5. The maintenance of an environment of peace and security is one of Africa’s foremost challenges, as violent conflict remains a major obstacle to development in several parts of the continent. Apart from its costs in human and material terms, conflict disrupts production, damages infrastructure and prevents the reliable delivery of social services. In addition to the imperative of ensuring peace and security, there are four major challenges that are to be addressed, namely:

(a) Achieving the Millennium Development Goals (MDGs): Strategies to Promote Growth and Reduce Poverty: Africa is the region with the highest proportion of people living on less than one dollar a day and the only one in which poverty has risen in absolute and relative terms since 1980. Its major challenge therefore is to reduce the high incidence of poverty in the continent, which is also one of the key MDGs. To achieve the MDGs, African countries need to build and pursue strategies to promote sustainable growth with equity, with a special emphasis on accelerating the empowerment of women and addressing gender inequalities.

(b) Integrating for Development: Regional integration is necessary to overcome the limitations of Africa’s small and fragmented economies and also to give the continent a greater voice in the management of international economic processes. In spite of the emphasis placed on it by African leaders, and long-standing commitments, the process of regional integration has been slow and, therefore, remains a major challenge for Africa.

(c) Benefiting from Globalization: Globalization has wrought changes in the functioning of the international economic system and poses major challenges for African countries, which continue to be marginalized from its benefits. It is important therefore to understand the implications of the process of globalization for African development and also to articulate viable policy responses in this regard.

(d) Strengthening Institutions and Capacity Development: African countries face challenges related to the creation of capable States, strengthening of institutions, as well as the institutionalization and improved governance of the development process. The NEPAD framework recognizes the important role of institutions in the development process and the African Peer Review Mechanism is geared to enabling African countries learn from the best practices of their peers and obtain a candid assessment of their own performance.