



Active in **AFRICA**





LIST OF CONTENTS

The OECD's Partnership *with Africa*

Africa is on the move but
faces major challenges

The OECD's mission is
evolving to respond to the
changing global environment

There is a growing
partnership between OECD
and Africa

Looking ahead

Annexes

1 GROWTH

- 1.1 Investment
- 1.2 Trade
- 1.3 Agriculture & food security
- 1.4 Innovation

2 PUBLIC FINANCE

- 2.1 Tax
- 2.2 Budget reform
- 2.3 Public debt management

3 GOVERNANCE

- 3.1 Fighting corruption
- 3.2 Public governance & regional development
- 3.3 Corporate governance

4 SOCIETY

- 4.1 Education and training
- 4.2 Health
- 4.3 Migration

5 CLIMATE CHANGE

- 5.1 Meeting the challenges

6 SURVEYS AND STATISTICS

- 6.1 Economic surveys
- 6.2 Statistics

7 DEVELOPMENT CO-OPERATION

- 7.1 Monitoring aid flows to Africa
- 7.2 Improving development effectiveness
- 7.3 Developing policy frameworks

THE OECD'S PARTNERSHIP
with AFRICA

AFRICA IS ON THE MOVE BUT FACES MAJOR CHALLENGES

Africa has made enormous progress but faces enormous challenges. For four consecutive years, it has experienced record economic growth. Overall in 2007, the continent registered 5.7% GDP growth, and a per capita increase of 3.7%. The number of conflicts has declined. Poverty levels have started to fall, and there has been great progress in increasing primary school enrolment. But despite this progress, Africa remains off-track on most Millennium Development Goals (MDGs). Today, the continent faces a raft of new challenges, ranging from climate change to higher food and oil prices, which have in turn resulted in rising inflation. The account deficit of oil importing countries is increasing.

If Africa is to accelerate progress towards the MDGs, it needs to sustain and improve the high growth rate of recent years, and to spread the benefits among its people. The international community has a key role to play, but the leadership needs to be—and is being—taken by African governments. Many of the challenges which they face are the same as those that have confronted OECD governments for decades: how to promote sustainable economic growth, how to improve public financial management, how to build sound governance systems, how to achieve more inclusive societies, and—looking ahead—how to tackle the challenge of climate change.



THE OECD'S MISSION IS EVOLVING TO RESPOND TO THE CHANGING GLOBAL ENVIRONMENT

The OECD has accumulated a remarkable array of knowledge and expertise across all of these issues.

For decades, it has contributed to shape sound social and economic policies both within and outside its membership, with the aim to help governments and societies to reap the full benefits of globalisation while tackling the challenges that can accompany it. Today, its global mission is more relevant than ever before. The international economy is experiencing a period of unprecedented change, becoming increasingly integrated and interdependent. Promoting economic development in all corners of the world is both a shared responsibility and a common interest. In the face of these challenges, the OECD is

changing. It is becoming more inclusive, more sensitive to diversity, and more understanding of the many paths that lead to growth and development. It is expanding its membership, and broadening its relations with over one-hundred non-members. Based on mutual benefit, partnerships and the sharing of OECD working methods and knowledge, the Organisation's new global strategy aims to increase its relevance and its responsiveness to the needs of the international community. It has also started a process to enlarge its membership with five new countries (Chile, Estonia, Israel, Russia and Slovenia) and an initiative for enhanced engagement with five other countries (Brazil, China, India, Indonesia and South Africa).

THERE IS A GROWING PARTNERSHIP BETWEEN THE OECD AND AFRICA

It is in this context that the OECD's long-standing involvement in Africa has been deepened.

It reflects the priorities both of African governments themselves, and of their international partners, including the priorities that have emerged from discussions with African leaders at G8 summits from Kananaskis onwards. It involves:

- co-operating with African governments and institutions on a wide range of public policy issues;
- working with other international institutions on global policy issues which have a huge impact on Africa, such as food prices;
- contributing to major international initiatives, such as the UN Secretary-General's MDG Steering Group;
- and playing a unique role in the monitoring

of aid statistics and the peer review of donor programmes, and helping to set the agenda on aid effectiveness.

The OECD's engagement in Africa is not confined to our development specialists—it reaches across the organisation as a whole.

It draws on our core areas of expertise: providing analysis and advice on a vast range of policy issues, producing internationally-agreed instruments, decisions and recommendations to improve the functioning of the world economy including investment, environment, combating bribery in international business transactions, and providing reliable sources of comparative statistical, economic, and social data, as well as policy analysis issues as diverse as economic indicators, trade, employment, migration, education, energy, health and development assistance.

The annexes which follow summarise the OECD's activities in Africa across seven major areas. Some specific illustrations are given below:

- how to promote sustainable economic growth, where we are mobilising experts on investment policy, trade and agriculture, and innovation, working in areas including the sharing of best practices and lessons learned in implementing investment reforms, and the assessment (jointly with the Food and Agriculture Organisation) of the impact of rising food prices on hunger, food security and poverty;
- how to improve public financial management, where we are mobilising experts on tax policy, budget reform and public debt management, and sharing best practices with African debt managers, central bankers and other financial officials involved in public debt management;

• how to improve systems of **governance**, drawing on our expertise on fighting corruption, and improving systems of public and corporate governance. The OECD and the African Development Bank are developing a joint *Anti-Bribery and Business Integrity Initiative for Africa*, and we have also launched a project with countries in Southern Africa on the corporate governance of state-owned enterprises. We host the Partnership for Democratic Governance that helps countries achieve affective public service and are working with the African countries in the MENA region to improve their governance and investment framework through our MENA initiative.

• how to build more **inclusive societies**, drawing on our expertise in the fields of education and training, health and migration. Our recent work has included studies on *Developing Vocational and Technical Skills, and Managing Labour Migration to Support Economic Growth*;

• how to tackle the challenge of **climate change**, which has been a major focus of our work in 2008, with the publication of our *Environmental Outlook to 2030*, specific work on assessing the costs and benefits of adaptation—that actually led to our Ministerial

Declaration on Integrating Climate Change Adaptation into Development Co-operation—and a comprehensive analysis of the impact of climate change on Africa;

• **surveys and statistics**, sharing the expertise built up on economic analysis, and as one of the world's largest and most reliable sources of comparative statistical data. Specific examples include the *African Economic Outlook* which is a joint exercise of the African Development Bank, the UN Economic Commission for Africa and the OECD, and our role of host of the *Partnership in Statistics for Development in 21st Century*—which provides support for African countries in the development of their statistical capacity;

• **development co-operation**, building on the unique role which we play in monitoring statistics and the peer review of donor programmes, and our key international role in helping to set the agenda on aid effectiveness. The OECD's Development Assistance Committee provides a key forum for donor coordination, and the OECD played a leading role in helping to prepare for the Third High Level Forum on Aid Effectiveness, held in Accra, Ghana in September 2008.



LOOKING AHEAD

We know that Africa is a continent of great potential. We believe that by sharing the lessons we have learned and by listening to successful stories in the continent, we can help African governments and their people to realise that potential.

We are proud that African governments and institutions are increasingly turning to the OECD as a partner, and find our contributions relevant. We are committed to helping governments, not just within our

growing membership but also globally, to manage the challenges of globalisation. We will continue to mobilise the full range of expertise which we have, in partnership with African governments and institutions and the rest of the international community, in order to help accelerate progress towards the achievement of the Millennium Development Goals. We believe that in this way we will be able to contribute not just to the efforts of African governments, and to the prosperity of their peoples, but also to wider global prosperity and security.



1

GROWTH

INVESTMENT, TRADE, AGRICULTURE, INNOVATION

Economic growth is essential for poverty reduction and the achievement of the Millennium Development Goals. This involves creating a favourable environment for investment, helping countries to integrate into the global economy, improving the efficiency of agriculture in particular, and fostering innovation. These are areas in which the OECD has proven expertise, and is actively engaged with African partners.

1.1 Investment

- The NEPAD-OECD Africa Investment Initiative aims to improve the capacity of African countries to implement policy reforms that strengthen the investment environment, taking advantage of the OECD's peer learning method, and investment instruments of co-operation such as the Policy Framework for Investment (PFI). The Initiative has helped NEPAD countries improve the investment-related content of the African Peer Review Mechanism (APRM) and implement investment climate reforms in the water and sanitation sectors. There have been two key meetings to date—in 2006 in Brazzaville and in 2007 in Lusaka. The 2008 meeting will take place in Uganda in December. Further steps will include peer investment policy reviews of pilot countries, and the development of policy frameworks to encourage investment in regional infrastructure.
- In July 2007, Egypt became the first African country to adhere to the OECD Declaration on International Investment and Multinational Enterprises. As part of this process,

Egypt was also the first country to undertake a comprehensive investment policy review using the PFI.

- The MENA-OECD Investment Programme was launched in 2005, as a forum for sharing know-how on best practices and lessons learned in implementing investment reforms. Building on the OECD model of peer review, policy experts work closely together to design innovative solutions, tailored to the specific policy environments of each country in the Middle East and North African (MENA) region. The second Ministerial-level meeting was held in November 2007 to discuss progress in investment climate reform in the MENA countries. On the eve of the meeting, a Business Forum was held to provide inputs from business associations and private sector representatives—with more than 1000 participants from the MENA region and beyond.
- Investment is one of the core monitoring issues of the Africa Partnership Forum (APF), which was created at the Evian G8 Summit in 2003 to broaden and deepen the dialogue between Africa and its development partners around key themes for progress. The APF Support Unit, housed at the OECD, prepared a report on investment jointly with the NEPAD Secretariat for the APF's 8th

Meeting in May 2007, prior to the G8 Heiligendamm Summit.

key links:

www.oecd.org/daf/investment/pfi
www.oecd.org/daf/investment/africa
www.oecd.org/mena/investment
www.africapartnershipforum.org

1.2 Trade

- The OECD undertakes substantial analytical and policy-related work in the trade area. Some of its work has a focus on issues of direct interest to Africa. This concerns in particular the impact on Africa from potential erosion of preferences following multilateral liberalisation under the Doha Development Agenda and the potential costs of fiscal adjustment from trade liberalisation.
- Extensive work on the interests and concerns of African countries in the context of discussion on special and differential treatment in the WTO has been carried out. The OECD has proposed country-specific access to these provisions on the basis of development considerations and economic criteria.
- Analysis on how to improve trade capacity in Africa through aid and other policy

instruments is being carried out in the context of OECD work on Aid-for-Trade.

- More analysis and case studies on Africa have also been included in recent work on: trade facilitation, trade in services, non-tariff barriers, trade and structural adjustment, and linkages between trade policy and foreign direct investment in the agro-food sector.
- Other Africa-specific work on trade includes analysis of strengthening the regional market in West Africa, as part of an initiative undertaken under the auspices of the Economic Community of West African States (ECOWAS) in partnership with the Sahel and West Africa Club (SWAC), aimed at capitalising on opportunities for the region within the wider global market; and a broader progress report on Africa and international trade undertaken with the NEPAD Secretariat.
- The APF Support Unit (see above) prepared a progress report on *Africa and International Trade* for the APF's 9th Meeting in Algiers, Algeria (November 2007).

key links:

www.oecd.org/trade
www.oecd.org/tad/tradedev
www.oecd.org/swac/livestock
www.africapartnershipforum.org

1.3 Agriculture and Food Security

- A major immediate concern is the impact of rising food prices on hunger, food security and poverty. The OECD, in co-operation with the Food and Agriculture Organization (FAO), will continue to provide the market analysis and projections required for an informed dialogue. The OECD also provides a forum for high-level discussion of effective policy responses in areas such as agricultural support, humanitarian and development aid, bio-fuels policy and technological innovation.
- From 2005 to 2007, in order to help African governments to improve the design of their agricultural and poverty reduction policies, the French Ministry of Foreign Affairs, the International Fund for Agricultural Development and the OECD have carried out the joint Support for African Agriculture Project (SAAP). Studies combining analysis with capacity building and policy dialogue have been completed for three countries, in close co-operation with national ministries of agriculture. A synthesis report of lessons learned is being published.
- The OECD also worked with other inter-

national organisations (IFAD, FAO and the World Bank) to organise the Global Forum on Agriculture, held in Rome in 2007, which addressed specific questions related to the development of African agriculture, with the aim of identifying areas for future co-operation in support of common development goals.

- In addition, the OECD released a report, *Business for Development 2008: Promoting Commercial Agriculture in Africa*, on the occasion of TICAD IV in Yokohama in May 2008. This report looks at African agriculture from a business perspective, highlighting the current status of agriculture and agribusiness as well as the emerging opportunities for developing the sector further in both domestic and export markets.
- The OECD is working with regional (CILSS, ECOWAS, UEMOA) and international (FAO, WFP, IFAD, UN-OCHA, UNDP, UNICEF) organisations as well as civil society (ROPPA, Afrique Verte) to address issues of food security and nutrition, particularly for vulnerable populations. Three meetings of the Food Crisis Prevention Network (FCPN: www.food-security.net) were organised in Brussels and Paris in 2007 and 2008 to address short-, medium- and long-term issues to improve the livelihood of

and food security for vulnerable West African populations.

- The OECD will now be collaborating with the FAO and IFAD on a new project to develop a better information system for policymakers on the performance of the agricultural sector and related policies, which could begin implementation as early as 2009.
- The Africa Partnership Forum Support Unit has produced a series of policy analyses and progress reports on agriculture in Africa, which is one of its core monitoring issues. Its most recent analysis contained in its report *Climate Challenges to Africa: A Call to Action* delivered at the 10th APF Meeting in Tokyo in April 2008, focused specifically on the impact of climate change on the agricultural sector. The report highlighted the particular sensitivity of the sector to climate variability due to its reliance on rain-fed agriculture. It concluded that climate change is in danger of increasing the number of Africans at risk of hunger due to declining crop yields linked to extreme climate fluctuation. The report also recommended next steps for G8/OECD and African governments, including enhanced support for early warning systems, climate-resilient technologies, insurance schemes, and better adapted food distribution systems.

key links:

www.agri-outlook.org

www.oecd.org/swac/foodsecurity/recommendations

www.africapartnershipforum.org

1.4 Innovation

- The OECD Council, at its 2007 meeting at ministerial level, launched a major new initiative—the Innovation Strategy. It involves member and non-member economies in significant efforts to better understand the developing ecosystems of innovation in our globalising world and to better harness them to meet policy goals. The OECD will be actively reaching out to involve countries from all regions in this work, including Africa.

- The OECD Review of South Africa's Innovation Policy, conducted under the aegis of the Committee for Scientific and Technological Policy (CSTP)—of which South Africa has been an observer since 1998—was completed in mid-2007. The review was very well received by the South African government and it is therefore expected to have considerable impacts on policy. There have been positive spill-over effects of this review, as

the South African government has shared the results with countries in the Southern African Development (SADC) region. Other OECD work with South Africa has examined what works and what doesn't in three areas of innovation: (1) enhancing the capacity to absorb technology; (2) transferring technology; and (3) building knowledge networks. Recommendations have also had an impact on other countries in the region.

key links:

www.oecd.org/sti/innovation/reviews

2

PUBLIC FINANCE

TAX, BUDGET REFORM, PUBLIC DEBT MANAGEMENT

Governments need to be able to effectively manage public finances. The OECD is actively sharing its expertise with African partners in three key policy areas: taxation, budget reform and debt management.

2.1 Tax

- Domestic resource mobilisation based on taxation is the key to African countries raising the revenue needed to achieve the MDGs and improve governance through accountability between government and citizens. A major Africa-wide conference on tax, governance and capacity development was held in August 2008 in South Africa, bringing together Tax Commissioners and high level officials from 30 African countries, as well as donor countries and international organisations.
- The meeting issued the Pretoria Communiqué which set up a Steering Group of African

Commissioners to launch an African Tax Administration Forum. The Forum will act as a focal point for exchanging experiences on good practices, benchmarking performance improving co-operation between and setting the strategic direction for African Tax Administrations. The OECD and donor organisations will be assisting the African Commissioners in this initiative.

- The OECD has had tax programmes with Southern and East Africa since 1999, bringing together OECD and African officials to

share experience on tax policy and capacity building in tax administration. Policy dialogue focuses on issues of particular relevance to Africa including transfer pricing regimes, tax treaties, capital flight, auditing multinationals and assisting in tax reforms.

key links:

www.oecd.org/tax/globalrelations

2.2 Budget Reform

• Effective budget reform enables countries to maintain fiscal discipline, ensures that resources are allocated according to priorities and facilitates the efficient delivery of services to citizens. The OECD provided advice and assistance to the South African authorities in establishing the Collaborative African Budget Reform Initiative (CABRI). Inspired by and modelled on the OECD Senior Budget Officials Network, CABRI is a regional network of budget directors from Africa, meeting annually to promote transparent and comprehensive budgets and to exchange ideas. It is an Africa-wide initiative with 24 countries currently participating in the network.

• The OECD continues to support and participate in the network. In addition,

the OECD and CABRI are collaborating on extending the *2007 OECD Budget Practices and Procedures Survey* to Africa.

key links:

www.oecd.org/gov/budget

2.3 Public Debt Management

• Sound debt management allows African policymakers to develop local-currency bond markets, integrate into a worldwide network of debt managers, and to enhance awareness of advances in Africa among policymakers, investors and others outside the continent. The OECD is recognised for its leading role in public debt management and government bond markets, which are both critical areas for Africa;

• The first OECD regional workshop on African Debt Management and Bond Markets was held in South Africa in April 2007. The initiative came from regional participants themselves, and a workshop was organised jointly by the OECD and South African authorities. The second workshop was held in June 2008.

• In response to a request by the 2007 G8 Summit, the OECD has now intensified its efforts to share best practices with African debt managers, central bankers and other financial officials involved in public debt management through a range of projects and annual fora. The annual *OECD Forum on African Public Debt Management* shares experience on OECD best practices, and specific bond market development issues of particular relevance to Africa. As part of a G8 action plan for developing bond markets in emerging markets, the OECD has also launched a database of Africa central government debt using OECD methodology to produce reliable statistical data that can lead to comparative analysis and policy recommendations. The database will be published annually, together with a cross-country overview of African debt management practices and current development of African debt markets.

key links:

www.oecd.org/daf/publicdebtmanagement

www.publicdebtnet.org

3

FIGHTING CORRUPTION; CORPORATE AND PUBLIC GOVERNANCE

GOVERNANCE

Weak public institutions at the local, regional, and central level, weak public sector management, and corruption in the public and private sectors all restrain economic growth, trade, investment and job creation. The OECD produces internationally agreed instruments and principles to promote rules of the game in these areas, and it is actively working with African partners to promote these in Africa as well.

3.1 Fighting Corruption

- The OECD Convention on Combating Bribery of Officials in International Business Transactions (OECD Anti-Bribery Convention) has captured worldwide attention as the first global instrument to fight corruption in cross-border business deals. The OECD recently received the African Investor Award, in recognition of its central role in the fight against bribery.
- The OECD and the African Development Bank are developing a joint *Anti-Bribery and Business Integrity Initiative for Africa* to support inter-

ested African countries in strengthening their frameworks and practices to curb the bribery of African officials in business transactions.

- Working in partnership with other international organisations and key players in the region, the Initiative will focus on policy dialogue between all parties involved (governments, private sector, civil society and donors) and provide a mechanism to assess progress against international instruments, primarily the Anti-Bribery Convention and the UN Convention Against Corruption.
- The Anti-Bribery Convention was ratified by South Africa in June 2007—the first African country to do so. South Africa is now a member

of the OECD Working Group on Bribery, and will participate in the group's rigorous peer review programme for monitoring the implementation of the Convention.

key links:

www.oecd.org/corruption

www.oecd.org/daf/nocorruption/convention

www.oecd.org/gov/ethics

3.2 Public Governance and Regional Development

- The OECD-MENA Public Governance Programme aims to support governance reform processes in North Africa by creating a regional network of senior officials for policy dialogue and enhancing capacity for sustainable reform.
- The Partnership for Democratic Governance (PDG)—whose secretariat is housed at the OECD—aims to strengthen the ability of developing countries and emerging democracies to deliver essential public services and government functions. It will provide support to pilot countries in Africa, working with key players in the region such as the African Development Bank.

- OECD governance publications, standards and guidelines on good governance are discussed with and applied by African countries, including those on anti-corruption/integrity, human resource management, public financial management, regulatory reform, and administrative simplification.
- The OECD Territorial Development Policy Committee supports African countries with advice on ways to improve their regional development policies that target both competitiveness and equity objectives.
- Since 2004 the Sahel West Africa Club has been developing a partnership with ECOWAS for the dissemination and implementation of the regional Protocol on Democracy and Good Governance in West Africa.

key links:

www.oecd.org/mena/governance

www.oecd.org/governance

www.oecd.org/pdg

www.oecd.org/gov/regionaldevelopment

www.oecd.org/swac/conflict/instruments

3.3 Corporate Governance

- The importance of corporate governance in Africa is recognised by the fact that together

with economic and political governance, it is one of the three pillars of the African Peer Review Mechanism (APRM). In establishing the APRM, the African Union endorsed the OECD Principles of Corporate Governance as a relevant self-assessment benchmark.

- The OECD has launched a project with countries in southern Africa on the corporate governance of state-owned enterprises (SOEs), through the establishment of a southern African SOE network. This network held its first meeting in South Africa in May 2008, involving government officials, private sector representatives, and experts from other regions. The work programme involves case studies of good policy and practice, and sub-regional workshops to draw up proposals on how to improve the corporate governance of SOEs in the region.
 - The OECD also collaborates closely with other regional and international institutions working to develop better corporate governance in both the private sector and SOEs, including the Global Corporate Governance Forum, the World Bank, the International Finance Corporation and the African Union.
- key links:
- www.oecd.org/daf/corporate-affairs
- www.oecd.org/daf/corporate/principles
- www.oecd.org/daf/corporateaffairs/soe

4

SOCIETY

EDUCATION AND TRAINING, HEALTH, MIGRATION

The OECD helps shape not only economic policy, but also social policy in areas such as education and training, health and migration. These are all key to achieving sustainable economic growth and poverty reduction, and responding to the challenges of globalisation. The Organisation is working with African and international institutions to share its experience.

4.1 Education and Training

- Recent OECD work has focused on *Developing Vocational and Technical Skills*—which is the cross-cutting theme of the 2008 *African Economic Outlook* (AEO), a joint project of the African Development Bank, the OECD Development Centre, and since 2008, the United Nations Economic Commission for Africa.
- The OECD is carrying out a policy review of the South African education system and is also assisting the Association for the Development of Education in Africa (ADEA) in the launch

of a series of peer reviews of the educational system of sub-Saharan countries.

key links:

www.oecd.org/edu/nme

www.oecd.org/dev/aeo

4.2 Health

• In June 2007, the OECD, in collaboration with the government of the Netherlands, organised a *High-Level Forum on Medicines for Neglected and Emerging Infectious Diseases: Policy Coherence to Enhance their Availability*. The Forum brought together over 200 high-level participants from OECD and developing countries, industry, researchers, academics, philanthropic foundations, and international and non-governmental organisations.

• Participants discussed how to overcome the shortage of new treatments and preventive technologies necessary to combat these diseases, and build a coherent open agenda for action that would stimulate innovation and radically accelerate the development and delivery of medicines, vaccines and diagnostics for neglected and emerging infectious diseases that disproportionately affect developing countries.

• The result of the High-Level Forum is the Noordwijk Medicines Agenda (NMA) which represents a general agreement of participants about the problems, goals and actions that need to be carried out in order to improve the availability of medicines for neglected and infectious diseases.

key links:

www.oecd.org/sti/biotechnology/nma

4.3 Migration

• The OECD's work shows the manifold linkages between migration and development. It highlights the ways in which all actors involved, including migrant-sending countries in Africa, would benefit from greater coherence between migration and development policies.

• The OECD has undertaken analyses of the international mobility of health workers, containing new evidence on the scope and impact of this on African countries. This work will continue, in order to identify possible measures to better share the benefits and reduce the risks of this mobility, and will possibly be extended to additional African countries.

• The OECD is also working more broadly on *Managing Labour Migration to Support Economic Growth*, and specifically on the issue of return migration, and the mobilisation of diasporas to contribute to the development of their countries of origin. This work on return migration has included several African country case studies (drawn from both North and West Africa). The OECD will be organising an international conference on this issue in Milan on 2-3 October 2008, with the support of the Italian authorities.

• The OECD has also undertaken specific work on migration dynamics and national migration policies in West Africa, and has supported the Economic Community of West African States (ECOWAS) in the development of a common West African approach on migration.

key links:

www.oecd.org/dev/migration

www.oecd.org/els/migration/imo

www.oecd.org/swac/migration

5

CLIMATE CHANGE

MEETING THE CHALLENGES

Climate change is a major global challenge. It is testing our capacity for co-operation and our creativity as policymakers. The OECD has been working on the economics of climate change for many years. It stands ready to support policymakers in Africa—which contributes least to the problem but which is most affected—in identifying challenges and developing and implementing the policy responses required.

5.1 Climate Change

- Climate change and its related challenges have been a major focus of the OECD's work in 2008, with the publication of *Environmental Outlook to 2030* in March, and discussion on the economics of climate change at the Ministerial Council Meeting in June 2008.
- It had already been identified as a key issue for Africa at the joint meeting of Environment and Development Ministers in April 2006,

where leaders endorsed a *Framework for Common Action around Shared Goals* and a *Declaration on Integrating Climate Change Adaptation into Development Co-operation*. This was followed by a *Statement of Progress on Integrating Climate Change Adaptation into Development Co-operation*, which was adopted by the members of the OECD Development Assistance Committee at their High Level Meeting in May 2008.

- As a follow-up to this meeting, task teams from environment and development ministries and agencies, and developing country partners have been working on integrating climate change adaptation into development co-operation, governance and capacity development for natural resource and environmental management, and sustainable financing to ensure affordable access to water supply and sanitation. A *Policy Guidance* is currently being developed on ways to integrate climate change adaptation into donor activities as well as into national, sectorial, and local planning processes. This *Guidance*, scheduled for completion in early 2009, should be of considerable relevance to decision-makers in Africa, as well as to international donors.
- Work is also underway on assessing the cost and benefits of adaptation—of direct relevance to African countries which are particularly vulnerable to the effects of climate change. A report from this work, *Economic Aspects of Adaptation to Climate Change: Costs, Benefits and Policy Instruments*, has now been published.
- Other recent work has included a comprehensive analysis of the impact of climate change in Africa on different sectors such as water; coastal zones/port cities; energy;

agriculture, forests and fisheries; health, and peace and stability, plus a review of financing mechanisms—now being followed up by a more detailed study on carbon finance, which is jointly managed by the OECD and partner African institutions.

- Climate change, its impact on Africa, and appropriate policy responses from G8/OECD and African governments to adapt to these effects was a major focus for the last report presented to the 10th Meeting of the Africa Partnership Forum, held in Tokyo in April 2008. The report examined the consequences of climate change on four sectors—water, energy, agriculture, health—as well as its impact on peace and security in Africa and financing and financial mechanisms.

key links:

www.oecd.org/env/cc

www.oecd.org/swac/atlas

www.oecd.org/dac

www.africapartnershipforum.org

6

SURVEYS AND STATISTICS

The OECD publishes biannual Economic Outlooks with analysis and projections for major world economies, plus almost yearly economic surveys of each member country, and of selected non-members. It is one of the world's largest and most reliable sources of comparative statistical, economic and social data, with databases spanning areas as diverse as national accounts, economic indicators, trade, employment, migration, education, energy, health and development assistance.

6.1 Economic Surveys

- *The African Economic Outlook (AEO) is a joint exercise of the African Development Bank (AfDB), the OECD Development Centre and, since 2008, the United Nations Economic Commission for Africa. Its purpose is to provide comparative data and analysis on Africa's economic, political and social trends, largely based on original macro-economic forecasts, and to help identify successful policies. It now covers 35 economies, together accounting for 87% of Africa's population and 95% of its economic*

output. The OECD will continue to be a partner in future editions of the AEO, though with lead responsibility for coordinating the project being gradually transferred to the AfDB.

- The OECD has recently undertaken a first economic survey of South Africa, which in 2007 became one of five major emerging economies to enter into Enhanced Engagement with the OECD. South Africa is important in the region not only as the predominant economic power but as an economic and political model

for other sub-Saharan African countries. The OECD report, an Economic Assessment of South Africa, which is being launched by the Secretary General in South Africa in July 2008, assesses the country's national development strategy and looks in detail at two salient problems: extreme unemployment, and weak competition in product markets. It is expected that full regular OECD Economic Surveys of South Africa will henceforth be conducted as is already being done for other major non-member countries such as Brazil, China, India, and Russia.

- In addition, as from the autumn of 2008, the *OECD Economic Outlook* will include a country note on South Africa, with analysis of recent economic developments and current policy issues, together with projections for main economic indicators.

key links:

www.oecd.org/dev/aeo

www.oecd.org/southafrica

6.2 Statistics

- The OECD is host to the Partnership in Statistics for Development in the 21st Century (PARIS 21)—which provides support for Afri-

can countries in the development of their statistical capacity—with its assistance centred on helping countries design, implement and monitor national strategies. Activities include methodological guidance on the design and implementation of strategies, and the facilitation of coordination with international partners on resource mobilisation. PARIS 21 also provides support for the mainstreaming of statistics into high-level policy discussions, and conducts annual surveys of technical and financial support to statistics in all developing countries.

- The OECD is also actively engaged in the follow up in Africa to the *Second World Forum on Statistics, Knowledge and Policy*, held in 2007. The OECD and the African Development Bank have been discussing how best to bring together the global project on measuring the progress of societies (hosted by the OECD) and African Development Bank initiative to consider development towards 2050. This will be discussed further at the African Economic Conference in Tunis in November 2008.

key links:

www.paris21.org

www.oecd.org/progress

7

DEVELOPMENT CO-OPERATION

Within the OECD, the Development Assistance Committee (DAC) has an established and central role on key issues of development co-operation. These include the monitoring of aid flows, the promotion of improvements in development effectiveness, the conduct of peer reviews of donor agencies, and the development of policy frameworks and guidance on specific issues.

7.1 Monitoring Aid Flows to Africa

- As part of its core task of providing comparable and reliable statistical data, the OECD publishes detailed statistics and analysis of aid flows both to Africa, and globally.
- These are presented in the form of charts and comparative tables, highlighting specific features and main trends in aid delivery to Africa. Two separate sections refer to aid donors (main bilateral and multilateral donors) and aid recipients (main recipients in recent years). A third section focuses on the sector allocation of

aid. It presents detailed data on aid to education, health, and water supply and sanitation, as well as more general data on other sectors.

7.2 Improving Development Effectiveness

- The OECD Development Assistance Committee's (DAC) Working Party on Aid Effectiveness has become the international partnership of donors and partner countries working on making aid more effective in order to improve

its impact on poverty reduction. The Working Party has widened its membership to include 23 developing countries, including 12 African countries, which are actively involved in promoting, facilitating and monitoring the Paris Declaration on Aid Effectiveness, endorsed by over 100 countries (including 34 African countries).

- The OECD took a leading role in organising the Third High Level Forum on Aid Effectiveness, held in Ghana in September 2008, which brought together a broad alliance of development partners from developing and donor countries, emerging economies, UN and multilateral institutions, global funds and civil society organisations. Participants at the High Level meeting endorsed the Accra Agenda for Action (AAA), a set of measures to accelerate progress towards the Paris Declaration commitments on aid effectiveness. Under the AAA, developing countries have committed to take control of their own futures, donors to co-ordinate better amongst themselves, and both parties to the Agenda have pledged to account to each other and their citizens.

- Peer review lies at the heart of the OECD's working methods—and is applied in development assistance as in other areas. Peer review examiners include field visits to partner countries—the majority in Africa—in their assessment of aid agency performance. These visits

help to assess the effectiveness of individual donor agencies in their field operations. They also help the OECD to stay abreast of how partner countries assess donor practices at field level.

7.3 Developing Policy Frameworks

In addition to the work above, the OECD is also engaged in policy analysis and dialogue on key development issues. Some specific examples include:

- Dialogue on Security System Reform (SSR)—leading to the development of a Handbook commended by the 2007 G8 Summit as an important instrument with which to tackle the challenges of insecurity and development in Africa, and now being followed up by in-country consultations and practical training courses.

- Dialogue on How to Improve Engagement in Fragile States, leading to agreement on a set of Principles for Good International Engagements in Fragile States and Situations, intended to help international actors engage constructively in countries with weak governance and conflict. The OECD is also collaborating with the African Development Bank and the African Union on the organisation of a regional conference on state building in fragile states, and in addition monitors resource flows to fragile states.

- In West Africa, the Sahel and West Africa Club (SWAC)/OECD is collaborating with ECOWAS, in the framework of the Regional Working Group on Post-Conflict.

- In June 2008, a regional policy elaboration process on post-conflict and development was jointly launched in Cote d'Ivoire with the 15 ECOWAS member states as participants.

- The OECD has developed a set of Principles for Donor Action in Anti-Corruption, to further efforts to fight corruption and give a basic understanding of how donors can improve their coordination and dialogue with partner countries. A study was conducted in 10 countries to check that the principles reflect best practice.

- The OECD is developing an analytical toolbox to improve design and implementation of Aid-for-Trade programmes, with a focus on Least Developed Countries, most of which are in Africa. It has established jointly with the World Trade Organisation a monitoring system on Aid-for-Trade to improve its effectiveness. The first results were presented at the first WTO Aid-for-Trade Review in November 2007. Further work is being done to monitor progress in the delivery of resources, evaluate effectiveness, and develop and disseminate best practice.

key links:

www.oecd.org/dac

www.oecd.org/swac

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