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Item 6 of the provisional agenda*
Statutory issues

Report of the Committee on Economic Governance on its first session

Note by the secretariat

The secretariat of the Economic Commission for Africa has the honour to transmit to the members of the Commission the report of the Committee on Economic Governance on its first session.

* E/ECA/COE/41/1.



Report of the Committee on Economic Governance on its first session

Introduction

1. The first session of the Committee on Economic Governance of the Economic Commission for Africa (ECA) was held online on 27 April 2022. All of the African subregions were represented. The decision to establish the Committee was endorsed by the Conference of African Ministers of Finance, Planning and Economic Development of ECA at a meeting in March 2019 in Marrakech, Morocco, in resolution 966 (LII). The Conference of Ministers, pursuant to its resolutions 943 (XLIX) and 957 (LI), requested the Executive Secretary of ECA to conduct a review of the intergovernmental structure of ECA.
2. The members of the Committee are drawn from ministries responsible for the finance, planning and economic development of African countries. The Committee will coordinate the work of ECA to ensure results and coherence in the support given to African countries and other stakeholders in their efforts to build and strengthen economic governance institutions and policies, and to foster peer learning to accelerate sustained and inclusive social and economic development.
3. The Committee will meet biennially. It will provide evidence-based advice and guidance on economic governance issues relating to the promotion of sound macroeconomic management and inclusive development strategies, as well as efforts to combat corruption and illicit financial flows that move resources out of Africa. It will encourage networking and will support regional and global governance processes, such as the African Peer Review Mechanism and efforts to ensure African representation in international forums.
4. During its first session, the Committee focused on the election of the Bureau. Together with the secretariat of the Committee, the Bureau will coordinate the work of the Committee for the next two years. Representatives of the following countries were elected to the Bureau: Algeria, Cameroon, Ethiopia, Ghana and Lesotho. Each of the countries represents its respective subregion. ECA is both the convener and the secretariat of the Committee.
5. The Committee also reviewed and endorsed the 2022–2023 work programme of the macroeconomic policy and governance subprogramme of ECA.

Part one

I. Opening of the session [agenda item 1]

A. Attendance

6. The session was attended by representatives of the following ECA member States:
 - (a) Central Africa: Cameroon, Chad, Congo, Gabon;
 - (b) East Africa: Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Madagascar, Rwanda, Seychelles, Somalia, South Sudan, Uganda;
 - (c) North Africa: Algeria, Egypt, Sudan;
 - (d) Southern Africa: Lesotho, Malawi, Mozambique, Zambia;

- (e) West Africa: Burkina Faso, Mali, Côte d'Ivoire, Ghana, Nigeria.

B. Opening statements

7. The opening session was moderated by the Chief of the Economic Governance and Public Finance Section of the Macroeconomic and Governance Division of ECA. Opening remarks were delivered by the Director of the Macroeconomic and Governance Division, who welcomed all the participants and thanked them for attending the first session of the Committee. He referred to the difficult global economic context that had resulted from the effects of the coronavirus disease (COVID-19) pandemic and the conflict between the Russian Federation and Ukraine. He said that strong economic governance in Africa was therefore imperative to tackle uncertainties, stimulate economic recovery, promote equitable growth and address vulnerabilities.

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

8. The election of the Bureau was conducted through five breakout sessions in which delegates from each subregion elected a representative, as follows:

Central Africa:	Cameroon
East Africa:	Ethiopia
North Africa:	Algeria
Southern Africa:	Lesotho
West Africa:	Ghana

9. The Committee chose by consensus the representatives of the subregions to carry out the following roles in the Bureau:

(a) Chair:	Cameroon
(b) Vice-Chair:	Algeria
(c) Vice-Chair:	Ghana
(d) Rapporteur:	Ethiopia
(e) Rapporteur:	Lesotho

10. Following an acceptance statement by the newly elected Chair, the Director of Regional Integration at the Ministry of Economy, Planning and Territorial Development of Cameroon, Dorothy Tataw Bekolo, the Committee adopted the following agenda based on a provisional agenda that had been previously circulated:

1. Opening of the session.
2. Election of the Bureau and adoption of the agenda and programme of work.
3. Overview of the 2022–2023 work programme of the macroeconomic policy and governance subprogramme:
 - (a) Assessment of progress on macroeconomic policy and governance in Africa.
 - (b) Overview of development planning for sustainable development and structural transformation in Africa.
 - (c) Update on improved public financial management and sound economic governance in Africa.

4. General discussion.
5. Consideration and adoption of the 2022–2023 work programme of the macroeconomic policy and governance subprogramme and the draft report of the Committee on its first session.
6. Closing of the session.

Part two

III. Overview of the 2022–2023 work programme of the macroeconomic policy and governance subprogramme [agenda item 3]

A. Presentation

11. The work of the macroeconomic policy and governance subprogramme of ECA was introduced by the Director of the Macroeconomic and Governance Division, who noted that the Division comprised three sections: the Macroeconomic Analysis Section, the Development Planning Section and the Economic Governance and Public Finance Section. He explained that the subprogramme supported the African economic transformation agenda through analytical work (think tank function); demand-based technical support in development planning, macroeconomic modelling and public financing; and its convening role – jointly working with member States and international organizations.

12. Continuing the introduction, the Chief of the Economic Governance and Public Finance Section highlighted several opportunities for the subprogramme in 2022, which included the enhancement of the integrated planning and reporting toolkit so that it could be used to identify priorities for the financing of development plans; macroeconomic models for the identification and analysis of interventions, including the management of debt and expenditure; work on domestic resource mobilization; and the provision of support to the high-level working group on the new global financial architecture.

13. The Chief of the Macroeconomic Analysis Section elaborated on the work of the Section, which was aimed at informing policymaking decisions and providing advisory services to member States on emerging macroeconomic issues, such as tax policy analysis and peer learning in the area of excise tax. The Section also developed key knowledge products, including the African quarterly economic performance and outlook, and the *Economic Report on Africa*. Among the key achievements of the Section in 2022, she highlighted research on the impact of the conflict between the Russian Federation and Ukraine on African economies, as well as the young economists' programme and the development of a guideline tool for special drawing rights allocation mechanisms to finance the COVID-19 response.

14. The Economic Affairs Officer of the Development Planning Section highlighted the support provided by the Section to member States in development planning and implementation processes, as well as in relation to the adoption of development planning tools, in particular the integrated planning and reporting toolkit. The Section was also engaged in efforts to help member States to strengthen monitoring and evaluation and national financing frameworks for their national development plans and to align the plans with the 2030 Agenda for Sustainable Development and Agenda 2063: The Africa We Want, of the African Union. She stressed the inclusion of the financing aspect of development plans in the integrated planning and reporting toolkit, which was in line with the Addis Ababa Action Agenda of the Third International

Conference on Financing for Development, to help member States to mobilize and manage financing for national development strategies and ensure the implementation of development plans. While the Section had identified five countries to work with on the roll-out of the toolkit in 2022, it was making every effort to respond to requests from other member States. Furthermore, through consultation workshops with member States, gaps in national development planning and implementation processes were being identified, with a view to supporting member States in bridging them. The Section was undertaking collaborative work with the United Nations Development Programme, the African Union Commission and the African Development Bank on the development of the 2022 Africa Sustainable Development Report.

15. The Chief of the Economic Governance and Public Finance Section introduced the work of the Section, including efforts to curb illicit financial flows in Africa, which had involved statistical work with the United Nations Conference on Trade and Development and the United Nations Office on Drugs and Crime in 12 pilot countries to measure the extent of illicit financial flows, as well as policy work on preventing such flows, the Stolen Asset Recovery Initiative and capacity-building workshops for member States on measuring the flows. He explained the Integrated National Financial Framework and efforts to ensure greater synergy with the integrated planning and reporting toolkit and the African resource tracking system, as well as a regional communities of practice platform that had been established to enhance knowledge of and experience with the Integrated National Financial Framework. The Section was responsible for the *Economic Governance Report*, to be published biennially, and other knowledge products, including thematic research papers and policy briefs. Of the expected outputs for 2022, he identified several activities related to illicit financial flows, including a regional experience-sharing event and the annual publication on tax expenditure in relation to the magnitude of lost revenue opportunities.

16. He informed the Committee of the key modalities for achieving the planned deliverables of the subprogramme, focusing on the response to COVID-19, contributions to the realization of the Sustainable Development Goals and collaboration with key partners, including the African Union Commission, the New Partnership for Africa's Development, the African Development Bank, resident coordinator offices and the United Nations country team, United Nations agencies, funds and programmes, and think tanks. He also emphasized the gender mainstreaming strategy of the Division as a key factor for success.

B. Discussion

17. Participants responded to the secretariat's presentation by noting its timeliness and the importance of economic governance discourse on the continent, including for achieving the Addis Ababa Action Agenda. They emphasized the importance of mobilizing domestic resources and effective resource utilization.

18. Participants stressed that peer learning would be critical for African countries in attaining inclusive and sustainable development and expressed the hope that the Committee would provide an opportunity to focus on the implementation of recommendations and sharing of experiences on such issues as debt, structural transformation, illicit financial flows, mainstreaming of the Sustainable Development Goals into development plans and building back better following COVID-19 and the conflict between the Russian Federation and Ukraine.

19. Participants also noted the progress made in aligning the integrated planning and reporting toolkit with the Integrated National Financial

Framework, and they welcomed the opportunity to build their capacities in utilizing their national development plans to help to achieve the 2030 Agenda and Agenda 2063. In addition, they indicated the need to consider selecting countries that had benefited from previous capacity-building activities on the use of the toolkit during the roll-out of the integrated financing module. The secretariat noted that follow-up work was ongoing, and that additional support would be provided, as required. Participants also promised to share their experiences of implementing the Integrated National Financial Framework with one another, with a view to improving its implementation across the continent.

20. Taking note of the unprecedented global challenge presented by the COVID-19 crisis and the related loss of lives and livelihoods, and the recent geopolitical crisis resulting from the conflict between the Russian Federation and Ukraine, participants emphasized the need to analyse the impact of these shocks and to develop mitigating strategies. The secretariat indicated that there was ongoing work across ECA to assess the macroeconomic and sectoral impact of the conflict, and that ECA had launched the Liquidity and Sustainability Facility in 2021 with the aim of helping African countries to recover from debt crisis.

IV. Consideration and adoption of the 2022–2023 work programme of the macroeconomic policy and governance subprogramme and the draft report of the Committee on its first session [agenda item 5]

21. The Committee discussed the 2022–2023 work programme of the macroeconomic policy and governance subprogramme of ECA at length. The programme was adopted unanimously.

22. The draft report of the Committee on its first session was introduced and, after some discussion, unanimously adopted.

V. Closing of the session [agenda item 6]

23. In her closing remarks, the Chair noted that the 2022–2023 work programme of the subprogramme was a relevant and timely framework for providing support to African countries in strengthening their capacities to attain the Sustainable Development Goals of the 2030 Agenda and the goals and aspirations of Agenda 2063. She stressed that the role of the Committee was to act as an advisory forum of experts and policymakers to ensure coherence and results in the support provided to member States and other stakeholders, and she called for continuous support for the work of ECA.

24. The Chair expressed her appreciation for the work carried out by the secretariat of the Committee on Economic Governance in organizing its first session. She declared the meeting closed at 5.15 p.m.