

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

UNIÃO AFRICANA

Addis Ababa, ETHIOPIA P. O. Box 3243 Telephone 002511-115 517 700 Cables: OAU, Addis Ababa
website : www.africa-union.org

**EXECUTIVE COUNCIL
Tenth Ordinary Session
25 – 26 January 2007
Addis Ababa, ETHIOPIA**

EX.CL/308 (X)

**REPORT OF THE 2ND AFRICAN UNION CONFERENCE OF
MINISTERS OF ECONOMY AND FINANCE (CAMEF II)**

**REPORT OF THE 2ND AFRICAN UNION CONFERENCE OF
MINISTERS OF ECONOMY AND FINANCE (CAMEF II)**

1. The Second Conference of African Ministers of the Economy and Finance was held in Yaoundé, Cameroon, from 20 to 23 November 2006.

2. The Ministers exchanged very enriching views on some topical economic issues, namely:

- Financing development;
- External debt;
- Oil price hikes;
- Intra-African trade;
- Access to markets of the North.

3. After consideration of these issues, the Ministers made the following recommendations:

- development of renewable energy sources;
- strengthening of solidarity between African oil importing and exporting countries and the establishment of a solidarity Fund;
- extension of the debt cancellation process to all African countries;
- launching of an urgent appeal for the respect of commitments made by the international community to mobilize resources needed for financing development;
- creation of an enabling environment for the diversification and speedy increase in production through the promotion and development of the private sector;
- quick resumption of the Doha negotiations on trade and development;
- elimination of all barriers to African products on Northern markets;
- involvement of African countries in the reorganization and reform of the Bretton Woods institutions.

4. The Ministers unanimously adopted a Declaration based on the items on the agenda. Some of the major conclusions of this Declaration relate to the designation of Cameroon by the countries of the Economic Community of Central African States (ECCAS) to host the headquarters of the African Monetary Fund and elaboration of the African Charter on Statistics (see the following attachments: CAMEF II Declaration, CAMEF II Ministerial Report and the Experts' Report on the harmonization of statistics in Africa held in Mali).

EX.CL/308 (X)
Annex I

DECLARATION

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

UNIÃO AFRICANA

Addis Ababa, ETHIOPIA P. O. Box 3243 Telephone 002511-115 517 700 Cables: OAU, Addis Ababa
website : www.africa-union.org

**SECOND CONFERENCE OF AFRICAN
MINISTERS OF THE ECONOMY AND
FINANCE (CAMEF II)
23 November 2006
Yaoundé, (Cameroon)**

AU/CAMEF/Dec/II

DECLARATION

DECLARATION

1. **We**, the African Ministers of the Economy and Finance, meeting in Yaounde, Cameroon, on 23 November 2006, under the auspices of the African Union, to make proposals for speeding up the establishment of financial institutions to find additional financing for the African Union, to consider appropriate policies and strategies for the rationalization of Regional Economic Communities; to identify conducive conditions for eliminating trade barriers between African countries; to mitigate the impact of sharp oil price increases; to promote the development of micro-finance and micro-credit; and to create conducive conditions for the achievement of Millennium Development Goals (MDGs).
2. **Aware** of the challenges African countries face in their efforts to speed up growth and sustainable development as well as to reduce poverty; HIV/AIDS and destitution.
3. **Convinced** that only robust and sustainable economic growth driven by constructive reforms, with the firm and sustained support of the international community, can contribute to resolving the problems our countries face in their development process, and to reverse the marginalization of the African continent in the world economy.
4. **Note with concern** that the commitments made since Monterrey, Johannesburg, and during the G8 Summits towards the mobilization of international aid for poor countries, that insufficient aid flows have had a limited impact on poverty alleviation and development in Africa.
5. **Observe** that six years after the Millennium Summit, our countries, despite efforts deployed and sacrifices made by our people, have not yet succeeded, due, mostly, to problems caused by the heavy external debt burden, the poor mobilization of international aid, and the growing difficulties in accessing developed country markets, as well as in stimulating growth and in the eventual achievement of MDGs.
6. **Note with concern** that the current volatility of the oil market weakens economies which are heavily dependent on the importation of hydrocarbons, thus compromising their capacity to reach the objectives of a robust and sustainable growth for poverty reduction.
7. **Realize** that the structural imbalances of world trade aggravated by the persistent numerous tariff and non-tariff barriers, namely, agricultural subsidies,

for our African farmers coupled with the non-reciprocity in trade which restrains competition, resulting in the precarious living conditions of millions of men and women which further deepens our state of under-development, undermining the efforts of Africa towards restructuring our economies.

8. Reiterate the need to extend economic reforms and to adequately prepare for the speedy launching of activities of financial institutions established under the Constitutive Act of our continental organization: to build our capacity for governance, to eliminate all barriers to intra-African trade, to fight against corruption in all its forms, to strengthen good financial governance, to forge partnership with actors of development, and to forge an active partnership with the private sector and the civil society in any development process in our countries.

9. Exchanged views on some concerns relating to economic and financial management issues, namely:

- financing development;
- external debt;
- intra-African trade;
- oil price hikes;
- access to Northern country markets;
- The role of the Private Sector; and
- other topical economic issues.

Financing development

10. Urge all partners to devote efforts towards putting into practice the Paris Declaration, and to substantially increase the volume of official development resources earmarked for Africa for the purpose of assisting the continent in its broad-based economic reforms aimed at matching world economic globalization, and positioning it, resolutely, on the way to growth and sustainable development.

11. Also urge African countries to put in place mechanisms for mobilization of domestic resources in order to ensure sustainability in the implementation of socio-economic development agendas.

External debt

12. Took note of the progress made so far under the enhanced HIPC and MDRI Initiatives and underscored the fact that Africa is still bogged down by the external debt burden despite cancellations enjoyed by some of our countries,

within the framework of the G8 decisions of Gleanegles. In this connection, we confirm our determination that debt cancellation be extended to all African countries, particularly post conflict countries and should include all essential elements of international financing for development. Debt cancellation should be additional to official development assistance.

Private sector

13. Recognize the central role of the private sector as an engine of growth and development and call upon African governments to provide the appropriate enabling environment for its operations.

Intra-African trade

14. Note that, in spite of the progress made in the area of regional integration, the volume of trade between countries has remained at a very low level. Consequently, it is imperative to adopt, in our respective countries, policies and strategies that promote the diversification of our economies and enhance the structure of exports from our countries. We also commit to reduce tariff and non-tariff barriers.

Oil price hikes

15. Highlight the difficulties faced by our countries, especially oil importing countries, as they strive to cushion external shocks resulting from mounting oil prices. As a solution to this situation, we encourage African countries to diversify their extractive industry supply channels. We also support the wise decision by our Heads of State and Government to explore the creation of an African Fund to provide assistance to poor African oil-importing countries.

16. Reaffirm our commitment taken in relation to the alternative and renewable sources of energy.

Access to Northern country markets

17. We reaffirm our commitment to the multilateral trade system and deplore the fact that despite efforts by our countries to add value to their exports in this era of globalization, our countries continue to experience difficulties to access markets in developed countries. Products exported from the continent continue to suffer the adverse effects of entry barriers, mainly arising from non-tariff texts.

18. In addition to such a state of affairs, which seriously hampers our economies, developed countries subsidize their agricultural exports, thus further

compounding the problem for African countries that depend on primary sector exports.

19. Firmly call on developed countries to end such practices. We strongly condemn the malpractices by our development partners and urge them to stop. We regret the suspension of the Doha Development Agenda (DDA) and we also call upon their resumption.

Other topical issues

20. Took note of the report of experts which highlighted the following issues:

Establishment of financial institutions

21. Considered with great interest, the strategy presented by the Commission and proposals made to speed up the establishment of financial institutions of the African Union.

22. Recommend extensive consultation on that strategy. Such an approach, which takes on board all stakeholders, particularly, ADB, RECs, and other existing financial institutions, will lead to stakeholder ownership of the creation process for these institutions and help speed it up.

23. Applaud, support and accept the decision and information from the Economic Community of Central African States (ECCAS) that after wide consultation ECCAS have agreed that the Government of the Republic of Cameroon host the African Monetary Fund (AMF).

24. Request the Heads of State and Government to adopt this agreement and urge the African Union Commission to expedite the setting up of the AMF.

Alternative financing of the African Union

25. Note with keen interest the proposals by the African Union Commission with a view to provide an effective and lasting solution to the thorny issue of financing the African Union.

26. Take note of the recommendations by government experts on the conduct of further studies to assess the appropriateness of the alternative sources as well as the impact on our economies and legal systems of the implementation of the various scenarios presented.

27. Recommend that these studies propose, among others, collection mechanisms and simulations of resources to be collected, for the purpose of facilitating an understanding of the best scenario.

28. We invite all Member States to pay their contributions on time. Further commit to pay statutory contributions to the AU in full and in time.

Micro-finance

29. Take note that micro financing is the tool for economic growth and it should be promoted.

30. Urged the AU Commission to expedite the Action Plan for Promoting Micro-Finance Schemes in Africa taking into account experiences from successful Member States and regions.

Rationalization of RECs

31. Express satisfaction with the decisions taken by our Heads of State and Government in Banjul, The Gambia, on the acceleration of our Continent's integration process. We encourage the African Union Commission, the ECA, 8 RECs and the AfDB to cooperate closely in the implementation of the Roadmap prepared by the Commission for that purpose.

Harmonization of statistics in Africa

32. Take note of the report of government experts on the harmonization of statistics in Africa. We welcome the recommendation by the experts on the elaboration of an African Charter on Statistics that will provide a lasting solution to issues related to the production of statistics on our Continent. We urge the African Union Commission to take all steps necessary to concretize this important recommendation.

Aid for Trade

33. Express deep concern about the suspension of the WTO negotiations on the Doha Development Agenda and call for an immediate resumption and successful completion of the negotiations, with the development dimensions placed at the core;

34. Welcome the WTO Aid for Trade Initiative and Endorse the African Common Position as contained in the AU Commission Proposal on the Initiative;

35. Call for the effective operationalization of the Aid for Trade and the implementation of the recommendations of the WTO Aid for Trade Task Force as well as the Integration Framework Task Force;

36. Underscore the need for donors and African development partners to provide adequate, predicable and sustainable financing of Aid for Trade so that the Initiative can serve as an effective instrument for the integration of our countries into the multilateral trading system and for the promotion of sustained development and eradication of poverty;

37. Call on the Member States of the AU to effectively mainstream trade into their development strategies and to establish Regional and National Aid for Trade Committees that should include representations of all relevant Ministries and stakeholders;

38. Recall that tied aid undermines local economies and perpetuates dependencies and therefore insist on untied aid which is to be disbursed in compliance with the Paris Declaration.

Motion of thanks

39. We express sincere gratitude and appreciation to His Excellency Mr. Paul BIYA, President of the Republic of Cameroon, for his commitment and tireless efforts towards promoting lasting progress for our Continent.

40. Also express our appreciation to the Government and people of Cameroon for the warm welcome and fraternal and African hospitality we have enjoyed during our stay in the beautiful capital city of Yaoundé.

Done in Yaoundé, Cameroon, 23 November 2006

EX.CL/308 (X)
Annex II

**REPORT ON THE SECOND CONFERENCE OF
AFRICAN MINISTERS OF ECONOMY AND FINANCE**

AFRICAN UNION

الاتحاد الأفريقي



**UNION AFRICAINE
UNIÃO AFRICANA**

Addis Ababa, ETHIOPIA P. O. Box 3243 Telephone 517 700 Cables: AU, ADDIS ABABA

**SECOND CONFERENCE OF AFRICAN MINISTERS
OF THE ECONOMY AND FINANCE (CAMEF II)
23 NOVEMBER 2006
YAOUNDE, CAMEROON**

AU/CAMEF/MIN/Rpt (II)

**REPORT ON THE SECOND CONFERENCE OF
AFRICAN MINISTERS OF ECONOMY AND FINANCE**

REPORT ON THE SECOND CONFERENCE OF AFRICAN MINISTERS OF ECONOMY AND FINANCE

INTRODUCTION

1. The Second African Union (AU) Conference of Ministers of Economy and Finance was held in Yaoundé, Cameroon, on 23rd of November 2006. The Conference was preceded by a preparatory Experts' Meeting held from 20-21 November 2006 at the same venue.

OPENING CEREMONY

2. The Conference was officially opened by His Excellency Ephraim INONI, Prime Minister of the Republic of the Cameroon. The following also made statements during the opening ceremony: Dr. Maxwell Mkwezalamba, Commissioner for Economic Affairs; and Mr. Abdoulie Janneh, UN Under-Secretary General and Executive Secretary for the Economic Commission for Africa (ECA).

3. In his statement, H.E. Ephraim INONI underscored the importance of the Ministerial Conference which was taking place in a context marked by efforts of the African leaders to work out strategies of development for the Continent. He also noted that it was essential, in an increasingly interdependent world, to share a vision and a common step to fight effectively against the plagues of poverty.

4. Concerning the creation of the three financial institutions envisaged in Article 19 of the Constitutive Act of the African Union, he firmly supported the effective establishment of all these institutions. In this regard, he informed the Conference that after thorough consultations in the Central African Region, Cameroon had been designated host for the African Monetary Fund.

5. In his reflection on the Millennium Development Goals (MDGs), the Prime Minister mentioned three areas which are essential for the development of Africa, namely, deficit in infrastructure, food security for all and revival of the business climate. In this respect, he called upon the Conference to fully deliberate on these issues.

6. For the rising oil prices, he underlined the need to adopt proactive approaches and better management of all ensuing shocks, on a country-by-country basis. In this regard, he added that in the perspective of the diversification of African economies, African countries should encourage the use of renewable energies and bio-fuels. Furthermore, given their heavy oil bills, oil importing African countries should be helped to overcome their difficulties. Regarding the issue of intra-African trade, he noted that progress had been achieved in this area, but this remained slow.

7. Finally, he underlined the importance of the assistance from development partners in modernizing African economies and requested the major financial donors such as the International Monetary Fund (IMF), the World Bank, the European Union (EU) and the African Development Bank (AfDB) to adopt innovative financing policies.

He underscored the need for African countries to firstly rely on mobilization of domestic financing for their economies by implementing policies that can generate growth rates that would be commensurate to their potentials.

8. In his statement, the Commissioner for Economic Affairs, Dr. Maxwell M. Mkwenzalamba, on behalf of the Chairperson of the African Union Commission (AUC), His Excellency Professor Alpha Oumar Konare, extended sincere appreciation to His Excellency Mr. Paul Biya, President of the Republic of Cameroon, the Patron of the Second Conference of African Ministers of Economy and Finance (CAMEF II), for hosting this important meeting of African Ministers of Economy and Finance. He also thanked the Government and the People of Cameroon for the tremendous efforts made in making excellent arrangements for the meeting and for the warm and fraternal welcome extended to the delegations.

9. The Commissioner also outlined a number of items on the Agenda for CAMEF II, which included the following: the impact of the rise in oil price on African economies; the debt problem; increasing market access to developed countries; promoting intra-African trade; the strategy for accelerating the establishment of Africa's three financial institutions, namely, the African Central Bank (ACB), the African Investment Bank (AIB) and the African Monetary Fund (AMF); the road-map for the rationalization of the Regional Economic Communities (RECs); additional sources of financing the African Union; the Report of the Ministers of Trade meeting held in April 2006 in Nairobi, Kenya; and the Report of the Meeting of Directors-General of Customs.

10. Further, the Commissioner commented on the need for the AUC and the various pan-African organizations to rationalize the organization of Meetings of African Ministers of Economy and Finance. In this respect, the Commissioner informed the Conference that the ECA and the AUC had agreed in principal to organize their meetings jointly beginning in 2007 and that modalities were being worked upon regarding the joint preparations of the Conference.

11. He further commented on the issue of rationalization of the Regional Economic Communities (RECs), which is of concern to the AUC and all Member States. He outlined the Decision by African Heads of State and Government during the Banjul Summit of July 2006. In this regard, he called upon the eight (8) RECs recognized by the African Union (AU) to coordinate and harmonize policies, programmes and projects among themselves and with the AUC.

12. In his statement, Mr. Abdoulie Janneh, UN Under-Secretary General and Executive Secretary for the Economic Commission for Africa, also outlined major macro-economic indicators in Africa, including general improvement in the overall quality of economic management and governance in the region within the past five years. However, he pointed out that despite these achievements, evidence indicated that if current trends continued, Africa was unlikely to meet the MDGs.

13. He further pointed out the recent increase in volume of aid to Africa, which had resulted in a number of African countries benefiting. However, he emphasized on the

need for African countries to address the issue of absorptive capacity arising from the increase of aid to Africa. To this effect, he called upon all Member States to place in place mechanisms that would enable Africa to take full advantage of these additional resources.

14. He finally pointed out the need for Africa to take advantage of the new opportunities presented by the emergence of new global actors in Africa, such as China, Brazil and India. He made reference to the Africa-South America Summit, scheduled to take place in Abuja, Nigeria, from 25 –30 November, 2006. To this effect, Mr. Janneh called upon all Member States to explore the possibilities of expanding trade and cultural relations between the two regions

15. The Conference was attended by the following countries: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Chad, Cote d'Ivoire, Central African Republic, Comoros, Congo, Congo (DRC), Djibouti, Gabon, Ghana, The Gambia, Guinea, Equatorial Guinea, Kenya, Libya, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Democratic Republic of Sahrawi, Tanzania, Tunisia, Togo, Senegal, South Africa, The Sudan, Uganda, Zambia, and Zimbabwe.

16. Also represented at the meeting were the United Nations Economic Commission for Africa (UNECA), the African Development Bank (AfDB), the Common Market for Eastern and Southern Africa (COMESA), the United Nations Development Programme (UNDP), the Economic and Statistical Observatory for Sub-Saharan Africa (AFRISTAT), the Community of Sahel Saharan States (CEN-SAD), the Bank of Central African States (BEAC), the International Monetary Fund (IMF), the World Bank, the Association of African Central Banks (AACB), the Economic Community of Central African States (ECCAS), the African Economic Research Consortium (AERC), the Inter-African Conference for Insurance Markets (CIMA), the Central African Banking Commission (COBAC) and the African Forum and Network on Debt and Development (AFRODAD). The list of participants is attached as Annex 1.

ELECTION OF THE BUREAU

17. The following was the composition of the Bureau:

- Chair: Cameroon
- 1st Vice-Chair: Malawi
- 2nd Vice-Chair: Ghana
- 3rd Vice-Chair: Algeria
- Rapporteur: Kenya

ADOPTION OF THE AGENDA

18. The Conference adopted the following agenda with the amendment that ECCAS would present a Declaration on the hosting of the African Monetary Fund:

1. Opening ceremony
2. Election of the Bureau
3. Adoption of the Agenda
4. Exchange of views on some topical economic issues:
 - Financing for development
 - Debt cancellation
 - The rise in oil prices
 - Intra-African trade
 - Access to markets of the North
5. Discussion with partners on their development finance policies:
 - IMF
 - World Bank
 - European Union
 - ADB
6. Consideration of the Experts' Report
7. Adoption of the Report of the Conference
8. Adoption of the Draft Declaration
9. Adoption of the theme of the next Conference
10. Date and Venue of the next Conference
11. Closing Ceremony

EXCHANGE OF VIEWS AND DISCUSSIONS ON SOME TOPICAL ECONOMIC ISSUES

The Rise in Oil Prices

Presentation

19. The presentation was made by the Minister of Economic Planning and Development of Burkina Faso. In his presentation, he underscored that the rise in oil prices challenges the consumer countries as well as the producer countries in the world in general and in Africa in particular because of its low level of economic development.

20. He presented the experience of his country that was able to maintain inflation at 5 percent and to respect the macro-economic convergence criteria fixed at the regional level in spite of the rise in oil prices. He also referred to the meeting of experts of non-oil producing countries in Dakar, Senegal, organised by His Excellency President Wade of Senegal. In this respect, he encouraged African countries to seek recourse to renewable energies and bio-carburant as new sources of energy, to accelerate the realization of investments in infrastructure and to reinforce the existing capacities of refining. He underscored the need to accelerate the creation of the African Petroleum Fund of

Solidarity and ensure availability of financial resources for its operation in order to help the oil importing countries to overcome their difficulties, to continue their efforts of development, in particular the achievement of the MDGs. In this regard, he informed the meeting that the Constitutive Act of the Association of Non-Oil Producers Countries (APNPP) was adopted in Rabat in November 2006.

Discussion

21. The Conference welcomed the proposal by the AU on the establishment of an Oil Fund. It was hoped that the Fund would have a positive impact on non-oil exporting countries.

22. The Conference discussed the need for the Fund to be extended to all African countries and partners. Further, delegates requested the AU to elaborate on the working modalities and management of the Oil Fund before its establishment. For example, the Conference expected questions such as “who will be the beneficiaries of the Fund?” and “which countries would be expected to contribute to the Fund?” to be addressed. The Ministers expected that some of these questions would be addressed during the proposed meeting of Ministers in charge of Infrastructure and Energy, scheduled to take place in Cairo, Egypt, from 11 to 15 December, 2006.

Recommendations

23. The following recommendations were made:

- Need to encourage development of renewable sources of energy and promotion of bio-fuel;
- Need for more solidarity between the African countries and to establish the African Oil Fund;
- Financing the infrastructure interconnection projects;
- The International Community should assist the African countries in putting in place a mechanism for financing oil provisioning projects.

Debt Cancellation

Presentation

24. The topic was introduced by the Minister of Finance of the Republic of Malawi. In his presentation, the Minister gave background information regarding the Highly Indebted Poor Countries (HIPC) Initiative by the World Bank and the International Monetary Fund (IMF) which began in 1996. He pointed out that in 2005, the Initiative was supplemented by the Multilateral Debt Relief Initiative (MDRI) that allows for a one hundred percent debt relief by three multilateral institutions of the IMF, the World Bank and AfDB.

25. He further gave the current situation in Africa regarding debt relief. For example, as of 23rd November 2006, 40 countries were eligible for HIPC Initiative assistance, 20 countries had reached their Completion Points while 9 had reached their Decision Points. A large number of those countries that had reached the HIPC Completion Point were from Africa. He also stressed on the fact that the cancellation of 90 percent of the foreign debt of Malawi did not solve the country's debt problem because Malawi also had a huge domestic debt problem (80 percent of total debt stock).

26. Finally, he pointed out the risks and challenges after debt cancellation. What should be done by African countries after debt cancellation? To this effect, he emphasized on the need to put in place a debt policy that will help with guiding principles for new borrowing. Furthermore, he emphasized on the point that debt cancellation should be extended to all African Countries to enable Africa attain the MDGs.

Discussion

27. Delegates acknowledged the importance of debt cancellation for Africa's development agenda and commended countries which had reached the Completion Points. Further, Ministers highlighted the need for Official Development Assistance (ODA) not to be decreased following debt cancellation. Also, they stressed the importance of separating external debt from domestic debt.

28. It was observed that conditions attached to debt cancellation by partners make it very difficult for countries to reach Completion Points. It was pointed out that assistance given to Africa is not enough and countries should look at alternative sources for their development projects.

29. A call was made to Africa's partners to consider countries emerging from conflicts as well as middle-income African countries. In this respect, it was proposed that African countries should speak with one voice through the AU in pursuing this debt problem and a call should be made for debt cancellation for all African countries.

Recommendations

30. The following recommendations were made:

- Need to separate external debt from domestic debt;
- African countries should look at alternative sources for financing development projects since assistance given to Africa is not adequate;
- Countries emerging from conflicts should be considered for debt cancellation; and
- Debt cancellation should be extended for all African countries.

Financing for Development

Presentation

31. “The financing of development” theme was presented by the Minister of the Republic of Congo. In her presentation, she outlined that there was slow progress made in this area and that the evolution of investment was still below expectations. She also underscored that ODA remained low and it should be increased. The absence of an adequate legal framework at the national level and the instability of the socio-political environment constituted the most constraining factors to development.

32. She underlined the need to strengthen the private sector as a lever of development. She called upon African countries to encourage investments by putting in place a structure of dialogue between the private sector and banks. There was a need to mobilize saving and to promote micro-finance.

33. She stressed on the need to promote cooperation at the sub-regional, regional and international levels to attract foreign direct investments. She highlighted the role of the banks and the need to increase their contributions in financing development. Finally, She noted the importance of strengthening solidarity and integration between African countries for the attainment of the MDGs.

Discussion

34. The issue of availability of financing of development was considered to be critical for the attainment of the MDGs. In addition, it was raised that ODA should be encouraged as this will be supplementing domestic resources. In this regard, the scaling down of financial assistance by the International Community was a concern to the Ministers.

35. A call was made requesting donors to respect their commitments at Monterrey as well as those made at the Gleneagles G8 Summit. Further it was pointed out that some of these commitments do not adequately address the issue of financing for development, particularly for low-income countries. In this respect, partners were called upon to help countries implementing trade and other economic reforms in general.

36. Countries need to develop their own agendas in terms of managing African economies. There is need for African countries to be given room to plan their own development agenda.

Recommendations

37. The following recommendations were made:

- ODA should be encouraged as this will be supplementing the domestic resources;
- The international community should assist low-income countries;

- Request donors to respect their commitments at Monterrey as well as those made at the Gleneagles G8 Summit;
- Partners should help African countries in financing the implementation of trade reforms and other economic reforms in general; and
- Need for African countries to be given room to plan their own development agenda

Intra-African Trade

Presentation

38. The topic was presented by the Minister of Finance of the Republic of Comoros. In his presentation, he outlined the progress made in promoting intra-Africa trade since the 1980s. However, he observed that progress was below expectations. The trend of trade had stagnated. To this effect, it was pointed out that work done by the Regional Economic Communities (RECs) in creating Free Trade Areas (FTAs) and Customs Unions as well as reducing non-tariff barriers and addressing infrastructure bottlenecks was commendable although problems continued to exist. To address these problems, there is need for product diversification, with emphasis on value addition to ensure competitiveness of African exports. There was also need to improve on supply side issues such as sound economic policies, communication, infrastructure, as well as reliable financial and legal systems to promote business, among others.

39. In conclusion, he underscored the need for small island economies to strengthen and intensify trade links with other countries. He called upon Member States to intensify cooperation arrangements through solidarity at the bilateral, sub-regional, regional and continental levels

Discussion

40. During discussion, Ministers stressed the need for African governments to create an enabling environment for the private sector to effectively play its role as the engine of growth and development. In this regard, Ministers underscored the need for putting in place the necessary legal framework; provision of infrastructure; and strengthening the competitiveness of African enterprises by focussing on improving product quality. They also underscored the need for promoting complementarity. The issue was seen to be very important and needed to be supported by all countries through the following: good infrastructure and good communication, among others.

41. The Conference was informed that Aid for Trade issues had been developed by African Ambassadors in Geneva. It, therefore, requested the African Union to coordinate with the African Ambassadors in Geneva. Member States were also urged to take advantage of the work of the Ambassadors.

Recommendations

42. The following recommendations were made:

- Create an enabling environment for the private sector to effectively play its role as an engine of growth and development;
- Put in place the necessary legal framework; provide infrastructure; strengthen the competitiveness of African enterprises by focussing on improving product quality;
- Diversify and promote complementarily of the African products and exports; and
- The AUC to coordinate with the African Ambassadors in Geneva on “Aid for Trade” issues.

Access to Markets of the North

Presentation

43. The “Market Access” theme was presented by the Minister of Algeria who at the onset stated that the theme cross-cut all the themes that had been raised by his colleagues earlier and that he wished to start by raising some thought provoking questions. He first drew the attention of the meeting on the fact that, in trying to address the issue of poverty, Member States would examine the problem from a “North” perspective. African countries had achieved some success in the cancellation of debt and civil societies in the North had a more global vision and were sympathetic to this concern. He underscored that success in this area was achieved because African Heads of State and Government had spoken with one voice. Thus, if this was an effective solution, there was a strong need to pool efforts.

44. He reminded the meeting that market access governed by rules which were being altered under the umbrella of the World Trade Organization WTO and which were based on the principles of “fair international trade” were not observed by the very nations that championed it. Thus, African products had limited access to the markets of the North and this hampered the development of Africa. The reasons put forward by the North in regard to the competitiveness of African economies, the international environment, the weakness in trading and capacity did not clear countries of the North from their responsibilities towards Africa. Market access for African agricultural products could assist exporting economies to address their sustainable development objectives. It is in this line of reasoning that Member States were calling for tariff reductions on agricultural products and NAMA, the dismantling of tariff peaks, Special and Differential Treatment (SDT) and follow-up on the commitments of the North in regard to elimination of subsidies.

45. He also emphasized that African countries should identify what they can do at their level: Increase the quantity and enhance the quality of African products but above

all enhance solidarity among African nations. He indicated that any fund put in place should be channeled towards development. African countries have production potentialities to which they can add value. The way forward was to replicate what had been done for debt cancellation because all the issues were linked among themselves.

Discussion

46. The issue of how to address the increase in production and supply side capacity building was commented upon and it was pointed out that the trade preferences that had been granted to African countries over the years had not produced the expected results. Thus, there is necessity for a fund to replace the phased out preferences and African Member States needed to reinforce regional trade. The Doha Round negotiations having gone into an impasse, it was imperative that the Round be put back on track. In regard to the Economic Partnership Agreement (EPA) negotiations, the problems were known to all and there was need to examine closely the issue of funding and the European Development Fund (EDF) so that African Member States might shift from a situation whereby they were being assisted to one where they would be treated as partners.

47. The role of the private sector as producers, exporters and marketers was underscored by the meeting. There was need for consistency among the RECs in regard to the issue of development. It was also pointed out that Middle Income Countries were also marginalized in so far as they had to reciprocate in full all tariff and non-tariff concessions whilst they faced the same entry restrictions faced by the other African countries. The need for a united voice in addressing the Market Access issue was reiterated.

48. It was observed that Africa produces a lot of products, which unfortunately are re-sold to African countries through Europe. To solve this problem, delegates called for the following: (i) The need to improve quality of Africa's products; (ii) the involvement of the private sector; (iii) good markets to be put in place; (iv) the need to improve infrastructure across the continent; and (v) implement reforms in laws and regulations of doing business in order to attract investment.

Recommendations

49. The following recommendations were made:

- Necessity for a fund to replace the phased out preferences and African Member States need to reinforce regional trade;
- The Doha Round should be put back on track;
- Need for consistency among the RECs in regard to the issue of development;
- The need to improve quality of Africa's products;
- More involvement of the private sector;

- Need to improve Infrastructure across the continent; and
- Reform of the legal framework in order to attract investment.

EXCHANGE OF VIEWS WITH THE WORLD BANK, IMF, AND AFDB

50. Presentations of the three institutions were made, which were followed by discussions.

IMF

Presentation

51. In his presentation, the representative of the IMF drew the attention of the Conference on the initiatives and the efforts made by the IMF to help African countries. He stressed on the fact that the framework of intervention of the Fund was focused on poverty reduction by trying to put in place adequate economic policies, which could increase growth in the African countries.

52. He regretted to hear from African Ministers regarding the conditionalities imposed by the IMF. However, he informed the Conference about the case of Nigeria, which went to the IMF with its own macro economic programmes and was approved by the Fund. He promised that the IMF would impose flexible conditionalities in establishing the macro-economic policies of the African countries.

WORLD BANK

PRESENTATION

53. In his introductory remarks, the representative of the World Bank gave background information about the World Bank Group.

54. He also outlined two financial instruments offered by the World Bank, namely, investment loans or grants and development policy credits or grants. The investment loans are responsible for financing goods, works, and services in support of economic and social development projects while development policy credits are responsible for providing quick disbursing external financing to support policy and institutional reforms. Under the International Development Association (IDA), an arm of the World Bank, the Conference was informed that about \$33 billion would be made available to 81 poorest countries in the fiscal year 2006 to 2008.

55. Finally, he highlighted the allocation of IDA resources. Three criteria are used in this regard, namely, eligibility, allocation criteria, and performance rating. Under eligibility, issues like relative poverty, good governance, among others, are considered, while performance rating takes into account issues like economic management, structural policies, and public sector management and institutions, among others.

AfDB Presentation

56. In his presentation, the Vice President of the African Development Bank AfDB, responsible for Regional Integration Infrastructure and Private Sector, outlined the key principles guiding the Bank in delivering on its Vision and Plan of Action, namely, maintaining its financial strength and sustainability; operational relevance and responsiveness to Regional Member Countries (RMCs); development of effectiveness and impact on the ground; good governance; internal efficiency; selectivity and partnership building.

57. He welcomed the strategy on accelerating the establishment of the three African financial institutions, particularly the African Investment Bank (AIB). He underscored that there was no duplication of mandates between the AfDB and the three financial institutions. Looking at the scale and magnitude of development challenges facing the Continent, there was room for the proposed institutions in order to plug the gaps that existing institutions did not cover. He expressed the support of the Bank for the creation of the African financial institutions and to mobilize its experience, knowledge and expertise as well as resources to ensure a timely and efficient establishment of the three institutions.

58. He also emphasized that the issue of rationalization of the RECs must be seen as a must and not an option, and all the RECs and Member States needed to have deep reflections on this issue consistent with the road map proposed by the African Union.

59. He further reminded the Conference of the efforts made by the Bank Group to finance the African countries. He urged African countries to scale up and deepen appropriate measures to better manage and monitor the implementation of the resources generated by the debt relief to finance appropriate domestic debt and most importantly pro-poor growth projects. He concluded by drawing the attention of the meeting to the fact that the way forward to make the AU Vision a reality was the partnership between the Bank Group and the AU and that the Bank was looking forward to playing a triple role of an investor, advisor and partner.

Discussion (IMF, World Bank, and AfDB)

60. The conference deliberated on these issues and raised the following:

- Access of funds from these institutions appears to be very difficult. In most cases, the modalities are not made available to Member States;
- Implementations of projects by international community are not straightforward. In a number of cases, over 60 per cent of donor money goes back to the international community in a form of consultancies; and

- Developments of projects are done without the concern of implementing countries. This poses a problem in many countries, as these do not take into consideration the priority areas of the implementing countries.

Recommendations

61. The following recommendations were made:

- Reform the Bretton Woods Institutions taking in account the African countries programs;
- More implication of the African countries in the implementation of the EPAs;
- Need to work closely with the RECs to promote integration at the regional level;
- Revise the way of providing support to the African countries and review the implementation of the programmes;
- Reduce the conditionalities relating to the different programmes; and
- Deepen the initiative for the fragile countries to include countries emerging from conflicts.

CONSIDERATION OF THE EXPERTS' REPORT

62. The Experts' Report was presented by the Chair of the Meeting of Experts. In his presentation, he indicated that the Experts had discussed and made recommendations on the following issues: Consideration of the report of independent experts on the establishment of financial institutions under Article 19 of the Constitutive Act of the African Union; Consideration of the report on alternative financing of the African Union, Rationalization of RECs (Consideration of the roadmap), Recommendations of the AU Meeting of Directors General, Declaration of the 4th Conference of African Ministers of Trade on the "Aid for Trade" Initiative, Micro-finance in Africa: Key challenges and the way forward, Charter on Statistics and Fund for the development of Statistics: Concept Paper. The Ministers took note of the Report.

ADOPTION OF THE MINISTERIAL REPORT

63. Due to time constraint, the Ministers, requested the AUC to finalinaze the report and submit it to them.

ADOPTION OF DRAFT DECLARATION

64. The Conference adopted the Declaration with amendments, attached as Annex II.

THEME OF THE NEXT CONFERENCE

65. The Conference did not come up with the theme of the next Conference given the fact that it would be organized jointly by the African Union Commission and the Economic Commission for Africa. The theme would be communicated to Members States after consultations between the two institutions.

DATE AND VENUE FOR THE NEXT CONFERENCE

66. The Date and Venue of the next Conference of African Ministers of Economy and Finance would be communicated to the Ministers after consultations between the AUC and the ECA.

CLOSING

67. In his closing speech, His Excellency Mr. Ephraim INONI, Prime Minister and Chief of Government of the Republic of Cameroon, conveyed his gratitude and thanks to His Excellency Mr. Paul Biya, President of the Republic of Cameroon for supporting the organization of this important Conference of African Ministers of Economy and Finance. He reiterated that for him, the importance of the meeting resulted from the judicious choice of the fundamental questions of development which were discussed and allowed to reinforce Africa's common vision, cooperation and solidarity for sustainable development of African countries.

68. He thanked the Ministers for their participation in the Conference and all those that made it possible for the Ministers to have a successful Conference. He wished all the delegates safe journey back.

69. Also speaking at the Closing Ceremony was the Commissioner for Economic Affairs. In his closing remarks, he highlighted the important issues deliberated at the Conference, namely: Africa's debt problem, the impact of the rise in oil prices on African economies, increasing market access to developed countries, promoting intra-Africa trade, the strategy for accelerating the establishment of Africa's three financial institutions and the road-map for the rationalization of the RECs. He further indicated that the implementation of the recommendations of CAMEF II would go a long way in addressing the various economic problems and challenges facing Africa. He pledged the African Union Commission's commitment to forwarding the recommendations of the Conference to the AU Summit to be held in January 2007.

70. He further informed the Conference of the proposal by the Africa Union Commission and the Economic Commission for Africa to hold their meetings of Ministers of Economy and Finance jointly beginning from 2007.

71. Finally, he thanked the Government and people of Cameroon for hosting the Meeting and the Honourable Ministers and members of their delegations for their active participation during the Conference.

VOTE OF THANKS

72. The Minister of Finance of the Republic of Malawi gave Vote of Thanks on behalf of the Ministers of the Economy and Finance. He expressed the sincere gratitude and deep appreciation of the Ministers to His Excellency Mr. Paul BIYA, President of the Republic of Cameroon, for his tireless efforts, resolute commitment and constant support to the cause of African's continuous development and progress. He also thanked the Prime Minister of the Republic of Cameroon and Head of Government, Mr. INONI, for his steadfast support to the organization and success of the Conference.

73. Further, he sincerely thanked the Minister of Finance of the Republic of Cameroon, Mr. Abah Abah Polycarpe, elected officials, members of the constituted bodies and the entire people of Cameroon for the successful organization of the Conference, excellent working conditions made available to the Conference, and the warm and fraternal welcome.

EX.CL/308 (X)
Annex III

**SEMINAR ON THE HARMONIZATION OF STATISTICS
IN AFRICA**

AFRICAN UNION

الاتحاد الأفريقي



**UNION AFRICAINE
UNIÃO AFRICANA**

Addis Ababa, ETHIOPIA P. O. Box 3243 Telephone 002511-115 517 700 Cables: OAU, Addis Ababa
website : www.africa-union.org

**SEMINAR ON THE HARMONIZATION OF STATISTICS IN AFRICA
HELD AT THE CONFERENCE CENTRE OF THE GRAND HOTEL
28 - 29 SEPTEMBER, 2006**

BAMAKO, MALI

FINAL REPORT

SEMINAR ON THE HARMONIZATION OF STATISTICS IN AFRICA

I. INTRODUCTION

1. The Seminar on the Harmonization of Statistics in Africa was held at the Conference Centre of the Grand Hotel in Bamako, Republic of Mali, on 28-29 September, 2006. It brought together representatives of national statistics offices of Member States, Regional Economic Communities (RECs), international institutions and development partners to discuss issues related to the development and harmonization of statistics and the establishment of a mechanism for statistical data collection in order to ensure comparability among Member States.

II. OPENING CEREMONY

2. In his statement, His Excellency, Dr. Maxwell M. Mkwezalamba, Commissioner for Economic Affairs of the African Union Commission expressed his heartfelt thanks to the Malian Government and People for the warm welcome that they offered to all the participants and the facilities that had been provided to organize the Meeting. It thanked participants for having accepted, in spite of their work schedule, to participate actively in the meeting. He recalled the major reasons, which led the Commission to organize the Seminar. He insisted on the integration programme that calls for a huge quantity of statistical data in order to evaluate performance and ensure harmonization of sectoral policies. He underscored that the Commission should undertake to play a catalyzing role in the development of comparable data. He finally urged participants to work relentlessly in order to come out with relevant recommendations that can speedily be implemented.

3. In his turn, Hon. Modibo Sylla, the Minister of Town Planning and Housing of the Republic of Mali, representing the Minister of Planning and Territorial Development wished participants welcome on behalf of the people and government of Mali. He recalled the role and importance of statistics in monitoring integration policies and the fight against poverty. The Minister underlined the mapping out of national strategies for statistical development being elaborated in countries which should help in establishing favourable conditions for the strengthening of statistical data production capacities. He raised the need to place data harmonization within a coherent context with all the partners.

4. The Minister concluded by expressing the wish that at the end of deliberations the Seminar could arrive at conclusions which can contribute to establish statistics information systems that are more harmonized and better adapted to the development needs of Member States.

III. ORGANIZATION OF SEMINAR

5. The deliberations of the Seminar started with presentations on experiences from institutions with regard to harmonization of statistics data on the Continent,

common framework for statistics data collection proposed by the African Union Commission and financing of development programme and building of statistics capacities.

6. Discussions and opinions dwelt mainly on the following major themes:

Theme 1: Role and Importance of Statistics in Economic and Social Development
– [Presented by United Nations Economic Commission for Africa – UNCEA]

Summary of presentation

7. The International Community has taken initiative to ensure economic and social development particularly commitments made in the 1990s by the United Nations system for the attainment of the Millennium Development Goals (MDGs) and reform at the level of the Continent with the establishment of the African Union and the launching of New Partnership for Africa's Development (NEPAD).

8. With the Monterrey Consensus, which underscored results oriented management, where results policy underlines performance, achievement of results of impact has more than ever become a priority.

9. Statistics enable problems to be identified, attainable results to be envisaged, solutions to be identified, policies and programmes to be formulated, their implementation to be monitored and their results and impacts to be evaluated, Statistics information is used to know if an objective has been attained or not. It is essential in macro-economic and financial economic and monetary integration.

10. There is need to harmonize data by putting in place an African Statistics System (SSA) whose objective is to facilitate production of comparable statistical data to support planning, programming of economic, social, environmental policies and governance of the different entities concerned.

11. The guiding principles of SSA will be partnership and concerted subsidiarity. The system will be controlled by an authority responsible for discussing the guiding principles of its statistical programmes. It will regroup all Member States and will consider all programmes and concerted actions necessary for the implementation of the policies and programmes of Africa.

12. The SSA should coordinate its activities with external stakeholders while focusing on the following activities:

- Elaboration of concepts; definitions, nomenclatures and methodologies;
- Implementation of specific survey;
- Data compilation;

- Data dissemination; and
- Specific projects (African system of national accounts, intra-African flux system, balance of payments system, etc.).

Recommendations

13. After the ensuing discussions on this presentation, the Seminar made the following recommendations:

- The harmonization of statistics should be done within the global context taking into account international standards and best practices;
- The African Union Commission (AUC) should take stock of the various initiatives undertaken by regional and other institutions on the harmonization of statistics;
- The AUC was requested to assist in the mobilization of financial resources to strengthen national and regional statistical institutions;
- For the promotion of statistics development in Africa, the AUC should play an advocacy role at the highest political level and ensure that the ADB and the ECA carry out their technical mandates; and
- The AUC, Member States and the Regional Economic Community (RECs) should make use of knowledge management tools to disseminate and document statistical information.

Theme 2: Strategies and Methods used by AFRISTAT for the Collection of Statistical Data from Member States – [Presented by Observatoire économique et statistique d’Afrique Subsaharienne - AFRISTAT]

Summary of presentation

14. AFRISTAT began its operations at its headquarters in Bamako on 2 January 1996. In accordance with its objectives, AFRISTAT undertook to disseminate the statistical information of its member States and, to this end, began collecting data from these States. AFRISTAT which forms a network with the national statistical institutes (NSI) of its member States set up a mechanism for collecting and disseminating the information of these States. The mechanism comprises:

15. A network of national consultants or AFRISAT correspondents designated by the Directors of NSOs:

- A set of data validation procedures;
- Questionnaires and guides to completing them.

16. Before embarking on the information gathering activity, AFRISTAT took certain precautions in order not to cause data rivalry between countries and, most especially,

not to publish contradictory information. The precautions related to detail, status and validation of data are as follows:

- On the status of data to be collected and published, it was decided that AFRISTAT should only publish official data existing in States, already disseminated by the relevant national bodies and contained in identified official sources. Contrary to the practice of certain organizations AFRISTAT should not estimate missing data;
- With regard to the degree of detail of data to be published, given that these are highly aggregate data, dissemination of detailed data should be done by member States and, for this purpose, the NSOs have websites linked to AFRISTAT's;
- On data validation, the procedure is as follows: Collected data are first validated by the NSIs before transmission to AFRISTAT where, on reception, they are checked by AFRISTAT's experts and those data considered non-credible or incoherent are sent back to the consultant for confirmation or correction. Once the quality of the data is considered satisfactory, the NSI officially transmits it for publication on the AFRISTAT website. These exchanges are done by e-mail.

17. Currently, the website publishes three categories of data: data on the current economic situation of AFRISTAT member States which are updated weekly; data on the structure of member States; and data bulletin on the current economic situation of AFRISTAT member States. The site also publishes institutional data on the NSOs (status, human and material resources), a collection of the statistical data of member States and a report on the status of the SSN of AFRISTAT States, but these last three publications are not updated regularly.

18. The two main difficulties encountered relate to:

- inadequate data quality, including non-availability of data and discontinuity of series, improper carrying over of data, lack of source documents for validating data and verifying unclear concepts and definitions;
- the question of splicing data series from different sources.

19. It is, therefore, recommended that partner NSOs should consult and adopt a standard publication format that should take the needs of all into account. This could involve the preparation of common data collection sheets to be filled in by a focal point within the NSO in each country.

Recommendations

20. After the ensuing discussions on the presentation, the Seminar recommended as follows:

- To urge partners to increase their support to national statistical institutions to collect, process and publish statistical data in a coordinated framework;
- To agree on a format of statistical data reporting at regional and continental level;
- To appeal to the United Nations Development Programme (UNDP), the African Development Bank (AfDB), the Economic Commission for Africa (ECA) to support Member States' statistical development and dissemination processes;
- to establish a consultation process between Member States, international organizations and other users of statistics;
- to establish an available and relevant meta data which will be used as reference material; Put in place validation committees in Member States before validation of data;
- to put in place validation committees in Member States to validate statistical data ;
- to request Member States to re-organize their NSOs to improve their capacities and effectiveness; and
- to encourage the NSOs to establish data bases and publish statistics directories.

Theme 3: Harmonization of Production Methods of National Accounts – [Presented by Observatoire économique et statistique d'Afrique Subsaharienne - AFRISTAT]

Summary of Presentation

21. Established in September 1993 by a treaty signed by 14 Sub-Sahara States, the Economic and Statistical Observatory for Sub-Saharan Africa, abbreviated to AFRISTAT, is an international organization currently made up of the following member States: Benin, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Comoros, Congo-Brazzaville, Cote d'Ivoire, Gabon, Guinea, Guinea-Bissau, Equatorial Guinea, Mali, Mauritania, the Niger, Senegal, Chad and Togo. Its headquarters is in Bamako, Mali.

22. The objectives of AFRISTAT are: to help member States construct basic tools (minimum foundation) for the development of statistics; to develop coherent and effective statistical systems; to meet the demand for information needed for the design, implementation and follow-up and evaluation of development policies; and to provide continuous training to the staff of countries in the processing, analysis and dissemination of statistical data. In this connection, AFRISTAT drew on the standards, concepts and frameworks of statistics already in use at the international level and adapted them to the context of its member States.

23. Within its sphere of activities, AFRISTAT has implemented or carried out many programmes aimed at harmonizing methods of producing statistics. Thus, it has prepared for its member States, common activity and product nomenclatures (NAEMA and NOPEMA); a methodological guide for the preparation of national accounts based on SNA93, adapted to States; a collection of concepts and the methodology for the production of informal sector statistics; methods of preparing comparable GDP; and methods of producing final national accounts using the ERETES software system.

24. The harmonization of nomenclatures and methods of preparing final national accounts were carried out by working groups made up of experts of AFRISTAT member States experienced in the area of nomenclatures and national accounts.

25. On the basis of international references (NACE, CPA, CITI rev.3), the working group on nomenclatures, with the help of AFRISTAT experts, developed the activity and product nomenclatures for member States: NAEMA (Nomenclature of the activities of AFRISTAT member States) and NOPEMA (nomenclature of the products of AFRISTAT member States) These nomenclatures are currently being used for statistics in the member States.

26. With regard to national accounts, the working group, assisted by AFRISTAT experts, produced for the use of member States, the methodological guide for the preparation of national accounts.

Recommendations

27. The Seminar recommended the following:

- Replication of AFRISTAT initiatives and structure in other regions;
- The meeting emphasized the necessity to strengthen NSOs' human and financial capacities;
- Urge Member States to implement the System of National Accounts (SNA)93;
- There is a need for developing a methodology for collecting data on the informal sector with a view to better assess the contribution of the sector to the GDP of the Member States;

Theme 4: Methodological Approach for Harmonization of Monetary and Financial Statistics – [presented by Banque centrale des Etats de l'Afrique de l'Ouest – BCEAO]

28. The will showed by the high authorities of African countries to speed up the economic and monetary process at the continental level has made urgent the brainstorming on the appropriate conditions for the establishment and operation of an economic and viable Union.

29. The Seminar on Harmonization offers the opportunity to take stock of initiatives in harmonization of statistics in Africa and to make proposals in order to place them in a coherent framework for coordination of actions to be planned at the continental level.

30. In the area of monetary and financial statistics, harmonization is an essential priority for the establishment of the monetary union. The future African Central Bank should have reliable and comparable national data in order to be able to implement a credible monetary policy.

31. An overview of the inventory as regards the determination of monetary statistics enables different situations to be identified. Basically, differences are observed at the level of:

- Concepts and definitions;
- Areas open by monetary and financial statistics;
- Methodologies for collection, processing and presentation of financial data; and
- Legislative and statutory mechanism giving prerogatives to Central Banks for the collection and processing of data.

Recommendations

32. The Seminar recommended the following:

- The establishment of a committee charged with the responsibility of monitoring financial and monetary statistics in collaboration with Central Banks within the structure of the African Union;
- The establishment of formal structures for harmonization of monetary and financial statistics in each Regional economic Community;
- The AUC should take stock of concepts and ensure their comparability and adherence to international best practices and norms;
- Africa should take advantage of the International Monetary Fund (IMF) standards of dissemination of monetary and financial statistics;
- Establishment of a legal and regulatory framework which would assist Member States provide required data to AU; and
- The African Union Commission (AUC), the Economic Commission for Africa (ECA) and the African Development Bank (AfDB) should identify stakeholders that are involved in the statistics harmonization process and make use of their experiences.

Theme 5: **Proposal for Minimum Framework of Indicators for Comparable Statistics in Africa – [presented by African Union Commission – AUC]**

Summary of presentation

33. The African Union has undertaken to speed up the socio-economic, political and cultural integration process in order to overcome the narrowness of national markets by establishing a common market for the mobilization of resources, speedily achieve the development of Africa and actively participate in the globalization process.

34. The commitment to ensure the Continent's development has considerably increased the Commission's needs in statistical data for the formulation, programming, implementation and monitoring of policies. In fact, statistics occupy a preferential place in the development process in terms of relevance, viability and availability to measure the results. Currently quality and comparable statistical data on all African countries are almost non-existent.

35. The lack of statistical information led the Commission to take many initiatives to develop statistics and it has undertaken to play an active role in coordination and advocacy with regard to statistics. The Commission proposes consultation with all national institutes, RECs and partners in order to establish a mechanism for collection and a standard data format of Member States in conformity with international standards considering the needs of all

36. The mechanism must be based on existing experiences, standards, concepts and already existing statistical frameworks at the international level while adapting them to the context of its Member States. This calls for the establishment of a dynamic network with all the players, particularly national statistics institutes of Member States, the pillars of integration, which are the RECs, partners, ECA and AfDB and technical organizations such as AFRISTAT.

37. A process must include validation of data, development and harmonization of internet sites and their interconnection in order to ensure availability. It is necessary to put in place a coordination and financing mechanism to ensure permanent availability of statistical data produced by African through development, collection, processing and validation.

Recommendations

38. The Seminar recommended the following:

- AU should elaborate a global strategy for harmonization of statistics in Africa taking into account experiences of other institutions as well as Members States;
- Creation of a Fund to assist Member States in developing, strengthening and building their capacities;

- The AU, working closely with RECs, ECA, ADB and AFRISTAT should develop a framework of indicators including their definitions, methodologies of data collection and sources; and
- AU should elaborate of a list of indicators to monitor and evaluate the integration process.

Theme 6: Coordination of the Harmonization and Validation Process of Statistics in Africa– [presented by United Nations Economic Commission for Africa - UNECA]

Summary of presentation

39. The new agenda for Africa's development, NEPAD, Poverty Reduction Strategies (PRS), Millennium Development Goals (MDGs), and the various sub-regional and regional projects have created a sustained demand in quality comparable statistics. Unfortunately, most national statistics system institutionally and financially weak and with inadequate quality and quantity human capital are incapable of providing required data for monitoring and evaluation of these economic and social policies.

40. The presentation underscores the pillar of all the statistical development processes in Africa The National Statistics System (SSN). Statistical development players in Africa should coordinate their efforts to ensure integration of SSN, a necessary stage towards harmonization of statistics at the continental level.

41. The regional strategic reference framework for Statistics Capacity Building in Africa (CSRR) which was adopted by all the statistics development players in February 2006 hinges on this pillar which is SSN and defines the roles of external stakeholders in the SSN. The integral implementation of this strategy should enable the vicious cycle of degradation of the African statistics apparatus to be reversed by the year 2015.

42 As regards data collection and validation, the presentation urges countries to underscore particularly the dissemination of data, use of information technology and production of a statistical year book. A model for collection and validation of data mainly relying on the SSN and strong sub-regional economic commissions was also presented.

43. The presentation concludes by encouraging sub-regional and regional effort in harmonization of statistics and invites countries to effectively produce their national statistics development strategy (SNDS), as recommended by CSRR.

Recommendations

44. Following some extensive discussion, the Seminar made the following recommendations:

- The African Union Commission (AUC), the Economic Commission for Africa (ECA) and the African Development Bank (AfDB) should put in place a common African statistics system;
- The need to strengthen the coordination mechanism between the African Union Commission, the African Development Bank and the UN Economic Commission for Africa. It was stressed that the AU as the overall coordinator at political policy level should ensure that the technical arms, ADB and ECA do carry their technical work in a harmonised and coordinated manner.
- Underscored the need to strengthen the capacities of the National Statistical Offices and regional economic communities, technically, financially and in human resource training and development. This could be done through the African statistical system development. Such action would improve the absorptive capacities of National Statistical Offices.
- Establishment of an African Statistics Council as an advisory body to assist in the harmonization, setting of standards and best practices for statistical development in Africa;
- AU in consultation with the ECA, ADB and Member States should draft an African Statistics Charter. The Charter would apply to all Member States and African Institutions and would help clarify the critical roles of the African Union Commission, the ADB and the ECA, as well as that of organizations from outside the continent.
- Urged each Member State to review its legal and regulatory framework with a view to make the framework more coherent to current developments in statistics.
- Non-African international institutions should harmonize and coordinate how they should work with African National Statistical Institutions with a view to reducing undue different demands and pressures on these institutions;
- To strengthen the capacity of statistical training centres and encourage more training activities in the national statistical offices.

Theme 7: Strategies and Activities to finance the Development of Statistics – [Presented by African Development Bank (AfDB)]

Summary of presentation

45. The presentation on “AfDB’s strategies and activities to finance the development of statistics in Africa” covered the Background and structure of ADB group (3 institutions – ADB, ADF and NTF), eligibility for groups window funds, access to group’s resources, Bank Group strategic approach, role of Board of Governors and Board of Directors, Financial intermediary for concessional and non-concessional resources (financing instruments), ADF X priority areas, financing of technical assistance in institutional capacity building,

46. The presentation covered other grant facilities such as the Middle Income Country Technical Assistance Facility (MIC Fund), the grant under ADF Multinational Window that could provide access for Regional Economic Communities (RECs) Sub-regional organizations. It elaborated the procedure for processing technical assistance grant operations laying emphasis that countries and sub regional organizations should get in contact with ADB interlocutors in their various countries or organizations.

Recommendation

47. The Seminar made the following recommendations:

- statistical offices should be more proactive, contact with their government's ADB interlocutor so as to prepare and send a request for grant assistance. This would then set in motion the processing of the requests for possible presentation to the Board.
- eligible sub-regional organization should follow suit as above and take advantage of the new available avenues for resources.

IV. ADOPTION OF THE MEETING REPORT

48. The Meeting adopted the report with the amendments.

V. CLOSING CEREMONY

49. The National Director of Statistics and Information, on behalf of the Minister of Planning and Territorial Development, thanked the participants for the successful seminar. He expressed his deep gratitude to the African Union Commission and invited it to take necessary steps as soon as possible to implement the recommendations made by the meeting in order to ensure the harmonization of statistics on the continent.

50. The Commissioner for Economic Affairs, on behalf of the Chairperson the African Union Commission, thanked the participants for the fruitful exchanges which took place and which came out with satisfactory conclusions. He recalled that some of the recommendations require financial means and some need to be taken to the Policy Organs of the African Union. He stressed that the AU will play its advocacy role at all levels and invited ECA and AfDB to provide their technical support. He insisted that the AU would work closely in collaboration with Member States, RECs, ECA, AfDB and AFRISTAT for harmonization of statistics in Africa.

51. The Commissioner finally thanked the Government and the People of Mali for making it possible for this Seminar to take place in Bamako and making available to the Seminar the excellent facilities.

AFRICAN UNION UNION AFRICAINE

African Union Common Repository

<http://archives.au.int>

Organs

Council of Ministers & Executive Council Collection

2007

Report of the 2nd African Union conference of ministers of economy and finance (CAMEF II)

African Union

African Union

<http://archives.au.int/handle/123456789/4186>

Downloaded from African Union Common Repository