



# General Assembly

Distr.: General  
1 August 2008

Original: English

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## Sixty-third session

Item 60 (a) of the provisional agenda\*

### **New Partnership for Africa's Development: progress in implementation and international support**

## **New Partnership for Africa's Development: sixth consolidated progress report on implementation and international support**

### **Report of the Secretary-General**

#### *Summary*

The present report, mandated by the General Assembly in its resolution 62/179 of 19 December 2007, assesses progress achieved in implementing the New Partnership for Africa's Development and support provided by the international community. Its issuance coincides with renewed attention to Africa's development needs as evidenced also by the publication of the other major report of the Secretary-General, on "Africa's development needs: state of implementation of various commitments, challenges and the way forward", and the recommendations of the MDG Africa Steering Group. International conferences that will place a considerable focus on Africa are currently being organized. These include the high-level meeting of the General Assembly on the theme: "Africa's development needs: state of implementation of various commitments, challenges and the way forward"; the high-level event on the Millennium Development Goals; the Third High-level Forum on Aid Effectiveness in Accra; and the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus. This attention reflects the fact that most African countries remain off-track with respect to achieving the Millennium Development Goals.

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\* A/63/150.



Within the current context of the global economic slowdown, and high food and oil prices, turning vision into concrete results through the implementation of the New Partnership for Africa's Development and achievement of the Millennium Development Goals requires firm resolution and clear leadership from both African countries and the international development partners. In particular, while the report acknowledges that African countries have made progress in implementing New Partnership sectoral priorities, it calls at the same time for urgent action to mitigate the socio-economic impact of increasingly high food prices, through the launching of an African green revolution within the context of the Comprehensive Africa Agriculture Development Programme. Those countries should also allocate more resources towards New Partnership priorities and adopt appropriate reforms to further encourage private sector participation in Partnership projects and promote public-private partnerships for the financing of infrastructure projects.

While efforts have been made to reduce the debt burden of many African countries, development partners should scale up development aid and improve aid effectiveness so as to ensure that commitments are achieved within the set deadline. The above-mentioned summits could provide the appropriate platform from which to call for urgent implementation of international commitments, including a reverse in the decline of development assistance and the long-overdue successful outcome of the Doha round of multilateral trade negotiations encompassing a development dimension.

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## **I. Introduction**

1. In its resolution 62/179 of 19 December 2007, entitled “New Partnership for Africa’s Development: progress in implementation and international support”, the General Assembly requested the Secretary-General to submit a comprehensive report on the implementation of that resolution to the Assembly at its sixty-third session. The present report responds to that request.

2. The report highlights policy measures taken by African countries and organizations in the implementation of the New Partnership for Africa’s Development (NEPAD) (A/57/304, annex), the response of the development partners and the support of the United Nations system during the past year. The activities undertaken by the private sector and civil society in support of NEPAD are also highlighted. The report benefited from information and data provided by Member States, regional organizations, especially the Economic Commission for Africa (ECA), the NEPAD secretariat, the African Peer Review Mechanism secretariat, the World Bank, the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD) and various entities of the United Nations system. It also draws from the work of the MDG Africa Steering Group<sup>1</sup> and the report of the Secretary-General on Africa’s development needs: state of implementation of various commitments, challenges and the way forward (A/63/130).

## **II. Action taken by African countries and organizations**

3. The New Partnership for Africa’s Development is both a vision and a policy framework for Africa in the twenty-first century. Its main objective is to promote socio-economic development and encourage policy measures and reforms. NEPAD provides unique opportunities for African countries to take full control of their development agenda, working more closely together, and cooperating more effectively with the international community. In this context, NEPAD is dependent on anchors at successive levels: national, regional, continent-wide and global. NEPAD cannot be operational at the top two levels unless it is implemented at the national level. This is especially important in the priority areas of infrastructure development, building human capacity and achieving good governance.

### **A. Infrastructure**

4. Significant progress has been made in the implementation of the NEPAD Short-term Action Plan infrastructure projects, as well as the Medium to Long Term Strategic Framework, in all the four sectors despite human resource and funding constraints. In December 2007, the Infrastructure Consortium for Africa facilitated a meeting of financiers for the transport sector. In 2007, commitments by Consortium members to infrastructure in Africa were estimated at about US\$ 10 billion, a significant increase of 20 per cent from the US\$ 7.7 billion committed in 2006. Multilateral institutions, including the World Bank, the African Development Bank and the European Investment Bank, have collectively increased their support to the

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<sup>1</sup> The recommendations of the MDG Africa Steering Group were endorsed by the States members of the African Union at the Union summit held in Sharm el Sheikh, Egypt, 30 June-1 July 2008.

sector. At the bilateral level, there has been considerable increase in funding from France, Japan and the United States of America.

5. In the water sector, the transboundary water resources management and development programme plans initially focused on 10 river basins in Africa: Congo, Lake Chad, Lake Victoria/Kagera, Niger, Nile, Okavango, Orange/Senqu, Senegal, Volta and Zambezi. Following the establishment of the Africa Water Facility (AWF), €60 million was pledged by donors; however, by the end of 2006, only €19 million had been disbursed. In an effort to attract potential investors and donors for the financing of the necessary studies and implementation of the Inga hydroelectric power-generating project, the Government of the Democratic Republic of the Congo organized an international round table in October 2006. In follow-up to the round table, the African Development Bank recently approved \$450 million for the study of Inga including Grand Inga and Inga III.

6. The priority of the NEPAD information and communications technology (ICT) infrastructure programme for Africa is to ensure that all African countries are connected to a broadband fibre-optic cable system that will in turn link them to world-wide telecommunication networks by submarine cable systems. The NEPAD e-Africa Commission is working to achieve this priority objective by coordinating the development of two regional networks covering Angola, Botswana, Burundi, the Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Somalia, South Africa, the Sudan, Swaziland, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe. The Kigali protocol on the NEPAD ICT broadband infrastructure network, including the submarine network, came into force on 13 February 2008 after ratification by more than half of the signatory countries. It is estimated that the submarine network (Uhurunet) will cost US\$ 1.4 billion. This will be developed by Baharicom, a joint venture between a Special Purpose Vehicle (SPV) created under the Kigali protocol comprising small telecom operators, and large African Telco and non-Telco investors; and international investors. It incorporates the open-access principle and does not give preferential treatment to any country, big or small, coastal or landlocked. Open access will reduce costs of telecommunications and eventually narrow the digital divide and contribute to social and economic growth across the continent.

7. Progress was also made in addressing critical overarching issues with the objective of: (a) improving availability and accessibility of information on the status of the NEPAD infrastructure programme, with a view to facilitating greater private sector participation in financing infrastructure projects; (b) building strategic partnerships with key donors such as the European Union (EU) aimed at scaling up investment in infrastructure and improving the capacity of regional institutions to implement the NEPAD infrastructure programme; (c) developing the Medium to Long Term Strategic Framework as well as undertaking the Africa Infrastructure Country Diagnostic Study for infrastructure development in Africa; and (d) improving coordination mechanisms for all African institutions involved in the development of infrastructure on the continent under the leadership of the African Union.

## **B. Agriculture**

8. During 2007-2008, progress has been made in the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP). The African Union Commission, the NEPAD secretariat and the regional economic communities strengthened their coordination in support of the implementation of the Agriculture Development Programme. During a meeting in September 2007, the three institutions made progress in delineating core responsibilities within an overall framework for joint responsibility in coordinating CAADP implementation at country and regional levels. Also, the African Union Commission and the NEPAD secretariat have made progress towards building a complementary and integrated joint Commission-NEPAD work programme. Major areas of cooperation have included co-organizing the CAADP implementation and review forum to review and share lessons on CAADP implementation.

9. In the second half of 2007, NEPAD intensified country-level engagement through the Comprehensive Africa Agriculture Development Programme country round-table processes. The NEPAD secretariat, in cooperation with regional economic communities, supported countries in incorporating the CAADP agenda into their agriculture and rural development programmes in order to fast-track implementation. NEPAD support to country round-table activities focused on ensuring that countries had access to expert knowledge and resources for CAADP implementation. This included support in the development of inter-ministerial and intersectoral partnerships for resource mobilization. In this context, through the support of the TerrAfrica partnership, NEPAD mobilized US\$ 150 million under the Global Environment Facility (GEF) Strategic Investment Programme for Sustainable Land Management in Sub-Saharan Africa (SIP). This resulted in an additional US\$ 1 billion in leveraged funds to support the scaling up of sustainable land and water management practices. To enhance support for the scaling up of sustainable land and water management (SLWM), a regional project of US\$ 5 million was developed for the NEPAD secretariat, regional economic communities and CAADP pillar institutions for institutional and capacity development.

10. By collaborating with major development organizations, the NEPAD secretariat has facilitated the alignment of development partner agriculture programme design and funding to the Comprehensive Africa Agriculture Development Programme. Major outcomes have included the alignment of the World Bank agriculture strategy for Africa with CAADP pillars, the European Commission's strategy paper on "Advancing African agriculture", a re-emphasis on agriculture by Sweden and the United States Initiative to End Hunger in Africa. Pursuant to the decisions of the 2006 Africa Fertilizer Summit held in Abuja, the NEPAD secretariat, in collaboration with the African Union Commission and the African Development Bank, established the Africa Fertilizer Financing Mechanism. The Government of Nigeria, the Gates Foundation, the International Fund for Agricultural Development (IFAD) and other donors have already pledged over US\$ 35.2 million. With the contributions of development partners, the newly established CAADP Multi-donor Trust Fund is expected to be launched in October 2008 with an estimated US\$ 50 million commitment. The fund has been created to finance the implementation of CAADP, with support to regional economic communities, CAADP pillar institutions, the NEPAD secretariat, the African Union

Commission and individual countries for the conduct of activities to strengthen the development of country round tables and investment programmes.

11. The current rise in world food prices is severely affecting Africa. Through the CAADP framework, the African Union and the NEPAD secretariat convened a workshop in May 2008 composed of African Governments, development partners, regional economic communities, non-governmental organizations, farmer associations and research institutions. The African Union and NEPAD encouraged countries to honour their commitments to the Maputo Declaration on Agriculture and Food Security in Africa target of allocating 10 per cent of their national budgets to agricultural and rural development and also invited development partners to honour their pledges and commitments to support agriculture sector development. A task force led by the African Union and the NEPAD secretariat and supported by the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme (WFP), the World Bank and regional economic communities will coordinate timely follow-up to the decisions taken at the workshop.

### **C. Health**

12. In South Africa in June 2007, African Governments adopted the Africa Health Strategy: 2007-2015 which articulates the kind of health systems interventions that are required. It is imperative that these strategies, as the vehicle for providing health delivery programmes, be supported. The Doris Duke Charitable Foundation has agreed to support the development of learning and demonstration health districts and has pledged to invest US\$ 100 million over the next five years.

13. The human resources crisis was addressed by a high-level inter-ministerial meeting of education, finance, health and public service ministries held in Botswana in May 2007. The Conference of African Ministers of Health welcomed the recommendations arising from the meeting, including a set of actions that participants agreed to, including strengthening performance and deployment of health workers, tackling migration, financing for an expanded and sustainable health workforce, and partnership in support of human resources for health.

14. In order to address the crisis in the African health workforce, the NEPAD secretariat offers annual courses for district health managers from the Southern African Development Community (SADC) countries directed towards strengthening mid-level management capacity. The NEPAD secretariat has also begun to collaborate with the Global Fund to Fight AIDS, Tuberculosis and Malaria in an effort to become more responsive to African priorities and inputs. Further, the NEPAD secretariat has continued to offer its support for the development of African centres of excellence and networking, which has included working with the Council on Health Research for Development (COHRED), the European and Developing Countries Clinical Trials Partnership (EDCTP) and the Social Aspects of HIV/AIDS Research Alliance (SAHARA). These organizations all focus strongly on capacity-building in Africa. Furthermore, in June 2007, in an effort to facilitate the emergence of an African platform on human resources for health, NEPAD co-hosted a consultation with the Earth Institute and the Global Health Workforce Alliance to plan the way forward in the development of community health workforces.

## **D. Education and training**

15. In 2007-2008, progress has been made in the implementation of various education projects in a number of countries within the context of regional economic communities. SADC has completed baseline studies on the “Teacher development through distance learning” project in Angola, the Democratic Republic of the Congo and Mozambique, in partnership with the United Nations Educational, Scientific and Cultural Organization (UNESCO). Implementation has started in Angola. Negotiations are under way with the African Capacity Building Foundation to conduct baseline studies in five countries in the Economic Community of West African States (ECOWAS), namely, Benin, Ghana, the Niger, Nigeria and Senegal, for the implementation of the “Open and distance learning and teacher development” project.

16. Good progress is being made in the partnership project involving a number of universities in Kenya and the United Republic of Tanzania, which do not offer nursing and midwifery at the postgraduate level, and a consortium of South African universities that have such programmes. The curriculum and areas of specialization that have been approved include maternal and child health nursing, community health nursing, research, the role of the clinical nurse specialist, and HIV and AIDS management. Negotiations for the implementation of partnership projects are taking place in the Democratic Republic of the Congo, the Niger and Rwanda.

17. Research is under way on the identification of regional centres of excellence in education, supported by a grant from the Development Bank of Southern Africa. Once they are identified, these centres are expected to foster Pan-African cooperation in research. They will focus on research and development, bringing together existing skills and resources to enable participants to work collaboratively across national borders and disciplinary areas on major long-term projects designed to meet Africa’s needs.

18. Negotiations took place in May 2008 with the Government of Gabon to host a centre for mathematics, science and technology education for member countries of the Economic Community of Central African States (ECCAS). This centre will train teachers in mathematics, science and technology. It will also be a regional innovator for curriculum development and research, and a regional and international organizer of conferences, seminars, symposiums and workshops, as well as a reference centre for consultative services.

19. The holding of a national conference on education and culture in South Africa is planned for the second half of 2008, as part of the preparatory process for a continental conference on education and culture scheduled for 2009. This is in pursuance of a decision taken at the sixth African Union Summit held in the Sudan in 2006, affirming that, in order for Africa’s development to thrive, education needed to be at the centre of the continent’s development agenda. This decision was also endorsed at the Second Extraordinary Meeting of the Conference of Ministers of Education of the African Union (Maputo, 4-8 September 2006) at which the Second Decade of Education for Africa (2006-2015) was launched.

## E. Environment

20. The NEPAD capacity-building programme has completed subregional environment action plans with the support of the United Nations Environment Programme (UNEP)/Global Environment Facility (GEF). UNEP and the Global Environment Facility had provided technical and financial support to regional economic communities for the development of the action plans for all the subregions in Africa. Five ministerial meetings were organized in Central, Eastern, Northern, Southern and West Africa at which ministers had adopted the subregional action plans. These plans were formerly adopted by the African Ministerial Conference on the Environment at its twelfth ordinary session held in South Africa in June 2008. These subregional action plans will promote regional cooperation in policy development and planning for environment and natural resource management.

21. The NEPAD secretariat, with support from the UNEP Regional Office for Africa and the Government of Norway, has provided assistance to five pilot countries (Cameroon, Ethiopia, Ghana, the Libyan Arab Jamahiriya and Mozambique) in developing their national action plans. These pilot projects will provide key lessons for further implementation of the Action Plan for the Environment initiative of NEPAD in other countries. Through collaboration with UNEP, NEPAD provided support to the regional economic communities in support of the implementation of the flagship programmes of the environment action plans; the environment protocol for SADC; and the Congo Basin Forest Partnership.

22. Progress has been made in the implementation of the Africa Stockpiles Programme, one of the priority projects of the NEPAD Environment Initiative Action Plan, with the NEPAD secretariat being in charge of coordination and constituting a strategic partner in implementation. Through the support of the World Bank, FAO and CropLife International, among other partners, the pilot countries (Ethiopia, Mali, Morocco, Nigeria, South Africa, Tunisia and the United Republic of Tanzania) are implementing country programmes, including developing management frameworks for the Stockholm Convention on Persistent Organic Pollutants.<sup>2</sup>

## F. Information and communications technology (ICT)

23. In the past year, progress has been made towards accelerating the implementation of various components of NEPAD e-Schools, including recent developments in the NEPAD e-Schools Demonstration Project (Demo) and the NEPAD e-Schools Business Plan.

24. The Demo is a learning platform, based on real-life experiences in respect of implementing ICT in schools, that serves to inform the roll-out of the broader initiative. To date, 19 African countries (Angola, Benin, Burkina Faso, Cameroon, the Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, South Africa and Uganda) have signed a tripartite memorandum of understanding with the NEPAD e-Africa Commission and consortia (two consortia per country, composed of companies specializing in the

<sup>2</sup> United Nations, *Treaty Series*, vol. 2256, No. 40214.

different fields of ICT in education). The partnership model involves five consortia led by Advanced Micro Devices (AMD), Cisco, HP, Microsoft and Oracle and involving more than 50 private sector companies which are funding the Demo. With the recent launch of the Demo in Mali and Mauritius, nine countries, namely, Egypt, Ghana, Kenya, Lesotho, Mali, Mauritius, Rwanda, South Africa and Uganda, have officially launched the project.

25. The NEPAD e-Schools Business Plan has been completed. It involved consultations with experts nominated by participating governments and the regional economic communities, the African Development Bank, the five consortia leaders and civil society organizations. The plan outlines inputs and projected costs of implementing the initiative. A country analysis is provided, identifying the context of each country, country strategies, priority activities, and cost estimates for integrating ICT into the education plan of the country. The final draft was discussed and endorsed at the “NEPAD e-Schools stakeholders conference” held in South Africa in April 2008.

26. In order to demonstrate their commitment to the NEPAD e-Schools Initiative, African countries, during the NEPAD e-Schools stakeholders Conference, adopted resolutions and agreed to develop and review national ICT education policies and plans in harmony with the principles of the NEPAD e-Schools Initiative. They also agreed to collaborate with the NEPAD e-Africa Commission in the development and dissemination of ICT-in-education standards and best practices. Furthermore, they decided to develop national NEPAD e-Schools business plans in broad agreement with the NEPAD e-Schools Business Plan. They decided to create national implementing agencies to facilitate the roll-out of the schools by 2009 and achieve the goal of transforming 50 per cent of their secondary schools into NEPAD e-Schools by 2015.

## **G. Science and technology**

27. Progress was made in implementing the programmes of Africa’s Consolidated Science and Technology Plan of Action: African Biosciences Initiative; and in establishing a high-level African panel on biotechnology, the African Water Sciences and Technology Network, the African Energy Research and Innovation (AERI) Network, and the African Science, Technology and Innovation Indicators (ASTII) initiative.

28. The African Biosciences Initiative is implemented through four regional networks of laboratories and technoparks that are involved in carrying out cutting-edge research and development and in transferring biosciences technologies to other laboratories. The Southern African Network for Biosciences focused on validating treatment remedies for opportunistic infections affecting people living with HIV/AIDS, while the Biosciences Eastern and Central Africa Network focused on the development of biotechnological tools to control bacterial disease in bananas. Further, the West African Biosciences Network engaged in inventory and characterization of sorghum genetic resources, while the North African Biosciences Network concentrated on the production of elite biofortified Northern African barley genotypes.

29. In response to the recommendations of the High-level African Panel on Modern Biotechnology, the NEPAD secretariat has established a (pan-) African

Biosafety Network of Expertise, whose work will complement ongoing activities under the African Biosciences Initiative so that technological innovation will go hand in hand with ensuring the safety of humans and the environment. In the area under the aegis of the African Water Sciences and Technology Network, the NEPAD secretariat, with a grant from the Government of France, subcontracted the Water Research Commission of South Africa to provide technical expertise in the preparation of a business plan and the identification of centres that will constitute the proposed network.

30. With financial support from the Government of South Africa, the NEPAD secretariat commissioned the Council for Scientific and Industrial Research (CSIR) to prepare a draft business plan. The draft was revised and adopted by the third ordinary session of the African Ministerial Conference on Science and Technology, held in Kenya in November 2007. In addition, the NEPAD secretariat has initiated discussions with potential donors with respect to financing the establishment of the proposed African Energy Research and Innovation Network and its projects.<sup>3</sup>

31. In the area of African science, technology and innovation indicators, with financial support from the Swedish International Development Cooperation Agency (SIDA), the NEPAD Office of Science and Technology is implementing the African Science, Technology and Innovation Indicators Initiative programme. A series of memorandums of understanding and agreements were signed in order to advance the development and implementation of the initiative. The NEPAD secretariat was granted observer status in the meetings of the OECD Working Party of National Experts on Sciences and Technology Indicators (NESTI). In September 2007, an intergovernmental committee on the African Science, Technology and Innovation Indicators Initiative adopted a series of studies and survey guidelines that will underpin the conduct of surveys in the participating countries. A number of countries (Algeria, Angola, Burkina Faso, Cameroon, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mali, Mozambique, Nigeria, Senegal, South Africa, Uganda, the United Republic of Tanzania and Zambia) have committed resources for participation in the science, technology and innovation pilot surveys.

## H. Gender mainstreaming and civil society involvement

32. Following a meeting in South Africa in October 2007, the NEPAD Gender Task Force recommended a number of changes to the African Peer Review Mechanism (APRM). These recommendations followed gender analysis of African Peer Review Mechanism country reports, namely, those of Algeria, Ghana, Kenya, Rwanda and South Africa. In particular, the Gender Task Force proposed that APRM reports should cover the following four elements: (a) implementation of the Solemn Declaration on Gender Equality in Africa; (b) the Convention on the Elimination of All Forms of Discrimination Against Women<sup>4</sup> and the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (Maputo Protocol); (c) components on the financial support for the implementation of gender

<sup>3</sup> Discussions have been held with the United Nations University (UNU), Irish Aid and the Swedish International Development Cooperation Agency (SIDA) with regard to providing technical and financial support to the initiative.

<sup>4</sup> United Nations, *Treaty Series*, vol. 1249, No. 20378.

issues through micro-, small- and medium-sized enterprises; and (d) progress made on achieving a proportionate representation of women in parliament.

33. The NEPAD secretariat and the Government of Spain, through the Spanish Agency for International Cooperation (AECI), entered into a cooperation agreement to support the Spain-NEPAD Fund for the Economic Empowerment of Women in Africa. The fund aims to empower African women with the financial resources needed to unlock their economic potential, fight poverty, create wealth and contribute to the achievement of the Millennium Development Goals, economic growth and sustainable development. The objectives of the fund include: (a) mobilizing financial resources for women entrepreneurs; (b) providing a platform for sharing experiences arising from the economic empowerment of women; and (c) facilitating linkages between women entrepreneurs both nationally and internationally.

## **I. African Peer Review Mechanism**

34. Progress in moving forward the African Peer Review Mechanism process was made in 2007-2008. The accession of Djibouti in July 2007, of Mauritania in January 2008 and of Togo in June 2008 brings to 29 the total number of African countries that have voluntarily acceded to the Mechanism. Twenty-six countries had previously voluntarily acceded to the Mechanism, namely, Algeria, Angola, Benin, Burkina Faso, Cameroon, the Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, the Sudan, Uganda, the United Republic of Tanzania and Zambia.

35. Of the 29 countries that acceded to the Mechanism, 14 have established their national structures and are at various stages of implementing the APRM process, which ranges from conducting self-assessment and receiving country support missions and country review missions to implementing their national programme of action. Benin completed the process, and the country review report was submitted to the Africa Peer Review Forum in January 2008. The country review reports of Burkina Faso, Nigeria and Uganda were submitted to the ninth summit of the Africa Peer Review Forum held in Egypt in June 2008, but only the country report of Uganda was peer-reviewed. Thus, as of the end of June 2008, seven countries had been peer-reviewed, namely, Algeria, Benin, Ghana, Kenya, Rwanda, South Africa and Uganda.

36. In order to streamline and fast-track the APRM process, a workshop was held in Algeria in November 2007. As part of the preparation process for the workshop, the APRM secretariat had organized, in October 2007, an expert working session to review the APRM methodology and processes. Technical experts from countries that had reached an advanced stage in the self-assessment processes, independent experts who were engaged in the APRM, and strategic partners, including the African Development Bank, ECA and the United Nations Development Programme (UNDP), participated in the working session. The expert working session made proposals aimed at shortening and standardizing the APRM process without losing the essential elements. It also identified priority issues based on lessons learned and made suggestions on actions to facilitate the implementation of the

recommendations of the sixth Africa Governance Forum held in Rwanda in May 2006.

37. The Algeria workshop conducted a review of the experience achieved by the countries that had been peer-reviewed and by those that had reached an advanced stage in the process. By considering the APRM methodology from inception to the completion point, the workshop made recommendations on the national APRM structures, as well as concrete proposals on revising the APRM questionnaire and designing a prototype research framework for review. The workshop also made recommendations aimed at improving post-review monitoring and evaluation activities.

### **III. Response of the international community: building on the momentum of international support for Africa's development**

38. Through the NEPAD programme, African countries have created an effective leadership process for engaging development partners on issues of concern to the continent, such as international trade arrangements, equitable access of African products to international markets, debt relief, and official development assistance (ODA) reforms. The increased engagement by African Governments with OECD/Development Assistance Committee (DAC) countries and new and emerging donors has put the continent and its development agenda high on the priority list of numerous international summits.

39. At the 2008 Hokkaido Summit, the Group of Eight countries (G8) renewed their commitments made at the Gleneagles Summit, and reaffirmed at Heiligendamm (2007), including increasing ODA to Africa by US\$ 25 billion per year by 2010. The 2008 G8 Summit endorsed a five-year time frame for providing US\$ 60 billion to fight infectious diseases and strengthen health systems.

40. At the Fourth Tokyo International Conference on African Development (TICAD IV) (see A/62/859), held in Yokohama, Japan, from 28 to 30 May 2008, Japan pledged to increase aid to Africa to US\$ 1.9 billion by 2010. It also plans to offer US\$ 4 billion in concessional loans to assist Africa in developing infrastructure and agriculture, and to double grants and technical cooperation.

41. In December 2007, at the second European Union-Africa Summit in Lisbon, the two continents strengthened their partnership by adopting a Joint Africa-EU strategy comprising a common strategic vision and road map, endorsed by all EU and African States as well as by both the European Commission and the African Union. EU and African countries also adopted an action plan outlining eight sectors: "Africa-EU partnerships on peace and security; democratic governance and human rights; trade and regional integration; the Millennium Development Goals; energy; climate change; migration, mobility and employment; and science, research and space.

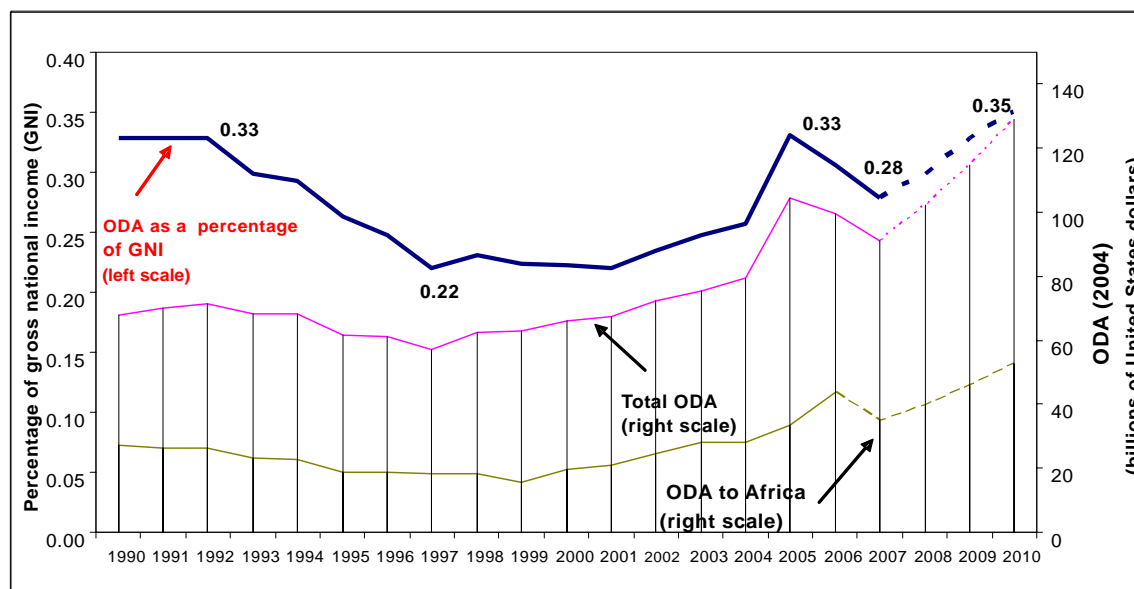
42. Despite renewed interest in Africa's development issues, and three years after the G8 Gleneagles Summit, where major commitments had been made, the report of the Secretary-General on Africa's development needs: state of implementation of various commitments, challenges and the way forward (A/63/130), as well as the recommendations of the MDG Africa Steering Group, have urged the international

community to recommit to Africa's development goals and to redouble efforts to achieve them. In the context of declining aid to Africa, according to the MDG Africa Steering Group, external finance for development in Africa needs to rise to US\$ 72 billion per year to support the achievement of the Millennium Development Goals.

## A. Official development assistance

43. According to preliminary data from OECD, global ODA by its member countries declined by 8.4 per cent in real terms in 2007, representing a drop from 0.31 per cent of members' combined gross national income (GNI) in 2006 (US\$ 104.4 billion) to 0.28 per cent in 2007 (US\$ 103.7 billion) (see figure).

### Net official development assistance (ODA) from members of the Development Assistance Committee, 1990-2007, and DAC secretariat simulations, 2008-2010



Source: OECD Development Assistance Committee, 2008.

44. Against this background, net ODA to Africa had increased from US\$ 22 billion in 2001 to US\$ 29 billion in 2004. Also, the years 2005 and 2006 witnessed an increase of ODA for Africa which was mostly due to debt relief to Nigeria. However, OECD preliminary estimates indicate that ODA to Africa had dropped from US\$ 44 billion in 2006 to US\$ 35 billion in 2007, representing a decrease of 20.5 per cent. This drop in ODA was due mainly to the phasing out of debt relief. In this context, ODA to Africa is still short of the international community's 2005 pledges to double aid by 2010 by US\$ 25 billion. Although some DAC donors have made concrete plans for reallocating aid to Africa, many others still fall short of their targets.

45. The quality of aid is as important as the quantity. Aid volatility is still a serious problem in Africa. The main objective of the Paris Declaration on Aid Effectiveness has been to streamline the aid effort and make development cooperation more effective. Early indications on how donors and partners are implementing the Paris Declaration are mixed. The World Bank's December 2007 review, entitled "Results-based national development strategies: assessment and challenges ahead", indicates progress towards better-quality national development strategies and better results-monitoring frameworks, but challenges remain in respect of the link between national development strategies and the budget in most countries, the need to deepen the ownership of partner countries, and the need for country systems to be strengthened by moving away from poor aid practices, as exemplified by donor-driven parallel implementation units.

46. The Third High-level Forum on Aid Effectiveness to be held in Accra in September 2008 will provide a good opportunity for an assessment of progress. Addressing these challenges and ensuring that donors integrate their support within country-led programmes will facilitate the role of partner countries in strengthening capacity development. Furthermore, agreement is expected on accelerating progress on aid predictability and other aid management issues that affect the ability to increase the rate of growth of ODA in support of the achievement of the Millennium Development Goals.

47. The global aid landscape is changing dynamically in terms of the ways in which aid is financed and delivered. The new aid architecture is marked by the emergence of global funds, and non-traditional bilateral donors, private foundations, non-governmental organizations and corporations. These new actors are expanding the availability of resources for African countries and exploring innovative ways to address pressing development needs. However, development actors are now facing new challenges for aid effectiveness concerning, for example, how to effectively collaborate with the new players in the overall framework of aid effectiveness and how to improve the efficiency and effectiveness of aid through better aid delivery.<sup>5</sup>

## **B. Debt relief**

48. The past year saw continued progress in multilateral and bilateral debt relief and cancellation efforts within the framework of the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI).

49. The Gambia reached the completion point under the HIPC Initiative in December 2007. Thus, as of June 2008, 19 African countries — Benin, Burkina Faso, Cameroon, Ethiopia, the Gambia, Ghana, Madagascar, Malawi, Mali, Mauritania, Mozambique, the Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Uganda, the United Republic of Tanzania and Zambia — had reached the completion point under the HIPC Initiative and, therefore, had also benefited from debt relief through the MDRI.

50. Two African countries reached the HIPC decision point within the last 12 months: the Central African Republic in September 2007 and Liberia in March 2008. Thus, by the end of June 2008, eight African countries — Burundi, the Central

<sup>5</sup> See World Bank, *Global Monitoring Report 2008: MDGs and the Environment: Agenda for Inclusive and Sustainable Development* (Washington, D.C., World Bank, 2008).

African Republic, Chad, the Congo, the Democratic Republic of the Congo, Guinea, Guinea-Bissau and Liberia<sup>6</sup> — had reached the HIPC decision point and were receiving interim debt relief. Once these countries reach the completion point under the HIPC Initiative, they will also automatically qualify for MDRI debt relief. Six more African countries — the Comoros, Côte d'Ivoire, Eritrea, Somalia, the Sudan and Togo — have met the income and indebtedness criteria for HIPC but have not yet reached the HIPC decision point.

51. Further, in June 2008, the Paris Club creditors agreed to alleviate the external public debt of Togo, following the approval by the International Monetary Fund (IMF) of a new three-year arrangement under the Poverty Reduction and Growth Facility in April 2008. This agreement will lead to the immediate cancellation of US\$ 347 million.

52. As a result of debt-relief initiatives, recent years have seen a significant improvement in the external debt situation of African countries, especially after the launch of the Multilateral Debt Relief Initiative in 2005. While in the pre-Monterrey period (1998-2001) the total external debt of Africa, on an average annual basis, had been US\$ 274 billion, in the post-Monterrey period (2002-2005) it increased to US\$ 293 billion, fell to US\$ 244 billion in 2006 and is estimated to have fallen further to US\$ 243 billion in 2007. African countries have also seen an improvement in debt sustainability indicators: total debt as a percentage of exports of goods and services had declined from 212 per cent in the pre-Monterrey period to 142 per cent in the post-Monterrey period. In 2006, it had declined to 69 per cent and is estimated to have declined further to 65 per cent in 2007. At the same time, total debt as a percentage of gross domestic product (GDP) had declined from 62.4 per cent in the pre-Monterrey period to 47.9 per cent in the post-Monterrey period. In 2006, it reached 26.2 per cent and is estimated to have declined further, to 23.1 per cent, in 2007 (see table).

#### Africa's external debt profile, 1998-2007

Africa	<i>Pre-Monterrey</i> (1998-2001)	<i>Post-Monterrey/ pre-MDRI</i> (2002-2005)	2006	2007 <sup>a</sup>
Total debt (billions of United States dollars)	274.3	293.3	244.1	243.2
Total debt (percentage of total exports)	212	142	69	65
Total debt (percentage of GDP)	62.4	47.9	26.2	23.1

*Source:* Economic Commission for Africa and African Union, *Economic Report on Africa 2008: Africa and the Monterrey Consensus: Tracking Performance and Progress* (United Nations publication, Sales No. E.08.II.K.3).

<sup>a</sup> Estimate.

53. Notwithstanding the encouraging progress, a number of concerns remain. Many HIPC countries are facing considerable difficulties in reaching the completion point. Most of the delays are related to their failure to stay on track with respect to

<sup>6</sup> Liberia has no MDRI-eligible debt to the International Monetary Fund (IMF) but is expected to receive additional beyond-HIPC debt relief from IMF to fully cover its remaining eligible debt outstanding at the completion point.

formulating and implementing IMF-supported economic reform programmes, especially in the face of the recent increase in oil and food prices.

54. Additional financing should be mobilized to cover the projected costs of debt relief to countries with protracted arrears to multilateral financial institutions (IMF, the World Bank, the African Development Bank), since the costs for providing debt relief to such countries were not included in the original financing framework of the HIPC Initiative and the Multilateral Debt Relief Initiative. In particular, considerable additional resources are needed for IMF to provide debt relief to the remaining two protracted-arrears countries (Somalia and the Sudan).

55. While debt relief has reduced the debt burden of beneficiary countries and expanded the fiscal space for development spending, long-term debt sustainability is still a concern for most of them. The issue of sustainability often stems from underlying vulnerabilities of these countries to exogenous shocks. Achieving debt sustainability will require strengthening public institutions, setting up sound macroeconomic frameworks, diversifying the production and export bases, increasing domestic revenue mobilization and prudent debt management. In addition, creditors, including new and emerging lenders, need to take debt sustainability into account in their lending decisions in order to help these countries avoid reaccumulating unsustainable debt burdens.

### **C. Foreign direct investment**

56. In 2006, the year for which the most up-to-date data are available, foreign direct investment (FDI) flows to Africa rose to a new record level of US\$ 36 billion, twice their 2004 level. Despite the doubling of FDI inflows, Africa's share in global inflows fell from 3.1 per cent in 2005 to 2.7 per cent in 2006.

57. In line with past trends, FDI inflows remained concentrated in a limited number of countries and industries. The top 10 recipients in Africa accounted for US\$ 32 billion, which corresponded to nearly 90 per cent of the region's inflows in 2006. In each of four countries, FDI inflows were higher than US\$ 3 billion, while eight countries each attracted FDI in excess of US\$ 1 billion. As a result of recent increases in commodity prices, many transnational corporations expanded their activities in gas, oil and mining industries. Asian transnational corporations expanded substantially, through both greenfield and cross-border mergers and acquisitions. In particular, the value of cross-border acquisitions of African enterprises reached US\$ 18 billion in 2006, almost half of which represented mergers and acquisitions by Asian transnational corporations. Cross-border mergers and acquisitions and greenfield investments were the main source of increased FDI inflows to top recipient countries, particularly Egypt, Morocco, Nigeria, the Sudan and Tunisia. Even though extractive industries accounted for most of the FDI inflows to the continent as a whole, in Egypt, the top FDI recipient in 2006, 80 per cent of FDI inflows were in non-oil activities such as agriculture, manufacturing, banking and tourism.

58. The rapid increase of inflows to the continent partly reflects policy reforms undertaken by African countries to attract FDI. According to the World Bank's annual "Doing business" report for 2008, in the regional rankings on the pace of reform, Africa had fallen from third place to fifth. Despite this, Ghana and Kenya both ranked among the top 10 reformers worldwide in 2007, and made the most

significant advance among African countries in the rankings on aggregate ease of doing business.

59. The top reformers have introduced measures aimed at improving the admission and/or establishment processes applied to foreign investors. These measures include reducing tax burdens, and cutting business start-up time and costs, as well as making various registration procedures simpler and more efficient. Several countries also took measures to enhance investor protection, strengthen property rights and increase access to credit.

60. At the international level, the region's development partners under the umbrella of the fourth Africa-Asia Business Forum and the Tokyo International Conference on African Development implemented measures to boost FDI inflows to Africa. Specifically, the Forum sought to improve the expansion of investments by Asian countries, including into small and medium-sized enterprises in Africa.

#### **D. Trade**

61. Very limited progress was made in the complex Doha trade negotiations in reaching an agreement on issues affecting Africa, including agricultural market access and a greater reduction in trade-distorting agricultural subsidies. In this context, OECD countries continue their distorting agricultural support policies to the disadvantage of African farmers and agro-producers.

62. Following the establishment of the Task Force on Aid for Trade, various regional and global World Trade Organization-facilitated meetings on aid for trade were held during the fourth quarter of 2007. The purpose of these regional meetings was to promote exchange of information on best practices and to facilitate collective action. The objective of the global meetings was to highlight the need for improvements in aid for trade flows and the importance of improving performance indicators (outcomes) for donors and recipients, as well as increasing the country, regional and sector focus.

63. Owing to the establishment of the Enhanced Integrated Framework for Trade-related Assistance to Least Developed Countries and an executive secretariat to support its operations, some progress has been achieved in trade-related technical assistance for the least developed countries. To establish a more country-oriented mechanism, decisions are made by a new Enhanced Integrated Framework board, including voting representatives of three bilateral donors and three least developed countries. To date, over US\$ 100 million has been pledged by bilateral donors to the Enhanced Integrated Framework Trust Fund.

64. Little progress was made in negotiations on economic partnership agreements between the European Union (EU) and six regional clusters of African countries. Unlike the Cotonou Agreement, economic partnership agreements will be compatible with World Trade Organization requirements. Only partial interim agreements were initialled multilaterally with the East African Community and South African clusters and bilaterally with an additional eight countries (Botswana, Cameroon, Côte d'Ivoire, Ghana, Lesotho, Mozambique, Namibia and Swaziland). Framework agreements on trade and development were signed between EU and the East African Community, the Common Market for Eastern and Southern Africa and SADC. As of January 2008, African countries that had already reached an agreement

on economic partnership agreements with EU would have tariff- and quota-free access to EU markets, with a transition period for sugar and rice. While the least developed African countries that have not concluded economic partnership agreements will have duty- and quota-free market access under the EU Everything but Arms Initiative, non-least developed African countries will have preferential access to EU markets under the EU Generalized System of Preferences.

### **E. South-South cooperation**

65. Non-DAC and emerging developing partners are playing an increasing role in development cooperation, offering new and innovative ideas and approaches to achieving the internationally agreed development goals, including the Millennium Development Goals in Africa.

66. In 2007, China and Africa started to implement the follow-up actions to the Beijing Summit of the Forum on China-Africa Cooperation, held in November 2006. Following the launch of the China-Africa Development Fund in June 2007, over US\$ 90 million has been contributed to the Fund. China actively participates in the Multilateral Debt Relief Initiative and cooperates with major regional financial institutions in Africa.

67. At the first India-Africa Forum Summit held in April 2008, India offered US\$ 5.4 billion in financial credit over the next five years, US\$ 500 million in development grants to Africa, and preferential market access for all exports from least developed countries. The framework for cooperation addresses a number of priority issues, namely, economics; political and social science; technology; research and development; development and capacity-building; tourism; infrastructure, energy and environment; and media and communication.

68. As a follow-up to the Africa-South America Summit held in Abuja in 2006, African and South American trade ministers met in June 2008 to plan a new framework for trade between the two continents. The countries are working to secure market access for goods from developing countries and are taking an active part in negotiations on the Global System of Trade Preferences (GSTP). Within the framework of a joint initiative of the African Union and the South American Community of Nations, cooperation in science and technology between African and South American States is growing in thematic areas, including agriculture and agribusiness, water resources and environment, energy, natural resources, education and information technology. A meeting is planned in 2009 to assess progress made in the implementation of the initiative.

69. Turkey-Africa trade volume had expanded from US\$ 5 billion in 2003 to US\$ 12 billion in 2007. As a strategic partner for Africa, Turkey became a non-regional member of the African Development Bank early in 2008 and in August 2008 will host its first Turkey-Africa Cooperation Summit to consider modalities for strengthening this partnership.

## **IV. Support by the United Nations system**

70. Support by the United Nations system, ranging from advocacy and institutional support to technical assistance and capacity development, remains an

important pillar of international support for the implementation of NEPAD. The nature and scope of the support provided by the United Nations system in the past 12 months have been well documented in the report of the Secretary-General on the United Nations system support for NEPAD (E/AC.51/2008/5). Furthermore, the same period witnessed the launch of the MDG Africa Steering Group by the Secretary-General, as well as the progress achieved by the Millennium Villages initiative.

**A. Strengthening of the Regional Consultation Mechanism of United Nations Agencies and Organizations Working in Africa in Support of the African Union and its NEPAD Programme and the cluster system**

71. The period 2007-2008 has seen further progress in enhancing the support provided by the United Nations system to the African Union and its NEPAD programme. In line with the recommendations of the Seventh Regional Consultations Meeting held in Addis Ababa in 2006, ECA commissioned an external review of the cluster system under which the United Nations system support to NEPAD is organized. The recommendations of the review were taken into account at the Eighth Regional Consultations Meeting held in Addis Ababa in November 2007.

72. The Eighth Regional Consultations Meeting noted the progress in increasing the effectiveness of the Regional Consultation Mechanism in terms of enhanced leadership, including the repositioning of the Mechanism secretariat at ECA as a strategic coordinator, and increased interaction within and among clusters, as well as the sharpened focus of cluster activities for greater relevance and effectiveness. The increased participation of the African Union Commission and regional economic communities in the Regional Consultation Mechanism was highlighted as another important accomplishment.

73. The Eighth Regional Consultations Meeting reiterated the need for further commitment and leadership; increased accountability; enhanced coordination and collaboration; increased resource mobilization and capacity-building; more systematic monitoring and evaluation; and increased communication, outreach and advocacy. The meeting called for the establishment of a steering committee to oversee the activities of the Regional Consultation Mechanism. Participants also recommended further alignment of the activities of the cluster system with African Union and NEPAD priorities, within the framework of the United Nations Ten-Year Capacity-building Programme for the African Union. The Regional Consultation Mechanism called for the development by the clusters of three-year business plans and the mainstreaming in their work of cross-cutting issues such as gender, health and culture.

**B. MDG Africa Steering Group**

74. At the midpoint with respect to the Millennium Development Goal target date of 2015, Africa as a whole remains off-track with regard to reaching most of the Millennium Development Goals. In response to this challenge, the Secretary-General launched, in September 2007, the MDG Africa Steering Group, an

innovative partnership arrangement. For the first time, the leadership of the United Nations, the World Bank and IMF came together with the leaders of the African Union Commission, the African Development Bank, the European Commission, the Islamic Development Bank and OECD to identify the practical actions needed to achieve the Millennium Development Goals in Africa. In June 2008, the Steering Group published its recommendations on key sectors: agriculture, education, health, infrastructure, national statistical systems and climate change, as well as on financing and aid predictability. These recommendations map out an ambitious agenda that, if fully implemented, will help replicate the growing number of development success stories across Africa at the scale needed in order for the Millennium Development Goals to be reached by 2015. These recommendations were accepted and endorsed by the African Union Summit held in Egypt in June-July 2008.

### C. Millennium Villages

75. So far, 13 countries have launched Millennium Villages: Ethiopia, Ghana, Kenya, Liberia, Madagascar, Malawi, Mali, Mozambique, Nigeria, Rwanda, Senegal, Uganda and the United Republic of Tanzania. Working with over one half million people and providing approximately US\$ 50 worth of support per person per year — much more than today's typical support levels in rural Africa, but well within the G8 US\$ 80 per capita promise made at the Gleneagles G8 Summit — targeted investments in agriculture, health, education and infrastructure are helping poor, isolated communities make major transformations within a short period of time. The benefits of practical interventions, entailing, for example, fertilizer and improved seed, malaria bed nets for all sleeping sites, safe water points, connectivity and the Internet, are leading many Governments to promote national rural development strategies based explicitly on scaling up the lessons of the Millennium Villages.

76. Early results from the Millennium Villages in countries across Africa are proving that rapid progress towards achieving the Millennium Development Goals is possible when a holistic set of interventions are combined with local leadership, government support and adequate donor financing. Major successes in the Villages in the areas of food production, malaria control, and school meal programmes indicate the readiness of local communities to be crucial actors in the pursuit of national Millennium Development Goal achievement and the viability of their involvement. The affordability of the project within the boundaries of international commitments and the desire by many African Governments to apply the lessons and undertake the interventions on a broader scale signal the potential for achieving the Millennium Development Goals.

## V. Conclusions and recommendations

**77. While significant progress has been recorded in the implementation of NEPAD and the development partners have made efforts in delivering on their promise to reduce the debt burden of African countries, a number of challenges persist and need to be addressed in order to accelerate implementation. The absence of appropriate policy measures by both the international community**

and African countries will reverse the improvement in living standards of millions of African people.

78. In the context of slower global economic growth and higher oil and food prices, modern and efficient physical infrastructure is crucial to sustaining economic growth and a productive private sector. African Governments should continue to undertake appropriate institutional reforms so as to attract private capital and develop public-private partnerships for financing infrastructure projects. For instance, in the context of South-South cooperation, Governments could attract the sovereign wealth funds of oil-producing countries to secure investment in infrastructure.

79. One of the remaining challenges with respect to accelerating implementation of infrastructure projects in Africa (for example, road corridors, multi-purpose water infrastructure, information and communications technology) has been identified as lack of coordination among the various key regional institutions in the continent. The NEPAD secretariat should continue to work closely with the African Union Commission and regional economic communities on infrastructure development in Africa.

80. Now that 7 countries have been peer-reviewed and 29 countries have joined the African Peer Review Mechanism process, it is critical that Governments implement the agreed programmes of action and recommendations of the APRM country reports, and that the review process move faster so as to accelerate the rate of completion for countries that have already launched the APRM process.

81. While the recent increase in food prices is threatening progress made in fighting poverty, it nonetheless offers an opportunity for African countries to increase their spending on agricultural and rural development to 10 per cent of public expenditure in line with the Maputo Declaration; to launch an African green revolution within the framework of the Comprehensive Africa Agriculture Development Programme (CAADP) in order to double agriculture yields, accelerate economic growth and combat hunger. It is also an opportunity for policymakers to further promote intra-African trade and regional integration.

82. While the integration of the NEPAD secretariat into the structures of the African Union Commission is under way, African countries ought to support the institutional capacity of the Commission and the NEPAD secretariat by providing the necessary human and financial resources, and strengthening public awareness through a comprehensive communications strategy.

83. For more effective implementation of NEPAD projects, it is vital to further improve the linkages and coordination among African countries, the regional economic communities, the African Union Commission, the African Development Bank and the Economic Commission for Africa.

84. In order to meet their commitment to increase aid by US\$ 50 billion by 2010, with half of the increase going to Africa, G8 countries should scale up and reverse the decline in ODA disbursements in the next few years and improve the effectiveness of ODA in support of national development strategies.

85. **Insufficient predictability in ODA makes it difficult for African policymakers to plan capital and current expenditure in key sectors including agriculture, health and education. Each individual donor country ought to reassess current disbursement procedures and provide country-by-country detailed timetables for scaling up aid in conformity with the Monterrey Consensus<sup>7</sup> commitment. Also, while donor countries should play a major role in addressing the food crisis, they need to commit new resources and not merely reallocate previously pledged assistance.**

86. **The combined food crisis and the deceleration in the growth of the global economy offer a window of opportunity for the international community to achieve a successful outcome regarding the development dimension of the Doha trade negotiations by removing obstacles to an open trading system in agricultural commodities, to the benefit of African countries in particular.**

87. **African Governments and development partners should formalize compacts that outline each other's roles and responsibilities so as to ensure that financing commitments are met and aligned with national systems.**

88. **As new and emerging development partners have significantly enhanced their engagement with Africa, it is crucial that both traditional and new donors formulate an innovative mechanism for coordinating their actions in the areas of aid, trade and debt sustainability. The upcoming Third High-level Forum on Aid Effectiveness to be held in Accra will provide an opportunity to address the issues connected with the new dimensions of aid harmonization and collaboration.**

89. **Debt relief has resulted in progress in investments in health and basic education. However, the combined effects of the steep rise in oil and food prices constitute a threat to sustained levels of investment in these social sectors. In the context of effective South-South cooperation, a facility could be established whereby countries receiving windfall earnings from oil export would contribute to the most vulnerable African countries.**

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<sup>7</sup> *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.