector leaders.

### **2. High-level panel and discussions on “Made in Central Africa: from the vicious circle to the virtuous circle”**

15. A presentation of the working document was followed by discussions on the main theme of the meeting. The discussion was facilitated by a five-member high-level panel.

16. The first panellist, a representative of the Ministry of the Forest Economy of Gabon, Aliou Mbia Kombé Barry, gave an overview of his country's perspective and experience with regard to economic diversification and industrialization in the timber sector. He began by indicating that some measures envisioned in the working document were already being implemented, notably a ban on exports of unprocessed log timber, as set out in a decision issued in 2010 by the President of Gabon. The measure had made it possible to increase timber processing rates from 20 per cent in 2009 to 75 per cent in 2012. Similarly, the number of timber processing plants had surged from 80 to 155 and the number of jobs in the sector increased from 4,500 to 10,500. As a backup measure, a special regime area was established to enable investors to benefit from exemptions on specific imports, such as equipment. In addition, some forest areas had been set aside for investors who were issued forest permits that allowed permanent access to resources. Furthermore, a national timber exchange had been established, although it was not yet operational. Turnover in the sector had climbed from 140 billion CFA francs (\$263 million) to 200 billion CFA francs.

17. He noted, however, that, of the 400 timber species in Gabon, only 60 with marketable potential were harvested. The country wished to raise this figure to at least 150. He called for greater research and development to boost knowledge of the potential value addition and recommended the harmonization of national policies for greater complementarity among the economies of the subregion.

18. Mr. Pedro, the next speaker, provided a snapshot of the work of ECA pertaining to structural transformation. The Commission had begun to focus heavily on issues relating to industrialization and structural transformation in 2010, tackling diverse themes and issues over the years. In 2010, in the Economic Report on Africa, an annual flagship publication of ECA, it was argued that Africa needed strong growth to create decent jobs. In 2011, the focus of the Economic Report on Africa was on the role of the State in development. In that report, it was recommended that a developmentalist approach be taken similar to what had been undertaken in Japan and the Republic of Korea. The 2012 Economic Report on Africa was focused on the need to unleash the growth potential of Africa, with one key recommendation being broadening policy space. Mr. Pedro suggested that it would be necessary to transcend the conventional wisdom of the Washington Consensus. The 2013 Economic Report on Africa was centred on the promotion of industrialization through leveraging primary commodities, while the 2014 iteration was focused on industrialization through trade. The role of the continental free trade area was analysed therein in terms of the vast market that it would afford each African country. The three most recent editions contained discussion on the institutions needed to promote industrialization, green economy compliant industrialization and the role of urbanization in the promotion of industrialization.

19. In addition, Mr. Pedro stressed the importance of knowledge production and sharing in order to fine-tune industrial policies. In that regard, in the ECA document titled Transformative Industrial Policy for Africa, the myth that industrial policy was outdated was dispelled. Many countries had had recourse thereto and continued to do so. His other key messages were that economic diversification was a must for countries of Central Africa that could no longer afford to depend only on oil products. He also underscored the need to transcend comparative advantages to identify and promote new industries and protect nascent industries, notably in the manufacturing sector. He concluded by stating that the time was ripe to depart from resources-for-infrastructure initiatives to resources-for-industrialization ones.

20. In her intervention, Héléne Tsobgni Tioma (women-sponsored small and medium-sized enterprise) said that the difficulties preventing small and medium-sized enterprise from operating efficiently in the industrial sector in Central Africa were both internal and external. External difficulties included inadequate energy supply, weak technological development, the poor quality of transport and communication infrastructure, the lack of qualified manpower, market instability, an unfriendly business environment, difficulty in gaining access to international capital and the scarcity of domestic financing because of the lack of a financing culture. Regarding internal difficulties, she cited the small size of small and medium-sized enterprise, the difficulties in complying with the rules of the Organization for the Harmonization of Business Law in Africa and the requirement of rigorous accountability.

21. Ms. Tioma emphasized the need to build the capacity of the personnel of small and medium-sized enterprises, notably through the establishment of platforms that facilitate access to new technologies; to improve the availability and quality of infrastructure; to generate industrialization plans; and to design development plans that take in to account of small and medium-sized enterprises. In addition, she recommended the provision of adequate financing for small and medium-sized enterprises, the promotion of new technologies and the establishment of special economic zones based on regional comparative advantages.

22. An economist at the secretariat of the Economic Community of Central African States (ECCAS), Jules Touka, focused on the issues, challenges and prospects for a subregional industrial policy. He began by recalling

that the main mandate of ECCAS was to steer the regional integration process in Central Africa and that a widening of markets would likely generate economies of scale and spur greater production at the least cost. He said that ECCAS was working to develop a regional industrial policy and to outline issues, including the need to infiltrate the 150 million-strong regional market that was a net importer. Strong urban growth engenders high demand for industrial products and building materials, which leads to the

23. numerous high levies. Low-quality infrastructure and education, a lack of funding for long-term activities, smuggling and the lack of an independent justice system were also factors that discouraged foreign investors. He concluded by recommending that States protect local industries, notably by allocating to them a share of government procurement and by prohibiting the importation of some strategic goods for the development of the local industry. need to leverage the benefits of globalization. Countries of the Central African subregion were home to extensive iron deposits that could satisfy the needs of emerging economies, making Central Africa a metallurgical hub. In addition, the region should seek to attract investors in agribusiness, given its arable land potential and conducive weather conditions; the growth of the middle class in emerging economies, which was driving high labour costs and constituted an opportunity for countries of the region to position themselves as suppliers of cheap manpower and thus attract delocalized activities of multinationals; and its positioning on the global value chains.

24. Mr. Touka recommended the deployment of industries through the adoption of cluster and value chain approaches, a bold commitment by States to finance infrastructure and backup structures and the consolidation of regional integration. He added that the issue of finance was crucial and that countries must consider setting up sovereign funds that could be used to finance their infrastructure. In addition, lease financing was an option that small and medium-sized enterprises might explore. He wrapped up the discussion by underscoring the importance of promoting environmentally friendly industrialization.

25. The GICAM representative for the centre-south-east region, Narcisse Palissy Chassem, elaborated on the role of the private sector in industrial development. He explained in depth to the meeting the status of industrial development in Central Africa and noted that the subregion imported essentially industrial products and exported only unprocessed ones. He argued that the growth model was untenable and that the region's industrial sector was neither attractive to the local private sector nor to foreign investors on account of a tax policy that was marked by

26. The discussions that ensued from the panellists' presentations focused on the role of regional economic communities in the promotion of growth, the establishment of regional research centres and the need to carry out demand analysis in the countries of the subregion and thus define the market and leverage the possible synergies, the lifting of trade barriers and the need to establish or to strengthen public-private dialogue frameworks.

### **3. Thematic group work**

27. Participants broke into three groups to further reflect on the following themes: (a) small and medium-sized enterprises and value chains; (b) industrial development financing instruments; and (c) the preparation and implementation of industrial policies.

28. The outcomes of the group work and the recommendations were presented during a plenary session. Thereafter, a small working group was set up to review the recommendations with the following objectives: (a) clustering them; (b) assessing the feasibility of each one at the global and regional levels; (c) proposing an implementation timeline for the short, medium and long term; (d) identifying partners or stakeholders likely to contribute to implementation; (e) highlighting the relevant roles of the private sector and technical and financial partners; and (f) identifying potential funding sources.

29. The outcomes of the small working group were also presented in a plenary session, in the form of a recommendations matrix, which participants considered and validated. The participants, however, emphasized the need for the recommendations to be brought to the attention of policymakers and recommended the establishment of a mechanism to monitor and evaluate the implementation of them with the full involvement of the Intergovernmental Committee of Experts Bureau. Accordingly, ECA indicated that the issue was the subject of internal consideration as part of the restructuring of the intergovernmental mechanisms to improve their effectiveness. In the light of this, the ECA Subregional Office for Central Africa planned to organize quarterly meetings with the Bureau.

30. In addition, the experts requested ECA to raise the industrial policy issue to the highest level so that it did not remain just a wishful thought, and would bring about tangible results.

#### **4. Dinner-debate**

31. The ECA Subregional Office for Central Africa organized a dinner-debate during which panellists and experts discussed in depth the Intergovernmental Committee of Experts theme.

#### **5. Economic Commission for Africa Subregional Office for Central Africa report of activities for 2016 and programme of work for 2017**

32. The secretariat presented the ECA Subregional Office for Central Africa report of activities for 2016 and the programme of work for 2017. The presenter began by recalling the objectives and results expected from the work programme of the Bureau for the 2016-2017 biennium and outlined the activities carried out to promote the structural transformation of the economies in Central Africa and accelerate regional integration. Such activities included publications and the launching of them, organization of high-level meetings and dialogues, and assistance extended to national and subregional institutions. He also presented insights into the work programme that continued to place priority to economic diversification and the acceleration of regional integration, while underscoring that the ongoing reform of the United Nations system would have an impact on the programme.

33. The Committee took note of the full implementation of the activities of the ECA Subregional Office for Central Africa for 2016. The experts, however, requested that, for its subsequent report of activities, the Bureau should highlight the objectives attained and their impact, along with the implementation timeline.

#### **6. Recent developments and economic forecasts for Central Africa**

34. The experts listened attentively to a presentation delivered by the secretariat on recent developments and economic forecasts for Central Africa. The expert representing ECA pointed out that macroeconomic growth in Central Africa had slumped as a result of the decline in international oil prices. Growth in the CEMAC region had declined from 1.6 per cent in 2015 to 0.2 per cent in 2016. Public finances management was marked by a growing budget deficit in the oil-producing countries. Regarding external trade, the current account balance had declined on the back of, for example, unfavourable trade balances and a deterioration in services and revenue in almost all the countries. The presenter noted that the growing level of indebtedness was a threat to the long-term development of the countries of the subregion. Nevertheless, inflation was relatively subdued, notably in the CEMAC region, thanks to accommodative monetary policies. He concluded on an optimistic note by saying that projections would be more favourable in 2018 than in 2017 if the global economic recovery continued and the prices of main export commodities, notably oil, were, as expected, increased.

35. The ensuing discussions were centred on the frailty of Central African economies and the need to limit their vulnerability to fluctuations of international oil prices by speeding up the diversification of the production structure. Pro-cyclic fiscal policies during high oil prices and the level and pace of indebtedness were identified as some of the main causes of the financial difficulties encountered by countries of the subregion. It was also noted that emphasis should be placed on the real convergence of CEMAC economies rather than on nominal convergence, and greater understanding of the structural transformation of the economies of the subregion was needed.

## **7. Status report on regional and international programmes and other special initiatives in the subregion**

36. The secretariat presented the annual report on the state of play of regional and international programmes and other special initiatives in the subregion. The report focused on progress made in the Central African subregion in the implementation of the 2030 Agenda for Sustainable Development and Agenda 2063. It was revealed that, notwithstanding strides made in attaining some of the targets, the subregion was facing difficulties in halting extreme poverty and hunger, improving health and education, and enhancing access to basic infrastructure. The challenges relating to planning, financing, follow-up and production of statistics that Central African countries must tackle in order to implement the two agendas were also highlighted in the presentation. In addition, countries must strive to harmonize and converge their strategic planning frameworks and instruments for the implementation of these two initiatives.

37. During the ensuing discussions, experts underscored the importance of ownership by States of the efforts to achieve the Sustainable Development Goals in order to promote and make them country projects, while contextualizing their indicators. They also pointed out the need to use disaggregated statistical indicators to gain a clearer interpretation of poverty reduction measurement indices.

## **8. Subregional dimension of the Africa Regional Forum on Sustainable Development**

38. ECA delivered a presentation titled “Towards an African regional forum on more effective sustainable development: enhancement of subregional engagement mechanisms”, which was intended to stimulate effective participation of member States and regional economic communities of the subregion in the preparatory phases of and in the African Forum on Sustainable Development.

39. The presenter set the stage by recalling General Assembly resolution 67/290 in which the Assembly decided to establish a high-level political forum on sustainable development as the main organ of the United Nations responsible for sustainable development issues. The forum was placed under the auspices of the Economic and Social Council and on the basis of regional consultations. The Assembly, in its resolution, also recommended the regional commissions, including ECA, to facilitate those consultations. The outcomes of those consultations would be presented to the high-level political forum on sustainable development for review.

40. The presenter then outlined the guiding frameworks that underpin the Africa Regional Forum on Sustainable Development, namely, the adoption by African Union Heads of State and Government of the 2030 Agenda and Agenda 2063 and the First Ten-Year Implementation Plan (2014-2023) of Agenda 2063. He added that ECA had been mandated to organize a yearly African forum on a theme aligned with that of the high-level political forum on sustainable development to serve as a platform to assess the status of integrating the implementation of the two agendas and to adopt a common position for the forum. In addition, the forum afforded countries the opportunity to voluntarily undertake a periodic national review of the status of implementation of the 2030 Agenda. He noted that no Central African country had, to date, participated in the exercise, but indicated that the Congo had registered to participate in the 2018 forum.

41. The presentation ended with a proposal consisting of tangible actions for the subregion to commit to the Africa Regional Forum on Sustainable Development and the high-level political forum on sustainable development processes.

**To member States:**

- Establish a national observatory for monitoring the efforts to achieve the Sustainable Development Goals;
- Identify national experts to participate in the virtual community of practice and in the subregional review mechanism to be set up by ECA;
- Actively participate in the 2018 and 2019 Africa Regional Forum on Sustainable Development and the high-level political forum on sustainable development.

**To the Economic Commission for Africa:**

***2018 Forum:***

- Follow up on the appointment of national experts to participate in the discussions of the virtual communities of practice;
- Initiate and manage virtual communities of practice on the Sustainable Development Goals for the 2018 Forum and Agenda 2063;
- Gradually develop a database on information, knowledge and good practices on implementation of the 2030 Agenda and Agenda 2063 in the subregion;
- Compile and adopt the report of virtual communities of practice in the form of key messages;
- Officially transmit the key messages to the 2018 African Regional Forum on Sustainable Development.

***2019 Forum:***

- Request the appointment of experts to participate in virtual communities of practice on the 2030 Agenda and Agenda 2063 for the 2019 Africa Regional Forum on Sustainable Development;
- Initiate and coordinate discussions on the virtual communities of practice;
- Compile the conclusions of the discussions in the form of key messages of the subregion;
- Submit the messages for discussion during the 2018 Intergovernmental Committee of Experts;
- Coordinate the adoption of the subregion's key messages;
- Submit the subregion's key messages to the 2019 Africa Regional Forum on Sustainable Development.

43. Participants took note of the presentation and expressed the wish to support the participation of their relevant countries in the national voluntary review for the 2018 Forum and their registration for the 2019 Forum.

## **9. Implementation of subregional initiatives in Central Africa: the roaming**

44. The secretariat presented a report on the status of roaming in Central Africa. After explaining the concept, the ECA expert indicated that roaming is one of the 16 indicators of the African regional integration index developed jointly by ECA, the African Union Commission and AfDB. He shared the experience of other African subregions in establishing roaming, underscoring the good performance of the Southern African Development Community area. He also highlighted the disparities in rates between operators in Central Africa to the detriment of consumers, explaining that that was because of the absence of a harmonized binding subregional regulatory framework that would compel telephone operators to adopt prices close to local rates. On the basis of that that, the presenter made the following recommendations: (a) the preparation of a subregional memorandum of understanding to govern technical, pricing and legal aspects of roaming, which would be supervised by the regulators of each country of the subregion; (b) the establishment of a subregional committee responsible for implementing roaming; (c) the adoption of common strategies to reduce rates; and (d) the implementation of roaming agreements on mobile networks.

45. Following the presentation, discussions centred on the excessively high rates charged by some operators. In that regard, participants recommended the supervision of such rates by subregional regulation authorities and encouraged ECCAS to implement the recommendations on roaming issued during the meeting of ministers in charge of information and communications technology held in Brazzaville in November 2016.

## **10. 2017 Economic Report on Africa**

46. The Economic Commission for Africa launched the 2017 edition of the *Economic Report on Africa*, which was based on the theme “Industrialization and urbanization for Africa’s transformation”. Prior to the launch, the ECA Deputy Executive Secretary delivered a statement followed by the presentation of the report in two parts.

47. Part one of the presentation focused on the economic and social context of Africa marked by promising long-term growth prospects, notwithstanding the recent slowdown of the global economy and the weakening economic performance. The fundamental economic parameters were still robust to the extent that growth could benefit from the demographic dividend and from the industrialization and structural transformation programme. Such prospects, however, depended to a large extent on the management of the rapid urban transition. Notably, the region had the highest urbanization rate in the world after Asia and, in 20 years, it would be predominantly urban.

48. Part two of the presentation was devoted to the theme of the report, with a specific focus on the problem of urbanization on the continent, the linkages between urbanization and structural transformation, including industrialization, and the policies needed to better harness the urban potential to achieve industrialization. Specifically, it emerged from urbanization indicators that this strong and multidimensional trend would be the hallmark of countries of the continent in the decades to come. Moreover, theory and recent economic history had indicated that industrialization and structural transformation could not happen without urbanization. Africa, however, had not paid special attention to the economic dimension of urbanization. The recommendation was made to, among other things, mainstream urbanization into national development strategies and to design industrial policies that were consistent with urban policies in order to better harness the potential of urbanization. The presenter also



recommended that the experts adequately mainstream urbanization into structural transformation processes and industrialization.

49. The experts congratulated the secretariat for the quality of the report and the relevance of the theme in relation to the economic and social challenges of the subregion. On the basis of the ensuing discussions, the following recommendations were made:

**To member States, ECA and subregional organizations:**

- Spotlight the problem and potential of urbanization in all studies and work conducted on the transformation and industrial development process in Central Africa.

**To member States:**

- Mainstream demographic, social, environmental and economic dimensions of urbanization into national development strategies and sector policies, including those on industrial development, agriculture, trade, innovation, infrastructure and investment promotion.

**To the Economic Commission for Africa:**

- Organize national and subregional meetings on structural transformation, industrial policies and urbanization, especially within the framework of the Intergovernmental Committee of Experts.
- Assist member States in mainstreaming urbanization into their visions, national development policies and strategies, and into industrial policies.

**11. Ad hoc meeting of experts**

50. Participants took part in an ad hoc meeting of experts organized alongside the Intergovernmental Committee of Experts. The goal of the meeting was to consider and enrich the report of the study titled “Leveraging agro-industry potential to support structural transformation in Central Africa”.

51. In the opening statement, the Director of the Subregional Office for Central Africa argued that agro-industry constituted one of the prerequisites of structural transformation and economic development of countries of the subregion. He stressed that development of agro-industry was one of the best opportunities for achieving sustainable economic growth, wealth creation and reducing poverty in Central Africa.

**12. Presentation of the report of the study titled “Leveraging agro-industry potential to support structural transformation in Central Africa”**

52. The study on leveraging agro-industry potential to support structural transformation in Central Africa was intended to contribute to deliberations on diversified and socially inclusive growth through agro-industry development in Central Africa. Accordingly, the presentation covered three main points. First, it gave a state of play of agro-industry, its potential and its performance in Central Africa. It emerged that there is great potential in Central Africa for the agro-industry potential, which was underexploited. To tap that potential, development policies that advocate more efficient exploitation to better contribute to the structural transformation of the subregion were needed. In addition, the presentation included a snapshot of agro-industry development policies in

which the weak links that had stunted expected outcomes were highlighted. It concluded with the identification of five priority areas to promote agro-industry, the availability and accessibility of inputs, the intensification of production, the availability and accessibility of infrastructure, processing and marketing.

53. In the ensuing discussions, the importance of land issues and women's empowerment were highlighted. The experts suggested that the intervention areas be reordered and appealed for greater coherence in generating and implementing agro-industry development policies. They underscored the need for increased investment in research and for the development of value chains to strengthen productivity.

54. Following the discussions, experts issued the following recommendations:

#### **To the Economic Commission for Africa:**

- Update the statistics of the study and add the missing information for some countries;
- Work with UN-Women to further deal with the issue of access by women to land;
- Conduct additional analysis on the issue of land grabbing;
- Insert the matrix of the Sustainable Development Goals in the report.

#### **To member States:**

- Align agro-industry development policies with the 2030 Agenda and Agenda 2063;
- Boost investment in statistics production and dissemination;
- Develop aquaculture and agro-industry skills;
- Build the capacity of government services responsible for agricultural and rural development.

### **13. National agro-industrial development experiences**

55. During the session, experts shared national agro-industrial development experiences.

56. The representative of Gabon stated that, as part of the Gabon strategic plan, an ambitious programme had been envisioned to develop agro-industry. Three levers (growth, employment and agriculture) underpin the programme that was intended to contribute to improve the gross domestic product by 4 to 5 per cent. It also included a national land allocation plan that was aimed at establishing cooperatives. At the time, Gabon had been heavily engaged in planting oil palms, rubber trees and sugar cane, pending the development of other agricultural activities. In addition, the Government had entered into a three-pillar (environment, social, economic) public-private partnership process with the OLAM Company, the second largest employer in the country after the State, in the production of oil palm.

57. The representative of Cameroon said that his country had designed an agricultural value chains development programme in order to bring together sector stakeholders (suppliers, processors, producers). In addition, the country had an agricultural markets development programme that was expected to act as an interface between producers organized in cooperatives (maize – cassava – sorghum) and agro-industrial companies.

58. The representative of the Central African Republic said that, given the situation at the time, his country was planning a vast programme to revive agriculture by according priority to the creation of cooperatives to promote agricultural products. Administrative measures would also be implemented to support the programme and facilitate access by farmers to technologies.

59. The representative of Burundi spoke about the 2012-2032 regional industrialization strategy designed by the East African Community, which served as the reference framework for the country's industrial policy. The country had crafted the 2016-2025 national agricultural strategy, an extension of the 2008-2016 plan. Its with the goal of exiting the crisis and consolidating security, carrying out reconstruction and reviving agriculture in order to improve public finances, increase revenue and strengthen the purchasing power of rural and urban populations. The Government had sought the assistance of the European Union to develop export sectors for regional and European markets. That concerned quality control of high value-added coffee, sugar cane, essential oils and dairy products and their by-products.

60. The representative of the Congo spoke about the existence of an ongoing programme on development of the agro-industry in the cocoa and coffee sectors with the support of the World Bank.

61. The representative of the Democratic Republic of the Congo said that his country had in place a national agricultural investment plan for the period 2013-2020 that served as the reference framework for agricultural sector and rural development planning. The objective of the plan was to stimulate sustained annual growth of the agricultural sector with the ultimate goal of reducing poverty, ensuring food self-sufficiency and creating sustainable jobs. With regard to training in the sector, an agricultural training centre provided training to technicians, with a view to improving agricultural productivity and industrialization. The country had also established a \$750 million fund for granting loans at very attractive interest rates to help small and medium-sized enterprises to develop. Other initiatives carried out include the construction of a fertilizer plant, the establishment of agropoles through public-private partnerships and the establishment of a single window. Notwithstanding those measures, the number of enterprises had dropped from 9,000 at independence to 500.

62. The representative of Angola stated that, although abandoned during the years of civil war, the agricultural sector had become a strategic development sector for industrial diversification and poverty reduction, citing incentive measures that included such initiatives as the setting up of a fertilizer plant, an agricultural insurance institution and a single window that allowed for the establishment of a business in 48 hours. Animal production had also improved with the building of, for example, a day-old chicks' production plant. With regard to maritime fishing, a lot of investment had been made to purchase fishing boats and to build fish meal plants.

63. The representative of Chad informed the Committee that the country had a five-year plan for the period 2013-2018, the objectives of which were to increase the availability of cereals and to boost agricultural production that remained unpredictable and very much depended on rainfall. The plan was centred on five key areas:

- Control and management of water;
- Intensification and diversification of agricultural productions;

- Support to the promotion of agricultural subsectors and management of food crises;
- Capacity-building for technical support services, notably employers' organizations;
- Promotion and development of growth sectors (sesame, peanuts, shea butter, gum arabic).

64. Growth sectors constituted the fourth source of foreign exchange earnings for Chad, but the products (cotton, peanuts, gum arabic, and sesame) were being exported without any added value. The objective was therefore to process and then export them. Accordingly, in designing the national industrialization programme, planners would draw from the experience of past industrial projects (cotton and the fruit juice plant) that were located in remote areas, which were far from the basins of the raw materials that were supposed to serve as inputs.

#### **14. Group work**

65. Two working groups were constituted and discussions focused on the challenges of increasing agricultural productivity and modernizing value chains. The outcomes of the group work were presented in plenary.

#### **15. Date and venue of the next meeting**

66. The Subregional Office for Central Africa planned to conduct timely consultations with the authorities of member States, notably Chad, to determine the venue and date of the next session of the Intergovernmental Committee of Experts.

#### **16. Any other business**

67. No item was raised under any other business.

### **VII. Theme, date and venue of the next session of the Intergovernmental Committee of Experts**

68. The Committee proposed "Financing industrialization in Central Africa" as the theme of the next session of the Intergovernmental Committee of Experts to build on the ongoing discussion of industrialization in Central Africa.

### **VIII. Adoption of the transcript of conclusions and recommendations of the meeting**

69. Participants adopted a consensus referred to as the "Douala Consensus" (see annex). The Consensus advocates a paradigm shift "from a resources-for-infrastructure model to a resources-for-industrialization model (R4Id)". This would require, among other things, the establishment of business parks and growth centres; speeding up the implementation of the African Union's Action Plan for Boosting Intra-African Trade; the development of industrialization based on tapping and processing abundant natural resources; and strengthening intersector coordination and public-private dialogue.

## **IX. Closure**

70. At the end of the meeting, the Committee extended a vote of thanks to the President of Cameroon, Paul Biya, and to the Government and the people of Cameroon for the warm reception and the hospitality accorded to the participants during their stay in Douala.

71. After the intervention of the Subregional Office for Central Africa, Mr. Pedro and the Sub-Director for Regional and International Trade Relations of the Ministry of Commerce of Cameroon, Emmanuel Mbarga, thanked the experts for their active participation in the meeting and declared the thirty-third session of the Intergovernmental Committee of Experts for Central Africa closed.

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## Annex

### DOUALA CONSENSUS<sup>a</sup>

#### *Preamble*

**WE**, participants at the 33rd session of the Intergovernmental Committee of Experts (ICE) for Central Africa under the theme: “Made in Central Africa: from a vicious circle to a virtuous circle”,

**Representing** Governments of ECCAS member States, regional and subregional institutions (ECCAS, CEMAC, their specialized institutions and OAPI), the private sector (Employers organizations, Chambers of Commerce, etc.), the Civil Society, as well as agencies and organizations of the United Nations system, and other financial and technical partners, meeting in Douala, Republic of Cameroon, on the initiative of the SubRegional Office for Central Africa of the United Nations Economic Commission for Africa (SRO-CA/ECA) and in collaboration with the Government of Cameroon,

**Noting** that with an average annual real GDP growth rate of 5 per cent between 2010 and 2015, economic growth in Central Africa neither accelerated the pace of industrialization nor enhanced the development of intra-regional trade,

**Noting** that several countries of the sub-region affected by the collapse of commodity prices, notably oil, are facing significant macroeconomic imbalances marked by a contraction in growth, spiralling indebtedness, worsening fiscal and trade deficits and a substantial drop of external reserves,

**Recognizing** that the current system of production has not been able to engender a virtuous circle of inclusive growth, essentially because of heavy concentration of production factors and resources in low productivity activities,

**Considering** that to foster a shift towards a trajectory of sustained growth and long-term human development, the structural transformation expected in Central Africa must derive from an industrialization process anchored on commodities given the existing natural resources potentials,

**Aware** that economic diversification through an accelerated industrialization process is the imperative pathway towards inclusive and sustainable growth and breaking with vulnerability arising from increased dependence on unprocessed raw materials,

**Taking due account of** the communiqué of the Extraordinary Summit of Heads of State of the Economic and Monetary Community of Central African States (CEMAC), held in Yaoundé-Cameroon on 23rd December 2016 prescribing steps towards short-term macroeconomic stabilization and intensification of measures and actions to achieve economic diversification,

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<sup>a</sup> Published without formal editing.

***Hereby adopt the Consensus hereafter to speed up economic diversification through industrialization:***

It is important to prioritize industrial policy in national development visions and strategies, while ensuring consistency with the rest of macroeconomic and sectoral policies, notably trade and urbanization policies. Accordingly, there is need to promote an appropriate macroeconomic framework underpinned by active and contra-cyclic public policies, fostering the entrepreneurial spirit, innovation and competitiveness.

Consequently, it is important to generate or update sub-regional and national industrialization policy frameworks. At sub-regional level, the industrialization framework must be harmonized taking due account of the ongoing process of rationalization of Regional Economic Communities (RECs). At national level, industrial policies must be drafted and effectively implemented, with commitment at the highest level possible. Moreover, institutions, mechanisms and tools must be strengthened and a framework for inter-sectoral coordination and public-private consultation enhanced.

It is imperative to organize regular high-level regional meetings between member States and private sector players, notably within the framework of annual summits on industrial development in Central Africa.

In order to accelerate the industrialization process in Central Africa, it is imperative to raise the level of productivity, competitiveness, attractiveness of economies and of sub-regional integration.

In this light, it is important to ensure that industrialization is not only transformative and hinged on commodities, but is driven by trade and promotes agro-industry and the manufacturing sector.

Accordingly, special emphasis must be laid on the “Made in Central Africa” trademark, as well as establishment of industrial areas and growth centres, to the accelerated implementation of the initiative “Boosting Intra-African Trade – BIAT”, support to the development of national, subregional, regional and international value chains as well as support to nascent industries.

Valuing local products and promoting Small and Medium-sized Enterprises (SMEs) is key to boosting their competitiveness for better integration into value chains.

Facilitating access to national and sub-regional funding instruments suited to the needs and requirements of a transformative industrial policy is indispensable. The time has come to diversify partnerships of the type “resources for infrastructure” and opt for partnerships of the type “resources for industrialization” wherein our natural resources will form the basis of our industrialization.

All recommendations of the 33rd Session of the ICE contained in annex 1 need to be brought to the attention of the policy organs of ECCAS and CEMAC and member States. The Bureau of the ICE, with the assistance of the ECA Sub-Regional Office for Central Africa will monitor the implementation of the Douala Consensus and its recommendations.

***Vote of thanks***

***We, participants at the 33rd session of the Intergovernmental Committee of Experts (ICE) for Central Africa, meeting in Douala from 26 to 29 September 2017, extend our gratitude*** to His Excellency Paul Biya, President of the Republic of Cameroon and Head of State, for authorizing the hosting of the session.

We also thank the Government and people of the Republic of Cameroon for the warm welcome and hospitality accorded to us throughout our stay in Douala.

Lastly, we thank the ECA for the impeccable organization of the 2017 edition of the ICE and commend the choice of the theme of the session. We are satisfied with the level of representativeness of participants from national and regional stakeholders working on the issue of industrialization, agro-industry and value chains in Central Africa.

**Done at Douala, on 29 September 2017**

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## **Report of the Transformative Growth in Eastern Africa: Catalysts and Constraints\***

### **Introduction**

1. The 21<sup>st</sup> Meeting of the Intergovernmental Committee of Experts (ICE) was held from 7 to 9 November 2017 at the Retaj Hotel in Moroni, Comoros. The meeting was jointly organised by the Government of the Union of Comoros and the Sub-Regional Office for Eastern Africa (SRO-EA) of the United Nations Economic Commission for Africa (ECA) in Eastern Africa. The theme of the meeting was “Transformative Growth in Eastern Africa: Catalysts and Constraints”.

2. The ICE is a forum to cement partnerships and define modalities of cooperation between and among stakeholders aimed at sustaining regional integration and accelerating the pace of development in the sub-region. It is a statutory organ of the ECA in Eastern Africa. It includes representatives of the fourteen member States served by the office as well as Regional Economic Communities (RECs) and Intergovernmental Organizations (IGOs) of the sub-region, Development Partners, Research Centres and other Stakeholders.

3. ECA has been a major promoter of the idea that without greater structural transformation, Africa’s growth will not be sustainable. To that end, ECA has produced a series of reports looking at how to bring about a more profound change in our societies and economies. The 21<sup>st</sup> ICE focused on examining the opportunities (catalysts) and bottlenecks (constraints) to achieve a more sustainable growth and better developmental outcomes. Among other themes, three catalysts (the Blue Economy, regional infrastructure and industrialization, and the competitiveness of the tourism sector) as well as three constraints (lack of access to finance, exchange rate regimes, and the relative weak private sector development) were discussed.

4. The ICE presented an opportunity for participants to explore these issues through high level panels, a roundtable dinner, plenary and group discussions. In addition, two ad-hoc expert group meetings (AEGMs) were organized on the following subjects within the broad theme of the ICE:

- Exchange Rate Regimes: Options and Policy Implications; and
- Catalysing Private Sector Development in Eastern Africa.

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\* This report was issued under this symbol ECA-EA/ICE/21.

## Attendance

5. Delegations from the following countries attended the ICE: Burundi, Comoros, Democratic Republic of Congo, Djibouti, Ethiopia, Kenya, Madagascar, Rwanda, Somalia, South Sudan, Tanzania and Uganda.

6. The following national, sub-regional, regional and international organizations were also represented: East African Community (EAC); Intergovernmental Authority on Development (IGAD); Common Market for Eastern and Southern Africa (COMESA); Northern Corridor Transit and Transport Coordination Authority (NCTTCA); the Economic Community of Great Lakes Countries (CEPGL); International Conference on the Great Lakes Region (ICGLR); Indian Ocean Commission (IOC); Indian Ocean Rim Association (IORA); Nile Basin Initiative (NBI); Port Management Authority for Eastern and Southern Africa (PMAESA); UN Division for Ocean Affairs and the Law of the Sea (UNDOALOS); GRID-Arendal; Ocean Company Consulting; Global Entrepreneurship Monitoring (GEM); Kenya Private Sector Alliance (KEPSA); National Economic and Social Council (NESC); Ethiopian Tourism Organization (ETO); Kenya Tourism Board; Office National du Tourisme de Djibouti (ONTD); Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA); Agenda 4 Africa; Bakhresa Grain Milling Rwanda Limited; Tanzania Saccos For Women Entrepreneurs; Kilimo Trust; National Bank of Ethiopia; Banque Centrale de Djibouti; Banque Centrale de Madagascar; National Bank of Rwanda; Ethiopian Chamber of Commerce; Ethiopian Investment Commission-Huajian Industry Park; Institute for Development Studies-University of Nairobi; Makerere University; the International Monetary Fund (IMF), the World Bank and the Agence Française de Développement (AFD) in Comoros; and a wide number of Comorian stakeholder institutions. In addition, the following United Nations entities were represented: the office of the UN Resident Coordinator, United Nations Development Programme (UNDP) Resident Representative and the United Nations Children's Fund (UNICEF). Consultants, journalists and ECA staff were also present. In sum, the ICE saw the participation of more than 250 international and Comorian experts.

7. Annex I sets out a complete list of delegates who attended the ICE.

## Proceedings

### Opening of the Meeting

#### **Welcoming remarks by Hon. Hassani Hamadi, Governor of the Autonomous Island of Ngazidja, on behalf of Hon. Said Ali Chayhane, Minister of Finance and Budget of the Union of Comoros**

8. Mr Hamadi welcomed participants to the ICE at Comoros and wished meaningful and effective results of the ICE.

9. Mr Hamadi delivered the welcoming remarks on behalf of Hon. Said Ali Chayhane, Minister of Finance and Budget of the Union of Comoros, who expressed his thanks to ECA in Eastern Africa and member States for supporting Comoros in holding the 21<sup>st</sup> ICE. The

importance of the role of national experts in helping Comoros to become an emerging country by 2030 was stressed.

**Introductory remarks by Ambassador Boniface Kamanga Muhia (Kenya High Commission in Tanzania) on behalf of Hon. Mwangi Kiunjuri, Cabinet Secretary for Devolution and Planning of Kenya and outgoing chair of the 20<sup>th</sup> Bureau of the ICE**

10. Mr Muhia expressed a sincere apology of Hon. Mwangi Kiunjuri, Cabinet Secretary for Devolution and Planning of Kenya and outgoing chair of the 20<sup>th</sup> Bureau of the ICE and read the statement on his behalf.

11. Mr Muhia briefly summarised the theme and background of the 20<sup>th</sup> ICE held in Kenya, stressing the importance of the role of institutions and structural transformation in promoting growth in Eastern Africa. Mr Muhia added that the background study on the theme of the 20<sup>th</sup> ICE underwent extensive peer review process and has been finalised and officially launched in June 2017 in Nairobi. Mr Muhia shared the devolution process in Kenya and argued that it has put in place institutions which enhance good governance and public participation in decision making as well as safeguard the rights to development across regions and fundamental human rights.

12. Mr Muhia underscored the timeliness of the theme of this year's ICE that builds on the deliberation of the 20<sup>th</sup> ICE and focuses on the new frontiers for transformative growth such as the blue economy and sustainable use of the environment. He wished participants fruitful deliberations and success for the incoming chair of the ICE Bureau.

**Statement by Mr Matthias Zana Naab, UN Resident Coordinator and UNDP Resident Representative in the Union of Comoros**

13. Mr Naab welcomed participants to the ICE and affirmed that the preparation of the 21<sup>st</sup> ICE has been a successful collaboration between ECA, the Government of the Union of Comoros, and the United Nations.

14. Mr Naab stressed that the Government of the Union of Comoros expressed a strong desire to integrate to African economy, as illustrated by hosting the 21<sup>st</sup> ICE and the participation in the COMESA. Mr Naab expressed confidence that experts will provide appropriate recommendations and innovative measures to promote inclusive industrialization. Mr Naab also emphasized the huge potential of the tourism sector and its linkage with other sectors.

15. Mr Naab reiterated that the ICE provides an opportunity for countries to share good practices, and the United Nations will continue supporting member States and facilitating partnership agreements to make the cooperation more effective. Mr Naab concluded by expressing his thanks to the organizers of the ICE.

**Opening remarks by Mr Andrew Mold, Officer-in-Charge of the Sub-Regional Office of the ECA in Eastern Africa**

16. Mr Mold, on behalf of the Executive Secretary Vera Songwe, expressed his profound gratitude to the Government of Union of Comoros and UNDP for their help in organizing this

meeting. Mr Mold introduced the active role of ECA on the African continent over the past 60 years and stressed the primary mission of promoting regional integration, economic transformation and capacity building.

17. Mr Mold discussed the rationale of the theme of the 21<sup>st</sup> ICE on catalysts and constraints to transformative growth. The main question, he argued, was to know whether economic growth is having a sufficient impact on people's everyday lives. The 21<sup>st</sup> ICE was also an opportunity to launch the Comoros country profile, a document he hoped would be useful for future discussions on the revised Government's Strategy for Accelerated Growth and Sustainable Development.

18. Mr Mold concluded by stressing that the ICE is all about bringing together participants from the different member states in the sub-region, and he ended by inviting them to contribute and exchange ideas in a frank and open manner.

### **Documentary on the Work of ECA in Eastern Africa**

19. The documentary provided a brief summary of the work of the office, including advisory services to member States, production of country profiles that provide country- and region-specific policy analyses and recommendations for economic transformation, as well as the organisation of trainings and workshops for capacity building of policy makers. The work of the office in the areas of blue economy, tourism and energy was also highlighted.

### **Keynote Address by Hon. Djaffar Ahmed Said Hassani, the Vice-president for Economy, Industry, Crafts, Investments, Private Sector and Land Affairs of the Union of Comoros**

20. Hon. Djaffar welcomed the participants to Comoros and added that the organization of the 21<sup>st</sup> ICE underlined the commitment of the ECA in Eastern Africa to achieve the African Union's objective for "the Africa we want". He said that the meeting happens at an opportune time when the Union of Comoros has reaffirmed its vision to become an emerging country by 2030.

21. Hon. Djaffar stressed the importance of regional cooperation so that the development vision of Agenda 2063 would become a reality. Hon. Djaffar also hoped that the region would continue on a strong growth pathway. He recommended a change of mindset for transformation to take place as well as good governance and infrastructure development. He said it is time for Africa to overcome afro-pessimism. Hon. Djaffar urged African experts to identify good practices that would work in Africa.

22. Hon. Djaffar concluded by affirming that progress in Africa will go through integration and solidarity and wished the experts' work every success. Hon. Djaffar then declared the 21<sup>st</sup> ICE officially open.

### **Election of the Bureau**

23. The meeting unanimously elected the following countries into the 2017 ICE Bureau:

Chair:                      Union of Comoros

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1 <sup>st</sup> Vice-Chair:	Rwanda
2 <sup>nd</sup> Vice Chair:	Democratic Republic of Congo
Rapporteur:	South Sudan

## **Adoption of the Agenda and Work Programme**

24. The provisional agenda and work programme were presented and adopted.

## **Macroeconomic and Social Environment**

### **Presentation on the Macroeconomic and Social Developments in Eastern Africa 2016-17 by Mr Andrew Mold, Officer-in-Charge of the Sub-Regional Office of the ECA in Eastern Africa**

#### *Presentation*

25. The presenter provided an overview of the key macroeconomic and social developments in Eastern Africa over the period 2016-17. The presenter noted that the economic performance of Eastern Africa has been impressive in recent years. Yet economic growth has moderated since 2016, principally due to the poor performance of agriculture, aggravated by sustained drought in some countries. The regional economic growth was expected to be little changed at 5.6 per cent in 2017, with a modest recovery at 6.1 per cent being forecast for 2018.

26. The presenter noted that the region is still growing at a healthy pace compared with the rest of Africa, thanks to the robust growth of the construction sector and parts of the services sector. Nonetheless, several structural issues are to be addressed in order to unlock the full growth potential of the region.

27. The presenter observed that the development of the manufacturing sector has been lagging behind, as evidenced by the declining share of manufacturing value added over the last decade. The weak manufacturing sector is worrying from the perspective of creating enough job opportunities in higher value-added sectors. In part, it could be attributed to a relative failure of industrial policy, difficult (and expensive) access to credit, and intense competition from China and India. In addition, the presenter noted that the region is still underperforming in terms of exports. The excessive concentration on primary commodities exports is of particular concern as it leaves the region in the lower rungs of the global value chains and highly vulnerable to commodity price shocks. The presenter highlighted the role of services exports, in particular tourism, which is an important source of job creation and a major foreign exchange rate earner in a number of countries of the sub-region.

28. The presenter argued that the prospects for economic diversification, intra-regional trade, and industrialisation have been greatly improved by the infrastructure investment boom in recent years. However, elevated infrastructure expenditures have also started to stretch budgets and the rising debt level in a number of countries warrants prudent management.

29. The presenter noted that countries in Eastern Africa have achieved remarkable improvements in many social indicators over the last decade, including life expectancy, maternal mortality ratio, and mean years of schooling. The progress of Millennium Development Goals was strong, but the region still faces challenges in achieving the bolder and broader set of Sustainable Development Goals (SDGs).

30. The presenter concluded by raising questions related to transformative growth, sustainable ways to finance infrastructure investment, access to credit, as well as the growth potentials of tourism and the Blue Economy to provoke more in-depth policy discussions.

*Panel discussion and plenary session*

31. The panel discussion moderated by Mr George Ndirangu (News Anchor CNBC Africa), comprised of Mr Djaanfar Abdourahmane (Secretary General of the Vice-Presidence of charge of Economy, Industry, Crafts, Investments, Private Sector, and Land Affairs of the Union of Comoros), Ms Carole Kariuki (Chief Executive Officer of the Kenya Private Sector Alliance), Mr Hamada Madi Bolero (Secretary General of the Indian Ocean Commission) and Mr Godfrey Kabera (Director General of National Development Planning and Research at the Ministry of Finance and Economic Planning of Rwanda).

32. The presentation was welcomed by the discussants who noted that the recent economic slowdown in Eastern Africa was attributed to a number of factors, including the drought affecting several countries and the decline in some commodity prices. Growing political instability contributed to economic uncertainty in some countries, while economic reforms led to economic recovery in other member States. The discussants agreed that greater value addition in agriculture and mining, coupled with environmental resilience, is crucial to sustain economic growth in the medium term.

33. The discussants acknowledged that industrialisation, and encouragement to the local manufacturing sector in particular, are vital to ensure growth is more resilient. In this regard, “Made In” campaigns, provision of adequate infrastructure (e.g. through construction of industrial parks), establishment of economic zones, credit provision, skills development, and deeper regional integration can facilitate the achievement of this goal. The discussants argued that the services sector should not be overlooked, especially in landlocked countries that face high transport costs. Nevertheless, it is important to achieve a critical minimum level of manufacturing for domestic/regional markets and even countries aiming to become service hubs cannot neglect manufacturing due to balance of payments constraints.

34. The discussants debated the potential of diaspora remittances. While it is challenging to channel remittances towards the productive sector, it is possible to engage the diaspora through innovative methods, such as sovereign wealth funds and diaspora bonds for infrastructure. Nonetheless, the region needs to look at a wide range of financing sources, including domestic resource mobilization and foreign direct investment.

35. The discussants noted the specific set of challenges faced by island states in Eastern Africa. Climate change is a visible concern that ought to be urgently addressed, as well as the lack of transport connectivity between the islands and mainland Africa. Cultural ties and

existing transport corridors constrain trade relations, although better air transport links could help.

## **Sustainable Development**

### **Presentation on the Third Session of the Africa Regional Forum on Sustainable Development by Mr Nassim Oulmane, Chief of the Green Economy and Natural Resources Section at ECA**

#### *Presentation*

36. The presenter highlighted the outcomes of the African Regional Forum for Sustainable Development, held on 17-19 May 2017, in Addis Ababa, Ethiopia, in preparation for the High-Level Forum for Sustainable Development (HLFSD), under the theme "Ensuring Inclusive, Sustainable Growth and Prosperity for All". The presenter emphasized that the selected theme had been based on a number of considerations and trends towards eradicating poverty. The main objective of the Forum was to monitor and review related progress achieved at the regional level and facilitate learning, including exchange of information, experiences and lessons learnt in the context of the Agenda 2030 for Sustainable Development and the Agenda 2063.

37. The Forum's activities had been organized around six themes focusing on SDG indicators selected for the 2017 HLFSD: (i) poverty eradication; (ii) ending of hunger and food security; (iii) promotion of well-being; (iv) gender equality and empowerment of all women and girls; (v) building of resilient infrastructure and promotion of industrialization as well as inclusive and sustainable innovation; and (vi) conservation and sustainable use of oceans, seas and marine resources for sustainable development.

38. The presenter recalled that the 2018 edition of the Forum will focus on the theme: "Transformation to Sustainable and Resilient Societies." The sub-themes of the Regional Forum will focus on SDGs 6, 7, 11, 12 and 15 and corresponding objectives of Agenda 2063. He invited the ICE to further discuss challenges, opportunities and recommendations for SDGs' implementation, including the use of sub-regional mechanisms.

#### *Plenary session*

39. Participants highlighted the need to enhance awareness in Eastern Africa of the Agenda 2030 for Sustainable Development and the 2063 Agenda of the African Union. They requested further information sharing and dissemination at all levels on lessons learnt from MDGs and progress towards SDGs implementation. They proposed interventions such as targeted capacity development, strengthening of statistics at all levels and the introduction of university curricula.



## The Blue Economy

### Presentations and panel discussion on the Blue Economy: How to leverage its full potential

#### *Presentations*

40. A first set of presentations were made on « Blue Economy Features and Benefits »:
- Mr Yannick Beaudoin (Chief Scientist, GRID-Arendal) presented the concept of the blue economy and made some suggestions for the sustainability of blue economy interventions. He pointed out that the blue economy has always existed through fishing activities and maritime transport, as examples, but mentioned that increasing biochemical and physical imbalances had contributed to growing awareness of resource vulnerability. Plastic pollution, climate change (ocean acidification), overfishing, among others, are threatening aquatic and marine ecosystems, hence dwindling livelihoods for millions of people. Mr Beaudoin highlighted the need to consider ‘planetary boundaries’ (tolerance thresholds of ecosystems for a sustainable exploitation) and circular economy-related principles in efforts to take full advantage of the socio-economic potential of the blue economy. He recalled the wide definition of the word ‘blue’, which refers not only to oceans, seas, coasts but also to lakes, rivers and underground waters.
  - Mr Philippe Murcia (Consultant, Ocean Company Consulting) presented several examples of blue economy initiatives from Madagascar and insisted on the safety and environmental dimensions essential to their sustainability. These ‘blue initiatives’ have a high potential for replication in Eastern Africa. Mr. Murcia focused on two recent initiatives in innovative investments in Madagascar: the production of sea cucumbers that are exported to Asia, and the aquaculture of sturgeons for the production and future export of caviar to Europe. These two industrial interventions led to the creation of long-term jobs (several hundred direct jobs), and the protection of marine biodiversity (in the case of sea cucumbers currently overfished). He also spoke about cruise tourism in Madagascar, a very buoyant and flourishing sector. Thanks to strengthened military maritime security in the southwestern part of the Indian Ocean following piracy incidents in the years 2010, cruise tourism has been growing in Madagascar and 75,000 tourist passengers are expected in 2017-18. Mr Murcia also referred to the 2004 International Maritime Organization's Convention for the Control and Management of Ships' Ballast Water and Sediments, which entered into force on 8 September 2017, marking an important turning point for one of the most important sources of pollution at sea.
  - Ms Vita Onwuasoanya (Legal Officer, United Nations Division for Ocean Affairs and the Law of the Sea) discussed the importance of the delimitation of maritime zones and borders with a view to securing the blue economy. She provided guidance for regional and national authorities towards collaboration and dialogue for a better understanding of the law of the sea and its application, a pre-condition

to safely harness the blue economy. She highlighted the benefits of negotiated agreements that are faster, more sustainable and less costly than judicial settlements. Ms Onwuasoanya also referred to resource sharing agreements that provide robust frameworks for regional and international cooperation, as have been applied in the fisheries sector. She described Section XV of the Law of the Sea, which offers resolution solutions and mechanisms for delimitation disputes. She concluded by recalling the importance of the interface between science and the decision-making process, which needs to be more concrete and effective. This is essential to fully leverage the blue economy.

- Mr Kaiser de Souza (Head, Geology and Mineral Information Section, African Mineral Development Centre, ECA) described activities planned by the African Minerals Development Centre (AMDC) towards enhancing knowledge and awareness of the benefits of the blue economy in Eastern Africa. He introduced the Regional Centres of Excellence and the Blue Economy Atlas aimed at assisting member States, RECs and IGOs in reducing knowledge gaps and promoting better decision-making. AMDC is also involved in supporting the establishment of an institutional framework to assist Member States in extending the boundaries of the African continental shelf. Ensuring countries' direct benefits can be facilitated through appropriate submissions to the Commission on the Limits of the Continental Shelf, in line with the African Union-African Integrated Maritime Strategy- 2050 Horizon (AIMS).
- Ms Daya Bragante (Head, Cluster on Sub-Regional Initiatives, ECA in Eastern Africa) presented the Blue Economy Policy Handbook for Africa by recalling the genesis of its development at ECA. It was successfully launched at the ECA Ministerial Conference in April 2016. The Policy Handbook contains a step-by-step methodology whose main purpose is to assist member States, RECs and organizations in Africa in better mainstreaming the principles of the blue economy into their national and sub-regional strategies, policies and laws. The Handbook also includes case studies and is anchored into the Agenda 2063, the AIMS and the Lomé Charter on Maritime Safety and Security. Ms Bragante described the most promising sectors of the blue economy, namely fisheries and aquaculture, energy, shipping, mining, bio-prospecting and tourism, and underscored the need to strengthen inter-sectoral linkages. She then described the seven-step methodology for the development of a blue economy policy.

#### *Panel discussion and plenary session*

41. The panel discussion on “Blue Economy country pathways”, moderated by Ms Novella Nikwigize (News Presenter at Rwanda Broadcasting Agency), comprised of Mr Andriantsilavo Jean Michel Rabary (Director of Ocean Development in the Blue Economy, Ocean State Secretariat, Madagascar); Mr Abdillah Imam (Blue Economy and Indian Ocean Rim Association Focal Point, Ministry of Foreign Affairs, Union of Comoros); Mr Firdaus Dahlan (Director, IORA); and Ms Nozipho Mdawe (Secretary General, Port Management Association for Eastern and Southern Africa (PMAESA)).

42. The discussants emphasized the importance of institutionalizing the blue economy in order to better harness its potential, while preserving its resources. As such, Madagascar has set up an Ocean State Secretariat for which the ECA Blue Economy Policy Handbook has been an important source of inspiration for the development of a blue economy roadmap. They reiterated the need to develop blue economy sectors taking into account existing synergies and minimizing negative impacts. Further awareness raising on the blue economy is required.

Some panelists noted that people do not necessarily value sufficiently the sea and its related activities in some countries of the region.

43. The discussants also mentioned the need to strengthen legal frameworks and build ownership of policy development in the blue economy. They identified several potential sources of funding to support policy efforts, i.e. public funds, through the improvement of tax systems; external financing on the basis of the user-payer principle; and the creation of a blue fund to be financed by different stakeholders, including the diaspora and international partners. Regional funds including IORA special fund on sustainable development for Least Developed Countries (LDCs) were also highlighted.

44. The discussants suggested the formal establishment of an inter-ministerial committee at the country level to institutionalize blue economy governance and ensure activity coordination. They highlighted capacity development as a top priority alongside regional cooperation, monitoring and evaluation and exchange of good practices. They also stressed that the blue economy can offer real growth opportunities for diversification, such as through modernization of port infrastructure. They indicated that the blue economy potential can only be fully harnessed if landlocked countries are also considered in creating regional value chains. This can be done through the development of dry ports, corridors and transport infrastructure as part of an integrated regional approach to investment. Such infrastructure development was deemed to boost intra-regional trade and tourism.

## **Infrastructure Development and Industrialization**

### **Presentation on Energy Development and Industrialization in Eastern Africa by Mr Yohannes Hailu, Economic Affairs Officer, ECA in Eastern Africa**

#### *Presentation*

45. The presenter highlighted assessments from ECA Economic Report on Africa (2013-2017) about the importance of industrialization for Africa's economic transformation, and the vital role that development of quality infrastructure plays in unlocking the industrial potential. The presenter argued that strategies to accelerate industrialization in the region, such as through investment in quality infrastructure, are timely given the stagnated manufacturing value added as a share of GDP. The presenter noted that manufacturing enterprises particularly in the food, textiles and garments, furniture and other manufacturing identified energy as among their lead constraints.

46. The presenter further noted that while member States have shown improvement in logistical performance, there are still major challenges related to infrastructure development and logistical efficiency, affecting competitiveness. The presenter argued that the huge funding gap illustrates the importance of sustainable financing of infrastructure development to support

industrialization. The presenter recommended addressing the finance challenge and pursuing integrated planning approach to improve on the infrastructure-industrialization nexus.

*Panel discussion and plenary session*

47. The panel discussion moderated by Mr Laban-Cliff Onserio (Business reporter at Nation Media Group-NTV), comprised of Mr Andre Kabwe Bibombe (Deputy Permanent Secretary, Ministry of Energy and Water Resources, the Democratic Republic of Congo), Mr Abiot Ashagre (Manager of the Huajuan Industry Zone, Ethiopia), Ms Fabienne Pehuet Lucet (Energy, Industry and Infrastructure Expert, Marketing and International Development, International Consultant), Mr Adeyinka Adeyemi (Senior Inter-Regional Advisor, Head of Regional Integration and Infrastructure Cluster (NEPAD Focal Point), Capacity Development Division, ECA) and Mr David Niyonsenga (Infrastructure expert, East African Community).

48. Mr Kabwe shared the industrial strategies of Democratic Republic of Congo, such as the establishment of the National Agency for the Promotion of Investments and Special Economic Zones Agency. He noted that through the New Industrial Policy and the Industrialization masterplan which identified six priority sectors for development, the country is pursuing the achievement of an industrialized and competitive economy. He argued that the infrastructure gap, particularly the energy deficit, is identified as a critical challenge to implementation of the industrial strategy. Improved access to finance, technology, improved regulatory environment and public-private partnership were recommended.

49. Mr Ashagre presented a different approach in Ethiopia which targets investment in infrastructure in industrial parks to promote industrialization and export-led growth. By prioritizing light manufacturing as a strategic opportunity, the experience of seven industrial parks was shared. He recommended targeting infrastructure development through industrial Parks.

50. Mr Niyonsenga shared the industrialization policy and infrastructure agenda of the region. He highlighted the infrastructure investment gap of different sectors in member States. He argued that the development of transport corridors, development of model policy and regulation for information and communications technology (ICT) as well as implementation of key regional power infrastructure are crucial to improve the infrastructure-industrialization nexus.

51. Mr Adeyemi identified the role of private sector investors as an opportunity. However, predictability and reliability of local partners, the rule of law, conducive regulatory environment, appreciable rate of return and proper assessment of risks were flagged as key considerations. He also discussed the importance of both domestic and external financing.

52. Ms Pehuet presented the global challenges in infrastructure investment and finance. The role of government in global sustainable financing packaging for infrastructure was reviewed. She recommended the need for proper planning for infrastructure development, enabling private sector engagement as well as government follow-up before, during and after infrastructure projects to maximize impacts.

53. The discussants agreed that job creation is an important aspect of infrastructure development and industrialization given the growing young population in Africa.

The complexity of balancing different energy sources, including renewable energy, was noted. Participants acknowledged that technological progress could promote industrialization. How to prioritize the infrastructure projects and assess whether they are flexible and bankable with a comprehensive framework was also discussed.

## **Tourism**

### **Presentation on the Overview of Destination Competitiveness in Eastern Africa: Implications for Policy by Mr Geoffrey Manyara, Economic Affairs Officer, ECA in Eastern Africa**

#### *Presentation*

54. The presenter highlighted that the tourism industry is a leading sector for structural transformation in Eastern Africa. The sector is currently valued at over USD 22 billion, providing an estimated 6 million jobs in the region. Despite the enormous potential for tourism development, the presenter noted that the region has not been ranked favourably in terms of tourism competitiveness.

55. The presenter argued that major areas of concern remain, such as those relating to lack of prioritisation of the industry by governments, insufficient physical infrastructure, human resource related issues, safety and security. Given that the many of these challenges are not country specific, the presenter recommended a regional approach for member States to collectively formulate appropriate remedial strategies.

#### *Panel discussion and plenary session*

56. The panel discussion moderated by Mr George Ndirangu (News Anchor CNBC Africa), comprised of Ms Carmen Nibigira (Coordinator at the East Africa Tourism Platform), Ms Jacinta Nzioka (Marketing Director, Kenya Tourism Board), Mr Osman Abdi Mohamed (Managing Director of Djibouti National Tourism Office), Mr Sisay Getachew Azage (Marketing Director, Ethiopian Tourism Organization) and Mr Geoffrey Manyara (Economic Affairs Officer, ECA in Eastern Africa).

57. The discussants shared their country experiences of developing the tourism industry. The differences in approach and prioritization were highlighted. The discussants argued that one of the major challenges facing the region was the perception of instability, especially during national elections and with the rise of terrorism.

58. The role of air transport to the dynamism of the tourism industry was also discussed. While the cost of domestic and regional air travel remains a key challenge that hinders the growth of tourism, the discussants agreed that current transport infrastructure developments opened new opportunities for both domestic and regional tourism. In addition, the discussants indicated that significant progress cannot be made if the private sector is not engaged in planning for tourism development. Private-public partnerships are essential to create a conducive environment for the private sector to thrive.

59. The discussants agreed that competitiveness-related challenges would need to be addressed through a regional approach to unlock tourism's potential. They acknowledged the establishment of a continental tourism organisation and formulation of a continental tourism strategy under the auspices of the African Union. On-going initiatives, including the IGAD Sustainable Tourism Master Plan, could be adopted by the other RECs in the region with a view of building synergies and addressing competitiveness issues.

60. Participants agreed that there is need to develop appropriate products appealing to domestic and regional markets. Participants recommended the development of a study to better comprehend the nexus between tourism and trade.

## **Banking**

### **Presentation on Leveraging the Banking Sector Better for Accelerated Structural Transformation by Dr Radha Upadhyaya, Institute for Development Studies, University of Nairobi, Kenya**

#### *Presentation*

61. The presenter provided an overview of the function of financial system and its contribution to growth. The role of the banking sector in providing sufficient credit to the private sector was highlighted. The presenter argued that credit growth does not automatically translate into economic development or transformation, and the financial system should be structured to meet the development strategies and needs of the region.

62. The presenter discussed the contribution of mobile money technology to financial transformation and financial inclusion in Kenya. The presenter also mentioned several challenges with the Kenyan banking system, in particular the lack of access of finance of small firms as well as the sharp decline in lending for agriculture and manufacturing. The presenter recommended African countries to invest in mobile infrastructure.

#### *Panel discussion and plenary session*

63. The panel discussion moderated by Mr Laban-Cliff Onserio (Business Reporter at Nation Media Group NTV), comprised of Dr Imani Younoussa (Central Bank Governor of the Union of Comoros), Hon. Haruna Kasolo Kyeyune (Minister of State for Microfinance, Ministry of Finance, Planning and Economic Development of Uganda), Prof Thomas Kigabo (Chief Economist, National Bank of Rwanda) and Mr Andrew Mold (Officer-in-Charge, Sub-Regional Office of the ECA in Eastern Africa).

64. The discussants highlighted the importance of proper regulatory policy and governance of the banking sector. A number of other issues were also discussed, including the high lending rates, the problems of collateral system, and the lack of capacity in presenting bankable projects. The discussants argued that the bankability of projects is based on the perspective of the banks and the availability of credit.

It was suggested that by allowing private banks to trade Treasury bills would make them more responsible, and thus promote better reallocation of credits. They agreed that creating a strong savings culture could promote sustainable investment.

65. The discussants acknowledged that microfinance is a way of providing short-term financing for development and banks should be better supported to provide loans to the private sector. The discussants also agreed that mobile money technology and electronic payment system could improve financial inclusion and reduce transaction costs.

66. Participants noted that savings and credit cooperative organizations continue to offer credit to members and the number of channels for accessing finance have increased, yet it is still very difficult for small and medium-sized enterprises to secure loans. Participants agreed that the financial sector has an important role of supporting industrialisation and structural transformation, and the regulatory regimes should encourage discipline and competition.

## **Exchange Rate Regimes: Options and Policy Implications (AEGM 1)**

### *Election of the Bureau*

67. The AEGM unanimously elected the following countries to serve on the AEGM bureau:

Chair: Union of Comoros

Rapporteur: Djibouti

### *Presentations*

68. Presentations were made in the following areas, reported in the order in which they were made:

- Exchange Rate Regimes: An Overview by Mr Pedro Martins, Economic Affairs Officer of ECA in Eastern Africa;
- The Experience of Comoros by Mr Cheik Hamidou, Director of Economic Studies, Central Bank of Comoros;
- The Experience of Djibouti by Mr Abdourahman Ali, Director of Balance of Payments and External Relations Service, Central Bank of Djibouti;
- The Experience of Madagascar by Mr André Andriamiharisoa, Director of Studies and International Relations, Central Bank of Madagascar;
- The Experience of Rwanda by Prof. Thomas Kigabo, Chief Economist, National Bank of Rwanda; and
- The East African Monetary Union: Ready or Not by Prof. Thomas Kigabo, Chief Economist, National Bank of Rwanda.

69. The first presentation introduced the key concepts on exchange rate regimes and the evolution of the international monetary system. The presenter also illustrated the wide range of exchange rate regimes currently adopted in Eastern Africa – from Djibouti’s currency board to Somalia’s free float.

The potential macroeconomic effects of different exchange rate regimes were discussed, and some stylised facts were presented.

70. The second presentation offered a historical overview of the exchange rate regimes adopted by Comoros. The advantages and disadvantages of a fixed exchange rate were discussed. The presenter argued that the optimal choice of exchange rate regime depends on country circumstances and policy objectives. For a small country like Comoros, a fixed exchange rate regime can provide price stability.



71. The third presentation provided information on the key characteristics of Djibouti's currency board and its key practical implications. The presenter highlighted the key advantages and disadvantages of such exchange rate arrangement and why Djibouti chose to adopt it. The impact of this choice on macroeconomic performance was also discussed.

72. The fourth presentation discussed the effect of Madagascar's floating exchange rate regime on the current account and export competitiveness. The presenter stated that the exchange rate is a price, therefore arguing that market forces should determine the value of the domestic currency.

73. The fifth presentation shared the various measures implemented by Rwanda to tackle exchange rate volatility under different situations. The effect of floating exchange rate regimes on export competitiveness and imported inflation was also discussed.

74. The presentation on the prospective East African Monetary Union (EAMU) discussed how monetary unions can promote regional integration. The advantages and disadvantages of monetary unions, as well as the likely impact of different economic shocks, were debated – with a reference to the experience of the European Union. Issues related to macroeconomic convergence (especially inflation, level of reserves, and current account balances) of East African Community members were also discussed.

#### *Discussion*

75. The presentation of a range of experiences in Eastern Africa was highly valued by the participants. It was noted that the choice of exchange rate regime presents significant trade-offs, since each regime entails different advantages and disadvantages. Participants agreed that country characteristics matter and the choice of exchange rate regime is not the only factor influencing macroeconomic performance. In fact, the level and volatility of the exchange rate is part of a larger set of factors affecting investment and international trade. For instance, while export competitiveness can be enhanced by the adoption of a competitive/undervalued exchange rate, it is vital to upgrade domestic productive capacities and implement structural reforms. Exchange rate policy can only improve the trade balance if the country has the productive capabilities to take advantage of more favourable relative prices (e.g. substitute imports with domestic production). It was argued that the fundamental cause of large current account deficits in the region is the lack of productive capacities and low productivity. Improving technology can contribute to increase the value added of production. Economic transformation is crucial to tackle depreciation trend.

76. Participants acknowledged that fixed exchange rate regimes provide greater exchange rate stability, at least with respect to the anchor currency. However, it is important that the anchor currency is the main currency used for international transactions. Otherwise, the benefits of having a fixed regime will be diluted. It was noted that Comoros has a conventional peg to the Euro, but that trade and investment relations with the Eurozone are relatively weak. Moreover, participants agreed that shocks of the anchor currency will transfer to the domestic currency.

77. Participants noted that flexible exchange rate regimes allow for nominal depreciations of the exchange rate, which is particularly important when domestic inflation is higher than inflation in trading partners. This ensures the economy remains relatively competitive.

However, the resultant uncertainty may entail some costs. Nonetheless, several participants argued that flexibility is desirable.

78. Concerns were raised regarding the process of shifting exchange rate regime. For instance, South Sudan moved from a fixed regime to a floating regime in December 2015, which led to a sharp depreciation of the currency. This considerably affected economic performance, leading to a large import bill and reducing investment. Participants agreed that a gradual move should be preferred, giving the monetary authority the time and experience to adjust their practices and learn from the process.

79. Participants noted that monetary unions require a strong political commitment, since they entail giving up some sovereignty (especially regarding economic policy). Despite some difficulties, the European Economic and Monetary Union has been quite successful. The historical developments in West Africa are quite different.

80. Regarding the EAMU, the convergence criteria were discussed, in addition to the need for free mobility of people, capital, and goods and services. Participants agreed that there has been significant progress on many convergence indicators. However, the econometric exercise undertaken in the background paper shows that convergence is only partial. This suggests that more needs to be done before the creation of the monetary union, especially in terms of improving institutional capacities.

#### *Key messages*

81. The AEGM acknowledged that the choice of exchange rate regime is a critical policy decision facing central banks. It was agreed that the optimal choice depends on country circumstances and policy objectives. Exchange rate policy impacts on macroeconomic performance – such as inflation rates and export competitiveness – but it is crucial to undertake structural reforms and develop productive capacities to ensure that the benefits of each regime are realised. More research on the impacts of different exchange rate regimes would support policymaking.

82. The AEGM noted the significant progress towards the establishment of the EAMU, which envisages to deepen regional integration among member States. Among these were achievements regarding the free movement of people and goods across the East African Community, as well as efforts to harmonise policies and procedures.

However, there is still much to do to enable the creation of the EAMU by 2024, including the creation of relevant institutions and the achievement of greater macroeconomic convergence.

## **Catalysing Private Sector Development in Eastern Africa (AEGM 2)**

### *Election of the Bureau*

83. The AEGM unanimously elected representatives of the following organisations to serve on the AEGM bureau:

Chair: Kenya

Rapporteur: Burundi

*Presentations*

84. Presentations were made in the following areas, reported in the order in which they were made:

- Catalysing private sector development in Africa by Mr Rodgers Mukwaya, Economic Affairs Officer of ECA in Eastern Africa;
- Entrepreneurship in Africa by Dr Herrington Mike, Executive Director, Global Entrepreneurship Monitor;
- Country experiences: success and challenges by Mr Fahamy Thabit, Entrepreneur Comoros;
- Country experiences: success and challenges by Mr Mounir Bakhressa, Managing Director, Bakhresa Grain Milling in Kigali, Rwanda; and
- Private Sector Development and Manufacturing Jobs in Eastern Africa by Dr Okumu Mike, Makerere University.

85. The first presentation introduced the key concepts of industrialization and entrepreneurs. The presenter argued that industrialization requires investment in high productivity sectors, and innovative entrepreneurs and high-tech start-ups are important for investment in high productivity sectors. The presenter noted that Eastern Africa has a strong entrepreneurial culture but the region has relatively low rate of business creation. The presenter argued that one of the most critical constraints is the lack of access to finance.

86. The second presentation provided an overview of entrepreneurship in Africa. The presenter argued that entrepreneurship is the vehicle for creating new jobs, generating revenue, advancing innovation, enhancing productivity, as well as improving business models and processes. The presenter recommended the government to (i) improve education and training programmes, (ii) put in place Internship and apprenticeships, (iii) simplify legislative requirements and reduce regulatory burden on business, (iv) ease the restrictive labour laws, and (v) provide better financial and taxation support to entrepreneurship.

87. The third presentation discussed some of the key challenges faced by entrepreneurs in Comoros. The presenter recommended the government to (i) put in place business incubators, (ii) decrease the cost of registering a company, (iii) create mediation centres to handle business conflicts, (iv) organize the informal sector, (v) create a programme for business to certify accounts to facilitate access to finance, and (vi) develop a clear vision on entrepreneurship.

88. The fourth presentation discussed the experience of doing business across Africa. Several recommendations were made, including (i) understand the local environment before investing, (ii) the cost of energy is critical for doing business, (iii) investment in innovation and training is important, (iv) a favourable tax policy is required to reduce the fiscal pressure on companies, (v) the justice system is critical, (vi) political stability matters, and (vii) access to cheap raw materials is important.

89. The fifth presentation analysed job flows across industries within the region. The presenter looked at the effect of labour productivity on wages, the effect of credit constraints on employment growth, and the effect of skill constraints on manufacturing firms. The presenter made the following recommendations: (i) improving wages requires a holistic approach that integrates skilling, improving labour productivity, and the business environment, (ii) reducing the cost of financial intermediation by, for example expanding credit coverage, could help in reducing lending rates, and (iii) policies for better education and skills ought to be explored because higher educational attainment and reskilling enhance labour productivity.

#### *Discussion*

90. Participants noted that training is important for entrepreneurship development and there is a skills mismatch between the curriculum in the tertiary institutions and skills required by the private sector. Entrepreneurship training should not be limited to students in higher institutions of learning.

91. Participants highlighted the lack of strong partnership between the private sector and the governments. Participants argued that there was a lack of strong leadership from the governments on issues concerning the private sector. Participants also noted that the business infrastructure is poor, for example, the unreliable energy supply is a constraint to the private sector.

92. Participants were concerned about corruption and business environment in some of the countries. It was agreed that corruption had an adverse effect on entrepreneurship and private sector development. Participants were also concerned about how to prepare bankable business proposals and get financing for the projects.

#### *Key messages*

93. Regarding the business environment, the AEGM agreed that good governance is important for the private sector, and a reliable justice system and political stability are critical.

A favourable tax policy is required to reduce the fiscal pressure on companies and additionally entrepreneurs should be guided through the local business environment through the creation on one-stop centres, e.g. Rwanda Development Board.

94. On innovation and skills development, the AEGM acknowledged that it is important to create business incubators for the youth. A reform of the education system is required, and the private sector should be involved in curriculum development. Also, governments should provide some incentives in form of tax credits to firms that train employees.

95. The AEGM agreed that public-private partnership is essential for creating a viable business sector. For example, in addressing the structural problems like poor infrastructure, it is important to create strong partnership between the private sector and government. Strong visionary leadership in the region is also necessary.

96. Regarding access to finance, it was noted that expanding credit coverage could help reduce lending rates. It is important to diversify the sources of finance through the creation of development banks, and train entrepreneurs in preparing bankable projects.

## High Level Dinner Round Table

### High Level Dinner Round Table on Mobilising the Diaspora for Growth and Transformation of Eastern Africa

97. The panel moderated by Ms Novella Nikwigize (News Presenter at Rwanda Broadcasting Agency) and Ms Fatoumia Ali Bazi (Project Officer at the Cooperation Agency MIREX) was attended by H.E. Azali Assoumani (President of Union of the Comoros) and comprised of Mr Abdou Katibou (Director General of the National Investment Promotion Agency of Comoros (ANPI)), Mr Godfrey Kabera (General Director of National Development Planning and Research at Rwanda's Ministry of Economy and Finance) and Mr Said Adejumobi (Director, ECA in Southern Africa).

98. Mr Abdou Katibou described the role of the diaspora and the importance of remittances for Comoros. The director of ANPI argued that migrations are part of the history of the country, dating back to colonial times, to Zanzibar and Madagascar. Currently most of the diaspora lives in France, with approximately 300,000 Comorians residing there. The remittances increased from KMF 12 billion in 2003 to KMF 60 billion in 2015, accounting for 20 to 28% of GDP. Most of remittances are allocated to the island of Ngazidja (Grande Comore), 70% being used for consumption goods and especially traditional weddings (Grand Mariage), 13% for construction projects. Remittances are mainly sent through informal channels. Remittances in Comoros seem to have a positive impact on poverty reduction, health and education provision, while on the other side they are believed to contribute to the current account deficit through increasing imports of consumption goods, local production not being encouraged. Possible ways forward include the reduction of transfers' costs, guarantee funds to attract diaspora savings and imports' substitution strategies.

99. President Azali insisted on the need to mobilize the diaspora through formal channels, so that remittances can support local investment. He argued that qualified members of the diaspora need to be reassured to invest in the country. He suggested to develop experience sharing among the region. Finally, he asked for ECA support in identifying strategies to mobilize the diaspora.

100. Discussions highlighted the importance of better harnessing the potential of remittances for financing development. Mr Adejumobi argued that few policies are in place on the African continent to mobilize the diaspora, while remittances represent a huge financial potential. He recommended a national policy on diaspora in Comoros, so that remittances are directed towards investment rather than consumption. Besides attracting remittances, African governments need to strengthen social and emotional ties with their diaspora, and reinforce their sense of belonging, through their "hearts and minds".

101. Participants to the dinner shared experiences from their countries. The case of Rwanda was presented by Mr Kabera who explained how the Rwandan Government, building on the country's economic recovery and political stability, has worked on mobilizing its diaspora, including through social events involving the President himself at events such as Rwanda Day. Moreover, the diaspora is considered as a key stakeholder and is taking part in the annual national dialogue process. The Agaciro fund was described, a sovereign wealth fund designed to increase public savings by contributions from Rwandans in the country, the diaspora and friends of Rwanda. The case of Ethiopia was also presented. Remittances doubled between

2012 to 2015 from 600 million dollars to 1.5 billion dollars thanks to a legal framework put in place by the Government. Diaspora bonds have been issued and helped finance the Grand Renaissance Dam.

102. The importance of trust in government's institutions was mentioned as a key element to attract remittances. The potential multiplier effect of remittances was highlighted. Discussions also stressed on the need to take into consideration the changes occurring in the diaspora itself, with second-generation migrants loosening ties with their parents' countries. The relevance of diaspora bonds was also discussed, and the importance to support private investment in Comoros was underscored.

103. The discussion concluded on the need to better understand the Comorian diaspora, and ECA was advised to follow-up on the issue, to accompany Comoros through research and policy advisory services.

## Comoros

### Special session on Comoros: Strategies for an Emerging Economy

#### *Presentations*

104. Presentations were made in the following areas, reported in the order in which they were made:

- Comoros profile presentation by Ms Emma Ngouan-Anoh, Deputy Resident Representative of UNDP in Comoros and Ms Priscilla Lecomte, Associate Economic Affairs Officer, ECA in Eastern Africa;
- Comoros development strategy through a discussion on the National Strategy for Accelerated Growth and Sustainable Development (SCA2D) and its revision process, by Mr Fouady Goulame, General Planning Commissioner;
- Energy sector in Comoros by Ms Farida Ahmed Karim, Director for Renewable Energies;
- Comoros geothermal project by Mr Karim Ali Ahmed, UNDP Comoros;
- ECA experience sharing on energy planning by Mr Yohanes Hailu, Economic Affairs Officer, ECA in Eastern Africa.

105. The session started by the launch of Comoros profile produced by the ECA. Key macroeconomic and social developments in Comoros were presented. It was pointed out that the country has regained economic stability, with an accelerating growth rate expected to reach 3% in 2017 and 3.5 % in 2018. This rate is still lower than the regional average and the 6.1% target set by the national Accelerated Growth and Sustainable Development Strategy (SCA2D). However, Comoros has embarked on a strategy to improve business environment, increase public investment in infrastructure and energy and enhance domestic resource mobilization. At the same time, income poverty decreased from 45% in 2004 to 34% in 2014, despite persistent vulnerabilities and disparities between rural and urban areas. Tourism has been identified as a potential driver for accelerated growth, but touristic facilities need to be improved to harness this potential. The protection of the country's natural capital (through the extension of protected areas, as supported by the UNDP) and the elaboration of a marketing strategy were among the recommended actions to undertake in this regard.

106. The second presentation presented the SCA2D and how it aimed to better prioritize public investments, increase the Government coordination and match strategic objectives with available resources. It was recalled that the main goal of the 2015 - 2019 strategy was to achieve middle-income status by accelerating and diversifying growth and reducing the level of poverty. The Commissioner then explained the orientations chosen for the ongoing revision of this strategy, namely to align the strategy with the Sustainable Development Goals, the new government investment priorities and the long-term ambitions. Besides the ongoing revision of the strategic plan, the Government intention is to formulate of a long- term vision aiming to make Comoros an emerging country by 2030.

107. The session ended with a focus on the energy sector. The Director for Renewable Energies provided an overview of the energy sector in Comoros, which is one of the key priorities of the President's vision for 2030. She also detailed the outcomes of the national conference on energy which was held in August 2017, and the vision for the energy sector by 2030, which is to ensure stable and reliable access to energy for everybody at a reasonable cost, through a more sustainable energy mix. The geothermal project currently supported by the UN agency was described. After the exploration phase which unveiled a potential of 45 MW geothermal energy on the Karthala, the drilling and testing phase is on-going.

The project could help the Government save up to 20 million dollars per year. However, less than 20% of the necessary budget for the implementation phase has been mobilized so far. Finally, ECA energy policy expert described the experience of Djibouti, a country which was supported by the ECA in terms of energy planning, after its large-scale investment in railway, port and road infrastructure significantly increased the energy gap. Meeting the gap in Djibouti required assessment of the energy resources and alternative energy supply options. The new planning strategy focused on renewable energies which include solar, offshore wind, wave and tidal energy.

*Panel discussion and plenary session*

108. The panel discussions moderated by Ms Laïla Said Hassane (Meck-Moroni) and Mr Nourouline Abdallah (CNDRS), comprised of Ms Marie Attoumane (National Tourism Director), Mr Idi Mohamed Abdallah (Professor at the University of Comoros) and Mr Ahmed Koudra (Director, Inter-îles) for the Comoros profile session. For the strategy session, discussants were Ms Sitti Djaouharia Chihabidine (President of the Association of Cash Crops' Exporters), Ms Nadia Tourqui (Consultant), Mr Djounaid Mohamed Soilihi (Director of Public Administration) and Mr Saïd Abass Ahamed (International consultant). The energy sector discussion was held by Mr Mohamed Ali Said Mkandzile (MAMWE executive), Mr Hamid Soulé (Head of the Volcanology Observatory) and Mr Yassir Alloui (Director of Ecotech).

109. The discussion on the Comoros profile focused on the causes and solutions to poverty. UNDP described its main project aiming to strengthen agricultural productivity through organizing cash crop farmers' organizations. The discussion focussed on the challenges to measure poverty and take into account its different dimensions. The key role played by remittances in mitigating poverty in the country was stressed. Other challenges were mentioned. The poor connectivity between the islands was underpinned by a panellist insisting on the need to stabilize transportation between the islands to enable stronger growth. The Secretary General of the Indian Ocean Commission, Mr Boléro, highlighted the Comoros paradox: a poorly resourced Government, with a relatively better-off population. He insisted on the need to improve domestic resource mobilization to finance public investment.

110. The participants debated the state of the tourism sector. It was argued that Comoros needs to benchmark other destinations in the Indian Ocean, strengthen existing institutions and unite professionals around the tourism strategy. Besides the Tourism Law passed in 2011, the sector still needs a tourism development plan, while a strategy is currently being drafted with the support of AfDB. The National Tourism Director argued that the vision is to increase the hotel capacity to 1,000 rooms by 2021. The necessary involvement of the private sector was mentioned, as well as the negative impact of French travel advisory warning against visits to



Comoros. A participant insisted that hotels are the pillar for tourism sector development, taking the example of Seychelles where the government invested heavily or Mauritius where the investment in hotels' infrastructure was undertaken by the private sector.

111. Regarding the strategy revision, a panellist stressed on the efforts made by the Government to draw on the experience of the previous planning process, especially regarding monitoring and evaluation, budgeting and participatory approaches. The importance of the private sector was also highlighted and a discussant insisted that the private sector needs to be more involved and supported., It was recalled that a participatory approach was followed at the identification phase but not during the implementation one. Discussants insisted on the importance of governance and suggested that Comoros joins the African Peer Review Mechanism. They claimed that the country should focus on improving governance and business environment. Participants also agreed on the need to involve the diaspora in the planning process.

112. Concerning the energy sector, it was recalled that Comoros' annual energy needs are estimated to reach 80 MW by 2030. A panellist explained that an assessment is on-going to assess the potential energy sources, their costs, and the forecasted needs in order to strengthen project planning in the sector. Participants agreed that Djibouti's experience sharing was useful for Comoros which is forecasting increased energy needs in relation with the new infrastructure under construction. Risks related to the geothermal project were also discussed, an expert reassuring the participants that the eruption risk is taken into account, insisting that the volcano should be seen as an opportunity rather than a threat. Possible environmental impacts of the project were also mentioned. The example of Rwanda was discussed which stressed on the importance of prior planning and assessments to optimize resources' utilization.

### **Any other business**

113. Participants expressed a sincere vote of thanks to the Government of the Union of Comoros for hosting the 21<sup>st</sup> ICE, in particular the Vice-President in charge of Economy and the Minister of Finance and Budget.

114. The theme and venue of the 22<sup>nd</sup> ICE will be determined at a later date, in close consultation with the Bureau of the 21<sup>st</sup> ICE.

### **Concluding Session**

#### **Presentation and Adoption of the final communiqué of the 21<sup>st</sup> ICE**

115. The final communiqué was presented to the plenary session and adopted.

#### **Closing Ceremony**

116. Concluding remarks were given by the Officer-in-Charge of the Sub-Regional Office of ECA in Eastern Africa, Mr Andrew Mold. The ICE was then officially closed with remarks by Hon. Mohamed Daoud, Minister of Interior, Information and Decentralization of the Union of Comoros.

# Report of the thirty-second session of the Intergovernmental Committee of Experts \*

## I. Organization and attendance

1. The opening ceremony of the thirty-second meeting of the Intergovernmental Committee of Experts (ICE) was chaired by Mr. Abdul-Rahman Sidahmed Zainelabdin. The 2017 meeting was enhanced by the presence of Mr. Mohamed Yatim, Minister for Employment and Occupational Integration of Morocco, Ms. Vera Songwe, Executive Secretary of the Economic Commission for Africa (ECA), and Mr. Taieb Baccouche, Secretary General of the Arab Maghreb Union (AMU).
2. Delegates from the six member States (Algeria, Egypt, Mauritania, Morocco, the Sudan and Tunisia) attended the meeting.
3. The Diplomatic Corps, AMU, international and regional organizations, universities, employers' organizations, cooperation agencies, financial institutions and United Nations agencies were also present at the meeting.
4. The detailed list of participants is in annex IV of the report.

## II. Opening session (agenda item 1)

5. The session was opened by Mr. Omar Abdourrahman, interim Director of ECA Subregional Office for North Africa, who started by welcoming the participants. He then acknowledged the presence of Mr. Mohamed Yatim, Minister of Employment of Morocco, Ms. Vera Songwe, ECA Executive Secretary and Mr. Taïeb Baccouche, Secretary General of the AMU.
6. Mr. Omar Abdourrahman then made a presentation on the general organization and proceedings of the meeting, and expressed gratitude to the Moroccan authorities for the assistance and support extended to the Subregional Office for North Africa and to the Chairman of the outgoing ICE bureau and to all the staff of the Subregional Office.
7. In his opening address, the Chairman of the outgoing bureau thanked the members of the bureau and the secretariat for the work done since the thirty-first meeting. He welcomed the participants to the thirty-second meeting, and emphasized that just like the three previous ones, it was within the framework of the new strategic orientation of ECA. This new direction which he said was focused on the 2030 Agenda (Sustainable Development Goals) and the Agenda 2063 of the African Union, as well as on the structural transformation of the economies of the continent.

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\* This report was issued under this symbol ECA/SRO-NA/ICE/32/6.

8. He also congratulated the Subregional Office for North Africa for the choice and relevance of the topic of the special experts meeting for the year 2017: youth employment and sustainable development in North Africa, covering unemployment issues and their impact on socioeconomic development and political stability in the countries of the subregion.

9. In conclusion, the Chairman of the outgoing bureau pointed out that the countries of the subregion were looking forward to the recommendations and decisions that would come out of the important meeting and wished them success in their deliberations.

10. On her part, the Executive Secretary of ECA Vera Songwe expressed thanks, on behalf of ECA, to His Majesty King Mohamed VI, the Government and people of Morocco for the continued support extended to the activities of ECA and for the hospitality accorded the participants.

11. The Executive Secretary of ECA then, on behalf of the Economic Commission for Africa, and particularly the Subregional Office for North Africa, welcomed the participants and thanked them warmly for having responded to the invitation in their numbers, and for their continued interest in the endeavours of ECA and the development of the continent.

12. She recalled that the ICE was the statutory legislative body of the Subregional Office of ECA in North Africa. To this end, the Committee met annually to review the report of activities of the Subregional Office, the short and medium-term action plans, the programme of work and strategic orientations for the subregion. She stressed that the ICE also provided a forum for discussion, analysis and exchange for high-level experts from national administrations, researchers and representatives of the private sector and civil society on economic and social issues of interest to the subregion.

13. The Executive Secretary underlined that the thirty-second meeting of ICE was taking place in the context of a gloomy global economy. Regarding Africa, she stated that growth was expected to rebound to 3 per cent in 2017, with disparities, however, between subregions. Growth in North Africa was expected to be around 3.5 per cent in 2017, after that of East Africa, but better than the other subregions in Africa.

14. She also recalled that the regional context was characterized by the implementation of the 2030 Agenda and Agenda 2063 of the African Union. The 2030 Agenda, had a universal scope whereas Agenda 2063, called for an integrated, peaceful and prosperous Africa. These agendas complemented each other in broad terms and moreover were now the benchmarks for the development of the continent.

15. The establishment of a common framework for these two agendas should lead to greater coherence in the implementation, monitoring and evaluation of policies and facilitate the work of partners to support a coherent set of development priorities. It was in this spirit that African Heads of State and Government adopted in 2015 the framework for a new partnership between the United Nations and the African Union for the integration and development agenda for

Africa. This framework would serve as a global platform for cooperation between the two institutions to support member States in the implementation, monitoring and evaluation of the two agendas.

16. The main theme of the thirty-second session of ICE was: youth employment and sustainable development, but more generally, decent work, which was a central theme of the two development agendas, as reflected in Sustainable Development Goal 8 of the 2030 Agenda and one of the seven aspirations of Agenda 2063. Africa had the world's youngest population with 200 million people aged 15-24. The situation of this age group remained directly linked to that of the labour market. This was one of the major challenges facing the subregion, and continued to hamper social progress. Unemployment remained structurally high in all countries, and revealed significant disparities according to age, gender and geographical location.

17. The Executive Secretary of ECA subsequently put forward some ideas for reflection as a contribution towards the discussions. In particular, she stressed the importance of matching the training system to the needs of the labour market, which could be achieved necessarily by strengthening dialogue and cooperation between enterprises and the education system.

18. She recalled the importance that ECA attached to the recommendations of the thirty-second session of ICE, which would enable it to focus its priorities and fields of activities. These recommendations would subsequently be submitted to the next Conference of African Ministers of Finance, Planning and Economic Development, the deliberative body of ECA.

19. She also informed the participants of the presence at the session of the new Director of the Subregional Office for North Africa, Ms. Lilia Hachem Naas, who officially took office on 2 October 2017, and wished her success in her new responsibilities. She also thanked the interim Director Mr. Omar Abdourrahman, for his dedication and the good work done by the Subregional Office during his term of office.

20. The Executive Secretary of ECA ended her speech by reminding the audience that the opening ceremony of the thirty-second session of ICE was a privileged opportunity for her to express on behalf of ECA, its staff and on her own behalf, sincere gratitude to His Majesty King Mohammed VI, the Government and the Moroccan people for their interest in the activities of ECA, and for the warm welcome extended to her and the participants to the meeting.

21. She reiterated her thanks to all the participants and wished every success in the deliberations of the thirty-second meeting of ICE.

22. The Secretary General of AMU, Mr. Taïeb Baccouche, then took the floor to thank and congratulate ECA on the holding of the meeting which, over time, had become an inescapable reflection exercise on issues relating to the development of North Africa and of Africa as a whole and offered an annual authentic picture of the situation of the economies of North African countries and of the Maghreb in particular.

23. He then recalled the excellent relations between the General Secretariat of AMU and ECA since 1994, and especially its Subregional Office for North Africa. He also stressed that ECA had consistently supported AMU in its efforts to strengthen and improve regional integration mechanisms and to facilitate the establishment of a free trade area in the Maghreb.

24. Mr. Taieb Baccouche also expressed satisfaction with the excellent cooperation between the two institutions, making them a complementary tandem that was constantly enriched by their convergence and interaction on several subjects. He noted that since March 2016 there had been a significant evolution in the Maghreb integration process, noting that negotiations for a Maghreb Free Trade Area had made it possible to finalize the protocols on the rules of origin and on the settlement of disputes.

25. He also said that the Maghreb Bank for Investment and Foreign Trade (BMICE) was officially launched on 22 December 2015 in Tunis, and had started operating. He added that the bank, whose main objective was to finance intra-Maghreb trade and productive investment, would certainly contribute to the development of regional trade and finance joint projects, particularly in the infrastructure sector.

26. Mr. Taieb Baccouche underlined that several other activities and expert meetings had taken place, particularly in the area of combating desertification, protection and development of oases, infrastructure development, and cultural and scientific cooperation. He informed the meeting that the AMU General Secretariat currently had an operational statistical unit whose role was to collect and synthesize the data published by the Maghreb national statistical institutes, publish statistics on the Maghreb, coordinate the work of the Maghreb Statistics Committee and collaborate with various international bodies.

27. The Secretary General of AMU took the opportunity to underline the institution's commitment to the negotiations on the Continental Free Trade Area and its active participation in all meetings organized by the African Union and ECA on various areas of cooperation, including regional trade, industrialization, infrastructure and sustainable development.

28. Stressing the relevance of the theme of the meeting: youth employment and sustainable development in North Africa, the Secretary General considered that it was a topical subject that AMU had included among its priorities in formulating a common strategy, in view of the similarity of the problems faced by young Maghrebis: quality and/or inadequacy of training in relation to the needs of the labour market, weakness in the labour market, and the need to promote self-employment.

29. Among other conditions for investor attractiveness, the AMU General Secretary stressed the urgent need for regional integration, which would enable the Maghreb to optimize the assets of a market of more than 100 million consumers and to substantially boost the economies of North African countries, with more productive investment and decent jobs.

30. Finally, the Secretary General of AMU expressed the wish that the 2017 session of ICE would be the framework for relevant analyses and recommendations on all the topics to be addressed, and reiterated his thanks to the Subregional Office for North Africa. He wished the thirty-second session of ICE every success.

31. Mr. Mohamed Yatim, Minister of Employment and Occupational Integration of Morocco, on his part, thanked the Subregional Office for North Africa for honouring him by inviting him to the opening ceremony of the thirty-second session of ICE, under the theme: youth employment and sustainable development in North Africa. He welcomed the presence of the Secretary General of AMU, the Chairman of ICE outgoing Bureau, and congratulated the new Executive Secretary of ECA on taking office.

32. The Minister stressed that Morocco, proud of its membership in the international community, as an active member of the United Nations and also of being African strongly believed in Africa. Morocco, he said, maintained historical, cultural and human relations with Africa and shared a common destiny with the continent. The Kingdom had thus established economic relations based on the "win-win" principle with African countries, as underlined by His Majesty King Mohammed VI.

33. Despite some problems in its relationship with the Organization of African Unity, Morocco had never ended its relationship with the rest of the continent, and had continued to strengthen it. At the insistence of African friends, the country had again occupied the place due it as an actor in the African Union. In addition, he said that Morocco would continue to work with the organizations under the United Nations system, including the Economic Commission for Africa and its Subregional Office for North Africa.

34. He welcomed the choice of the topic for the 2017 ICE: youth employment and sustainable development, noting that the issue of employment was widely recognized as one of the main axes for social integration and political stability, not only at the national level, but also at regional and international levels. He added that the challenges faced by young people and women in economic and social integration affected African countries and the world as a whole, and were also linked to issues and problems regarding migration.

35. The Minister said that growth remained a major driving force for development, while noting that it did not always have a decisive impact on the creation of decent jobs for all, which raised the question of the development model that needed to be reflected on. He added that starting from this vision, Morocco had put in place its employment strategy, integrating public policies, within the framework of an inclusive approach, taking into consideration the economic, social and institutional dimensions related to it. The Minister also called for reflection on social protection systems, to support the most vulnerable populations against precariousness and facilitate their integration into the labour market.

36. Before ending his speech, the Minister stressed that the meeting of the Committee of experts was timely and that the resulting recommendations would certainly be useful. He reaffirmed the commitment of his department and of the Government of Morocco to do their

utmost to support the Subregional Office for North Africa so that it could play its full role in coordination with the General Secretariat of AMU.

37. Finally, the Minister thanked the participants and the organizers of the meeting, wishing them a pleasant stay in Morocco and every success in the proceedings. He declared open the thirty-second session of the Intergovernmental Committee of Experts.

### **III. Election of the bureau (agenda item 2)**

38. After consultation among the heads of delegations, the Committee elected the following bureau:

<b>Chair:</b>	Morocco
<b>Vice-Chair:</b>	Tunisia
<b>Rapporteur:</b>	Algeria

### **IV. Adoption of the agenda and programme of work (agenda item 3)**

39. The Chair of the 2017 bureau of ICE thanked the members of the Committee for the confidence placed in his country and welcomed all the participants. He congratulated the outgoing bureau and the Subregional Office for North Africa for the important work carried out over the past year.

40. After these remarks, the Committee then adopted the agenda (ECA-NA/ICE/32/1) and the programme of work (ECA-NA/ICE/32/1/Add.2).

### **V. Evolution of the social and economic conditions in North Africa: review of the regional profile of North Africa (agenda item 4)**

41. The secretariat then outlined the main conclusions of the report entitled: North Africa Profile 2016 (ECA/SRO-NA/ICE/31/2). The report provided an overview of the recent macroeconomic and social developments and set out the challenges facing the subregion.

42. The secretariat took the opportunity to thank the member States that had responded to the questionnaire of the Subregional Office, which had been used in the preparation of the report, and called for the introduction of more effective mechanisms for data collection.

43. The report on the regional profile focused on the following points:

- Global and regional economic context;
- Economic performance of North Africa;

- Social development in North Africa;
- Territorialization of industrial policy and inclusive development in North Africa.

44. The report indicated that in 2016, the global economy increased by only 2.2 per cent compared to 2.5 per cent in 2015. The low growth of the global economy was due to: (a) the volume of world trade that increased by only 1.2 per cent in 2016, which was one of the lowest rates over the last thirty years; (b) the slow growth of investment in several big developed and developing economies; and (c) public investment racked by high debt levels.

45. In Africa, the regional Gross Domestic Product (GDP) was expected to increase by 3.2 per cent in 2017 compared with 1.7 per cent in 2016. This general growth hides a differentiated reality according to the subregions and the countries. For exporters of raw materials such as Algeria, Angola and Nigeria, the prospects of a growth rebound still remain limited. Other countries such as Côte d'Ivoire and Senegal sustain their development due to the continuous development of their infrastructure more particularly, and to an improved macroeconomic environment which allowed continued growth in consumption and investment.

46. North Africa (excluding Libya) registered a growth of 2.6 per cent in 2016 compared to 3.6 per cent in 2015. The decline was due to a substantial decrease in the Moroccan growth and a slight decrease in the Algerian economy.

47. From the external point of view, the subregion has a current account deficit of -6 per cent of Gross Domestic Product, against -6.2 per cent in 2015, with a contrast in evolution depending on countries. The trade deficit was higher in Algeria and Egypt and lower in the other countries. The majority of economies in the region were actually insufficiently diversified, namely in terms of export, and their growth remained dependent on primary sectors or natural resources. Exports of Algeria, Mauritania and the Sudan were highly concentrated on products of low value added.

48. In terms of public finance, North Africa had a budget deficit of -7.7 per cent of Gross Domestic Product in 2016, against -10 per cent in 2015. The countries of the subregion were facing a structural problem in the financing of their development, as a result of insufficient diversification of their budgetary resources.

49. Regional inflation went up to 10.4 per cent in 2016 against 8.4 per cent in 2015. Except for Tunisia, inflation in the countries increased at a rate of 9.7 per cent in 2016 against 4.9 per cent in 2015. In the Sudan, inflation reached a record level of 30.5 per cent against the rate of 16.9 per cent in 2015, as a result of the cut in foodstuff subsidies.

50. At the social level, the year 2016 was the beginning of the implementation of the 2030 Agenda for sustainable development (United Nations) and Agenda 2063 (African Union). The majority of North African countries had started a transformation process in their development so as to reach the objectives of the Sustainable Development Goals. According to the 2016 United Nations Development Programme (UNDP) Human Development Report, Algeria was



the best country in North Africa, and ranked eighty-third, with a Human Development Index (HDI) of 0.7345, followed by Tunisia (ninety-sixth) with an index of 0.725. Libya with an index of 0.716 dropped from the ninety-fourth to the 102nd position, as a result of the conflict and political instability affecting the country since 2011. Egypt was ranked 111th with an index of 0.691 and Morocco 123rd with an index of 0.647. Then came Mauritania with a Human Development Index of 0.513 placing it at 157th and the Sudan 165th at the global level with an index of 0.490.

51. While all countries had experienced poverty reduction, country performance remained contrasted. In Libya, Mauritania and the Sudan, the poverty rate was 30 per cent, 25.9 per cent and 26 per cent, respectively. Egypt, Morocco and Tunisia had an average poverty rate of 4.13 per cent; and Algeria had the lowest poverty rate (0.4 per cent).

52. Education was a priority area for all countries in the subregion. They had made significant efforts to enrol children, especially girls in the education system. In some countries, primary education was almost general, as in Algeria, with a net school enrolment rate of 98.16 per cent of children aged six, Egypt (93.3 per cent), Morocco (99 per cent), Tunisia (98 per cent) and Libya (98.2 per cent), but the situation of instability that had prevailed in Libya since 2011 could compromise this result

53. Unemployment remained a major challenge for countries in the subregion, with rates varying from 10.5 per cent in Algeria and Morocco to 15.3 per cent in Tunisia (first quarter of 2017). The fight against inequalities also remained a priority for the governments of the region. In terms of access to employment, for example, significant disparities persisted between men and women (the unemployment rate was often twice as high for women), between urban and rural areas (up to three times higher in urban areas), and by age (young people suffered from structural unemployment which the public authorities were unable to contain).

54. The report also noted that social progress at the national level masked inequalities between regions within the same country. The problem of equitable distribution of the benefits of growth persisted at the territorial level. In view of this, the report stressed the need to review the governance of industrial policy so that it contributed to a more inclusive development. The report examined in particular the role of territorialization of industrial policy.

55. The report stated that, as a general rule, the territory had played, and continued to play, the role of a receptacle for policies designed and conceived at a central level. In some countries, such as Algeria, Morocco and Tunisia, there was a clear desire to reform and strengthen local power for a more active role in regional development. However, the territory remained confined within its receptacle status due to a lack of coordination between the central structures and the local actors, and the absence of a clear coordination strategy between the various ministries at central and local levels. Local governance did not give sufficient autonomy to territorial institutions, particularly in Algeria and Tunisia. An active role in the design, implementation and monitoring of industrial policy would involve the existence of appropriate instruments at a local level and the strengthening of local skills which were sometimes lacking and jeopardized the inclusive dimension of a territorialized industrial policy in North Africa.

56. At the end of the presentation, the Committee thanked and congratulated the Secretariat on the quality and richness of the presentation and the choice of the theme developed. It commented on the reliability of some of the statistical data in the report and the need to work more with countries to update the statistics and use the latest available data.

57. The Committee noted with appreciation the progress made in North Africa in terms of economic performance compared to other subregions on the African continent and considered that there was some convergence between countries within the subregion in the field of industrial policy.

58. The Committee noted that the country profiles had not sufficiently emphasized the impact of the political situation in the region on economic and social performance. It noted that the informal sector and cross-border trade were not addressed in the traditional reports, while these had a significant impact on growth.

59. At the end of the discussions, the Committee endorsed the secretariat's recommendations as annex I, as well as the comments on the corrections to be taken into account for certain statistics contained in the report.

## **VI. Special session: development of the 2030 Agenda and Agenda 2063 (agenda item 5)**

60. The main objective of the session was to present and discuss the outcomes of the 2017 Africa Regional Forum on Sustainable Development (2017 ARFSD) and the preliminary results of the first report on the implementation of the Sustainable Development Goals in the Maghreb.

### **(a) Results of the 2017 Africa Regional Forum on Sustainable Development**

61. The secretariat introduced the 2017 Africa Regional Forum on Sustainable Development (ARFSD 2017) as part of the preparation for the 2017 High-level Forum on sustainable development, held in Addis Ababa from 17 to 19 May 2017 with the theme: ensuring inclusive, sustainable growth and prosperity for all. The secretariat stressed that the theme of the regional Forum was based on a number of considerations and trends in poverty eradication. The main objective of the Forum was to carry out monitoring and reviewing at the regional level and facilitate learning, including the exchange of information, experience and lessons learned in the implementation of the 2030 Agenda and Agenda 2063.

62. The Forum's activities focused on six themes addressing the Sustainable Development Goals indicators selected for the 2017 High-level political forum on sustainable development:

- Eradicating all forms of poverty in Africa;
- Ending hunger and ensuring food security in Africa;

- Leading healthy lives and promoting the well-being of all;
- Gender equality and empowerment of all women and girls;
- Building resilient infrastructure and promoting inclusive and sustainable industrialization and innovation;
- Conservation and sustainable use of oceans, seas and marine resources for sustainable development.

63. The 54 member States of ECA as well as representatives of major groups and other stakeholders (MGoS), including civil society, professional and industrial organizations, academics and research institutes took part in the Forum. The secretariat recalled that the fourth edition of the Forum in 2018 would focus on the theme: transformation towards sustainable and resilient societies. The sub-themes of the regional Forum would focus on the Sustainable Development Goals selected for in-depth review at the High-level political forum on sustainable development 2018 and the corresponding objectives of Agenda 2063.

64. The secretariat invited ICE to identify the main challenges, opportunities and recommendations for the implementation of the selected Sustainable Development Goals in North Africa. It added that it was also important for ICE to discuss the subregional mechanisms to be put in place to ensure that good practices on the implementation of the Sustainable Development Goals in North Africa enhanced the Africa Forum for Sustainable Development.

65. In order to make easier the review and appraisal of the implementation of the two agendas, the 2030 Agenda and Agenda 2063, the discussions stressed the need to strengthen the alignment of the latter, in particular by including the peace and security dimension and its link with sustainable development. The issue of capacity-building was central, particularly with respect to national statistical systems. Linkages between national, regional and global dimensions needed to be strengthened to mitigate the gaps between national, regional and global priorities. The new institutional architectures set up in countries should also be strengthened in order to ensure greater convergence of the different strategies and better coherence with national priorities and challenges. Finally, the discussions highlighted the importance of civil society's contribution to the two agendas and the need to continue to strengthen its participation in the subregional, regional (Africa Regional Forum on Sustainable Development) and global (High-level political forum on sustainable development) forums on sustainable development.

**(b) Preparation of the first report on the implementation of the Sustainable Development Goals in the Maghreb: preliminary results**

66. The secretariat presented the preliminary results of the first report on the implementation of the Sustainable Development Goals in the Maghreb, recalling that this initiative was part of the mandate assigned to the regional economic communities for the implementation of the 2030 Agenda, with particular emphasis on regional perspectives and strengthening regional integration. It was also an initiative that responded to a request from the General Secretariat of AMU.

67. The purpose of the first report was to take stock of the progress made by four Maghreb countries (Algeria, Mauritania, Morocco and Tunisia) in the implementation and monitoring of the Sustainable Development Goals and to propose a common framework of measurable indicators applicable to AMU countries. This report was also to promote the exchange of experiences and cooperation among Maghreb countries facing similar challenges. Finally, it represented a contribution to continental and global processes for monitoring the implementation of the 2030 Agenda.

68. The secretariat clarified that the report was structured in four parts: (i) institutional and governance arrangements in each country; (ii) thematic analysis of progress and trends in targets and policy instruments implemented in six strategic areas aligned with regional priorities (food security, industrial transition, energy transition, employment of youth, desertification and climate change); (iii) the role of regional cooperation in the implementation of the Sustainable Development Goals; and (iv) the Maghreb Action Plan to help member countries achieve the Sustainable Development Goals and come up with regional solutions.

69. The secretariat detailed the methodology used for data collection, based on country missions undertaken in collaboration with AMU, together with a questionnaire for planning ministries, sector ministries and national statistical institutes. The framework of indicators used for the thematic analysis was presented. It included 16 targets and 17 indicators and was developed on the basis of the following points:

- Global framework of indicators;
- Regional and national objectives;
- The need for comparison between AMU countries;
- Availability of national data.

70. The Secretariat also shared with participants the initial lessons learned from the preparation of the report:

- The process of prioritizing and integrating the Sustainable Development Goals and targets had lagged, in particular due to institutional changes (2016 and 2017) and the lack of clarity in the institutional arrangements for steering and monitoring the Sustainable Development Goals;
- Consideration should be given to the role of national sustainable development strategies and their articulation with national development strategies/plans, with a view to enhancing coherence of sustainable development policies (Target 17.14);
- Improving data availability and statistical capacity-building remained a major challenge for all countries, with a strong demand for technical support to develop and harmonize methodologies for measuring indicators;
- A communication plan should be developed that should focus on the Sustainable Development Goals, institutional responsibilities and the interest of stakeholders

(civil society, employers, local authorities) to ensure their involvement / common approach;

- The importance of the financial challenge of formulating a resource mobilization strategy that would allow diversification of financing options by using a suitable combination of financing instruments, setting up the appropriate framework to encourage the contribution of the actors of the private sector and banks, and building knowledge and capacity to take better advantage of increasingly diversified and sophisticated financing sources and instruments (for example, funds, international initiatives, green bonds, among others).

71. Discussions highlighted the importance of the integration in national development policies of some key issues such as peace, security and gender, and pointed out that the multiplication of strategies required greater harmonization efforts.

72. The need to extend political dialogue to all actors, including civil society and the private sector, was highlighted along with the synergies to be developed between global, regional and national priorities. At the regional level, collective efforts remained insufficient; the implementation of the 2030 Agenda could be an opportunity to strengthen cooperation in areas of importance to the region. Data from actors other than national statistical offices or sectoral departments should be used to meet the challenge of availability of statistics.

## **VII. Round table/expert group meeting on the theme: youth employment and sustainable development in North Africa (agenda item 6)**

73. In a brief opening address, the Chairman recalled the regional context in which the meeting was held. Among other things, the context was characterized by the beginning of the implementation of the 2030 Agenda and Agenda 2063, the resurgence of migratory flows, security risks in the subregion and the persistence of the crisis in Libya. The combined effects of all these factors inevitably hampered the development efforts of countries in the subregion, affecting more particularly growth, tourism, foreign investment and employment, particularly of young people.

74. With regard to the latter section, the Chairman pointed out that despite the proactive policies adopted by the countries of the subregion, progress remained mixed and varied from one country to another. Hence the importance of the meeting, whose triple objectives were: (i) to analyse the themes of youth employment and sustainable development and the link between them; (ii) to review some good practices; and (iii) to identify alternatives for adjusting and adapting youth employment policies to make them more justifiable.

75. The meeting was held in five plenary sessions under the topics: (i) opportunities and challenges related to the promotion of decent work for young people in North Africa; (ii) presentation and discussion of national case studies; (iii) evaluation of policies and programmes for the promotion of youth employment: the main good practices, challenges and opportunities; (iv) integration of youth employment policies into national development policies: lessons learned; and (v) youth employment and sustainable development in North Africa: main findings and proposed recommendations. The discussions that followed the

various sessions highlighted the quality of the presentations and the richness of the public policy proposals emanating from both invited experts and government representatives.

76. At the end of the discussions, the Committee endorsed the recommendations proposed by the secretariat and made additional recommendations, which would be annexed to the report of the round table.

### **VIII. Report on the regional and international agendas and other special initiatives in North Africa (agenda item 7)**

77. The representative of the secretariat said that the report on the implementation of continental and global development agendas and special initiatives in North Africa was intended to help States to monitor progress made towards achieving global and regional commitments and to ensure that the subregion's priorities were taken into consideration during regional and international negotiations.

78. The presentation focused on the implementation of the 2030 Agenda and the Paris Climate Agreement. On the 2030 Agenda, the secretariat mentioned that a new global framework of indicators was adopted by the United Nations Economic and Social Council (ECOSOC) in June 2017 and recalled that official statistics formed the basis of this framework which could be supplemented by regional and national indicators. In response to the challenge of statistics, the United Nations General Assembly adopted in September 2017, a Global Action Plan for Sustainable Development Data aimed at improving the capacities of national statistical systems and strengthening collaboration in data production.

79. The outcome of the 2016 and 2017 High-level Political Forums were presented. The Forums highlighted the lack of appropriation of the 2030 Agenda by non-State actors and the insufficient involvement of civil society. Emphasis was also placed on the need for an integrated approach to facilitate policy coherence. Consideration of regional concerns was an important focus of the Forum discussions.

80. As part of the implementation of the 2030 Agenda, two major events were also highlighted:

- The Habitat III Conference (Ecuador, October 2016) took stock of urban development policies and analysed current and future trends. At the conference, a new urban agenda was proposed to transform cities and territories and increase their resilience over the next twenty years. The Agenda was approved by the United Nations General Assembly in December 2016.
- The follow-up forum of the World Summit on the Information Society (WSIS), which focused on the links between the Sustainable Development Goals and the World Summit on the Information Society, largely underlined the cross-cutting role of information and communications technologies in achieving the Sustainable Development Goals. He also stated that the 2018 session would deal with the issue of the availability of statistics pertaining to information and communications technologies and their integration in the global framework of indicators.

81. With regard to the Paris Agreement, the strengths of the Conference of the Parties (COP 22) and the challenges of the next Conference of the Parties (COP 23) were presented. These included the programme of work, the operational rules and guidelines for the implementation of the Paris Agreement, the resumption of negotiations on agriculture, the adoption of an action plan to promote the development of gender-sensitive climate policies, the review of emission reduction commitments, and access to finance.

82. The discussions highlighted both the importance of political leadership and the many challenges in implementing the Sustainable Development Goals at the national level. These challenges included:

- Adoption of a comprehensive strategic vision that took into account the interdependence of the Sustainable Development Goals;
- Coherence of public policies;
- Establishment of effective monitoring and evaluation mechanisms;
- Establishment of inclusive consultation frameworks that encouraged the involvement of civil society and the private sector;
- Strengthening South-South cooperation, particularly in areas related to the development of indicators and monitoring mechanisms.

## **IX. Implementation of subregional initiatives in North Africa** (agenda item 8)

83. The secretariat recalled the purpose of the report on subregional initiatives in North Africa (ECA/SRO-NA/ICE/32/4). The main objective was to take stock of the state of progress of the regional integration process in North Africa. The report presented the various initiatives undertaken by member countries to strengthen regional cooperation in 2016 and incorporated recent requests for membership/association of some countries in the subregion with other continental regional economic communities and their potential impact on Maghreb construction.

84. In this context, the report presented the programme of the regional institutions that took place during the period under review. These were the sixteenth session of interior ministers of AMU, the thirty-fourth session of the council of ministers of Foreign Affairs of AMU and the thirteenth session of the council of Maghreb ministers of higher education and of scientific research. The report also presented ECA-AMU partnership, especially the initiatives and activities of 2016, the medium-term prospects for AMU-ECA cooperation and the medium-term priority areas of AMU.

85. The participants commended the quality of the report and noted the importance of the involvement of the private sector in the construction of integrated economic spaces. Some

examples of good practices in this field were shared with the participants, in particular those from the Common Market for Eastern and Southern Africa (COMESA) area.

## **X. Report on the bureau's 2016-2017 activities and the 2018-2019 programme of work: statutory issues (agenda item 9)**

86. The secretariat presented the general report on the activities of ECA, which included the achievements of the Commission in several areas.

87. The first concerned support to member States in strengthening their capacity for economic management and governance, notably through the establishment of a consortium on the circumvention of illegal financial flows, within the framework of the follow-up of the recommendations of the High-level Panel on illegal financial flows.

88. The second is related to policies of economic transformation through regional integration, trade, investment, agriculture, value chains, land tenure, industrialization, energy and infrastructure development. The report mentioned especially the support given to AMU and its member states for the strengthening of capacities to assess the impact of the Continental Free Trade Agreement on the economies of the Union and on the industrial sector in particular.

89. The third focused on sustainable development policies, resilience to climate change, effective management of natural resources, new technologies and innovations. The report stated in particular the development of the Africa Mining Governance Framework, the African Strategy for Mineral and Geological Exploration, the Atlas of the Blue Economy of Africa and deep water mining extraction.

90. The fourth area related to the promotion of inclusive and equitable human and social development policies, with a view to supporting the transformation agenda of Africa. The report mentioned in particular the support for the endorsement of the African common position on Habitat III by African Heads of State, support to member States for the formulation of national policies and fiscal decentralization programmes, on the basis of the results of the African Social Development Index (ASDI) developed by ECA.

91. The last area of intervention focused on the data revolution in Africa for planning and formulating public policies based on better information. The report highlighted, among other achievements, the first edition of the Africa Data Revolution Report, which reviewed the continent's data ecosystem for sustainable development, including assessments of national data systems in selected countries.

92. The report also highlighted the actions taken by ECA to improve its audit functions, as well as greater gender mainstreaming.



93. Emerging opportunities in the context of the 2030 Agenda and Agenda 2063 were also addressed in the report, in particular, the issue of migration, the blue and green economy and the data revolution.

94. At the end of the discussions that followed, the Committee pointed out that the various presentations made were to point out that the aim of all activities was to contribute to the economic and social development of the countries and to the well-being of the populations. The Committee also noted that labour mobility was important for regional integration, and invited ECA to focus more on the issue of migration flows, and in particular on human trafficking. Finally, the Committee noted that the Sudan was not adequately reflected in the capacity-building and other activities of ECA.

95. The secretariat then presented the report on the activities of the Subregional Office for North Africa from March 2016 to September 2017 (ECA/SRO-NA/ICE/32/5). It reviewed the work of the Office, including studies and publications, expert meetings, advisory services, workshops and seminars.

96. Activities carried out and those to be undertaken are included in ECA subprogramme 7, called: Support for subregional activities for development, and the strategic framework focusing on greater technical support to member States and regional economic communities to strengthen their capacity for regional integration, particularly in the priority areas of the North African subregion.

97. Through its activities, the Office has contributed to the improvement of the capacities of member States in the areas of trade, investment, sustainable development, the collection and dissemination of statistical data, the organization of an international conference of African think tanks and to the discussion on the territorialization of industrial policy and inclusive development in North Africa. In addition, the mechanism for producing country profiles was refined during the period.

98. The capacity-building of the general secretariat and the institutional framework of AMU was carried out in the area of industrialization through trade in North Africa, support to the Maghreb Union of Entrepreneurs to raise the awareness of the private sector on the challenges and opportunities of climate change, and to launch the process of preparing the subregional report on the Sustainable Development Goals.

99. At the third meeting of the Subregional Coordination Mechanism, emphasis was placed on mobilizing regional actors for coordinated support to regional integration in North Africa. The meeting afforded the opportunity to share the reflections on the new orientations of AMU in the light of recent international and regional developments. It also led to the identification of the priority areas of cooperation for the period 2017-2018, on the basis of sociopolitical changes in North Africa and in the context of the implementation of the Millennium Development Goals at subregional level. The meeting also helped to identify ways and means of strengthening the coordination and synergy of activities with partners at the subregional level.

100. The Subregional Office also responded to several requests from its member States and facilitated their participation as well as that of AMU in the process of preparing international meetings. The Office had also expanded its partnerships to better synergize with other actors in the region.

101. The secretariat then presented the Strategic Framework 2018-2019 of the Subregional Office as a component of the Commission-wide strategic framework. He recalled that this strategic framework responded to the need for ECA to focus its management on results.

102. The programme of work for 2018-2019 was structured around two pillars: statutory or thematic meetings (meetings of experts, forums, conferences, ...), and publications.

103. The meetings scheduled for the period 2018-2019 were: (i) The Intergovernmental Committee of Experts; (ii) Ad hoc expert group meetings/expert group meetings on four development themes (data revolution in North Africa: data for structural transformation, institutional quality and structural transformation in North Africa, strengthening regional integration in North Africa through the electronic exchange of customs information, climate risk management: state of play and best practices in North Africa; (iii) the North African development forum; and (iv) two meetings on subregional mechanisms in support of the activities of the subregional coordination mechanism.

104. The scheduled publications were: (i) country profiles and structural transformation employment production society (STEPS); (ii) reports on regional and international agendas, and other special initiatives in the subregion; (iii) ECA annual report on activities in North Africa; and (iv) publications from the four expert group meetings.

105. At the end of the presentation, the Committee expressed its appreciation to the Office for its support to Mauritania in strengthening its statistical system of national accounts. The Committee also asked the Office to sustain support for the statistical capacity-building of member States under its 2018-2019 programme.

106. The Committee took note of the draft framework submitted for its consideration. It noted with interest the willingness of the Subregional Office to support the States in the implementation of the regional integration project in North Africa, while at the same time ensuring technical assistance in dealing with the emerging challenges.

107. The Secretariat thanked member States for their collaboration on the data collection framework, highlighting the importance of the data provided, which contributed to improving the quality of the regional profile report. The secretariat encouraged member States to continue their efforts to provide the Subregional Office with relevant information at the sectoral level for the implementation of the 2018-2019 programme of work and for the future. It requested member States to provide support to ECA, in particular, to its data centre, with a view to

realizing partnerships with the national statistics Institutes, the Central Banks and the national research centres.

108. The Committee congratulated the secretariat on the quality and relevance of the activities undertaken and the efforts made to meet the needs of member States.

109. At the end of the discussions, the Committee endorsed the recommendations of the secretariat and added the amendments compiled in annex I.

## **XI. Launching the Economic Report on Africa: Urbanisation and Industrialization for Africa's Transformation (agenda item 10)**

110. The secretariat presented the Economic Report on Africa (ERA) 2017. The report indicated that Africa, together with Asia, is the epicentre of global urbanization. This change had a profound impact on the achievement of the global and continental goals of inclusive growth and transformation. World theory and experience showed that urbanization and structural transformation were closely linked, but less so in Africa, which had essentially chosen to follow the path of an urbanization that was weakly linked to structural transformation, particularly to industrialization. In this regard, Africa had failed to seize many opportunities to stimulate growth and productivity, reduce poverty and ensure social development. It now seemed more than necessary to link urban development with industrial development in view of their interdependence and their impact on growth.

111. The Economic Report on Africa 2017 examined ways to accelerate industrialization as a vehicle for structural transformation in Africa by exploiting the opportunities of rapid urbanization. It analysed the challenges and opportunities, as well as the drivers, tools and political levers able to strengthen the links between urbanization and industrialization for the acceleration of structural transformation.

112. The report argued that the economies of urban agglomerations offered enormous benefits to governments, social groups and businesses. However, in many African cities, diseconomies appeared too early and eroded the urban productive advantage. Obstacles to the proper functioning of cities were linked to dysfunctional land markets, poor mobility, inadequate infrastructure, social inequalities and inadequate urban structure. Many African cities were at a critical stage of development in that they had the means to solve the institutional and spatial challenges before a massive wave of poorly managed urban development occurred. Urban dysfunctions were partly responsible for the high costs of living and working in African cities, as well as for the population, industry and value chains. Given the magnitude of the difficulties and the economic importance of cities, policies to address these issues had so far proved inadequate.

113. Drawing on a wide range of sources, including case studies (Cameroon, the Congo, Côte d'Ivoire, Ethiopia, Madagascar, Morocco, Mozambique, Nigeria, Rwanda, South Africa and the Sudan), the Report highlighted the essential means of intervention which would allow Africa to rely on its urbanization to ensure industrialization.

114. At the end of the presentation of the Economic Report on Africa, the Committee commended the presenter for the relevance of his presentation and stressed the need for coordination and partnership between the various actors in industry and urbanization. However, the Committee recalled that the phenomenon of urbanization could result in negative aspects such as rural exodus, development of slums and its corollaries, for instance insalubrity, poverty and delinquency, all of which must be taken into account in the formulation of these sectoral policies.

## **XII. Review and approval of the recommendations of the round table/expert group meeting (agenda item 11)**

115. The recommendations of the ad hoc meeting of experts on youth employment and sustainable development in North Africa were reviewed by the Committee, which amended and adopted them as reproduced in annex II of the current report.

## **XIII. Review and adoption of the report and recommendations of the thirty-second meeting of the Intergovernmental Committee of Experts (agenda item 12)**

116. The Committee reviewed and adopted the recommendations of its thirty-second meeting, as reproduced in annex II of the current report. In addition, the Committee encouraged participants from countries of the subregion to send their amendments to the Subregional Office for North Africa within two weeks in order to enable the secretariat to include them in the final report of the meeting.

117. On the basis of these observations, the Committee adopted the report and requested the secretariat to relay the recommendations of ICE at the next Conference of African Ministers.

## **XIV. Date and venue for the thirty-third meeting of the Intergovernmental Committee of Experts (agenda item 13)**

118. During the discussion on the date and venue for the next ICE meeting in 2018, the representative of Tunisia, Mrs. Chahrazed Berhouma from the Tunisian Union of Trade, Handicrafts and Industry (UTICA), expressed the wish that the thirty-third session be held in Tunisia. She asked the Committee to give her two weeks to get approval from the Tunisian authorities to formalize the invitation.

## **XV. Other business (agenda item 14)**

119. The representative of the Islamic Republic of Mauritania, Mr. Sidi Mohamed Ould Zenvour, director at the Ministry of Economy and Finance, on behalf of the member countries, the participants and on his own behalf, gave a vote of thanks expressing gratitude to His Majesty King Mohammed VI and to the Government and people of Morocco for the thirty-second meeting of ICE. The full text of the vote of thanks is reproduced in annex V.

## **XVI. Closure of the meeting (agenda item 15)**

120. In her closing remarks, the new director of the Subregional Office for North Africa, Ms. Lilia Hachem Naas, expressed satisfaction at having participated in the thirty-second session of ICE on taking office, and was pleased with the rich and detailed discussions on the theme of the meeting.

121. She also welcomed the high-level participation of the member countries, enhanced this year by the presence at the opening ceremony of the Minister of Employment of Morocco, the Secretary General of AMU as well as that of the Executive Secretary of ECA. She emphasized that it reflected the importance attached to the mission of ECA and in particular to its Subregional Office for North Africa and its role in promoting development and regional integration. She was also pleased with the choice of the topic for the year of the ad hoc meeting of experts: youth employment and sustainable development in North Africa, and the discussions which were high-level and important.

122. The director of the Subregional Office thanked the participants for their interest in examining the statutory issues that were brought to their attention during the meeting. She also indicated that the recommendations and the final report of the meeting would be submitted to the next Conference of Ministers of ECA. In addition, she thanked delegates from member countries for allowing other experts and participants to contribute to the discussions while assuring them of the commitment of the Subregional Office to continue to engage all stakeholders in the development and integration of North Africa.

123. In this regard, she encouraged member countries to participate actively in the forthcoming annual joint meeting of the Conference of African Ministers of Finance, Planning and Economic Development of ECA and the specialized technical committee of the African Union on Finance, Monetary Affairs, Economic Planning and Integration, which would take place in early 2018. The important pan-African meeting, she said, would deepen the themes discussed on the occasion of the 2017 ICE, as well as Agenda 2063 for planning, mobilization of resources and financing of development, regional Integration and the 2030 Agenda.

124. Finally, the director reiterated her thanks to the authorities and Government of Morocco for the assistance and support they had consistently extended to ECA and its Subregional Office for North Africa and for the hospitality accorded to ICE participants. She also thanked all the participants for their active contribution to the success of ICE, including the delegates of the member states, civil society, the private sector, the ICE office, the different institutions, the resource persons, the colleagues of the Headquarters and the Rabat office, interpreters and translators as well as those in charge of hospitality and logistics.

125. In his turn, the Chair of ICE bureau expressed his satisfaction for having participated in the thirty-second session of ICE of the Subregional Office for North Africa and expressed once again his thanks to the member countries for the confidence placed in Morocco to chair the bureau of ICE session.

126. The Chair also thanked and congratulated the Subregional Office for North Africa, especially its new director, for recognizing the quality of the work done, the documents presented and the final report of the meeting. He also insisted on the need to ensure a good follow-up on the decisions and recommendations of ICE both by the delegations of the member countries and by ECA.

127. Before ending his remarks, the Chair did not fail to warmly thank on behalf of the member countries, the Tunisian delegation for their initiative to consider holding the thirty-third session of ICE-2018 in Tunisia, which would have the advantage of strengthening the action and visibility of the Subregional Office for North Africa vis-à-vis other member countries. He finally declared the proceedings of the thirty-second meeting of ICE closed.

## **Annex I**

### **Recommendations of the thirty-second session of the Intergovernmental Committee of Experts**

Following the discussions, the Committee made the following recommendations and requested the Subregional Office to relay them to the Conference of Ministers.

#### *With regard to member States:*

##### **Implementation and follow-up of the 2030 Agenda and the Sustainable Development Goals**

1. Strengthen political and institutional dialogue and synergies between global, regional and national priorities related to the 2030 Agenda;
2. Build capacity and develop appropriate systems with regard to public policy monitoring and evaluation for a successful implementation of the Sustainable Development Goals;
3. Establish consultation mechanisms that facilitate the contribution of civil society and the private sector in the implementation and monitoring of the Sustainable Development Goals;
4. Promote the role of information and communications technologies in achieving the Sustainable Development Goals.

#### *With regard to ECA:*

##### **General recommendations**

5. Make greater use of the updated data for the preparation of ECA reports;
6. Improve the geographical coverage of interventions by the Subregional Office by developing more projects and activities in Mauritania and the Sudan, particularly in the context of the memorandum of understanding between ECA and the Sudan;

##### **Regional profile**

7. Include an analysis of the weight of the informal sector and its socioeconomic impact as well as measures for its integration, particularly in the area of parallel trade and smuggling at the borders;
8. Strengthen the thematic part of the regional profile by incorporating a socioeconomic impact analysis;
9. Integrate and update information on the Sudan;
10. Increase the human dimension in the analysis of economic development issues;

### **The 2030 Agenda and Agenda 2063**

11. Disseminate as soon as possible at country level Agenda 2063 and the work done by ECA and the African Union in terms of alignment and convergence of the implementation and follow-up on the 2030 Agenda and Agenda 2030;
12. Facilitate access to information on the integration tools for the Sustainable Development Goals in public policies;
13. Organize a regional workshop to review progress, share best practices and facilitate the exchange of experiences and collaboration among countries, to achieve the Sustainable Development Goals;
14. Share with countries experiences regarding financial mechanisms, including public-private partnerships (PPPs), and strengthen national technical expertise in public-private partnerships-building for the achievement of the Sustainable Development Goals;
15. Provide support to countries in statistical capacity-building in the context of the Sustainable Development Goals;
16. Support AMU to develop regional cooperation initiatives in priority areas that can accelerate the implementation and follow-up of the Sustainable Development Goals;

### **Subregional initiatives**

17. Carry out a regional mapping of successful initiatives in the area of private sector involvement in the construction of integrated economic spaces.

### **Economic Report on Africa on urbanization and industrialization**

18. Take into account the changing needs in infrastructure, housing, basic services and employment in the urban planning process;
19. Improve data collection and analysis of the phenomenon of urbanization and its links with industrialization;
20. Enrich the report with case studies that highlight country specificities.



## **Annex II**

### **Recommendations of the meeting of Experts: youth employment and sustainable development in North Africa**

#### **Introduction**

For almost three decades, the North African region has been experiencing a real demographic windfall that should have been a development opportunity, rather than a burden on countries seeking to increase economic and social development and stimulate growth. However, youth unemployment still constitutes for the region an endemic problem and a major challenge.

To further integrate young people into the labour world, forward-looking approaches, which consider them as a valuable asset, should lead to the creation of decent and equitable employment opportunities, increase synergy between economic sectors, and improve the match between education, training and available jobs. Recovery strategies must also seek to develop the domestic job market through public-private partnerships and the promotion of youth entrepreneurship. Governments also need reliable data for planning, based on human rights and gender since gender, class and regional disparities are easier to identify and deal with when facts are established, documented and evaluated.

These are all reasons why implementation is a key challenge, and an agenda for it requires real engagement and a strong and effective partnership between governments, the private sector, non-governmental organizations and development partners. This partnership will help develop and implement development policies that incorporate strategies to promote youth employment.

Following the various contributions and in-depth discussions, the ad hoc meeting of experts came up with the following recommendations:

#### ***With regard to member States:***

##### **Transversality of the problem of youth employment**

1. Make the transversality of the youth employment issue a reality by including this component in all sectoral policies and strategies, and adopt youth recruitment plans in large-scale projects both at national and subregional levels.
2. Strengthen the convergence of the efforts and initiatives of the different government departments, and pool the potentials with regard to the transversal nature of the employment problem, in order to contribute more effectively to the promotion of youth employment including those with specific needs.

##### **Training - employment adequacy and capacity-building**

3. Strengthen relations between universities and companies and encourage them to work in understanding to better match the new demands of the labour market and new skills on the one hand, and training systems on the other.

4. Seek to strengthen the training-employment adequacy and ensure that the training programmes are diversified and professionalized, to promote a better functioning of the market and enhance the employability of young people.
5. Create specific support mechanisms targeting young people to provide training services (including fundamental competencies or soft skills), counselling and guidance.
6. Encourage the development of skills and capacity-building in private individual enterprises - rather than the creation of coaching agencies, capable of promoting continuous learning and the acquisition of new skills to better respond to the evolution of the labour market and its new requirements.
7. Boost and improve the functioning of the mechanisms of enhancement and motivation of young people to move more towards vocational training, while improving the training system, which can guarantee access to work.

#### **State mediation role in the labour market**

8. Carry out discussions followed by action on the role of the state as a mediator between the private sector and jobseekers; and strengthen the role, programmes and model initiatives of some donors (for example the Souk Attanmya project funded by the African Development Bank in Tunisia) to better integrate young people into the labour market.

#### **Support mechanisms**

9. Encourage the establishment and promotion of appropriate mechanisms to provide training, counselling and guidance services, as well as youth incubation centers with the help and support of the private sector.
10. Increase youth awareness campaigns on mechanisms to support training and project creation and financing.

#### **Required adoption of human rights and gender-based approaches**

11. Ensure the systematic adoption of a human rights-based approach in the formulation of national and sectoral development policies.
12. Integrate systematically the gender approach into strategies and programmes for employment promotion and improvement of the employability of young people, and also into the data collection and monitoring and evaluation processes.
13. Develop a legal framework for the promotion of employment and strengthen the implementation of laws guaranteeing the protection of the economic and social rights of women and the youth with a view to reducing disparities in terms of access to work and programmes on capacity-building.

### **Follow-up and evaluation**

14. Focus on the evaluation of the initiatives and mechanisms put in place to reduce youth unemployment by using human rights indicators, as well as the governance indicators of these mechanisms and accountability.

### **Financing mechanisms**

15. Facilitate access to financial and technical resources placed at the disposal of young people, including young entrepreneurs, to generate decent and stable work opportunities, and to urge the private sector to play an effective and consistent role in this perspective.
16. Strengthen the sustainability of microenterprises and their jobs by reserving a percentage of public orders for youth and women's projects.

### **New job-generating opportunities**

17. Formulate operational strategies to seize the opportunities of the digital economy, the green economy and the social and inclusive economy to help fill the gap in youth employment.

### **Migration and mobility**

18. Facilitate mobility and streamline the migration of young jobseekers; and lay collaborative bridges with young people from the diaspora, so as to harness their potential and expertise to achieve the Sustainable Development Goals.
19. Launch awareness campaigns targeting young people to alert them of the dangers of secret and illegal emigration, which is not a viable solution to the problem of unemployment.

### **Informal sector**

20. Strengthen the long-term involvement of young people and their associations in the development and monitoring of strategies, programmes and mechanisms put in place to promote employment, as well as in national debates on the issue of the informal sector; and ensure the regular assessment of the nature and level of their involvement.
21. Launch awareness campaigns targeting young people about the risks involved in smuggling and other illegal activities, particularly in border regions.
22. Put in place appropriate mechanisms for sustainable integration of the formal economy and the informal sector, which generally employs a number of young people; and generalize employment-intensive investment programmes that focus on public investment and help reduce youth unemployment.

### **Youth entrepreneurship**

23. Create national funds with the primary objective of facilitating the integration of young people and providing them with the necessary help and support to enter the world of entrepreneurship; and ensure the assessment of the impact and progress made.
24. Facilitate access to financial, technical and other resources available to young people, including young entrepreneurs, so as to generate decent and stable work opportunities, in partnership with the private sector.
25. Create youth entrepreneurs' centers with areas of intervention that cover youth capacity-building and support for the development of bankable projects and business plans.

### **Regional integration**

26. Take into account the regional integration factor, its benefits and the potential dividends it can generate, in the formulation of national policies to promote youth employment, in the analyses and other instruments related to the formulation, implementation and evaluation of these policies.

### ***With regard to ECA:***

27. Create a coordination mechanism between the various development partners to take maximum advantage of the various unifying initiatives on issues common to the countries of the subregion with regard to the issue of youth employment.
28. Strengthen direct contacts and coordination with member countries to better inform them on and/or support them in the various experiences in the area of youth employment.
29. Optimize the use of statistical data updated by States, in the preparation of country profiles and regional profiles.
30. Initiate the networking of young entrepreneurs in the subregion by launching a special platform to ensure better access to information on initiatives and programmes aimed at reducing youth unemployment, and also to share more regularly experiences and good practices.
31. Establish an electronic knowledge platform in collaboration with the International Labour Organization, the African Development Bank and other development partners to ensure the appropriate exchange and dissemination of good practices in the creation and promotion of youth employment in the subregion.
32. Ensure the production and periodic publication (every two or three years, for example) of a compendium of good practices for the promotion of youth employment in the North Africa subregion.

## **Twenty-third Intergovernmental Committee of Experts (ICE) Meeting of Southern Africa Outcome statement\***

### **Preamble**

1. The twenty-third Intergovernmental Committee of Experts (ICE) Meeting of Southern Africa was hosted by the Government of Zimbabwe in Bulawayo, Zimbabwe on 26 and 27 October 2017 under the theme “Trade Facilitation in Southern Africa: Bridging the Infrastructure Gap”.

2. The Honourable Minister of Finance and Economic Development, Dr. Ignatius M.C. Chombo officially opened the meeting following welcoming remarks by Honourable Eunice Sandi-Moyo, Provincial Affairs Minister for Bulawayo Metropolitan Province. Ms. Giovanie Biha, Deputy Executive Secretary, United Nations Economic Commission for Africa (ECA), Mr. Said Adejumobi, the Director of the Economic Commission for Africa’s Subregional Office for Southern Africa (SRO-SA), Dr. Auguste Ngomo, representing the African Union, Southern Africa Regional Office and Mr. Peter Simbani, representing the Chair of the Bureau of the twenty-second ICE also made remarks.

3. Delegates from the following member States attended the twenty-third Session of the ICE: Angola, Lesotho, Malawi, Mauritius, Namibia, Swaziland, Zambia and Zimbabwe.

4. Organizations represented at the meeting included: African Business Group, African Development Bank, African Union Commission, African Union Southern Africa Office, Centre for Trade Policy Development, Centre of Studies on Regional Integration of Eduardo Mondlane University, Common Market for Eastern and Southern Africa (COMESA), Human Sciences Research Council, Infrastructure Development Bank of Zimbabwe, Ministry of Small and Medium Scale Enterprises of Zimbabwe, Mpulungu Harbour, New Partnership for Africa’s Development (NEPAD), National Association of Non-Governmental Organizations, National University of Science and Technology, Oxfam, Ports Management Association for Eastern and Southern Africa, Reserve Bank of Zimbabwe, Southern Africa Cross Border Traders Association, Southern Africa Trust, Southern African Research and Documentation Centre, Southern and Eastern Africa Trade Information and Negotiation Institute, Streetwise Informal Traders Association, Swaziland Investment Promotion Authority, University of Zimbabwe, Zimbabwe Chamber of Informal Economy Association, Zimbabwe Coalition on Debt and Development, Zimbabwe Cross Border Traders Association, Zimbabwe National Statistics Agency, Zimbabwe Revenue Authority, and Zimconsult. Media organizations represented were: the Chronicle, L’Express, New African Magazine, South African Broadcasting Corporation, Times Group, Zambia Daily Mail, Zambia National Broadcasting Corporation and Zimbabwe Broadcasting Corporation. Experts in regional integration, infrastructure and trade also attended the meeting.

### **Programme of work**

5. The delegates elected Zimbabwe as Chairperson of the Bureau of the twenty-third ICE, Lesotho as Vice-Chairperson and Namibia as Rapporteur.

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\* This report was issued under this symbol ECA/SA/ICE/23/2017/9.1.

6. The twenty-third ICE Session adopted the agenda below:
- (a) Opening Session
  - (b) Election of the Bureau and Adoption of the Agenda and Programme of Work
  - (c) Presentation of Statutory Reports by SRO-SA
    - (i) Economic and social conditions in Southern Africa
    - (ii) Programme performance of ECA in Southern Africa
    - (iii) The implementation of regional and international agendas and other special initiatives in Southern Africa
  - (d) Presentation of the Thematic Report: “Trade Facilitation in Southern Africa: Bridging the Infrastructure Gap”
  - (e) Roundtable on “Financing Infrastructure for Accelerated Regional Integration and Trade in Southern Africa”
  - (f) Presentation of the Recommendations of the AEGM on “Deepening Regional Integration in Southern Africa: The Role, Prospects and Progress on the Tripartite Free Trade Area”
  - (g) Presentation of Reports on the Work of other ECA Divisions
  - (h) Roundtable on “Accelerating Regional Integration for Sustainable Socioeconomic Development in Southern Africa: Challenges and Opportunities - The View of Non-State Actors”
  - (i) Any other Business
  - (j) Date and Venue of the next Meeting
  - (k) Consideration and Adoption of the Outcome Statement of the twenty-third ICE
  - (l) Closing Session

### **Account of proceedings**

7. The Committee considered three statutory reports submitted by the Secretariat. The reports were on: (a) Economic and social conditions in Southern Africa in 2016 and prospects for 2017; (b) Programme performance of ECA Southern Africa Office; and (c) Progress on the implementation of regional and international agendas, including NEPAD and other special initiatives in the subregion focusing on Agenda 2063 and the 2030 Agenda. The report on the theme of the ICE, “Trade Facilitation in Southern Africa: Bridging the Infrastructure Gap” was presented and discussed by the Committee. The Committee also considered and adopted the recommendations of the Ad Hoc Expert Group Meeting (AEGM) on “Deepening Regional Integration in Southern Africa: The role, prospects and progress on the Tripartite Free Trade Area”.

8. Reports from the work of the ECA Special Initiatives Division and the African Trade Policy Centre were presented to the Committee for information and discussion.

9. The Committee endorsed the Report of the Programme Performance of ECA Southern Africa Office for 2016-2017 and the work programme for 2018-2019.

## **Observations**

10. The Committee made the following observations:

(a) Southern African economies remain vulnerable to international developments including low commodity prices. However, the firm prices during the last year present opportunities for improved economic performance in the near future.

(b) Agriculture remains the mainstay of Southern African economies. The sector however remains traditional using low level technology and is predominantly rainfall dependent.

(c) The rising public debt levels in the region due to, inter alia, loss-making State-owned enterprises (SOEs) and the attendant servicing obligations, continue to divert financial resources away from much needed social and capital spending.

(d) The use of the sea and its resources (and other inland water bodies) can catalyse sustainable socioeconomic development and should be an integral part of national and regional development strategies.

(e) Political stability and policy consistency and certainty are key to attracting investments into the region.

(f) A developmental State approach coupled with political will at the highest level is important to anchor and drive the implementation of national and regional projects.

(g) A number of countries in Southern Africa have embarked on the domestication of the 2030 Agenda and Agenda 2063 and have created the requisite supportive institutional frameworks to accelerate the process and programmes.

(h) The inclusion and mainstreaming of the 2030 Agenda and Agenda 2063 into national policies, plans and strategies are critical for successful implementation.

(i) Multi-stakeholder participation is important for the successful and accelerated implementation of the global and continental agendas.

(j) There is a skills mismatch between the developmental requirements and the output from training institutions in the region leading to a skills gap. However, this gap varies across countries.

(k) The inadequacy of requisite human and financial resources continues to constrain efforts by governments in Southern Africa to implement regional, continental and global development agendas as well as national development plans.

(l) The informal sector is an important actor in development and trade in the region and therefore, data on activities in the sector should be collected and included in trade statistics to capture the full regional and national picture on trade.

(m) Informal traders face many unique hard and soft infrastructure and trade-related challenges along the trade routes in the region.

(n) Accurate, up-to-date and disaggregated statistics is critical for planning, monitoring and evaluating developmental programmes.

(o) To facilitate the development of infrastructure and subsequent maintenance there is the need for political will, capacity and leadership engagement and a systems approach in analysing and addressing challenges.

(p) The deficit in both hard and soft infrastructure continues to undermine efforts by COMESA and the Southern African Development Community (SADC) to expand trade within the region.

(q) Infrastructure is of strategic significance for production, trade and industrialization and the gap in the same continues to undermine productive activities.

(r) The movement of goods and people within the region is mainly by road, which is not only costly, but also results in significant road wear and tear.

(s) Limited financial resources for infrastructure development calls for innovative methods of raising financial resources at both national and regional levels. This includes: public-private partnerships, natural resources-infrastructure swaps, pension funds, diaspora remittances, infrastructure bonds, sovereign wealth funds, joint resource mobilization and regional infrastructure funds.

(t) The harmonization of policies, legal and regulatory frameworks across the region and cooperation among member States and different actors constitute an important prerequisite for the development of transboundary infrastructure.

(u) Some governments in Southern Africa lack the capacity to prepare bankable project documents for desired infrastructure projects.

(v) The efficiency of the conduct of business at the ports hinges critically on the effectiveness of the related activities in the hinterland.

## **Recommendations**

11. In light of the above observations and discussions, the Committee recommended the following as clustered into three broad and interrelated thematic areas of: (a) policy; (b) infrastructure; and (c) capacity.



**On policy, member States should:**

- (i) Build fiscal buffers to help deal with occasional low commodity prices and weak global trade and investments;
- (ii) Address political instability and policy uncertainties to attract investments in key job-creating sectors;
- (iii) Restrain the rising public debt levels and restrict loans and guarantees to SOEs, as well as reduce unnecessary borrowing;
- (iv) Include and mainstream the 2030 Agenda and Agenda 2063 into national policies, plans and strategies and develop supportive institutional frameworks to drive implementation so as to accelerate progress towards the attainment of development goals;
- (v) Establish mechanisms for multi-stakeholder participation in the domestication of development agendas;
- (vi) Enhance engagement, experience sharing with all stakeholders in the implementation of the 2030 Agenda and Agenda 2063 through subregional and regional processes, including the ICE, Africa Regional Forum for Sustainable Development, the Conference of Ministers and other intergovernmental processes;
- (vii) Develop mechanisms to document activities and collect data on the informal sector to accurately reflect/recognize their role;
- (viii) Accelerate the harmonization of policies and legal and regulatory frameworks across national boundaries to facilitate the development of transboundary infrastructure to improve trade.

**On policy, RECs and other stakeholders should:**

- (i) Accelerate the implementation of SADC and COMESA priority programmes including programmes related to trade facilitation and infrastructure;
- (ii) Develop frameworks to accelerate the harmonization of policies and legal and regulatory frameworks across national boundaries to facilitate the development of transboundary infrastructure to improve trade;
- (iii) Develop policy frameworks to harmonize the informal trade environment across the region and ensure that member States adhere to the frameworks.

**On infrastructure, member States should:**

- (i) Invest in the mechanization and upgrade of the agricultural sector, including the development of irrigation systems for improved productivity and food security;

- (ii) Invest in the development and upgrade of multimodal transport systems to lessen pressure on road infrastructure so as to facilitate trade and the movement of persons; and
- (iii) Include infrastructure projects, including transboundary projects, in national development plans to ensure alignment and also that resources for the development of the projects are mobilized and allocated as part of the national budgeting process.

**On infrastructure, RECs and other stakeholders should:**

- (i) Promote the accelerated implementation of prioritized regional infrastructure projects including those which have a direct impact on trade facilitation;
- (ii) Develop region-wide mechanisms to address the specific infrastructure and trade-related challenges faced by informal traders, both along the trade routes and at border crossings.

**On capacity, member States should:**

- (i) Mobilize financial resources and build the requisite human capacity to anchor the implementation of regional, continental and global development agendas while ensuring that these agendas are imbedded in national development plans;
- (ii) Collaborate with the private sector and other stakeholders to ensure that the training curriculum is aligned to the needs and priorities of industry to avert skills shortages;
- (iii) Strengthen the capacity of national statistical systems to collect accurate, up-to-date and disaggregated statistics for monitoring and evaluating developmental programmes;
- (iv) Explore, where feasible, the utilization of non-traditional sources of funding for infrastructure development, including: public-private partnerships, natural resources-infrastructure swaps, pension funds, infrastructure bonds, sovereign wealth funds and diaspora remittances.

**On capacity, RECs and other stakeholders should:**

- (i) Enhance national and regional capacities to prepare robust bankable project documents to enhance the attractiveness of infrastructure projects to potential investors;
- (ii) Strengthen and grow regional infrastructure development funds and direct the funds towards prioritized regional programmes, including infrastructure; and
- (iii) Strengthen the capacity at regional level to collect accurate, up-to-date and disaggregated statistics for monitoring and evaluating developmental programmes and developing appropriate interventions.

## Way forward

12. The Committee underscored:

- (a) The need to expedite the implementation of the AEGM recommendations towards accelerating regional integration in the tripartite free trade area;
- (b) That SRO-SA should work closely with member States, RECs and other stakeholders to facilitate continued dialogue aimed at addressing socioeconomic, trade facilitation and infrastructure challenges in the region;
- (c) That the Secretariat should include the blue economy as one of its future focus areas in order to provide a platform for stakeholders to develop national and regional strategies to optimally utilize inland and oceanic resources;
- (d) That the recommendations of the study on addressing the infrastructure gap be submitted to the appropriate stakeholders, including the East African Community (EAC), SADC and COMESA secretariats for further action;
- (e) The urgent need for the Secretariat to follow up on the offer by Mauritius to host the twenty-fourth ICE of Southern Africa so as to firm up and enable the requisite preparations to commence early;
- (f) That the Secretariat should consult further with member States regarding the Hosting Calendar and more urgently on the twenty-fifth and twenty-sixth Sessions so as to accord adequate preparation time to the respective member States.

**Bulawayo, Zimbabwe**  
**27 October 2017**

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# Report of the twentieth meeting of the Intergovernmental Committee of Experts for West Africa\*

## I. Introduction

1. The twentieth meeting of the Intergovernmental Committee of Experts for West Africa of the Economic Commission for Africa (ECA) was held on 18 and 19 May 2017 in Ouagadougou, with logistical and financial support from the Government of Burkina Faso. The theme of the meeting was “Implementation of the 2030 Agenda for Sustainable Development and Agenda 2063 in West Africa: the role of development planning”.

2. The theme is particularly relevant to the current context, marked by the implementation or the formulation of long-term development policies and plans by most African countries, in particular those of West Africa. Another rationale for the theme is the need to structure those plans and visions in accordance with the international commitments to which the countries of the subregion have subscribed within the framework of the Sustainable Development Goals and Agenda 2063 of the African Union.

3. The meeting was an opportunity to review four statutory reports of ECA, on the activities of the Subregional Office, the economic situation in West Africa in 2016 and prospects for 2017, the implementation of regional and international programmes and subregional initiatives in West Africa, respectively. Finally, the meeting served as a framework for formulating pertinent recommendations, aimed at consolidating the efforts of countries in development planning and in the implementation of the Sustainable Development Goals.

## II. Participation

4. Present at the meeting were representatives from all State members of the Economic Community of West African States (ECOWAS): Benin, Burkina Faso, Cabo Verde, Côte d’Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, the Niger, Nigeria, Senegal, Sierra Leone and Togo. The following regional economic communities and intergovernmental organizations were also represented: ECOWAS, the Niger Basin Authority, the Central Bank of West African States, the West African Development Bank, the West African Economic and Monetary Union (WAEMU) and the Mano River Union (MRU). The Permanent Secretariat of Non-Governmental Organizations of Burkina Faso also took part.

## III. Opening ceremony [agenda item 1]

5. Several speeches were delivered at the opening ceremony, notably by the Director of the Subregional Office for West Africa, Dimitri Sanga; the Resident Representative of the Food and Agriculture Organization of the United Nations (FAO), Ongone Obame, in his capacity as

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representative of the Resident Coordinator of the United Nations system in Burkina Faso; and a representative from the Directorate of Planning and Economic Policy of Senegal, Oumy Ndiaye Sarr, in her capacity as representative of the outgoing Chair of the nineteenth meeting of the Intergovernmental Committee of Experts. The Secretary of State in charge of regional development in Burkina Faso, Pauline Zouré, representing the Minister of the Economy, Finance and Development, gave the official opening address.

6. In his address, the Director of the Subregional Office for West Africa, Mr. Sanga, expressed his gratitude to the Burkinabe authorities for their continuous support to ECA. He pointed out that “apart from the discussion on development planning, this meeting provides the Committee an opportunity to assess the work of ECA and to review reports on the economic conditions in West Africa in 2016 and the outlook for 2017, the implementation of the Sustainable Development Goals and progress towards a single currency in the ECOWAS zone”.

7. For his part, the Resident Representative of FAO, Mr. Obame, also on behalf of the Resident Coordinator of the United Nations system in Burkina Faso, reiterated the commitment of the United Nations system to assisting West African countries in their day-to-day development work, in particular in respect to the implementation of the Sustainable Development Goals in synergy with their national development plans.

8. In her address, Ms. Sarr, in her capacity as representative of the Director-General of Planning and Economic Policy of Senegal and outgoing Chair of the Intergovernmental Committee of Experts, thanked the Director of the Subregional Office for West Africa and commended the Office on its implementation track record, which was in sync with the recommendations of the nineteenth meeting of the Committee. She went on to provide an account of the activities carried out under the mandate of the Chair, which included efforts to consolidate ECA technical assistance to countries; to institutionalize cooperation with subregional organizations, in particular ECOWAS, UEMOA, Afristat and the Mano River Union; and to boost the generation of knowledge. In that regard, Ms. Sarr highlighted the publication of profiles of eight countries in the subregion and the completion of ground-breaking studies on a single currency, the African Charter on Statistics, the common external tariff and economic partnership agreements with the European Union. In conclusion, she reiterated her support to the incoming Chair.

9. The last opening address was delivered by Ms. Zouré, in her capacity as Secretary of State in charge of regional development in Burkina Faso and representative of the Minister of the Economy, Finance and Development. She praised the choice of Burkina Faso to host the present meeting of the Intergovernmental Committee of Experts. She noted the relevance of the themes for discussion, given current efforts by her country to implement its national economic and social development plan. Ms. Zouré also pointed out that, beyond Burkina Faso, all West African countries were directly engaged in strengthening development planning and in linking the Sustainable Development Goals with national development strategies. Before declaring the meeting open, the Secretary of State urged participants to seize the opportunity for exchange offered by the Committee to come up with relevant recommendations that could guide decision makers towards a better future for West Africa.

#### **IV. Election of the Bureau [agenda item 2]**

10. The Bureau, elected by acclamation, was comprised as follows:

Chair: Burkina Faso  
Vice-Chair: Liberia  
Rapporteur: Senegal

#### **V. Adoption of the agenda and the programme of work [agenda item 3]**

11. The participants adopted the following agenda, amending it to add an item for the second day of the meeting concerning the summary of discussions of the first day:

1. Opening ceremony.
2. Election of the Bureau.
3. Adoption of the agenda and the programme of work.
4. Review of statutory reports:
  - (a) Report on the implementation of the programme of work of the Subregional Office for West Africa in 2016 and outlook for 2017;
  - (b) Note on economic conditions in 2016 and outlook for 2017 in West Africa;
  - (c) Report on the implementation of the Sustainable Development Goals;
  - (d) Report on subregional initiatives: focus on the progress made by the subregion towards a single currency;
  - (e) Roundtable on the implementation of the 2030 Agenda for Sustainable Development and Agenda 2063 in West Africa: the role of development planning.
5. Presentation on the continental initiatives of the Economic Commission for Africa.
6. Special session on regional integration.
7. Review and adoption of the conclusions and recommendations of the meeting.
8. Date, venue and theme of the next meeting of the Intergovernmental Committee of Experts.
9. Other matters.
10. Closing ceremony.

## **VI. Account of the proceedings**

### **A. Review of statutory reports [agenda item 4]**

#### **1. Report on the implementation of the programme of work of the Subregional Office for West Africa in 2016-2017 and outlook for 2017-2018**

12. The secretariat presented the report on the activities of the Bureau for the period from March 2016 to March 2017. The report contained reviews of publications and summaries, meetings and seminars, as well as the technical assistance provided to member States and subregional organizations. Emphasis was placed on the overall level of completion of activities envisaged in the programme of work for the period under review. The activities in question were carried out through measures aimed at strengthening statistical systems and accelerating subregional initiatives. They were also centred on functional services to intergovernmental organizations, including the meeting of the Intergovernmental Committee of Experts and expert group meetings, consultancy services and technical assistance to member States, and technical cooperation with regional economic communities and other subregional organizations. The Bureau also reported on other ground-breaking activities undertaken relating to the production of country profiles and the compilation of information and statistics on civil status. For the period 2017-2018, the main activities will focus on the present meeting of the Committee, the production of new country profiles and a pilot document for Benin entitled called “Structural Transformation - Employment, Production, Society”, as well as the continuation of assistance to and technical cooperation with member States and subregional organizations.

13. During the discussions, the participants commended the Bureau on its dynamism and requested that the stated 100 per cent activity completion rate be revisited in the light of actual implementation rates. They called upon countries to share experiences among themselves regarding technical assistance activities and assessments of the production of country profiles, the African Social Development Index and the African Regional Integration Index. Participants also recommended that there be greater synergy with the activities of intergovernmental organizations and that civil society participate in ECA activities. Finally, they called for a presentation on activities with a focus on concrete outcomes.

14. The Director of the Subregional Office for West Africa emphasized the recommendation regarding the format of the report, while calling upon countries that receive support from ECA to provide results-oriented reports. In addition, he underscored the multifaceted support provided by ECA to countries such as Côte d’Ivoire, which received support in developing a manual on monitoring and evaluation procedures for all priority projects and programmes within the scope of its national development plan. Senegal was next to share its experiences with the monitoring and evaluation system for projects and programmes implemented with the support of ECA. That was followed by assurances from ECA regarding its willingness to strengthen the inclusive nature of its activities, as demonstrated by the regular invitation of non-State actors to its meetings. Regarding the country profiles and the ECA indices, analyses of the lessons learned had been regularly conducted. Hence, the production of a pilot profile

addressing structural transformation, employment, productivity and society was aimed at further anchoring country profiles within the theme of structural transformation.

## **2. Report on subregional initiatives: focus on the progress made by the subregion towards a single currency**

15. The secretariat presented a report on progress made since the inception of the idea of a monetary cooperation mechanism within ECOWAS. The report contained a review of the stumbling blocks and of necessary and optional modifications, along with the positive externalities of a single currency, notably in terms of the development of intra-ECOWAS trade. The report also contained an analysis of the strengths, weaknesses and opportunities of an ECOWAS single currency option and concluded with a set of recommendations.

16. According to the secretariat, the difficulties and obstacles to ECOWAS monetary integration are due to technical factors, in particular the economic disparities among ECOWAS countries, their differing degrees of vulnerability in respect of international economic relations, and the weakness and vulnerability of financial and payment systems in West Africa. The membership of 8 of the 15 countries of the subregion in the CFA franc zone posed obstacles of an economic, political and historical nature.

17. In the view of the secretariat, regional monetary integration and economic integration must proceed in unison. An ECOWAS single currency would have its desired impact only if progress were made in the other areas of regional integration (trade, infrastructure, etc). It was indicated in the conclusion of the report that, regarding the various forms of monetary integration and given the lessons drawn from past experiences, the single currency choice taken by ECOWAS countries appeared to be well justified, with the goal of securing irreversible commitments among ECOWAS countries and enabling them to collectively cope with the uncertainties of the international environment.

18. The participants expressed thanks to ECA for its report and analyses, in particular those on all the issues being addressed and the prospects for a subregional single currency. They noted the numerous unexpected changes made to the calendar for the rollout of activities. In response, they recommended more focused analyses of the scenarios for transitioning to a single currency, taking the naira or the CFA franc as the currency of reference. Moreover, they underscored the need to further involve Nigeria in the process, given its economic and demographic weight in the subregion. The participants questioned the relevance of convergence criteria, which were still not being adhered to either in the ECOWAS zone or in the WAEMU zone, despite the latter already having a single currency. Lastly, they highlighted the importance of political factors in creating a single currency.

19. In response, the secretariat requested that the participants deepen technical exchanges in that regard in order to provide insights to policymakers. It reiterated the commitment of ECA to refining the analyses of the two scenarios in question and to working with States through



related technical studies on the topic, including in regard to the opportunity costs faced by countries.

### **3. Note on economic conditions in 2016 in West Africa and outlook for 2017**

20. In its presentation, ECA focused on economic performance in 2016 and the outlook for 2017 at the global, African and subregional levels. It then reviewed the initiative to produce country profiles, with a focus on progress, lessons and prospects for the process.

21. On the basis of estimates and projections by the Department of Economic and Social Affairs of the United Nations Secretariat, there was a slight slowdown in the global growth rate, to 2.2 per cent in 2016, versus 2.5 per cent in 2015, with prospects for a modest recovery in 2017, estimated at 2.7 per cent. Regarding the African continent, the economic growth rate fell to 1.7 per cent in 2016, compared to 3.1 per cent in 2015, with variations across subregions.

22. The growth rate of the ECOWAS subregion took a downturn, falling to -0.2 per cent in 2016, compared to 3.1 per cent in 2015. This drop in economic activity of 3.3 percentage points was mainly due to the poor performance of Nigeria, the main economy of the subregion, which in turn was due to the fall in oil prices. It also reflects significant contrasts, with countries and subgroups of countries showing stronger economic growth. The WAEMU zone recorded a growth rate of 7 per cent and six countries in the subregion experienced economic growth of more than 5 per cent.

23. In general, more favourable prospects are expected for 2017, with an anticipated increase in economic activity of 2.0 per cent. However, the persistence of security risks in the countries of the Sahel zone could affect that growth.

24. In its presentation, the secretariat looked at the process of producing country profiles. It noted the progress made, with the publication of 41 profiles, including 8 for West Africa, between 2016 and 2017, and the ongoing development of 4 other profiles for countries in the ECOWAS zone. The key lessons and prospects of the process mainly focused on a greater integration and analysis of structural transformation dimensions, greater ownership of the process by member States and regional organizations, along with the strengthening of statistical and planning systems.

25. Participants emphasized the relevance of the analysis made by ECA of the economic situation and the outlook for the subregion. They questioned the sources of data used and stressed the need to give priority to the use of data generated by national entities. The persistence of the negative effects of the Ebola virus disease in affected countries was also discussed. Participants recommended more specific analyses of countries with a view to highlighting progress made, notwithstanding the overall drop in subregional activity. Lastly, they highlighted the importance of ongoing revisions to the basis for calculating gross domestic product (GDP) and the need to intensify efforts aimed at mobilizing domestic resources.

26. In response, the secretariat assured participants that data from ECOWAS, the West African Monetary Agency and individual countries had been used for the analyses. A tangible revival was noted in two of the three countries affected by the Ebola crisis. The secretariat reiterated the commitment of ECA to supporting countries in their work to revise the basis for calculating GDP. Those revisions are indeed essential to improving the analysis of the dynamics of structural transformation. In conclusion, the secretariat indicated that the mobilization of internal resources was one of the key recommendations of the report.

#### **4. Report on the implementation of the Sustainable Development Goals**

27. The secretariat presented a report on the review of the Sustainable Development Goals. In the report, it was noted that, despite the multiplicity and complexity of the challenges, all the countries of the subregion had already undertaken concrete actions to ensure greater ownership and better monitoring and evaluation of the Goals. Such actions are of particular relevance to prioritizing targets under the Goals, adapting the associated indicators to specific contexts, and integrating the Goals into national sectoral development policies and strategies.

28. The secretariat noted, however, that these processes were still ongoing and that there had been setbacks in conducting an empirical assessment of the implementation of the Sustainable Development Goals two years after their adoption. The report pointed out that more than 48 per cent of the indicators required new data collection approaches, with implications for the mobilization of human and financial resources. It stressed the need to strengthen national planning and statistical systems in terms of institutional, technical and operational capacities.

29. The discussions that followed the presentation highlighted concerns about institutional coordination and monitoring in the implementation of the Sustainable Development Goals and Agenda 2063, along with the weaknesses in the statistical and planning systems of countries in the subregion. Participants noted the limited scope of the report, which focused on the analysis of only 5 of the 17 indicators.

30. In response, ECA indicated that the Sustainable Development Goals had been adopted by States, so it was incumbent on them to meet the requirements for planning, implementation and monitoring and evaluation. Regarding the monitoring and evaluation of the Goals and Agenda 2063, a harmonized monitoring and evaluation framework is being developed by ECA to support countries in adapting the Goals and Agenda 2063 to their respective development benchmarks. In conclusion, ECA stressed the need to harmonize the time horizons of international and national development benchmarks to facilitate the unified monitoring of indicators.

**5. Roundtable on the implementation of the 2030 Agenda for Sustainable Development and Agenda 2063 in West Africa: the role of development planning**

31. The secretariat presented a policy brief on concepts in development planning that described the pertinent experiences of West African countries. The report underscored the main bottlenecks and identified the key challenges to development planning in West Africa and offered views on how countries can use national development plans to ensure better implementation of Agenda 2063 and the 2030 Agenda.

32. The report revealed that many West African countries have medium- and long-term vision documents and planning frameworks, along with growth and social development goals that are even more ambitious. For example, national development strategies now go beyond the goal of poverty alleviation to incorporate goals such as growth acceleration, job creation, structural transformation and sustainable development. In conclusion, the report echoed concerns relating to the multiplicity of planning frameworks and the coherence of their institutional foundations, the mobilization of domestic resources in financing development in West Africa and the alignment between budgets and plan priorities.

33. The ECA report was complemented by a presentation made by the former Minister of Planning and National Development of Ethiopia, Mersie Ejigu, on the challenges of development planning. The analyses and experiences that were shared in that regard focused on the need to strengthen leadership for an inclusive vision of medium- and long-term development and to consolidate ongoing efforts in development planning and the linking of national strategies to international programmes (the Sustainable Development Goals and Agenda 2063). Presentations given by panel members were followed by speeches given by several member States, notably Burkina Faso and Liberia.

34. During the discussions, participants highlighted the difficulties that countries faced in implementing their development plans. Among the explanatory factors, they cited institutional instability in the development and implementation of development benchmarks in various countries, along with difficulties encountered in financing development plans. Participants stressed the importance of involving the private sector in formulating and implementing development plans. They also emphasized the need to extend the concept of the blue economy to watercourses and groundwater and to reflect that in national planning models.

35. In response, ECA and participants hailing from the countries concerned emphasized the importance of funding envelopes and the need for greater focus on domestic resources. In that context, Burkina Faso noted that 60 per cent of the financing for its development plan, which is currently being implemented, has come from internal sources. With respect to institutional foundations, the main recommendation was to give a key role to the core institutions in charge of planning and to national statistics institutes in respect of the monitoring and evaluation components. Strengthening political leadership and stability in strategic policies for development were also recognized as decisive factors in the successful implementation of development plans.

## **B. Presentation on the continental initiatives of the Economic Commission for Africa [agenda item 5]**

36. The secretariat made three presentations on: (a) the capacity-building strategy of ECA in support of structural transformation within countries; (b) the report on ECA activities in 2016-2017 and outlook for 2017-2018; and (c) the thematic section on urbanization of the ECA *Economic Report on Africa 2017*.

37. Participants reiterated their appreciation for the dynamism of ECA in producing knowledge and providing technical assistance to countries. They stressed the importance of building capacity in respect of urbanization issues, for their proper consideration within the framework of economic development and structural transformation in Africa, in general, and the West African subregion, in particular.

38. In response, ECA expressed its willingness to receive from countries requests that are linked to ECA focal areas and to organize capacity-building activities on economic development topics, in particular urbanization.

## **C. Special session on regional integration [agenda item 6]**

39. Presentations were made by WAEMU and the Mano River Union. The need to enhance regional integration and synergies among subregional organizations was emphasized. ECA also informed participants about ongoing initiatives of the United Nations system to strengthen the capacity of the Lake Chad Basin Commission to address the multidimensional crises affecting the Sahel region.

## **VII. Review and adoption of the conclusions and recommendations of the meeting [agenda item 7]**

40. The rapporteur read aloud the draft conclusions and recommendations to the participants. After broad discussions and the inclusion of the proposed amendments, the session adopted the recommendations annexed to the present report.

## **VIII. Date, venue and theme of the next meeting [agenda item 8]**

41. The next meeting of the Intergovernmental Committee of Experts will be held in 2018 in Benin. The Director-General of the Economy and Planning of Burkina Faso, Soabou Diallo, will act as Chair of the Committee until its next meeting, the date of which will be determined by ECA in agreement with Benin. ECA will communicate the theme of the next meeting before that date.

**IX. Other matters** [agenda item 9]

42. No issue was raised in regard to this agenda item.

**X. Closing ceremony** [agenda item 10]

43. On behalf of the participants, a vote of thanks was expressed to the Burkinabe authorities for hosting the meeting and for their attentiveness to the needs of the participants. Thanks were also expressed to the Subregional Office for West Africa, in particular its Director and the secretariat, which provided assistance to the Director throughout the meeting.

44. The closing ceremony was marked by two speeches. The Director of the Subregional Office for West Africa, Mr. Sanga, commended the quality of the debates, “through which the experts became fully cognizant of the stakes involved in these two programmes”. In his closing remarks, the Secretary-General of the Ministry of the Economy, Finance and Development of Burkina Faso, Abel Somé, pointed out that the meeting in Ouagadougou confirmed the role and usefulness of planning in the implementation of the 2030 Agenda and Agenda 2063 in West Africa.

## **Annex: summary of recommendations**

The Intergovernmental Committee of Experts calls upon member States, regional economic communities, intergovernmental organizations and the Economic Commission for Africa (ECA) to undertake the following actions:

### **1. Report on the implementation of the programme of work of the Subregional Office for West Africa in 2016-2017 and outlook for 2017-2018**

*ECA should:*

- Present the activities of the Office with greater focus on results and measuring performance;
  - Develop, in collaboration with member States, a framework for integrating the Sustainable Development Goals and Agenda 2063 into national development plans.
- ### **2. Report on subregional initiatives: focus on the progress made by the subregion towards a single currency**

*The Economic Community of West African States (ECOWAS) should:*

- Lobby Nigeria and the Conference of Heads of State of the West African Economic and Monetary Union to accelerate the process of creating a single currency.

*ECA should:*

- Conduct a study on the advantages and disadvantages of a single currency, widening the scope of scenarios to include the specific cases of Nigeria and the CFA franc zone, as well as the relevance of convergence criteria;
  - Organize a high-level meeting or colloquium of experts to discuss lessons learned from failures and missed opportunities regarding a single currency and prospects for a subregional monetary union.
- ### **3. The 2030 Agenda for Sustainable Development, Agenda 2063 and development planning in West Africa**
- (a) Note on economic conditions in 2016 and outlook for 2017 in West Africa

*Member States should:*

- Undertake measures to reduce the vulnerability of countries to fluctuations in the prices of raw materials through the implementation of prudent public-spending policies and mechanisms to manage risks of fluctuations in export earnings;

- Strengthen export diversification and commodity transformation policies;

*ECA should:*

- Support countries in their endeavours to revise their bases for the calculation of gross domestic product so as to more accurately reflect the dynamics of structural transformation.
- (b) Report on the implementation of the Sustainable Development Goals / Roundtable on the implementation of the 2030 Agenda for Sustainable Development and Agenda 2063 in West Africa: the role of development planning

*Member States should:*

- Strengthen institutional coordination for implementing, monitoring and evaluating the Sustainable Development Goals and Agenda 2063, placing the core institutions in charge of planning and statistics at the heart of the mechanism;
- For the countries concerned, prioritize the targets of the Sustainable Development Goals and adapt the indicators;
- Ensure consistency among various development planning instruments;
- Strengthen institutional and programmatic coordination among member States that share river basins in implementing the Sustainable Development Goals and Agenda 2063.

*ECA should:*

- Facilitate capacity-building for national planning and statistics systems.

#### **4. Presentation on the continental initiatives of the Economic Commission for Africa**

*Member States should:*

- Integrate the multiple dimensions of urbanization, notably the economic dimensions, into national development and structural transformation strategies.

*ECA should:*

- Organize meetings of experts at the subregional level that are dedicated to the intersections between urbanization, industrialization and structural transformation.

## **5. Special session on regional integration**

*Member States, ECOWAS and intergovernmental organizations should:*

- Intensify regional integration and synergies in the activities of subregional organizations, especially as part of implementing a common external tariff and in view of the entry into force of economic partnership agreements.

## **6. Recommendations of the ad hoc experts group meeting**

The Intergovernmental Committee of Experts has endorsed the recommendations of the ad hoc experts group meeting on the impact of the implementation of the common external tariff and economic partnership agreements in West Africa.

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