

INTEGRATING AFRICA



Abdoulie Janneh

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Integrating Africa



Economic Commission for Africa

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foreword

By Jean Ping, Chairperson of the African Union Commission

I am pleased to write the foreword for this compendium of the statements and speeches delivered by my friend and colleague, Mr. Abdoulie Janneh who has a passionate, dynamic and optimistic vision for Africa anchored on his firm belief our continent can play a major role in global affairs through the example of our shared values and as a key contributor to global prosperity. He has accordingly used his tenure as Executive Secretary of the Economic Commission for Africa to drive this agenda in an innovative and all-bracing manner.

ECA's strategic orientation under Abdoulie Janneh's leadership has focused on promoting regional integration but it also meant assisting Africa to achieve its special needs by restoring neglected or previously dismantled programmes, deepening of work in existing areas of continuing relevance, tackling emerging development challenges that are of particular importance to Africa and building partnerships in this regard.

Mr. Janneh has consistently laid out a vision for Africa to become one strong, robust, diversified and resilient economy, supported by a first-class trans-boundary infrastructure and a highly skilled, flexible and fully employed workforce living in conditions of political stability. His position is that such progress requires continuous debate, shared values, deepening of transboundary cooperation and strengthening of the institutions of integration. This perspective and his keen pan-Africanism underpin his strong commitment to nurturing and sustaining the strong partnership between ECA and the African Union and other key actors in the continental landscape such as the African Development Bank and the Regional Economic Communities.

In 2005, when Mr. Janneh arrived at ECA, there was growing concern about the absence of critical capacities in the continent in key areas of development and more over the regional dimension of development was often overlooked. Under his leadership, ECA set about to strengthen its work in this area by enhancing the role of its Sub-Regional Offices and deepening their relationship with their respective RECs including through the adoption of Multi-Year Programmes (MYPs). Similarly, ECA

had stopped working in a meaningful way on key activities relating to planning and statistics due to the then dominant world view of the 'Washington Consensus' whose adherents had dismantled planning frameworks and felt that there was no need for Africa to generate its own statistics.

Indeed, with regard to statistics, several African and partner countries tasked him to restore statistics and statistical development to the centre of ECA concerns which he did through the establishment of the African Centre for Statistics (ACS), which is already making its presence felt across the continent. Although a number of African countries had already restored planning frameworks of their own after getting limited results from market fundamentalist policies, the global economic and financial crisis accelerated country demands for assistance from ECA for restoring planning frameworks and this is where Mr. Janneh's efforts to revamp the African Institute for Economic Development (IDEP) began to pay off with IDEP now playing an active role in re-building the required national and regional capacities for planning.

As the themes of this compilation of Mr. Janneh's speeches and statements show, his tenure has also been devoted to deepening ECA's knowledge activities across its core programmes in leading sectors like AU's NEPAD programme, gender, food security, sustainable development, trade, ICTs, economic development, finance and governance. Most critically, however, ECA's flagship publications like the Economic Report on Africa, the African Governance Report, the report on Assessing Regional Integration in Africa, which have set an enviable standard for discourse and debate on key aspects of continental development are now being co-published with the African Union Commission. as well as a basis for tracking progress on sectoral dimensions of development. Equally significant have been ECA's technical contributions to the African Peer Review Mechanism (APRM) and the continental tracking and monitoring of progress being made towards achieving the Millennium Development Goals.

While regional and sub-regional efforts will continue to be paramount in tackling Africa's developmental needs, it is also important to bear in mind that all such efforts are framed by the norms, rules, opportunities and constraints of the prevailing international environment. It is therefore not surprising that under Mr. Janneh's watch, ECA has developed a niche in providing technical backstopping for African negotiators in

global forums including climate change, environment and trade. Beyond negotiations, African countries and their RECS also need to develop the capacity to implement agreements and utilize opportunities arising from global negotiations thus the strengthening of the African Trade Policy Centre and establishment of a wholly new African Climate Policy Centre which now assists ECA member States in the process of adapting to climate change. Progress in the modern era continues to be driven by science, technology and innovation which is why Mr. Janneh launched and promoted the Science with Africa agenda to which the AUC, AfDB and other partners are closely associated.

This compilation of speeches also clearly capture and convey Mr. Janneh's vision for placing Africa's development prospects on fast-track through the instrumentality of partnerships and we are already beginning to see the results of efforts made in this regard. He has contributed in no small measure to making UN work in Africa more coherent and productive through the revitalization of the Regional Coordination Mechanism for Africa (RCM-Africa). He has also engaged bilateral partners in support of the strategic objectives of AU-ECA-AfDB as manifested by the successful establishment and functioning of the Strategic Partners Dialogue. Indeed, Abdoulie played a major part in helping to ensure the establishment of the AU-AfDB-ECA Joint Secretariat Support Office which is now up and running and we also owe him special thanks for the effort to conceptualize and get the Coalition for Dialogue on Africa, off the ground.

It therefore gives me great pleasure to commend this compendium of Abdoulie Janneh's speeches and statements to African leaders, its policymakers and people, Africa's partners and indeed the general reading public for a better understanding of Africa's development problematic, efforts made to address it and across the board information about the current conditions in the continent.

A handwritten signature in black ink, appearing to read 'Jean Ping', with a long horizontal stroke underneath.

Jean Ping
Chairperson, African Union Commission

Preface

In November 2005, I was appointed Under Secretary-General and Executive Secretary of the Economic Commission for Africa (ECA) by Mr. Kofi Annan, Secretary-General of the United Nations, just after completing a six-year term as the UNDP Regional Director for Africa.

My arrival at the ECA coincided with three significant developments: First, a high-level body had just been set up to make recommendations on improving the UN, in the context of *One UN*. Secondly, this was a period of steady economic growth and progress for African countries due, in part, to broad improvement in macro-economic policies and good governance. Thirdly, the African Union had committed more vigorously to regional integration as a critical way for African countries to achieve sustainable, broad-based development.

I therefore spent part of my time at ECA engaged with the task of re-orienting the Commission to confirm the relevance of its role and restructuring it to better reflect the priorities of the African Union and, in particular, to accompany the integration vision of its African member States. This task was made easy with the help of some highly dedicated, knowledgeable and committed ECA professionals with whom I bounced ideas on how best to respond to Africa's most pressing development challenges--- food insecurity, achieving pro-poor growth, increasing intra-Africa trade, attaining regional integration, reducing fragmentation through partnerships, dealing with the financial crisis and responding to Africa's special needs, which include the impact of climate change, leveraging ICT and science for development and promoting gender equality and women empowerment.

This book is a compilation of some of the policy statements I made between 2006 and 2012 on various development issues as they affect Africa. I thank African leaders who gave me the opportunity to share my views and reflections at their high-level forums, especially at the African Union Summits of Heads of States. I also thank them for their confidence in the quality of ECA's analytical work and for supporting the Commis-

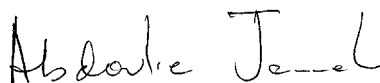
sion's recommendations on various development and economic issues with appropriate policy decisions.

The statements benefited from the rich discussions and exchanges I had with many people, including the leadership of the African Union Commission, especially former President Alpha Konare, Dr. Jean Ping and Maxwell Mkwezalamba, Commissioner for Economic Affairs. I also gained from my various discussions with Donald Kaberuka, President of the African Development Bank, Pascal Lamy Director-General of the World Trade Organization, and Dr. Ibrahim Mayaki, CEO of the NEPAD Agency. Special thanks go to two individuals from whose collaboration and support I greatly benefited, namely Mr Mo Ibrahim, Chair of the Mo Ibrahim Foundation and Mr. Anil Sood, former Vice-President of the World Bank.

ECA witnessed a substantial increase in partnerships during my tenure and I wish to take this opportunity to thank the bilateral partners, multilateral institutions and civil society organizations that worked alongside us in the exciting and engaging task of improving Africa's long-term prospects.

I received support, critical feedback, and contributions in the preparations of my statements from many ECA colleagues over the years, for which I am grateful. I thank them for their dedication and sense of duty in promoting Africa's development agenda. With regard to the publication of this book I wish in particular to acknowledge the contribution of Adeyemi Dipeolu, my Chief of Staff and Adeyinka Adeyemi, Senior Regional Advisor on NEPAD who helped to put it together.

Lastly, since the ultimate goal of all knowledge, ideas and policy is the improvement of livelihoods, I hope that this book contributes to energizing the ongoing debate on the challenges facing Africa and clarifies workable responses towards achieving regional integration on the continent. Moreover, I expect that researchers, policy enthusiasts, bureaucrats and diplomats who daily engage in development work will find the reflections in this book useful and illuminating.



Abdoulie Jannet
Addis Ababa, March 2012

Part One

ON THE AFRICA POLICY AGENDA

Introduction

On account of the weight of his office, any statement delivered by the Executive Secretary of the ECA, in his official capacity, is an important one. Such a statement is a significant policy document because it is always the product of long institutional hours of research, consultation, reflection and planning, backed by the weight and insight of the United Nations.

The Commission's dual profile as the Africa regional arm of the UN and—along with the African Union (AU) and African Development Bank (AfDB)—as one of the key continental institutions, has since its establishment in 1958 invested it with prominence in the advocacy and support of African development issues.

This role has been further boosted in recent times by the agenda of the African Union's New Partnership for Africa's Development (NEPAD), the strong support of the international community through the Millennium Development Goals (MDGs) and other frameworks, and the strategic repositioning by the Commission to enable it best support the development aspirations and efforts of African nations.

This emerging profile has conferred on ECA a growing responsibility and authority in advancing the Africa development agenda, and on the Executive Secretary an even more powerful voice wherever he spoke. As the United Nations, in its reform process, has sought more

ways to assist Africa's development, ECA has further grown in stature and spoken out with increasing involvement.

Nowhere is the voice of the Executive Secretary clearer or his passion and advocacy more eloquent than at the meetings of the Executive Council of the African Union Commission, the Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance, and the ECA Conference of African Ministers of Finance, Planning and Economic Development. That is why this segment of this book is unique: it features all the speeches he has given at these meetings since he assumed office in 2006, rather than just a selection of them.

This reflects the importance of the meetings of the Executive Council of the African Union Commission not only as an opportunity to review progress and issues, but also as an agenda-setting forum in which the most significant issues and the way forward are considered.

The statements here reflect the concern of the Executive Secretary about the most important issues that confront African countries, to which he returns with unflagging enthusiasm at the annual meetings. These include regional integration, continental unity, peace and security, MDGs, NEPAD, good governance, education, infrastructure, agriculture, financing for development, capacity-building, climate change, trade, technology, transportation, and the economic and financial crisis.

These interventions vary from progress reviews to programme previews. As a development activist, his voice ranges from that of a supporter bringing good news, supplies and suggestions to that of a cheerleader urging greater effort, ideas and energy. Overall, the statements show an increasingly dynamic ECA working in step with AU and AfDB in an effort to ensure that African countries receive the full support of the United Nations that they need to achieve their objectives.

Strengthening peace and security for the success of Africa's development challenges

*Addis Ababa, Ethiopia
25 January 2007*

African economies continue to sustain the growth momentum, which has built up in recent years. In 2006, the overall real gross domestic product (GDP) growth rate accelerated from 5.2 per cent recorded in 2005 to 5.7 per cent. This momentum continues to be underpinned by two main factors: the improvement in macroeconomic management in many countries; and the strong global demand for key African export commodities, which resulted in high export prices, especially for crude oil, metals and minerals. It is expected that growth in 2007 will continue on this same path to reach around 5.8 per cent.

However, despite this trend in economic growth, evidence shows that Africa is unlikely to meet the Millennium Development Goals (MDGs) by 2015 unless new and vigorous approaches are adopted.

The challenges that Africa faces are many and often vary from country to country. However, in the context of globalisation, there is no doubt that we all must tackle the issues of peace and security; trade; particularly the promotion of intra-Africa trade; the rational and fair utilisation of Africa's natural resources; the provision of an adequate infrastructure to enable growth; and the empowerment of women and youth so that we can fully utilise the wealth of the talent that abounds in the continent. This is why the UN family is fully commit-

ted to strong collaboration with the AU, in these areas among others, to ensure that we move the African development agenda forward.

More specifically, on trade, I had the opportunity to discuss the stalled Doha Round of trade talks with Mr. Pascal Lamy, Director-General of the World Trade Organization (WTO). We agreed on the need for a speedy resumption of the talks as Africa stands to gain the most from the achievement of a fair and equitable global trading system.

We are all in agreement that peace and security is a *sine qua non* for Africa's development challenges to be successfully dealt with. In this regard, let us congratulate the African Union for its constant and credible engagement in this area and for the successes that have been achieved with regard to overcoming some of the intractable conflicts that bedeviled the continent.

The task before us is multifaceted and we must use a variety of tools to address it comprehensively. Without a doubt, science and technology, the theme chosen for your Summit is a vital element in the toolkit for accelerating Africa's development. The world has witnessed how advances in this innovative field have been perhaps the most forceful and enduring drivers of economic growth and development. Much evidence shows that there is a strong correlation between a country's scientific and technological status and its economic performance and wealth. This is as true for Africa as it is and has been for other parts of the world.

It is therefore clear that for Africa to accelerate its development and achieve the MDGs, African countries have to scale-up their investments in science and technology. And, for this very reason, NEPAD has made science and technology a priority sector for the advancement of the continental agenda.

In order to build Africa's scientific and technological development framework we have to overcome a number of challenges. First, in many African countries the link between the scientific community and the political institutions are very weak and science and technology policies continue to be outdated. Second, despite the long time that has elapsed since the adoption of the Lagos Plan of Action, which called for African countries to allocate at least 1 per cent of

their GDP to research and development (R&D), many of our countries devote considerably lower funding to R&D. This impinges on many areas of development, particularly the continent's ability to achieve and sustain food security. Third, the quality of our science and engineering education is on the decline, in part due to the absence of physical infrastructure and equipment. These factors have limited Africa's capacity to develop, adapt and exploit science, technology and innovative solutions that will accelerate its economic and social progress.

Despite the tremendous challenges, there is still hope if Africa could take advantage of its great potential. This would require undertaking a major Science and Technology Capacity Building Initiative to generate, revamp and deploy large numbers of scientists, engineers and technicians; establishing strong linkages between technology-based industry, academia and government needs so that technologies appropriate to national needs are developed; and promoting public-private-partnerships in modern science and technology research.

Since the Banjul Summit, substantial progress has been made with regard to AU-UN cooperation. Following wide-ranging consultations, the UN Secretary-General and the Chairperson of the AU Commission signed a declaration on "Enhancing UN-AU Cooperation" in November 2006. The Declaration is the framework for the evolving UN Ten-Year Capacity Building Programme for the African Union and an expression of the common commitment of both institutions to work together on issues of peace and security, human rights, post-conflict reconstruction and regional integration.

As the framework for UN system-wide support to the capacity building efforts of the African Union Commission and the regional economic communities, the Declaration also provides room for cooperation in the area of science and technology.

You will recall that the Banjul Summit stressed the importance of effective management and coordination of UN activities in Africa as an integral part of UN system-wide support to the continent. Since then, and in response to the demands of the new UN-AU cooperation framework, the UN has taken steps to revamp its regional consultation mechanism of UN agencies working in Africa. The regional consultation mechanism, which is coordinated by ECA, has now been

expanded to include the African Union Commission as well as UN Headquarters departments dealing with political affairs and peacekeeping operations.

At the 7th meeting of the Regional Consultation Meeting (RCM) in November 2006, it was decided to expand the focus of the regional consultation mechanism to include UN support to AU in addition to its NEPAD programme. Another significant feature of that meeting was the creation of two new clusters, namely: peace and security and industry, trade and market access. As coordinator of the regional consultation mechanism and secretariat for the various clusters, ECA will actively monitor and report on its activities.

The cluster for peace and security is co-chaired by UN Department of Political Affairs (DPA) and the AU Commission. We are pleased by the steps that are being put in place to bring coherence in this area, as peace and security issues are to receive a very special focus, as we implement the Ten-Year Capacity Building Programme for the AU.

African Union, African Development Bank and Economic Commission for Africa are upscaling cooperation and collaboration to coordinate African development strategies and programmes in a consistent manner. At the same time, we continue to place due emphasis on defining, articulating and strengthening Africa's position on relevant development issues.

In Banjul, the repositioning of ECA, to better support regional integration in Africa and help the continent achieve the Millennium Development Goals, was endorsed and we have since continued to move on with determination. An ECA business plan for the period 2007 to 2009 was developed as a comprehensive programme of action to scale-up ECA's support to implementation of the development priorities of AU and its NEPAD programme. Further, the United Nations General Assembly approved an action plan to strengthen our sub-regional offices so that we work more closely and better serve the different regional economic communities in Africa.

We are counting on your support for the scaling up of the efforts of the UN family to help advance the bold agenda of the African Union. We therefore look forward to this Summit's endorsement of the comprehensive partnership framework, which has been agreed between the AU Commission and the UN.

Achieving the Millennium Development Goals in a challenging environment

*ECA Conference of Ministers of Finance,
Planning and Economic Development
Twenty-sixth meeting of the Committee
of Experts*

*Addis Ababa, Ethiopia
29 March 2007*

In keeping with the spirit of renewed and close partnership, ECA worked closely with the African Union Commission to organise this Twenty-Sixth Meeting of the Committee of Experts of the Commission. The African Development Bank also continues to partner closely with ECA and the AU Commission to support African countries in their development journey. I would also like to recognise the presence of the United Nations Development Programme (UNDP) and to thank them for partnering with us on this and other activities. Finally, I would like to recognise the presence of representatives of UN agencies who will be participating actively in our deliberations.

In this regard, you will be pleased to know that the UN community continues to work closely with the African Union Commission, especially within the context of the Regional Consultative Mechanism. Last November, UN and AUC signed a Memorandum of Understanding (MoU) to guide and enhance support to the region over the next several years. We are excited by this and expect that the MoU will result in a substantial increase in the level and scope of our support to Africa.

Meetings of the Committee of Experts serve as a primary platform for in-depth discussion of the pressing challenges to Africa's development and consideration of the options before our countries. Your contribution to the development of our continent is evident in the

positive changes that have resulted from recommendations of your meetings of years past. Without your active participation, this Conference cannot fulfill its purpose.

Last year, in Ouagadougou, I apprised you of my efforts to reposition ECA so that it may more effectively accompany our countries on their development journey. Since then, we have moved a long way to actualise the new vision for ECA. We prepared the bold, ambitious and comprehensive ECA Business Plan 2007-2009. The Business Plan was launched at the fifth session of the African Development Forum (ADF V) – which took place here in Addis Ababa last November – by the Secretary-General of the United Nations, supported by the Chairperson of the African Union Commission and the President of the African Development Bank. It is based on the two pillars of ECA's work: promoting regional integration in Africa and meeting the continent's special needs, including supporting the development priorities of NEPAD.

The Business Plan was also endorsed by the January 2007 Summit of the African Union Assembly of Heads of State and Government. We therefore have broad political support for the changes that we have been introducing in order to make ECA a nimble and versatile institution.

It has become quite clear to us at ECA that achieving the MDGs continues to present an especially difficult policy challenge for Member States. In general, economic conditions in our region have been improving persistently in the past seven years; this is cheering news, but progress towards these goals remains slow.

The issue is not that progress is not being made; it is that the rate of progress is low. With just about eight years left to 2015 and so much to do, it has become imperative that our region must speedily scale up its MDGs efforts. Member States need to scale up, Africa's development partners need to scale up, and ECA must scale up its assistance to Member States on MDG planning, reporting, monitoring and evaluation because there is tremendous scope for us to really add value to what countries are doing. This is critical, especially in the context of the resolution of the 2005 World Summit, that countries with extreme poverty adopt by 2006 and begin to "implement comprehensive national development strategies to meet the inter-

national agreed development goals, including the Millennium Development Goals.”

Since the adoption in the Millennium Declaration in 2000, we have striven to place MDGs at the centre of the development debate in Africa. The theme of the 2003 Conference was “Towards Greater Policy Coherence and Mutual Accountability for Development Effectiveness”. This was because we realised early on that without policy coherence and mutual accountability, international development cooperation fettered by high transaction costs and poor alignment, would not contribute its full potential to Africa’s progress towards the targets of 2015. In Abuja, in 2005, within the context of the preparation for the 2005 UN World Summit and Mid-Term Review of Progress towards the MDGs, we chose the theme “Achieving the Millennium Development Goals in Africa”.

We continue to focus on the MDGs because our analytical work shows that they remain a policy, operational and success challenge to our continent; we focus on them because you want us to. For example, the Ministerial Statement of the Abuja Conference stated, and I quote:

“It is now critically important that we review both the progress we have made and the obstacles we have encountered in order to learn the lessons and become more operational”.

In the period since Abuja, ECA has reviewed the progress that Member States have made and the obstacles that they have encountered. The first quick review suggested that jobless growth was an obstacle to achieving the MDGs in Africa, hence, the theme of “Employment” was chosen for the 2006 Conference. But further reviews suggested that indeed a piecemeal approach would not work, it was necessary for us to bring all the challenges – as we have identified them – together in order to underscore the imperative of simultaneous action on many fronts.

The central message of this Conference is that this continent must scale up ALL interventions in order to meet the MDGs by the target date. And it must do so now, drawing on both internal and external resources. Our challenge therefore is to understand how our continent can reach the goals by the target date; what our countries must do, individually and collectively, to achieve success. The whys have been

considerably analysed and we have a relatively good idea of what we need to do but it is in respect of the how it can be done that we have considerably fallen short.

The 2005 UN World Summit provided broad guidance in this regard. World leaders reaffirmed that “each country must take primary responsibility for its own development” and must “adopt and implement comprehensive national development strategies to achieve the internationally agreed development goals and objectives, including the Millennium Development Goals.” The technical challenge here is to define the appropriate mix of comprehensive development strategies for each of our countries. This is not easy. What we must do is to identify, ameliorate, and attenuate the binding constraints on action.

In other words, beyond the technical challenge of working out the mix of policies, costing the interventions, and the like, there is the challenge of understanding and concurrently putting in place measures to attenuate or mitigate the possible unintended adverse effects of scaling up. Let me illustrate what I mean with a simple example: Consider the scaling up of infrastructure – say roads – to improve access of the poor to social services and markets. Without a doubt a new or upgraded road to a food producing region can, by improving access to markets, raise incomes and help reduce poverty. However, there may be unintended consequences such as rural-urban migration, which would need to be addressed at the same time. There is thus a challenge to come up with innovative schemes to manage these tensions. We need to scale up, but in a manner that is not only inter-temporally sustainable but that also takes account of possible unintended consequences.

Scaling up public sector investments depends critically on scaling up financing. The Monterrey Consensus on Financing for Development provides a strong framework for mobilising resources to meet the MDGs. There has been some progress in this regard. Foreign direct investment to our region is going up; and the G8 Multilateral Debt Relief Initiative (MDRI) presents hope that the debt problem of many countries will soon be finally resolved. On the domestic front, countries are intensifying efforts to increase domestic resource mobilisation. Countries are beginning to manage revenues from their natural resources better. There is however a lot still to be done on trade.

The suspension of the Doha Round of trade negotiations is constraining the scope for trade to contribute to financing MDGs in Africa. I therefore hope for the speedy resuscitation of the Doha Round of trade negotiations and call on African negotiators to ensure that its essential character as a development round is not diluted. It is in this context that we should welcome the “aid-for-trade” initiative, which aims to help developing countries overcome their trade-related challenges. I feel that if properly harnessed, this initiative has the possibility of enhancing the contribution of trade to economic development in Africa.

In the “Annual Report on the Work of the Commission for 2007” and from the “Proposed Programme of Work and Priorities for the Biennium 2008-2009”, the structure of ECA has been redesigned to enable greater coherence and better focus on its core activities. In particular, we have created two new sub-programmes: Sub-programme 9 on Statistics and Sub-programme 10 on Social Development, to enhance our support to Member States in these areas. Statistics is a subject that requires our urgent attention. We need to commit the resources and scale up efforts to address the data problems in our region and your support is needed in the effort to improve statistics and statistical capacity in Africa. The sub-programme on social development will enable us to better address the second prong of ECA’s mandate, which is “to promote the social and economic development of Africa”.

We went even further and ensured that there are sections to address issues relating to the MDGs and poverty analysis, development financing, industry, science and technology and the environment. Recognizing that success on the priorities of NEPAD is essential for progress on the MDGs, we created a NEPAD Support Unit to coordinate our support to NEPAD and an APRM Support Unit, to provide similar assistance to the African Peer Review Mechanism (APRM).

Peer learning and knowledge sharing remain critical for success in our joint endeavour. ECA is therefore scaling up its peer learning and knowledge sharing initiatives. For example, consistent with the recommendation of the Cairo African Plenary on Poverty Reduction Strategies and the Millennium Declaration Goals, we are revitalising the African Learning Group on Poverty Reduction Strategy Papers (PRSP-LG), and expanding its warrant to include learning on

the MDGs. The newly re-energised sub-regional offices (SROs) will play an active role as operational arms of the Commission and as sub-regional hubs of ECA's peer learning and knowledge sharing initiatives. They will also work as privileged partners of the regional economic communities to advance the African development agenda at the sub-regional level. The General Assembly has supported the Secretary-General's Action Plan for the SROs and made additional resources available to them. The Business Plan also provides for even higher levels of support to these offices during the plan period.

We are also continuing to scale-up cooperation and collaboration with other Pan-African institutions, notably the African Union Commission and the African Development Bank. The second AUC Conference of Ministers of Economy and Finance (CAMEF II) recommended that the AUC and ECA should harmonise their conferences of ministers responsible for finance and economic development. This is a matter on which we would like the ministers to make a positive pronouncement. Our collaboration with the other sister pan-African institution, the African Development Bank, remains strong. Last September our two institutions held a retreat to discuss and agree on areas for joint and collaborative activities. The outcome of that meeting was an aide-memoire, the implementation of which has already commenced. In addition, ECA and ADB jointly organized the Big Table and will, as usual, collaborate on the Ministerial Roundtable and High Level Seminars at the Shanghai meetings of the AfDB.

We continue to strengthen our partnership with our UN system colleagues, notably the UNDP with which we signed Memorandum of Understanding last year. Both institutions are supporting MDG-based planning in member States.

These partnerships - and new ones that we hope to build and nurture in the coming months - have one thing in common: to enhance our ability as your institution to more effectively accompany our Member States in their development journey, including in their efforts to reach the MDGs by the target date.

I have touched on many of the issues. A number of them, including Aid-for-Trade, SROs, financing for development, and statistics would require resolutions from you. But there are other issues, including the African Institute for Economic Development and Planning (IDEP)

and statutory matters that we have brought before you for consideration and guidance.

On statutory matters, the proposed work programme and priorities of the Commission for 2008-2009 has been prepared on the basis of the new programme orientation as laid out in the Business Plan. The proposed work programme covers the ten sub-programmes that make up the new programme structure of the Commission.

Finally, it is proposed to streamline the inter-governmental machinery and align it with the new programme orientation. A key feature of this revised structure is the creation of new sectoral committees to guide the work of the sub-programmes as re-arranged and to elevate the meetings of the Inter-governmental Committee of Experts (ICE) – the governing body of our SROs – into sub-regional meetings of finance and planning ministers. It is proposed to organise these ICE meetings back-to-back with ministerial meetings of relevant RECs to optimise the use of time and resources.

The eminent Nigerian novelist, Chinua Achebe, in his book *Home and Exile*, tells the story of a little bird that flew off the ground and landed on an anthill. The little bird congratulated itself, believing that it had left the ground not knowing that the anthill was part of the ground. Let us not be like the little bird and its illusory flight. Scaling up must mean a positive demonstrable change in the lives of people. The Secretary-General's report - *In Larger Freedom* – submitted to the 2005 UN World Summit, encouraged countries to prepare national development strategies or PRSPs that are sufficiently bold and ambitious to reach the MDGs by the target date. Let me, with your permission, purloin the SG by saying that you must be bold and ambitious in discussing the Issues Paper to provide the best possible guidance to our ministers to enable them take the decisions necessary for our region to meet the targets. This is a challenge that I know and believe that we can successfully achieve.

Meeting Africa's new challenges in the 21st Century

*Joint Annual Meeting of the AU
Conference of Minister of Economy and
Finance and ECA Conference of African
Ministers of Finance, Planning and
Economic Development*

*Addis Ababa, Ethiopia
31 March 2008*

As you know, this Conference is a special one. It is the first time that a joint meeting is being held under the auspices of the African Union and Economic Commission for Africa, which apart from reducing the number of annual meetings to attend, will permit greater coordination of regional policy outcomes. Coming together at this time will also enable consultations and adoption of common positions prior to other key events, such as the spring meetings of the Bretton Woods Institutions, Board of Governors of the African Development Bank and the G8 Summit.

Although attaining fifty years is by itself a landmark worth commemorating, in the case of ECA I believe that we are celebrating solid achievements. Over the past fifty years, ECA has lived up to its mandate of promoting the economic and social development of Africa and also generated lasting ideas to underpin African development through its research, advocacy, technical cooperation and consensus building activities. ECA's proudest tradition is its independent thinking, which has informed your policy prescriptions over the years. Without a doubt, many ideas advocated here over the past half-century have become part of mainstream thinking, but our role in popularising them is often forgotten.

We have also promoted the establishment of institutions such as the African Development Bank, regional economic communities and regional Centres of Excellence; we are building up regional capacities in trade negotiations, statistics and information and communication technologies; we have fashioned useful policymaking tools such as the African Gender Development Index and the MDG Mapper; and we continue to provide technical backstopping for African initiatives such as NEPAD and APRM.

As we examine fifty years of development policy in Africa, we are compelled to address issues such as growth and employment, and the building of capable states. We also need to confront challenges of a global nature, such as HIV/AIDS, which is ravaging our fragile skills base, and climate change, which is damaging delicate eco-systems and affecting the livelihoods of millions of poor people. Urgent solutions are also required to tackle rising food and oil prices, which are breeding social tensions in several African countries and across the globe. Several key messages have emerged from ECA's work over the years, including the need for regional unity in tackling common challenges; the imperative of economic diversification; the case for African ownership of its development agenda; and the importance of striking the right balance in development policy and strategy.

The importance of African unity to meet global and regional challenges resonated at the first meeting of the Commission in 1958 and continues to find expression in the regional integration agenda of the continent. We should therefore move away from thinking about issues of growth and development solely in national terms. For instance, Africa needs to diversify its products and trade patterns if it is to sustain and increase its current growth rate of 5.8% and generate much needed employment for our people. Yet, intra-Africa trade remains very low and considerable obstacles remain in the way of economic transactions between our small, fragmented economies.

We have continuously espoused African ownership of its development agenda, an idea that found expression in the Lagos Plan of Action and is now embodied in the NEPAD programme. While the details of these landmark documents may differ, their message is the same: Africa's development must be underpinned by growth with

equity and social justice, reduction in poverty, greater opportunities for women and a brighter future for our children. In this regard, we must build capable states that derive their priorities from ownership and popular participation and that are able to mobilise societal resources behind common goals and aspirations.

A key lesson that has emerged in development policy is the importance of striking the right balance between different strategies and approaches. Instead of the sharp ideological debates of the past, there is now agreement on the need for a good balance between state and market. Similar thinking must also guide responses to short-term challenges and the requirements for long-term development. For instance, ECA had advocated since the early days of the debt crisis that the risk of moral hazard must be balanced by the need for investment and resumption of growth. Today, the world is confronted with high oil and food prices, which are a boon to producers but exact a high-toll on consumers. The challenge that we face then is how to ensure that these essential goods are affordable while not stifling the signaling role of prices for increased production.

We have examined the past and the present but we must also ponder the future. The need to look at Africa's future prospects takes on added urgency as we are meeting at a time of great uncertainty in the global economic outlook. We are also moving away from an intense period when nearly all development discourse was about Africa's prospects. At fifty, we in ECA feel that Africa must pause and reflect on whether our development trajectory is on the right path, as we also consider what will be Africa's future role in global economic terms.

In other words, is the positive story of growth in Africa a short-term occurrence or a long-term trend? Are we poised to make this the African century? What should Africa look like in the next fifty years? Are we harnessing regional resources to meet Africa's development priorities? These are questions that we must ask as we move ahead, so ECA intends during the course of our celebrations this year to provide an opportunity for African intellectuals and thinkers to address these issues in a meaningful manner.

As Africa's leading development forum, this joint conference has a unique opportunity to address the continent's challenges and proffer durable solutions. We must continue to put the building blocks in place to ensure that Africa's story in fifty years time is not one of marginalisation but one of a strong and diversified economy, supported by first-class infrastructure and institutions with a highly skilled and fully employed workforce living in peaceful conditions.

The Grand Debate on an African Union government

*Statement to the African Union
Executive Council
July 2007*

Africa is once again at the crossroads. The outcome of the Grand Debate will not only have ramifications for the institutional landscape of the continent but also implications for its future development. The debate also comes at a time of great international engagement about Africa and its development prospects. Instead of being marginalised, Africa is now firmly on the international agenda through its own initiatives, such as NEPAD as well as other international initiatives, like the outcome of the 2005 World Summit, in which global leaders pledged to support Africa in meeting its special needs.

We are also experiencing the best period of economic growth in Africa for a generation and the overall economic performance of Africa continues to improve strongly with a 5.6% growth rate in 2006. The 2007 Economic Report for Africa, which is published jointly by ECA and AUC, indicates that growth in the continent is expected to remain high over the next two years.

These factors are contributing to the positive spirit of ownership and self-belief which must perforce underpin the Grand Debate. It is quite gratifying therefore that the pan-African ideal that informed the successful drive for liberation and decolonisation of Africa is now informing deliberations on the political and economic integration of the continent. Of course, the desired union is not only of concern to

African States but also of interest to their people and it is gratifying that efforts have been made to ascertain the views and aspirations of the African people in the wider debate.

The Debate on an African Union Government is very important and timely and will enable Africa's leaders to share their vision for the future development of Africa. Whichever way the debate goes on institutional arrangements, modalities and timeframe for the union, the underlying essence of regional economic cooperation and integration for Africa's future will remain. As the oldest of the pan-African institutions with a mandate to support economic and social development of the continent, ECA welcomes the Grand Debate and stands ready to upscale its efforts in support of Africa's march to closer integration. We have consistently maintained that regional integration is imperative for Africa to meet its development challenges and to overcome the limitations of Africa's small, fragmented economies as well as giving it a greater say in the management of global economic processes. Indeed, closer integration reflects the aspirations of most Africans for the continent to become one strong, robust, diversified and resilient economy, supported by a first-class trans-boundary infrastructure and a highly skilled, flexible and fully employed workforce living in conditions of political stability. To achieve this desirable objective, Africa needs to act together to scale-up efforts to achieve the MDGs, address obstacles to improving trade and investment flows, tackle infrastructure related challenges, manage its natural resources and above all ensure conditions of peace and security for the African people.

The imperative of scaling up efforts and investments to achieve the MDGs was taken up at the Conference of African Ministers of Finance, Planning and Economic Development in April this year. On that occasion, the Finance Ministers deliberated on the theme - "Accelerating Africa's Growth and Development to meet the Millennium Development Goals: Emerging Challenges and the Way Forward." They agreed on the need for a massive scaling up of public and private sector investments if the continent is to achieve the MDGs aimed at eradicating poverty, promoting gender equality and meeting other education, health and environmental targets. Using regional integration as a means of accelerating the achievement of the MDGs is one way of ensuring the buy-in of the African people into this noble ideal.

Africa also needs to act as one in the area of trade, especially in negotiations at the WTO and the Economic Partnership Agreements with European Union. The objective in both negotiations should be to seek development outcomes that favour Africa. While there is visible evidence of increasingly strong collaboration between African countries and the regional groupings in these negotiations, there is still a need to do much more. At the end of the day, the clout and bargaining power that will enable favourable outcomes depend to a large extent on economic size as well as the offers being brought to the table. Increased intra-Africa trade is therefore necessary to enable the continent to take advantage of global trade opportunities. This would, in turn require overcoming the challenges that impede the flow of goods and services within the continent as well as the diversification of Africa's production structures.

Trade facilitation is closely tied to the need for affordable, efficient, and sustainable physical infrastructure to support economic activities and the provision of basic social services. Of particular importance in this regard is transport infrastructure such as roads, rail, air, and port services which need to be rehabilitated and expanded. Integration is also an important means of managing shared water resources, which have a vital role to play in the transport of goods and people. Moreover, Africa needs to develop energy infrastructure such as electricity grids and oil and gas pipelines that will facilitate cross-border energy supplies, thereby enhancing security and reliability of energy supply. Energy issues were addressed when African Finance and Energy Ministers came together with development partners at the Financing for Development Conference to deliberate on the mobilisation of financial resources to help meet Africa's energy needs.

Regional solutions are also important in the sustainable management of Africa's vast natural resources in areas such as governance, institutional capacity, ownership, and the environment. These issues were addressed at this year's Big Table, jointly organised by ECA and the African Development Bank in close collaboration with the African Union Commission. Several useful recommendations emanated from the frank and robust dialogue which is the hallmark of this forum, including suggestions that the African Peer Review Mechanism be expanded to include the governance of the natural resources sector and that natural resources management should be mainstreamed

into poverty reduction strategies. A peer-learning group on natural resources is to be established to promote knowledge sharing in this area.

In the final analysis, the successful integration of Africa must be underpinned by conditions of peace and security and there are positive signs that the continent has taken important steps in this regard. In addition to the positive and determined effort to evolve a peace and security architecture for the continent there is evidence of the increasing use of African Union structures and mechanisms for resolving conflicts and managing peace. However, more remains to be done, especially in places such as Darfur and Somalia, which require concerted action by the AU and its partners. There is need at the same time to help consolidate peace and security in countries emerging from conflict and taking a regional perspective can help mobilise international support for such efforts. The promotion of good governance lies in turn at the heart of ensuring peace and stability in Africa because it gives voice to marginalised communities and promotes fair access to resources and opportunities for development.

The United Nations system is well positioned to continue its support for Africa's regional integration agenda. For instance, its Regional Consultative Mechanism (RCM) of United Nations agencies working in support of the African Union agenda and NEPAD, which is convened by ECA, has now been expanded to include the AU. Moreover, it now consists of nine clusters, which enables coherence and close coordination in the delivery of UN support at the regional level. The two new clusters on peace and security and industry, trade and market access created last November have been inaugurated and have started work in earnest.

The commitment to integration in Africa is quite clear and the case for it was established a long time ago. The evidence abounds in the establishment of the African Union and the adoption of NEPAD. It also abounds in the various sectoral initiatives as well as the longstanding existence of regional economic communities. Accordingly, it is now time to move from ideas to action and from institutional architecture to actual mechanisms and specific programmes for tackling trans-boundary challenges.

In this regard, I would urge that adequate attention be given to how to accelerate integration through actual projects and the removal of the major obstacles to coherent integration. In particular, it would be necessary to rationalise the spaghetti-bowl of RECs in the continent to overcome the problems of overlap and duplication. Similarly, it would be desirable to pay attention to how to bequeath the continent with a dynamic and forward looking capacity to develop appropriate strategies for dealing with current and emerging challenges. Taking a regional perspective is paramount for tackling such challenges in this era of globalisation.

Keeping Africa's improved economic performance on track

*Statement at the Twelfth Ordinary
Session of the Executive Council of the
African Union*

*Addis Ababa, Ethiopia
27 January 2008*

This meeting is yet another manifestation of Africa's strong commitment to seeking regional solutions to transboundary challenges and it is pleasing to note that Africa is making steady progress in this regard. Indeed, concrete efforts to improve the institutional basis for regional cooperation and integration are already evident at both continental and sub-regional levels. Other emerging trends are similarly encouraging across economic, political and social sectors.

There is clear evidence, for instance, that Africa continues to govern itself better in keeping with the aspirations of NEPAD and supported in many instances by the instrumentality of the African Peer Review Mechanism. Of course, better governance and increasingly stronger institutions do not mean a lack of problems but rather indicate that disagreements will be addressed openly and resolved peacefully. We should not be discouraged even when there are lapses, but should instead see such occurrences as part of the growing pains of a democratic dispensation.

Evidence of improved governance is also reflected in economic trends, where better macroeconomic management has combined with high commodity prices and increased private capital flows to sustain improved growth rates. For instance, economic growth in Africa as a region was 5.8% in 2007, which was marginally better than the 5.7% achieved in 2006. The challenge therefore is to upscale and

sustain this growth so as to significantly reduce poverty and achieve the other Millennium Development Goals in the whole continent by the target date of 2015.

Central to this effort is the mobilisation of domestic and international resources to enhance productive investments, boost growth and reduce poverty. The ideal would have been to raise the required resources through domestic or, indeed, regional savings. However, the reality is that for several of our countries this is not possible in the short run due to a low-income base and an underdeveloped financial sector. External sources of finance are therefore required to meet the financing gap in Africa. This critical role of finance was recognised by world leaders in the 2002 Monterrey Consensus on Financing for Development.

High oil and food prices are also a matter of immediate concern for several African countries because of their impact on balance of payments and because resources that are being used to meet these high costs detract from what could otherwise be used to provide infrastructure and social services. This situation also requires vigilance because disquieting economic conditions in major industrial economies raise the spectre of the 1970s when a commodity boom was truncated by policy responses to stagflation in developed countries. These events foreshadowed the lost decade of the 1980s, and given that several African countries are still weighed down by a debt overhang, there is need for vigilance, well-considered responses and continued close engagement with the international community.

Without a doubt, the international community has placed Africa's concerns squarely on its agenda and pledged support for its development efforts. This commitment to up-scale the quality and quantity of official development assistance has been demonstrated in several ways and acknowledged as such by African leaders. However, there is still much to be done as the quantum of support remains inadequate and the translation of commitments into reality remains a challenge. Despite the possibility of global economic slow-down, this is not the time to reduce assistance and all efforts should be made to keep Africa's improved economic performance on track. Indeed, the case for counter-cyclical action seems quite evident from recent actions in several developed countries to boost spending in order to keep their economies on track.

Another matter of immediate concern with long-term implications for Africa's development is climate change. All recent studies show that although Africa contributes least to global greenhouse gas emissions, it is one of the most vulnerable regions to the negative impact of climate change. It has been reported for instance that the glaciers of Mount Kilimanjaro have shrunk by 98% over the last century, while water levels have seriously decreased in major lakes such as Lake Chad, which has lost over 50% of its water since 1973.

Our collective efforts should therefore remain strongly focused on mitigating the impact of climate change, adapting to its effects and obtaining the required technology and finance to support adaptation and mitigation. These concerns were brought to the fore at the UN Conference on Climate Change which took place in Bali, Indonesia, and as part of the contribution of the United Nations system, ECA will be establishing an African Climate Policy Centre here in Addis Ababa to provide technical backstopping to Africa on this matter.

The issue of climate change is very closely linked to the industrial development of Africa, because there are concerns that proposed responses to climate change might make the path for industrialisation in Africa more difficult. Of course, this need not be the case. As a matter of fact, it is quite timely and appropriate to deliberate industrialisation in Africa because industrial expansion is needed to transform African economies through increases in productivity, improved skills and creation of additional opportunities for decent and productive work.

Industrial development in Africa will also reduce the dependence of African countries on production and export of primary commodities as well as integrate African firms and businesses into global value chains and help the continent to become dynamic, diversified and technologically advanced. We therefore need to strengthen our industrial capacities, improve productivity and competitiveness and raise the quality and standard of local products so as to be better able to use the increasingly available opportunities in international trade.

In recognition of the key role of science and technology in development and its potential contribution to the industrialisation of Africa, a Science with Africa Conference was organised to follow-up on the

theme of last January's African Union summit; to raise the level and range of participation and collaboration of African science-based entities in international research and development projects; and also to inform a new science diplomacy within Africa. Through this process, it is hoped that a new dynamic will evolve to integrate Africa in global science processes and improve its access to scientific knowledge that would support the industrialization of the continent.

This kind of collaboration is also positive proof of how the United Nations system is working closely with Africa in the areas of peace and security, development, and human rights, the three pillars of UN work. Secretary-General Ban Ki-moon, is at the forefront of such efforts and has, for instance, set up an MDG Africa Steering Group to mobilise the leadership of the UN system and major multilateral and intergovernmental agencies behind this noble agenda; and provide policy guidance for accelerating progress in this regard.

The MDGs encapsulate the major social development objectives of the international community and striving to achieve them will require that necessary investments be made to empower youth, advance the role of women, protect vulnerable groups and provide the totality of African people with education, health and the opportunities to lead fulfilling and productive lives. It is essential therefore to remain firmly focused on ensuring that no African dies of malnutrition or preventable diseases, or is deprived of education or access to basic health care.

It is equally important that treatment, prevention, care and support for HIV victims are within reach, and that the prevalence rate is reduced substantially. It is important to acknowledge that important progress has been made against HIV/AIDS although it is still a leading cause of global mortality. In Africa, for instance, up to 5,800 people die daily and another 6,800 become infected in the same period. The African Union and the UN worked together to help develop the regional HIV and AIDS policy in Africa and we remain committed to helping African Member States meet regional and global commitments in this regard.

As this Council knows only too well, Africa's development agenda cannot be achieved if we do not collectively safeguard peace and security in every corner of the continent. It is therefore pleasing that

the leadership of the continent through the mechanism of the African Union is constantly engaged in determined efforts to resolve conflicts and manage peace. The UN has also been actively involved in initiatives to promote peace and security in Africa, which extends beyond peacekeeping. For instance, we are cooperating with the African Union to move forward in areas such as mediation and good offices, training, desk-to-desk exchanges, conflict prevention and the AU Border Programme.

However, we can all do more to ensure that African people are able to live in peace, and given the right conditions, to secure their livelihoods. Moreover, all hands should be on deck to assist refugees and internally displaced persons while peace-building efforts in countries that have overcome conflict and are actively engaged in reconstruction and development should continue to attract international support.

In our efforts to achieve sustainable development in an environment of peace and security, Africa must continue to pay attention to the preservation of human rights. As committed members of the United Nations, we should remain faithful to the Universal Declaration on Human Rights, the sixtieth anniversary of which is being marked this year. Also within the ambit of the Ten-Year Capacity Building Programme, a regional consultation was held to discuss the operationalisation of specific elements of the cooperation between the AU and UN in the area of human rights, justice and reconciliation. A particular objective in this regard is to support African Union human rights institutions in building their capacities.

The United Nations has maintained its efforts to build coherence in its programmes undertaken in support of African development by revitalising its Regional Consultation Meeting. This is a mechanism for UN inter-agency collaboration to work closely with the African Union in implementing the Ten-Year Capacity Building Programme. By this means, we hope to support the efforts of the AU Commission and regional economic communities in tackling challenges relating to poverty, climate change, AIDS, industrialisation, trade, peace and security, human rights and institution building.

The 8th Regional Consultation Meeting took place in Addis Ababa in November 2007 and took far-reaching decisions on how to deepen

its work and in particular agreed that its nine sectoral clusters should draw up business plans and align their activities more closely with the programmatic structure of the African Union Commission. United Nations inter-agency collaboration, through its regional consultation meetings, will complement the existing strong partnership between the African Union, African Development Bank and Economic Commission for Africa, which continues to be strengthened in accordance with the wishes of the Assembly of Heads of State and Government.

In conclusion, I wish to emphasise that while Africa is making steady progress, it continues to face pressing and long-term challenges that can be overcome through dedicated leadership and a spirit of ownership and self-belief. The African Union can, in this regard, continue to count on the strong support of the United Nations in its noble efforts to build a peaceful, developed, resilient and renaissance Africa.

Working collectively to achieve Africa's development agenda

*Thirteenth Ordinary Session of
the Executive Council of
the African Union*

*Sharm-El-Sheikh, Egypt
27 June 2008*

In the spirit of deepening collaboration between the African Union and ECA, the Eleventh Ordinary Session in Accra mandated the two institutions to hold Joint Annual Meetings for the Ministers of Finance, Planning and Economic Development. Based on this mandate, the first Joint Annual Meeting was held in Addis Ababa from 31 March to 2 April 2008.

At this meeting, Ministers commended the efforts of many African countries for pursuing policies that are geared towards sustainable economic growth and poverty alleviation, in line with the priorities of NEPAD. Although these efforts have culminated in recent years to robust growth for Africa, poverty reduction and employment creation has been very limited.

The 2007 Economic Report for Africa, a joint publication of ECA and AU, forecasts that Africa's growth outlook would be very strong, due in part to high demand for Africa's commodity exports, generated by robust growth in Asia, continued effective macroeconomic management and the improving governance and security situation in Africa. However, Africa's growth outlook could be tempered by a number of risks, chief among them being a sharper slowdown in the United States, with an adverse impact on European economies, resulting in a fall in world commodity demand and prices. In addition, high oil prices would cause increasing fiscal and external imbalances in oil-

importing countries, while infrastructure bottlenecks and unreliable energy supply continued to pose severe impediments to growth. There is therefore a need for African countries to implement strategies to mitigate risks so as to achieve sustained, shared and broad-based growth in the future.

Agriculture continues to remain the heart of the economies of many African countries. In ensuring its efficient management and food security for all, a number of initiatives and programmes have been instituted at the global and regional levels. World leaders, including those from Africa, at the 2002 World Food Summit (WFS) recommitted themselves to implement the 1996 WFS Plan of Action. Furthermore, at their July 2003 Meeting in Maputo, our leaders resolved to implement, as a matter of urgency, the NEPAD Comprehensive Africa Agriculture Development Programme (CAADP) as well as committed to devote at least 10 per cent of their respective national budgetary resources for agricultural and rural development. Although these initiatives have achieved some results, Africa does not have food security. The current soaring food prices have further compounded the already challenging food insecurity throughout the continent.

The global climate change also threatens agriculture production on the continent because many African countries are at most risk and have less financial, technical and institutional capacity for adaptation. Moreover, some of our countries are in the Sahel Zone and are threatened by desertification, which continues to gain ground and is pushing its way southward. In addition to contracting the area suitable for agriculture, climate change is projected to result in significant shortening of crop growing periods and reduction in yields from rain-fed agriculture. More frequent and severe droughts, floods and weather extremes would constrain crop and livestock production, while rising water temperatures would decrease food supplies from fisheries resources. As a result, food insecurity would increase significantly if migration and adaptation programmes are not put in place.

The challenges to the development of agriculture in Africa and the threats of climate change suggest that we need to act swiftly in finding solutions. That is why in line with the priorities of the NEPAD/CAADP framework, ECA is partnering with (FAO) and (UNIDO) to sys-

tematically develop the value chains of selected strategic food and agricultural commodities.

ECA is also working with the RECs and other strategic partners to use science and technology to design an industrialisation framework that will promote the transformation of the economies of African countries from overwhelming dependence on production and exports of primary commodities to a dynamic, diversified and technologically advanced economy. We shall also continue to promote and support the strengthening of Africa's industrial capacities so as to increase the level of industrial competitiveness, raise the quality and standards of local products, improve the capacities and capabilities of the continent in international trade as well as strengthen the synergy between production and trade.

Despite the progress made by the regional economic communities and African countries, there are a number of challenges, including the low level of intra-African trade, poverty, monetary integration and the movement of people. Intra-regional trade in Africa is still low, representing on average around 10 per cent of total exports. There are many factors contributing to the low level of trade within the continent, including the economic structure of many African countries, which constrain the supply of diversified products; poor institutional policies; weak infrastructure; weak financial and capital markets and failure to implement trade protocols.

In order to promote and address the challenges impeding the flow of goods and services within the continent, we need to take appropriate policy prescriptions. African countries would have to commit to the effective structural diversification of production and exports. The production of non-traditional export commodities with comparative advantage on regional and global markets must be encouraged. Government might consider shifting their industrial development policies and strategies towards diversified production lines, which are driven by approaches based on the processing of local raw materials and on local innovation.

Trade within Africa would not be improved with the current quality of our infrastructure. Transport infrastructure and services should be improved through maintaining and rehabilitating existing roads, expanding the road network to isolated areas, improving railways network,

replacing obsolete and inappropriate equipment at ports, developing more dry ports to serve both landlocked countries and interior areas of coastal countries, and increasing air transport connectivity in the continent, particularly for the small island countries. We also need to develop mechanisms that seek to promote the free movement of Africans within the continent as a way of boosting intra-African trade.

Africa needs adequate resources to support its development agenda. However, it faces the challenge of mobilising enough domestic and international resources to enhance productive investments, boost growth, and reduce poverty. This is because aid flows from donor countries, as a percentage of their gross national income, remain below the Monterrey Consensus, which calls on donor countries to target 0.7 per cent of their GDP towards aid. This suggests that a substantial part of the development financing gap in African countries should be closed through an increase in domestic resource mobilisation. Furthermore, development partners should translate their pledges to scale-up aid to African countries into concrete actions.

In our quest to strengthen our development agenda, it is important that we do not concentrate on only the economic aspects of our development but also pay equal attention to the social dimensions of development. That is why MDG 7, Ensuring Environmental Sustainability, requires using natural resources wisely and protecting the complex ecosystems on which our survival depends. Unfortunately, the current patterns of resource consumption and use threaten to hamper the achievement of the much-desired sustainability. Land is degrading at an alarming rate, plant and animal species are being lost in record numbers, the climate is changing, bringing with it the threats of worsening droughts and floods, and sea levels are rising, fisheries and other marine resources are being over-exploited.

Access to safe water and environmental sanitation are vital for the dignity and health of all people, including children and women. Yet according to the UNICEF/WHO Joint Monitoring Programme (JMP) about 2.6 billion people, many of whom are in Africa, do not have access to water or decent sanitary conditions, resulting in 2 million children dying from diarrhoea-related diseases every year. Although the world as a whole is on track to meet the MDG target for drinking water, Africa may not achieve the target if drastic action is not taken.

UNICEF estimates that meeting the MDG sanitation target will require that an additional 1 billion urban dwellers and almost 900 million people in often remote rural communities should have access to improved sanitation services. Accomplishing this by 2015 will be a daunting challenge for the world, particularly those in Africa. There is therefore a need for all African governments, from national to local level, institutions, NGO and civil society organisations, as well as development partners, to join forces towards meeting the MDG targets for drinking water and sanitation.

Related to Africa's development is the promotion of maternal and child health, the HIV/AIDS pandemic and other preventable diseases. Africa accounts for 20 per cent of the world's birth but contributes to 40 per cent of the world's maternal deaths. Maternal health plays an important role in development because it helps governments to reduce the burden of disease and build on the social capital that derives from an enabled and empowered population. Moreover, maternal and reproductive health frees women to pursue productive opportunities as well as improve their lives and that of their families and communities. Today, however, Africa is still challenged to prevent millions of its less fortunate women from preventable deaths related to pregnancy and childbirth. There is therefore a need for a concerted effort by African governments to ameliorate the situation as well as implement the outcome of the 2005 Social Summit on universal access to sexual and reproductive health without which a key MDG goal cannot be achieved.

Despite commendable efforts made by the African leaders, Africa continues to wrestle with the HIV/AIDS pandemic. The UN Secretary-General's report indicates that in 2007, Sub-Saharan Africa accounted for 68 per cent of all adults living with HIV, 90 per cent of the world's HIV-infected children and 76 per cent of all AIDS deaths. The report of the Commission on HIV/AIDS and Governance in Africa, *Securing our Future*, also details the impact this insidious disease is having on the governance structure of many African countries. Both reports emphasise that halting and reversing the spread of the disease would contribute to poverty reduction, improvement in nutrition, reduction in child mortality and improvement in maternal health. To this end, strong leadership, increased financial support and good governance are needed to tackle this challenge. That is why we should all embrace and support the AU strategic document

on health entitled, *Africa Health Strategy: 2007-2015*, which many UN agencies contributed to, and use a framework for addressing the health challenges in Africa.

Africa's development agenda would not be achieved if we do not collectively safeguard peace and security in every corner of the continent. This is because conflicts lead to poverty, loss of physical and human resources, the destruction of infrastructure, misappropriation of natural resources, the diversion of foreign direct investment and the creation of refugees as well as internally displaced people. That is why in April this year the UN Security Council, under the presidency of South Africa, held a high-level debate on the maintenance of international peace and security and the prevention of conflicts. It is gratifying that the Security Council at the end of the debate welcomed the proposal by the UN Secretary-General to set up a UN-AU panel of eminent persons to consider the modalities of conflict prevention as well as strengthening peacekeeping around the globe.

The promotion of good governance is vital to the preservation of peace and stability in Africa because it empowers marginalised communities and promotes fair access to resources and opportunities for development. We may therefore consider expanding the African Peer Review Mechanism to include the governance of the natural resources sector.

The UN system will continue to use the Regional Consultation Mechanism to strengthen the coordination of its support to the AU and NEPAD. Through the RCM, the UN agencies, working through their respective clusters, are aligning their work programmes on the continent to the strategic plans of the AU Commission and the NEPAD Secretariat.

We at ECA will continue to provide support to the NEPAD Secretariat and African countries for the implementation of NEPAD. ECA would also increase its support to the APRM through technical support to the APRM Secretariat. In addition, ECA would work closely with the AU Commission, the AfDB and the NEPAD Secretariat to produce a continental infrastructure master plan.

Steps towards achieving sustainable growth in Africa

28 June 2009

Sirte, Libya

We are meeting at a crucial time for Africa, which must remain alert and mindful of global developments that are impacting on its economic and social development. This Council, through its deliberations, has a critical role to play in ensuring that Africa speaks with a clear and common voice on global matters, especially the global economic and financial crisis and negotiations on a post-Kyoto treaty on climate change. Africa is often represented – in global processes to address these issues – by our diplomatic representatives in major negotiating centres who take their cue from decisions taken by our Heads of State and Government on the advice of this Council, so your deliberations are very important for the continent.

It is in this context that I wish to focus my remarks on three major issues that will no doubt engage your attention: the economic and financial crisis, climate change and the theme of the forthcoming summit, which is “Investing in Agriculture for Economic Growth and Food Security”. The first two issues require that Africa have a clear appreciation of the issues at stake and identify its interests so that we can continue to speak with one voice in global forums convened on these matters, for if care is not taken they can undo recent gains in peace and security and economic development. Already, growth rates in Africa are expected to fall to an average of 2% this year compared to a rate of nearly 6% in the preceding half-decade. Moreover, there is clear evidence that economic instability and political insta-

bility often go hand in hand and increasing economic hardship and the scramble for increasingly scarce resources may undermine hard won peace and security gains. Indeed, as things stand, the economic and financial crisis has already become a development crisis, which, if not handled appropriately will be further compounded by climate change.

The finance and planning ministers deliberated on the global crisis at the 2nd Joint AU/ECA Meeting in Cairo, Egypt, where they reviewed the impact of the crisis and also explored options available to Africa for responding to the crisis, including through “Enhancing the Effectiveness of Fiscal Policy for Domestic Resource Mobilization”. Access to development finance is falling sharply through reduced export earnings, official development assistance and remittances and will negatively impact on our ability to fund the provision of key services and slow down the achievement of key development goals, especially the MDGs. It is therefore essential that we continue to explore domestic policy options for bridging the development finance gap.

The collective approach that Africa has taken so far to respond to the crisis following the landmark meeting of Ministers of Finance and Governors of Central Banks in Tunis in November 2008 under the aegis of the AU Commission, the African Development Bank and ECA has already begun to yield some results. The Committee of Ten Ministers and Governors set up by the Tunis meeting prepared Africa’s submission to the G20 Summit which took place in London last April and it is gratifying to report that many of the proposals made by Africa, through the leadership of Prime Minister Meles Zenawi of Ethiopia, were contained in the G20 communiqué, including the allocation of new special drawing rights (SDRs), gold sales, support for counter-cyclical spending, review of the debt sustainability framework and the provision of more capital for the multilateral development banks, including the African Development Bank. African Member States also fully participated in the UN High-Level Conference on the Financial Crisis in New York.

This is however just the beginning, and a clear message must emanate from this Council to urge that the G20 commitments made are actualised and that the promised resources reach their intended beneficiaries. Africa also needs to ensure that its concerns are taken on board in ongoing international discussions on reform of the in-

ternational financial system and architecture. Key in this regard is the issue of giving Africa greater voice and representation in international financial processes and bodies. However, we should continue to demonstrate that our collective voice reached on a consensual basis is worth listening to by being coherent, consistent and well-reasoned. I believe that the Ministerial Statement adopted by the Finance Ministers in Cairo met these requirements and should underpin Africa's participation at the forthcoming G8 meeting in Italy as well as the next G20 meeting in New York. Its spirit will also serve Africa well in ongoing trade negotiations concerning the Economic Partnership Agreements with the European Union and the Doha Round trade talks of the WTO, whose Aid-for-Trade agenda should be utilised to the fullest.

Climate change is another area in which Africa needs to speak with a clear, consistent and common voice and I am pleased to report that the AU Commission and ECA have been working together with colleagues in the AfDB to support Member States in the forthcoming negotiations on a post-Kyoto framework on climate change. There are several areas of importance in the climate change negotiations such as mitigation, adaptation, technology transfer, and finance. However, because Africa does not contribute much to the environmental damage causing climate change, its key concern is related to adaptation and how to finance the cost of this activity. While estimates and figures vary, what is clear is that the cost of adaptation is high and the flow of resources to Africa under existing mechanisms to finance climate are low.

There can be no doubt that Africa has made substantial progress in agricultural production, which is the mainstay of our economies, and the Comprehensive Africa Agriculture Development Programme of NEPAD has been instrumental in placing agriculture on the national and regional policy agenda. However, as last year's food crisis revealed, there are major structural challenges in African agriculture that need to be addressed if this continent is to achieve its potential as a major agricultural producer. These shortcomings include prevalence of subsistence farming, low utilisation of abundant land and water resources and a high degree of fragmentation of agricultural trade across fifty-three boundaries and consequent low levels of intra-Africa trade in agriculture.

It is imperative that Africa take a regional approach and use its diversity of resource endowments to develop regionally integrated strategic agricultural commodity value chains. Since the different regions of this continent are suited to producing different types of agricultural commodities, this should be used as a basis for creating a larger market and adding value for different activities across the continent. Public-private partnerships should be used to promote cross-border investment in these activities and the creation of African joint ventures across the agricultural value chain.

In order to put agricultural activities on a firmer footing, it would be essential to address the key issue of land policy, which has strong political undertones and can undermine progress being made in agricultural development. There is still much debate about whether recent foreign acquisitions of large tracts of land in Africa for agricultural production are land grabs or foreign direct investment in agriculture. Whatever the case, there is need for our countries to have a proper framework in which to be able to address land policy issues, which is why AUC/ECA/AfDB collaborated to develop a Land Policy Initiative. LPI is not a model of land policy for the continent but rather a tool that our Member States can use to develop their own land policy initiatives. It will similarly be useful to RECs with regard to transboundary natural resource management and harmonisation of land laws where needed.

Before I conclude, permit me to reassure you of the continued strong commitment of the United Nations system to support the work of the African Union Commission across the board. We continue to work with the AU Commission and with the collaboration and support of other bilateral and multilateral partners to promote the key objective of peace and security in Africa including through joint peacekeeping operations and support to the well-structured peace and security architecture of the Union. We are all encouraged by the progress being made to realise our aspirations for a peaceful, secure and democratic Africa, which is a sine qua non for social and economic progress.

It is also the spirit that underpins the collaboration between ECA and the African Union Commission, which continues to wax stronger. In addition to our 2nd Joint Meeting of Ministers of Finance, which I referred to earlier, we have also collaborated in a meaningful manner

across key service lines such as knowledge generation and management, consensus building and technical cooperation. In addition to the Economic Report on Africa, AfDB has joined us in the production of the Assessing Regional Integration in Africa report, the African Statistical Yearbook as well as the MDG Progress Report to be submitted to the Assembly. We also jointly launched the Coalition for Dialogue on Africa (CoDA) in Addis Ababa in March 2009. Its work is guided by an independent high-level Advisory Board, headed by former President Festus Mogae of Botswana with a number of other eminent and distinguished Africans and non-Africans amongst its members.

A key consideration in all these activities, including the consensus building around the financial crisis and climate change negotiations, is the desire to ensure that Africa's recent progress is not derailed. Key in this regard is the promotion of regional integration, which is a common thread tying all these issues together. The people of this continent will be well served if we are able to speak with a stronger, unified voice backed by a diversified, integrated and well-functioning economy that is underpinned by successful transboundary activities and projects.

Encouraging faster and deeper integration

*16th Ordinary Session of the
African Union Executive Council*

*Addis Ababa, Ethiopia
28 January 2010*

This year is particularly significant because it marks the start of a new decade and new beginnings are always an opportunity for renewal and rededication to our development aspirations. Perhaps more noteworthy is the fact that this year marks the fiftieth anniversary of independence for a large number of African countries. Africa was encouraged by the trailblazing example of countries such as Sudan and Ghana, but with a critical mass of countries achieving independence in 1960, that year could arguably be described as the turning point in the struggle for decolonisation. As we celebrate this anniversary, we must inevitably reflect on how well we have done over this period in the various areas in which we have been collectively engaged since then.

If such a reflection exercise is taken as a snapshot of the last decade, it will be quite evident that Africa has made considerable progress since the beginning of the new millennium. This was the period in which the African Union was established and NEPAD adopted. Prior to the outbreak of the global economic and financial crisis, Africa had consistently achieved annual growth rates of 6%. It was making steady progress in peace and security issues and had taken the lead in defining its own governance agenda by promoting more democratic and accountable political structures in the continent, including through the creation of the African Peer Review Mechanism. Moreover, our continent has made considerable progress in a number of

social development areas, with some remarkable gains in gender equality, primary school enrolment, reductions in HIV prevalence rates and progress in the treatment of infectious and preventable diseases.

Last year, 2009, however marked a departure from this trend as socio-economic developments in Africa were overshadowed by the global economic and financial crisis and the prior food and fuel crisis. Export and government earnings dropped significantly as did remittances and other financial flows. Continental GDP dropped from 4.9 per cent in 2008 to 1.6 per cent in 2009, which is below the population growth rate and implies a fall in per capita income. Similarly, governance conditions seemed to give fresh cause for concern with a rash of unconstitutional changes of governments that have blotted the political landscape in the recent past and which should be firmly resisted. Maternal mortality and violence against women and children remain unacceptably high and our societies continue to face challenges in providing adequately for marginalised and vulnerable groups as well as for refugees and internally displaced persons.

I would posit however that despite this departure from the trend there is no cause for pessimism. The forecast in the forthcoming Economic Report for Africa, jointly published by ECA and African Union Commission, shows that Africa's GDP is expected to grow at a rate of 4.3 per cent in 2010. However, we need to ensure that our development policies go beyond improving macroeconomic management and balances, which are important and necessary but insufficient. Structures are needed to promote production, employment and trade to transform our small and fragmented economies into strong, diversified and resilient entities that can generate employment for their teeming populations.

The adoption by the International Labour Organization (ILO) and UN Economic and Social Council of the Global Jobs Pact aimed at stimulating economic recovery, generating jobs and providing protection to working people and their families is a step in the right direction. All efforts must be underpinned by a renewed sense of urgency in promoting Africa's regional integration agenda. Regional integration is imperative if Africa is to realise its potential to become a dynamic economic force.

Faster and deeper integration will not only reflect the pan-African ideal of continental unity but will also enable Africa to engage more meaningfully in global political and economic processes, which are a central concern of this Executive Council. A common African voice has been used to great effect in recent international forums such as the G20 meetings as well as the Climate Change Conference in Copenhagen, which raised the climate change challenge to the highest political level. The “Copenhagen Accord” was its main outcome and commitments contained there include limiting global warming to below 2°C, recording emission reduction targets and providing short and long-term finance for developing countries. The Accord represents an important first step to establishing a legally binding agreement for a post 2012 international climate change regime.

Regional integration is also imperative to enable more economies of scale in the productive activities that must underpin greater competitiveness and growth in the continent. In today’s global knowledge economy and information-driven society, economic success is increasingly based on the effective utilisation of intangible assets such as knowledge, skills and innovative potential as key resources for competitive advantage. Information and communication technologies or ICTs can improve performance of businesses and the efficiency of markets while empowering citizens and communities and increasing their access to knowledge. I therefore salute African leaders for their choice of theme: Information and Communication Technologies in Africa: Challenges and Prospects for Development.

ICTs provide several opportunities for African countries. For instance, as mobile phone usage expands it will facilitate health, commerce, trading, and financial services such as m-banking and m-payments. Africans can now use their mobile phones to make person-to-person payments, transfer money or purchase pre-paid electricity. ICT devices also provide a wealth of information that have enhanced the education and knowledge stream for children, leading to their further understanding of Africa’s development challenges, human rights issues and the science and technology underpinning ICTs. Furthermore, the use of geo-spatial technology for management and exploration of natural resources and disaster awareness and preparedness as well as in climate change adaptation will contribute to improving socio-economic conditions in Africa.

While Africa has chalked some milestones in embracing and adapting to the information society and the use of ICTs, there is still some way to go. For instance, Africa needs to be integrated much faster into the knowledge economy that has come about as a result of the ICT revolution. Therefore some critical foundation blocs need urgently to be put in place, namely by way of infrastructure, regional backbones and connectivity. Internet growth and speed is still limited in Africa where we have only one fixed broadband subscriber for every 1,000 inhabitants. Europe in comparison has 200 subscribers per 1,000 people.

Through the African Information Society Initiative, aimed at boosting the deployment of ICTs in society and economy, and with the support of ECA and its partners, particularly the Government of Finland, up to forty African countries have made good progress in adopting ICT strategies, especially through National Information and Communication Infrastructure Plans (NICIs). Tremendous efforts are also underway to launch e-health, e-government and e-commerce applications in related sectors. Through initiatives such as e-CEMAC and e-SADC, ICTs are being used in support of regional integration to promote harmonisation of national policies and regulatory frameworks.

In conclusion, I want to reiterate the abiding faith of the United Nations in the prospects for Africa's long-term progress. This is why we continue to place appropriate emphasis on the functioning of the Regional Coordination Mechanism of UN agencies working in support of the African Union and NEPAD Programme.

The United Nations system remains firmly committed to supporting African Union objectives in peace and security, development and human rights as well as for a more rapid integration of the continent.

Using science and technology to accelerate Africa's development process

*2nd Science with Africa
Conference*

*Addis Ababa, Ethiopia
23 June 2010*

The Science with Africa conference was born out of our strongly held belief at ECA that along with improved economic management and governance, the proper use and application of science, technology and innovation was an indispensable ingredient in the African development process. This view was informed by the realisation that scientific thinking and discovery must underpin the structural transformation of African economies as evidenced by the experience of other parts of the world, especially the emerging economies of Asia and Latin America. The positive response by the scientific community and other stakeholders to the first conference showed that similar views were shared.

There have been several key developments in the global environment since we first met for Science with Africa. This conference is taking place against the continuing background of the global economic and financial crisis from which many of our economies are yet to recover. The crisis has put at risk the hard earned gains in improving the living conditions of our people and in meeting the globally agreed Millennium Development Goals. The recovery remains shaky as some countries face huge debts and deficits. The global crisis will have undoubtedly also impacted on science and technology investments in Africa, which were already relatively low. It will no doubt also impact on the support that Africa receives for its research and development activities through grants and collaborative projects.

The economic and financial crisis is however a good opportunity to refocus and reinvigorate the science and technology agenda in Africa. Crisis spurs innovation, and there are examples from all over the world to show how countries are relying on innovation and entrepreneurship to recover from the economic crisis and remain competitive. The United States, in formulating a response to the crisis also took account of the climate change challenge and accordingly seeks to invest about \$150 billion in the next generation of energy technologies.

This brings me to the theme of this conference: “Science, innovation and entrepreneurship”. There are many factors that contribute to growth but for our purposes, it is also important to highlight the important contribution of innovation and entrepreneurship. By bringing critical thinking to bear on improving and adapting products and processes, innovation also enables entrepreneurs to actualize their vision and add value. A major objective of this conference should accordingly be to identify measures and mechanisms for creating an environment that brings innovation and entrepreneurship to play in addressing Africa’s pressing challenges and shaping its future opportunities.

The crucial link between science, innovation and entrepreneurship can be seen from the global rise of large technology firms such as Apple, Amazon, Google, Infosys, Microsoft and Samsung, whose achievements have been driven by these processes. The main strength of these firms is their intellectual assets, often protected by intellectual property rights that have enabled rapid growth in the trade in intellectual assets and high technology products. The extent to which Africa has benefited from these developments remains unknown but current ECA research indicates that global royalties and licensing fee payments have grown by about 500% from about \$27 billion to \$161 billion between 1990 and 2008. Yet, Africa’s share of this growing trade in intellectual assets is about 0.75%, which is a far cry from its also low share of global merchandise exports, which stands at 3.4%.

In the same vein, Africa’s performance in the generation and ownership of knowledge is far below its current potential. Africa accounts for about 2.4% of the global researchers – slightly higher than the number of researchers in India. Yet, India was granted three times

more patents than Africa by the United States Patent Office in 2008. It is therefore imperative for Africa to seed and nurture a cadre of entrepreneurs that will establish its own leading technology firms, which is not an impossible task. Recently, African entrepreneurs have scored successes in bringing innovative products to market in the mobile phone industry, including the introduction of systems that allow users to share their credit with others and to perform simple banking operations.

Another key issue for this conference is how Africa can stimulate innovation through a combination of policies to support research and development and to stimulate their use by entrepreneurs and venture capitalists. It is heartening to note in this regard that a number of African countries are investing in science and technology infrastructures and increasing R&D expenditure. This year, Tanzania increased the allocation to its Science and Technology Commission by up to 36 times more than the allocation of 2009. Similarly, Uganda is boosting salaries of researchers through an \$8 million investment with another \$2.7 million allocated to facilitate technology commercialisation.

These supply side actions need to be matched by measures to improve the business environment and protect intellectual property rights on the continent. Other incentives for technology transfer and commercialisation and building of public-private partnerships are policies that can lower risks for technology and business development. Such measures can encourage the private sector to innovate even when financial resources are limited. Indeed, there are ways in which a farmer who cannot afford a tractor could still be helped to become more competitive if provided with improved soil and pest management, irrigation canals, improved crop varieties and alternative fertilizers.

Another key message that should emanate from this conference is the need to be bold and positive in the use of new and emerging technologies. While there will undoubtedly be competition for scarce resources with the pressing social and economic challenges that this continent faces, Africans must also be strategic and visionary in their attitudes to adapting and utilising new technologies. Some people feel that Africa's failure to capitalise on the development of the Internet in the early 1990s was in a sense a lost opportunity. By the time we embraced the technology other regions had accumulated the

necessary technological and organisational knowledge to manage the knowledge economy. The challenge of climate change requires that Africa should position itself to benefit from the growth opportunities in the emerging green economy.

Partnerships are also critical for the success of our efforts. Partnerships offer the opportunity for Africa's scientific community to harness its intellectual assets and resources and translate them into commercial successes. In the United States, a group of young research scientists working for a company called Intellectual Ventures are trying to develop a computer model that could help eradicate malaria, which afflicts 300 million to 500 million people a year and kills 1 million of them, mainly children in Africa. We therefore need to explore how our own young scientists can contribute to such undertakings.

ECA is also in the process of expanding its collaboration with regional bodies involved in science and technology, such as the African Regional Centre for Technology (ARCT). ARCT was founded under the auspices of ECA and the African Union and we shall continue to work closely with them in advancing the science and technology agenda in Africa.

I now turn to some of the things that ECA and its partners have put in place following the first Science with Africa conference. Participants will be pleased to know that a Technology Development and Transfer Network and the African Science, Technology and Innovation Endowment Fund (ASTIEF) were launched.

The Technology Development and Transfer Network seeks to enhance the capacity of its members to bring potentially useful research leads and technologies to market and facilitate inter-firm and intra-firm technology transfer. It will accordingly create a regional pool of seasoned scientists and business leaders that will help emerging techno-entrepreneurs to tap expertise and resources within and outside their national borders.

ASTIEF, which is supported by the Government of Finland, is a revolutionary funding mechanism to support bankable R&D outputs that are likely to make a commercial and social return. This novel initiative is being developed through a unique public-private partnership

that brings together the entrepreneurial culture and creativity of the private sector, on one hand, and the ability of the public sector to improve the business climate.

We will also be launching the African Science to Business Challenge with the Research Triangle Institute (RTI) - International of the United States. This initiative will enable successful candidates to spend time at RTI, learning how to transform their ideas into a viable business venture. The initiative will benefit small and medium-size enterprises (SMEs) and entrepreneurs operating in the informal sector. All these initiatives will be complemented by our pilot assessment of the innovation climate in some selected African countries this year. This assessment focuses on seven core innovation policy areas and will build on the R&D and Community Innovation Surveys undertaken by NEPAD.

With these few thoughts, let me take this opportunity to thank you all for taking the time out of your busy schedules to be with us today. Your presence is highly valued and I hope that your investment of resources, time and energy will be fruitful individually and collectively in advancing the cause of African development.

Productive capacities, economic growth and poverty reduction in Africa

*UNCTAD regional workshop
13 April 2011
Addis Ababa, Ethiopia*

The issue of productive capacities and poverty reduction has been of critical importance to Africa over the years. Economic and social development in Africa and especially in African LDCs has continued to be constrained by inadequate productive capacity and low productivity that adversely affect their efforts to promote high and sustainable growth and to reduce poverty.

As you know, the continent recorded relatively high GDP growth during the last decade, but this growth remains far below its potential and the level required to make a significant dent on unemployment and poverty reduction. There is a critical need for Africa to improve productive capacities, overcome structural impediments and supply-side constraints and promote structural transformation in order to accelerate and sustain growth, benefit from globalization and achieve its economic and social development goals.

Some of the factors identified by ECA work as critical to stimulating productive capacities for enhanced growth and poverty reduction in Africa include: stable macroeconomic conditions and a conducive legal and regulatory framework, targeted investments to improve physical infrastructure and human capital as well as labor-intensive investment to create jobs. These factors are critical for reducing transactions costs, increasing the productivity of factors of production, reducing bottlenecks in the production process and opening up new investment

opportunities and markets, especially for African LDCs.

The vulnerability of African LDCs to exogenous shocks has been the hallmark of their inadequate social and economic performance. Besides efforts at national level, both regional and global support is essential for them to address their special development challenges.

Therefore, this meeting comes at a very opportune moment. African LDCs grew at an average more than 5 per cent per annum, before suffering a set back with the combined financial, fuel and food crises. Although many the economies of many of these countries rebound after the crisis, growth rates remain fragile and not expected to reach the threshold of 7 percent or significantly reduce unemployment and poverty rates. Also macroeconomic imbalances have widened in many African LDCs as a result of the crisis.

Growth patterns in African LDCs were underpinned by primary commodity exports which constitute over 70 percent of their exports. The production of primary products is generally capital intensive and has little forward and backward linkages to the local economy. This renders African LDCs particularly vulnerable to exogenous factors, including the triple crises that have adversely affected livelihoods, agricultural production and health burdens.

Economic diversification and structural transformation is vital for African LDCs to accelerate and sustain growth, reduce vulnerability and reduce poverty. In this regard, the Commission's annual Conference of African Ministers of Finance, Planning and Economic Development has repeatedly expressed support to and advocated the cause of African LDCs particular reference to the mobilization of finances for their development and the building of institutions that could assist them to overcome their special development constraints.

Supporting LDCs has always been at the core of ECA work programme and has recently been institutionalized by creating a dedicated section that specifically addresses LDCs issues (MDGs/LDCs Section). One of the key recent actions taken by ECA in preparation for the upcoming Istanbul meeting was to organize the African regional review of the Brussels Programme of Action for LDCs which produced the input into LDC-IV and articulated a common African position and voice on the way forward for the next programme of Action.

Other examples of ECA activities in support of African LDCs is provided by its recurrent publications, including the Economic Report on Africa (ERA), the Africa MDGs Report, and the African Governance Report to name a few. These and other knowledge products and capacity building and advisory services provided by ECA focuses on strengthening efforts by African countries and African LDCs in particular to improve economic governance and build institutions, accelerate regional integration, mobilizing resources and addressing the challenges of climate change, statistics, trade negotiations and partnership agreements and science and technology, among other issues.

Institutionalized and special assistance to African LDCs requires resources and therefore calls upon all of us to work together and intensify our efforts. For example, one of the recurrent challenges in assessing progress towards the Programme of Action for LDCs has been monitoring progress in such a way that informs policy makers on pertinent interventions especially when variation within countries is large. This requires highly disaggregated data at lower levels of government, which is not available in most African LDCs.

Against this backdrop, ECA is developing an innovative analytical tool that spatially exhibits indicators of progress towards the Programme of Action for LDCs at national and sub-national levels. This visual presentation of national and sub-national progress provides policy makers with geo spatial information crucial for targeted interventions and relevant fiscal transfers across administrative borders. I am pleased to inform you that this monitoring tool will be presented at a side event during the LDC-IV Conference in Istanbul.

It gives me great pleasure that the UN Committee of Executive Bodies's (UN-CEB) cluster on trade and productive capacity, in which ECA plays an important part has arrived at a consensual way forward for LDCs. This action plan fully reflects the challenges and opportunities deliberated at the African LDC-IV preparatory meeting and mirror the way forward in the Outcome Document.

In conclusion, there remains much to be done and this meeting affords us the opportunity to take stock and renew our efforts. I therefore look forward to your active participation, useful feedback, and ideas on how we can work together to assure Africa's bright future.

NEPAD's contributions to the MDGs

*Panel discussion on NEPAD and
the MDGs: Progress, Challenges
and the Way Forward*

*7 October 2011
New York*

This discussion is timely and relevant as it comes at a time when NEPAD is celebrating its 10th anniversary, while the target date of 2015 set for achieving the MDGs is fast approaching and consideration is already being given to a possible post-MDG development agenda.

My remarks today will recall the nexus between NEPAD and the MDGs, examine the achievements of these two vital development frameworks and highlight some of the vital work that has been done by the United Nations to promote their laudable objectives.

The Millennium Development Goals (MDGs) and the New Partnership for African Development (NEPAD) are inextricably linked. The MDGs aim to achieve vital objectives in poverty reduction, education, health, gender, and environment and serve as a reference for measuring development progress while NEPAD is at once a vision and strategic framework to increase the pace and impact of Africa's socio-economic development. The MDGs and NEPAD thus have similar goals and both rely on partnerships at the global and regional levels for their successful implementation. Indeed, NEPAD can be described as the framework for achieving the MDGs in Africa.

NEPAD's programmes, projects and targets are accordingly consistent with and closely aligned to the achievement of the MDGs. For in-

stance, NEPAD highlights agriculture and food security as one of key thematic areas of focus and has designed the Comprehensive Africa Agriculture Development Programme (CAADP) whose aims are consistent with the objectives of MDG 1 to reduce poverty and hunger.

Similarly, the other MDGs that aim to achieve universal primary education, reduce child mortality, improve maternal health and combat communicable diseases all relate to different aspects of human development that are at the heart of NEPAD. It is in this regard that NEPAD has several programmes that specifically cater to promoting such objectives, a notable example being the Consolidated Plan of Action (CPA) for Science and Technology intended to provide the knowledge that will backstop the educational, health and environmental aims of the MDGs in Africa.

In other words, given their common purpose and mutuality of objectives, successes recorded on the MDG front also contribute to the achievement of the NEPAD vision and vice versa. To start with, most of us would agree that the MDGs have been successful in galvanizing political support for human development in the sense of influencing policy discourse and as a basis for measuring progress in achieving consensually agreed goals, targets and indicators.

In this regard, and through our joint ECA-AUC-ADB and UNDP annual regional report on Africa's progress towards the MDGs, we have seen that Africa's progress toward the MDGs has generally been positive, although performance has been mixed across indicators and countries. We can point, for instance, to the continent's progress towards universal primary enrolment which increased significantly from 65% in 1999 to 83% in 2009. Similarly the goal of gender parity at primary school level is on track, while women's representation in parliament increased in over 80 percent of African countries between 1990 and 2010. Advances in stemming the HIV and AIDS pandemic have been significant in the majority of African countries, both in terms of preventing new infections and in making Anti-Retroviral Treatment (ART) more readily available to infected people.

Overall, however, the initial rapid progress in achieving the MDGs was to some extent been slowed down by the adverse effects of the international fuel, food and financial crises. However, the integration of MDGs into national development strategies helped to mitigate the

negative impact of these crises and such institutional innovation also provided for a more medium term approach to development.

There have been other challenges as well. For instance, the positive growth in Africa since the turn of the new Millennium has not resulted in job creation just as domestic resources have not been sufficiently mobilized for the implementation of programmes and projects to stem poverty. Similarly, aid flows from development partners in support of the MDGs while substantially upscaled remain well short of commitments made.

These challenges do point towards more systemic issues which need to be addressed in the run-up to 2015 and this is where the lessons learnt from the implementation of NEPAD over the past ten years will come in useful. The extent of international support to successful NEPAD programmes such as governance, agriculture and infrastructure such as the African Peer Review Mechanism (APRM), CAADP and the Programme for Infrastructure in Africa (PIDA) shows that partnerships remains key in the African development landscape.

Similarly, NEPAD has played an important role in promoting regional integration by popularizing a regional and sub-regional approach to programming and project implementation. Through its major continental frameworks and across a wide range of sectors, NEPAD has created an approach wherein projects have been prioritized based on their readiness for implementation and degree of contribution to regional integration.

In the same context, NEPAD has contributed to improved coherence in the various mechanisms and arrangements by which development partners provide support to the African continent. In the case of the United Nations, the General Assembly in its Resolution 57/7 called for UN system organisations to align their activities in Africa with the priorities of NEPAD, and urged the scaling up of resources for this purpose.

Notwithstanding these notable achievements, significant challenges remain. For instance, the momentum of international support for Africa is not yet strong enough to be irreversible, and there are a number of areas in which policy measures and practical actions are needed to lend impetus to the implementation of NEPAD. One vital

area is the role of the private sector in the implementation of NEPAD, where more needs to be done to strengthen public-private partnerships – including in delivering public goods to achieve the MDGs, and the building of infrastructure.

Such issues point to the need for new thinking on the role of the State and other institutions in Africa which was why the 2011 AU/ ECA Conference of Ministers of Finance, Planning and Economy and the accompanying Economic Report on Africa was devoted to ‘Governing Development in Africa’. We have also undertaken knowledge activities to support African priorities in regional integration, trade, food security, climate change, infrastructure, gender, science and technology and governance to mention but a few areas of work pertinent to the NEPAD agenda.

At a more operational level, UN support to the NEPAD agenda is coordinated under the auspices of the Regional Coordination Mechanism for Africa. RCM-Africa provides a forum for bringing UN agencies together on one side to interact and engage as one with the African Union, the NEPAD Planning and Coordinating Agency and the Regional Economic Communities. It is now the main mechanism for coordinating UN system support to NEPAD and has achieved enhanced interagency coherence and coordination while promoting broader cooperation through joint activities and programmes. RCM-Africa is organized around nine thematic clusters that reflect the objectives and priority work areas of AU/NEPAD and ECA serves as convener and provides the secretariat of the RCM on the UN side.

There is general agreement about the importance of improving African capacities to implement programmes such as the MDGs and NEPAD and this is why in November 2006, the Secretary General of the UN and the Chairperson of the African Union Commission signed a Framework Agreement for the UN Ten-Year Capacity-Building Programme for the African Union which with the full integration of NEPAD into the African Union is now extended to the NPCA along with other AU organs and the Regional Economic Communities. The implementation of the Ten Year Capacity Building Plan is also coordinated through the RCM.

From an ECA specific dimension, our partnership with the NEPAD Agency is guided by a Memorandum of Understanding between

the two institutions, which is now backstopped by a Multiyear Programme outlining ECA support to NEPAD. Our intention going forward is to move NEPAD from its initial and successful phase of transforming visions, philosophies, and principles into implementable programmes to one of implementing concrete regional projects.

In conclusion, I will like to underscore the importance of maintaining and supporting Africa's efforts to bring coherence to policy making and partnerships within the continent. This is important to avoid duplication of effort and dissipation of scarce resources as we strive to achieve the MDGs and successfully implement the NEPAD agenda. policy coherence and coordination of our actions in support of NEPAD and the MDGs. Even as we begin to reflect on the development agenda post-2015, the UN must remain closely engaged with the AU and NPCA to ensure that the strategic vision and objectives of NEPAD are factored into deliberations and eventual outcomes.

Let me end by commending Dr. Ibrahim Mayaki for his able and visionary leadership of the NEPAD Agency and by assuring you all of ECA's continued strong commitment to supporting Africa's regional, sub-regional and national efforts to achieve the MDGs and implement the NEPAD agenda for the ultimate purpose of building a vibrant, progressive and integrated Africa.

NEPAD and Africa's regional integration agenda

*41st Meeting of the NEPAD Steering
Committee*

*Addis Ababa
22 January 2011*

A decade ago, Africa Union Heads of State and Government, with the support of its regional institutions, initiated an ambitious programme called the New Partnership for Africa's Development (NEPAD) to accelerate progress in achieving sustained development in the continent and to end the continent's marginalization in global affairs.

Today, as we reflect on the many achievements of the NEPAD programme we can attest to the determination of Africa's leadership and in particular this Steering Committee to improve the fortunes of African people by way of concretising the visions of the continent's leaders into workable programmes and projects.

NEPAD processes have strengthened intra-African cooperation in the development of joint policies, programmes and projects and contributed to deepening Africa's regional integration agenda. These include well known frameworks like the Comprehensive African Agricultural Development Programme (CAADP), TerrAfrica Programme (for sustainable land management), Programme for Infrastructure Development in Africa (PIDA), and the African Capacity Development Framework. In addition, the APRM has highlighted not only issues of governance for development but also the processes and strategies by which national consultations and consensus building can be built.

This meeting of the Steering Committee comes a year after the landmark decision of the 14th AU Summit on the integration of the NEPAD programme into the AU structures and processes and the establishment of the NEPAD Planning and Coordinating Agency. It is against this background that I wish to salute Dr. Mayaki and his staff in the NEPAD Agency for steps that have been taken to align their internal processes to that of the AU Commission and to articulate a 2010 to 2013 Strategic Direction document and 2010-2014 Business Plan for the NPCA.

I recall that in 2002 the United Nations endorsed the NEPAD programme as the overarching framework for Africa's development and the Regional Coordination Mechanism (RCM) was originally designed to support the NEPAD programme. However, since NEPAD is now an integral programme of the African Union, the RCM which is coordinated and convened by the Economic Commission for Africa, is now also geared to overseeing the Ten Year Capacity Building Programme in support of the AUC and NPCA.

The first triennial review of the Ten Year Capacity Building Programme was undertaken at the last RCM meeting here in Addis Ababa in November 2010. The main outcome of the review was the adoption of recommendations to boost the implementation of the Ten Year Capacity Building Programme notably by developing comprehensive capacity building programme for the AUC, NPCA and the RECs, mobilising resources for joint activities in capacity building, and utilising the RCM platform for advancing Africa's preparations towards the UN Sustainable Development Conference in 2012.

Also of particular significance is the fact that the AUC moved to take ownership of RCM-Africa which is now the recognized mechanism for coordinating UN support for AUC and NPCA.

The first NEPAD decade was spent on programme design, developing partnerships, and aligning institutional structures- that is, embedding the philosophical framework underpinning the principles of ownership and leadership in African development processes and laying the foundations for sustainable development in Africa.

I can now envisage the ushering in of a new NEPAD decade where emphasis would be placed on implementation and delivering devel-

opment results. In this regard, the Steering Committee needs to lead the way in creating a more results oriented approach that will enable vigorous assessments of progress in implementation of NEPAD programmes as well as a move into creative and multidisciplinary approaches to development programming and the harnessing of effective partnerships with the African private sector and civil society.

Global challenges also need to be clearly factored into Africa's development planning processes. The undeniable risk of climate change, rising energy and food prices, a looming currency crisis and issues of sovereign debt will all impact on Africa. We must therefore remain alert to these happenings and plan for how best to protect Africa's encouraging growth.

On its part, ECA places great emphasis on its collaboration with the NPCA and its support for the NEPAD programme. This is both through direct assistance to NPCA internal management processes as well as for NEPAD strategic frameworks and regional development programmes. ECA provides technical support to the APRM process and has also been involved in supporting NEPAD Knowledge Management activities. Every week through the NEPAD Today newsletter we are able to update thousands of subscribers on NEPAD programme activities.

We will build on our existing Memorandum of Understanding with the NPCA to elaborate a multi-year plan that will contain the priority areas of work between the two institutions starting in 2011 and updated on a rolling basis.

In conclusion, I wish to welcome the keynote speakers at this meeting. Their presence is indicative of the new strategic directions of the NPCA and their contributions will no doubt enrich your deliberations here as well as the outcomes and recommendations to be submitted to the NEPAD Heads of State and Government Orientation Meeting at its next meeting.

Part Two

ON REGIONAL INTEGRATION

Introduction

Regional integration, as a factor in development, is one of the African Union's most significant objectives. It is no big surprise that in the repositioning plan of the ECA, the promotion of regional integration in support of the African Union's vision and priorities emerged as one of the two pillars of the Commission's new focus.

Regional integration is very important because of the nature of Africa's economies, which, being small and fragmented, stand to enjoy a variety of economic benefits that would come from integration, in addition to becoming a stronger voice in international economic decision-making.

In the implementation of its new focus on promoting integration, ECA decided to pursue research and policy analysis of issues relating to regional organisation, strengthen capacity and provide technical assistance to institutions driving the regional integration agenda, and work on a range of cross-border activities and initiatives in several sectors that are vital to the regional integration agenda.

This approach has informed and guided the work of ECA and its development advocacy since it was established half a century ago, but particularly since the adoption of the repositioning plan.

In the statements selected for this cluster, the Executive Secretary looks at the progress that is being made on the integration agenda, and calls for a quickening of the pace at which measures are being implemented.

In his speaking engagements, he advocates the need for a roadmap for achieving full integration, with timelines for achieving specific goals. He calls for consensus on the architecture of integration, the elimination of the key hurdles to regional integration and the identification of readily implementable measures.

In several of his addresses, he focuses on such issues as: trade; infrastructure; the Regional Economic Commissions (RECs); science, technology and innovation (STI); capacity building; and the sub-regional offices (SROs).

One of his key themes is the role of the RECs, which he considers to be pivotal in the integration process. He consistently advocates that the complex system of RECs, in which many countries belong to more than one, has created a complex duplication of effort.

In his appearances at meetings of the RECs, he celebrates their achievements and explores ways of enhancing cooperation and collaboration between them and ECA, and assisting their programmes and objectives.

With reference to STI, he advocates strengthening alliances for investment at all levels that would assist African nations to build economies that are increasingly based on know-how. This, he believes, should be one of the strategies for poverty reduction and employment generation, and would contribute to economic growth.

Indeed, one of the most important planks of the Executive Secretary's advocacy is the deployment of knowledge, and he has paid unceasing attention to the Commission's knowledge management platform as a powerful network linking ECA to the African Union network and the RECs.

As will be found in these statements, he holds the view that ECA's best accomplishment is the quality of its ideas, which arise from independent thinking, and have informed its recommendations, which have percolated policy-making in Africa.

He stresses that in order to collectively meet Africa's development challenges, the roadmap for nurturing alliances for regional and interregional cooperation is the collaboration between ECA, African Union and African Development Bank.

Additional financing in the promotion of regional integration

*African Ministerial Conference on
Financing for Development
Jointly organised by the Government of
Nigeria, the United Nations Economic
Commission for Africa (ECA), and the
African Development Bank (ADB)*

*Abuja, Nigeria
21 – 22 May 2006*

This key meeting is another example of the frequent collaborations that take place and I would like to thank the Government of the Federal Republic of Nigeria for inviting ECA to partner with them and the African Development Bank (AfDB). Over the past several years, Nigeria has played a leading role in facilitating the emergence of African consensus on important international issues such as the AU Declaration on HIV/AIDS, TB and Malaria, the Fertilizer initiative, and the Treaty of the African Economic Community. It is thus fitting that we should gather here in Abuja to proactively begin an engagement with an issue that is likely to dominate our agenda in the next several months – the management of additional financial resources that may soon become available to our countries to enable a scaling up of efforts to meet the Millennium Development Goals.

Two months ago, in Cairo, the African Ministerial Plenary on Poverty Reduction Strategies and the Millennium Development Goals, jointly organised by ECA and the AU Commission, in collaboration with AfDB, discussed issues congruent with those tabled for discussion at this Conference and made important recommendations. One of those recommendations was that national development strategies should be sufficiently bold if African countries are to reach the MDG targets by 2015. This meeting is thus very timely and we see it as an appropriate follow-up by Africa of the 2005 World Summit.

As we know, Africa's recent good growth performance has not translated into a faster rate of job creation partly because growth is concentrated in the enclave minerals sector and partly because sectors such as agriculture are not growing at a rate that we would like due to inadequate financial resources to provide complimentary inputs.

The joint ECA/ADB Symposium focused on infrastructure for regional integration - a very important matter because obstacles to growth and poverty reduction have a regional dimension, not only because many of our countries are landlocked, but also because market fragmentation, as well as conflicts and infectious diseases, limit competitiveness. This explains why regional integration is one of the objectives of the NEPAD programme. Without it, the goal of creating an African Economic Community (AEC) will not be realised.

We need additional financing – and new institutional arrangements – to provide regional public goods in order to promote regional integration. We need additional financing to diversify our economies in order to have broad-based growth that creates jobs.

So, it is clear to all of us that financing, in addition to strong political will and capacity, is important for the speed at which Africa makes progress towards the targets of the MDGs. This is yet another reason why this Conference is very timely.

Fortunately, Africa has recently seen increased willingness on the part of our development partners to support her efforts with additional resources. In Monterrey, at the UN Conference on Financing for Development, the industrialised countries made a commitment to meet the earlier commitment of raising overseas development assistance to 0.7% of gross national income. Since Monterrey, additional commitments have been made, for example at the Gleneagles G-8 Summit. The debt write-off of the Multilateral Debt Relief Initiative (MDRI) is an example of this increased willingness.

Increased aid flows will require us to up the effectiveness and efficiency of many of our systems and the way we do many things. New capacities will need to be built and national development strategies will have to be better costed. Africa and the development partners will also have to develop new skills and instruments to better manage their relationship. For example, the first reaction of develop-

ment partners to perceived “difficulties” on the African side should not be to suspend aid since such a response very often imperils successes already achieved.

African countries must intensify domestic resource mobilisation. It is impossible for African countries to get the policy and fiscal spaces that they are asking for if they continue to depend so perilously on external assistance. An intensified domestic resources mobilisation effort can be a signaling device – a signal to development partners of African governments’ seriousness to scale up their own efforts to reach the targets of the MDGs.

I would like to conclude these brief remarks by addressing some of the recommendations of the “African Ministerial Plenary on Poverty Reduction Strategies and the Millennium Development Goal” held in Cairo, in March, which focused principally on second-generation poverty reduction strategies because they are pertinent to this Conference. In Cairo, African Ministers concluded that future national development plans in African countries must be bold enough to achieve the MDGs sooner than 2015. The Plenary also underscored the importance of strong statistics and statistical systems for effective monitoring and decision-making. Given Africa’s enormous development needs, the Plenary further agreed that increased aid flows to Africa are needed and urgently so, and that we need to improve the effectiveness of aid. The volume of aid needs to increase, aid must be predictable, and the gap between commitment and disbursement must be closed.

It is thus important for Africa’s development partners to improve the harmonisation and coherence of their policies and programmes to ensure better alignment with the identified priorities of African countries. Mutual responsibility and mutual accountability must undergird the aid relationship. Partners must facilitate through greater market openness since ECA and the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) have been working on the issue of mutual accountability in the past several years and it is our intention to share the results of this joint work with Member States and the wider international community in order to raise awareness of the need for the widespread adoption of this principle.

The African Peer Review Mechanism (APRM) of the AU, whose objective is to monitor governance in Africa, is an important instrument for mutual accountability on the African side. Recent APRM reports document substantial progress by peer-reviewed countries in all areas of governance – economic, political, corporate and social - and the enormous additional financing needed to sustain progress and to make progress in other areas. For Ghana, according to the President, additional financing is in the neighbourhood of \$5 billion to enable the country to bridge the identified gaps in the review process.

The Cairo Plenary also recommended, congruent with the purpose of this meeting, that ECA should revitalise its African Learning Group (LG) on Poverty Reduction Strategies; its remit should be expanded and the LG itself remodelled into an effective Peer Learning activity on PRS and MDGs. ECA is committed to doing that.

In conclusion, it is my hope that we will rise from this meeting with a short list of actionable recommendations on how to ensure that the noble commitments of the international community to assist Africa are met and that Africa keeps to her part of the bargain.

Integrating Africa

*Seventh Ordinary Session of the
Assembly of the African Union*

*Banjul, The Gambia
1 July 2006*

The theme you have chosen for this Summit, Rationalization and Regional Integration, is very important, timely and appropriate. The ultimate goal of continental integration is to allow African countries to merge their economies and pool their capacities, endowments and energies together for the development of the continent. If we are able to achieve this goal quickly, Africa can make great strides in its quest to achieve sustained and robust economic growth and poverty alleviation.

We have made notable progress in our attempts to integrate over the past 50 years, in particular, since the creation of the first Regional Economic Communities (RECs). The initial edition of ECA's flagship publication on regional integration, *Assessing Regional Integration in Africa (ARIA I)*, published in 2004, reports that some of the RECs have made significant progress in trade, communications, macroeconomic policy, and transport.

However, the study also noted that significant gaps remain between the achievements and expected goals. There are areas in which a lot needs to be done, particularly in the promotion of intra-African trade, infrastructure, macroeconomic convergence, and economic diversification. It still remains the case that transport costs in Africa are far too high. Also, we find that throughout the continent, many road, air and rail networks need substantial improvements. Addition-

ally, existing non-tariff barriers and weak infrastructure within the continent are also among the factors attributable to the low volume of trade within Africa. All these challenges need to be addressed so as to accelerate the integration of the continent.

At the same time, we also need to bring more coherence to our regional integration architecture in order to build a solid foundation for the African Economic Community we envisage. As you know, there are presently fourteen main regional economic blocs on the continent. The African Union recognizes eight of them as regional economic communities and the remaining as inter-governmental organisations. The similar mandates and objectives of these regional groupings and the multiplicity of membership by African countries into different RECs appear to be thwarting the integration agenda of the continent. There is therefore a strong need to rationalise the regional economic grouping so as to advance and strengthen the integration agenda of the continent. This needs to be done because the presence of so many regional economic groupings spreads limited resources thin, complicates the overall continental integration process, and puts enormous strain on governments' ability and resources to cope with diverse agendas and exigencies.

ECA has been working on regional integration issues since its inception in 1958. It played a big part in the creation of some of the regional economic communities. In recent years, it has also assisted some of the RECs with the design of sustainable financing mechanisms and establishing development funds to support their programmes. We plan to deepen our work and support to Member States in the area of regional integration.

It is a key element of the current exercise to reposition ECA to better respond to Africa's priorities against the background of the efforts of our Secretary-General, His Excellency, Mr. Kofi Annan, to put in place a more efficient and coherent United Nations system. Let me also take the opportunity to thank President Konare for his support and that of the African Union Commission towards ECA's reform agenda, and indeed for his commitment towards fostering a closer relationship between ECA and the African Union Commission, and with the African Development Bank, whose President, Donald Kaberuka, has also been an ardent supporter and champion of our tripartite partnership in the service of our common Member States.

In summary, under ECA's repositioning initiative, and in line with its mandate and the African Union's agenda, ECA will now focus on achieving results in two related areas: (i) promoting regional integration; and (ii) meeting Africa's special needs and challenges.

Under the first pillar, ECA will concentrate on fully supporting the African Union's efforts to accelerate the political and socio-economic integration of the continent, promote and defend African common positions and establish the necessary conditions to enable the continent to play its rightful role in the global economy. It will do so by promoting dialogue and undertaking analytical studies such as the series on "Assessing Regional Integration in Africa (ARIA)". It will also vigorously promote the building of regional infrastructure. In addition, ECA will place a stronger focus on the specific needs of RECs through a region-specific, multi-year partnership strategy agreed with each REC with clearly articulated results and milestones; and the establishment of more empowered sub-regional offices (SROs), with increased access to the skills and resources needed to deliver the agreed results.

With regards to the second pillar - *meeting Africa's special needs and challenges* - ECA's work programme will focus on achieving the main objectives of NEPAD. Here, ECA's activities will include: social development, with special focus on the Millennium Development Goals; food security and sustainable development; emerging global issues and economic development; harnessing information and communication technology; and improving governance and development management to enhance national capacity and capability and to support the APRM process.

Your deliberations at this Summit are vital to the advancement of the continent's integration agenda. The recommendations you make could have far-reaching implications on the harmonisation and coordination of the integration architecture as we work towards the creation of the African Economic Community. In this regard, you have before you various scenarios on the rationalisation of the RECs. The final choice is one of sensitive political decision. We know we can count on your wisdom, guidance and political courage to move the rationalisation agenda forward and help build a strong African Union.

Let me conclude by assuring you that ECA will continue to work to assist Member States and the RECs, in very close partnership with the African Union Commission and the African Development Bank, in the pursuit of the noble goals of integration and development of our beloved continent.

Working together to advance AU priorities

*5th Meeting of the Committee on
Trade, Regional Cooperation
and Integration*

*8-10 October 2007
Addis Ababa, Ethiopia*

We have gathered here today to reflect on the activities of ECA in the areas of trade, regional cooperation and integration so as to strengthen its contribution to the African Union's continental integration and development agenda. The Committee on Trade and Regional Cooperation and Integration is one of ECA's sectoral committees which meet on a biennial basis to review developments and issues pertaining to their respective development sectors, formulate policies and strategies to address Africa's development challenges, and advise on sectoral work priorities to be reflected in the work programme of ECA. The outcome of the Committee meetings will then feed into the deliberations of the annual meetings of the Commission's principal legislative organ, the Conference of African Ministers of Finance, Planning and Economic Development.

At its last meeting in March 2005, the Committee recommended that ECA undertake activities whose outcome would promote, strengthen and support the African Union's development agenda in the areas of trade and integration. With the endorsement of the African Union Summit in Banjul, in July 2006, the Commission repositioned itself and has placed regional integration as one of its two pillars of work.

Since the last meeting of the Committee, ECA has undertaken a number of activities aimed at contributing to the achievement of most of

the recommendations made at the meeting. For instance, following the recommendation of the meeting that there is a need to rationalise the regional economic communities, we focused the second report of our flagship publication, *Assessing Regional Integration in Africa*, on the rationalisation of the RECs. The report, which was jointly published by the AU Commission and ECA, was presented to the Assembly of African Union Heads of State in July 2006, in Banjul, The Gambia and helped to inform their resolution limiting the number of recognised regional economic communities to eight.

The African Trade Policy Centre (ATPC), housed at ECA, has channelled most of its research and advocacy work in assisting African countries to addressing the challenges of trading in the global market place. ATPC and ECA's Geneva offices provide technical backstop for African trade negotiators in Geneva and Brussels. The Centre also trains African experts on new tools and methods for conducting international trade analysis. Through its advocacy work, ECA, in collaboration with the AU Commission, periodically brings together senior officials from African countries to discuss major trade issues, with a view to forming a common African voice on major international trade negotiations.

Pursuant to the outcome of the last meeting, ECA has also upscaled its cooperation and collaboration with the African Union Commission and African Development Bank. The leadership of ECA is in constant communication with its counterparts at the AU Commission and the ADB. ECA has also held a number of bilateral meetings with the Chief Executives and senior officials of the RECs and NEPAD Secretariat on pertinent issues related to economic and social development of Africa. The three institutions, AUC, ADB and ECA, have also jointly organised a number of high-level conferences in some of the areas addressed at the last Committee meeting, including the Conference of African Ministers responsible for integration in Kigali, Rwanda in July this year. A number of key recommendations of these meetings have been adopted by the Summits of the African Union.

All these efforts have been carried out in the context of our determination to work closely together in order to strengthen synergy among our institutions and our activities, thereby helping to foster coordinated support and action towards Africa's development and integration.

In the same vein, we continue to marshal our collective efforts to help African countries define and articulate Africa's common positions and interests on relevant development issues in international forums.

This fifth session of this Committee will be examining, among other things, progress towards promoting Africa's regional integration in the context of the objectives and programmes of the African Union and the RECs. There is no doubt that Africa has made some progress in its efforts to integrate its economies.

Nonetheless, it is fair to say that Africa still faces tremendous challenges in advancing its integration agenda at all levels: national, sub-regional and continental. Allow me therefore, to highlight a few of these challenges.

In the macro-economic environment, I wish to highlight one key ongoing challenge manifested in the persistent upward trends in oil prices. As a majority of our countries are non-oil producing, escalating oil prices translate into high import bills for oil. They also have serious repercussions on countries' ability to balance the budget and maintain fiscal discipline in the face of heightened demands to accelerate the achievement of the MDGs, with poverty reduction at the centre of these demands. How to reduce vulnerabilities to the oil increase continues to remain a huge challenge for these countries. Addressing this challenge will require concerted trans-boundary solutions in the search for and development of alternative sources of energy. Furthermore, research at ECA shows that shocks to the macroeconomic environment are better handled if Member States embark on convergent macroeconomic frameworks as prescribed by their respective regional economic communities.

In the area of trade, it is worth recognising the efforts of many of our RECs to liberalise trade within their respective sub-regional spaces and create free trade areas and customs unions. However, the fact still remains that despite these laudable efforts by the regional economic communities, trade within Africa is still very low, consistently hovering between 10-12 per cent over the last decade. Africans trade less with themselves than with the rest of the world. The issue of intra-African trade is therefore an important item on the agenda of this meeting and I urge the Committee to address it. You will agree with me that infrastructure is one of the core challenges to overcome, and this meet-

ing will therefore be deliberating on developments in this area, including transport.

Africa is engaged in two key international trade negotiations at the World Trade Organization and also the Economic Partnership Agreements (EPA) with the European Union. As you all know, the Doha Round of trade negotiations is moving at a very slow pace. It is our desire that the talks conclude, whenever it does, with a strong development dimension that will be beneficial to Africa. A closely related issue is that of Aid for Trade and the African Regional Review meeting on this matter which recently took place in Dar es Salaam. At that meeting, African Ministers reiterated their call for the upscaling of the financial support for the development of infrastructure on the continent so that African countries can become competitive in the global trade and also trade more amongst themselves.

Given the potential challenges likely to be faced by African countries as a result of bilateral and multilateral trade reforms, ECA will continue to put the strong capacities it has built on trade to the service of African countries in order to achieve the desired outcomes in the international trade negotiations. We will also continue to provide technical support to our Member States in the EPA negotiations.

Your deliberations during this 5th Session are important for advancing the trade and integration agenda of our continent, and will also help sharpen ECA's work in these areas to accelerate the overall development of the African continent. It is our hope that this meeting will:

- Give clear guidance on our work programme in the areas of trade, regional integration and infrastructure;
- Identify trans-boundary solutions to address the energy challenges facing many African countries in the search for and development of alternative sources of energy;
- Address how to strengthen the capacity of the regional economic communities to implement their integration programmes at the national level; and

- Advise on how the programmes of the RECs are aligned and converge to African Union continental integration agenda.

Let me end by reiterating ECA's commitment to advancing the trade and regional integration agenda of the African Union. We therefore look forward to the outcome of your deliberations at this meeting so that we can chart the way forward on this important subject matter.

The Regional Economic Communities as ECA's allies

*2006 SADC Summit of Heads of
State and Government*

*Maseru, Lesotho
17–18 August 2006*

We are gathered here today in furtherance of the SADC vision of a regional community that will ensure economic well-being, improved standards of living, freedom, social justice, peace and security for the peoples of southern Africa. This is a lofty vision that ECA solidly identifies with.

As part of your overall strategy for realising this great vision, the Regional Indicative Strategic Development Plan was adopted, which, when combined with the Strategic Indicative Plan for the Organ on Politics, provides a solid framework for the implementation of the development agenda of the community. Your goal is consistent with the African Union's vision of continental integration, and I salute you for the foresight.

I am glad that this Summit is taking place in Lesotho, where ECA has been offering various technical services, especially with regards to the development of the Kingdom's Science and Technology policy. We have rendered similar services to many other countries in the SADC region, including Botswana, South Africa, Namibia, Mozambique, Angola and Swaziland and will extend the services to other countries upon request.

We are meeting here at a time when the Doha Round of talks have broken down; shattering in its wake the hopes and dreams of a transformed multilateral trading architecture for Africa. When the negotiations began five years ago with record participation of African countries, we

had hoped that Doha would erase the disappointments associated with the Uruguay Rounds in a new era of fairness. In Doha, African countries had expected a leveled playing field and real solutions to the plight of African farmers, who have been suffering from the effects of subsidies given to their counterparts in the rich nations. We were praying for a fair multilateral system where African countries could trade their ways out of poverty.

Perhaps we can use this status of stalemate and minimal progress to reflect on the need to increase intra-African trade. If other countries are reluctant to open up their markets to Africa, let us do it for ourselves. Let neighbouring countries buy more from and sell more to each other. If our RECs remove their respective internal trade barriers, rationalise their operations and dismantle barriers that prevent one REC from trading with another, then they would have made a giant leap in the direction of an African Economic Community. And initiatives such as Doha would no longer determine our development future.

This is why the new ECA has made regional integration one of its two key pillars, and the RECs its very foundation. Some of our regional offices are co-located with the operational headquarters of the RECs. Where this is not the case, we will post a Senior Adviser to serve as ECA liaison, to work more closely with you on a day-to-day basis and respond quickly to your immediate needs and challenges.

The new ECA will, more vigorously, focus on the specific needs of the RECs through a region-specific, multi-year partnership strategy with clear milestones. We will tangibly increase our technical support to the RECs and Member States by increasing the technical capacities of our regional offices and substantially increasing their operational budgets. We will make special efforts to ensure that our sub-regional work programme is directly relevant to the priorities of the RECs. I believe that this focus will deepen our existing collaboration with SADC, especially in the development of policy frameworks and programmes for transport, ICT, mining, energy, gender, labour, agriculture, land tenure systems, HIV/AIDS and corporate governance.

I would like to recall, with satisfaction, our collaboration with SADC in transit transport facilitation, road safety, implementation of the Yamoussoukro Decision on air transport liberalisation, and air trans-

port communications and navigation systems. We also initiated the development of ICT policies in SADC Member States and assisted in implementing the SADC protocols on mining and energy by developing frameworks for harmonising policies in these sectors.

In March 2003, ECA and SADC agreed to jointly address gender issues in the sub-region in order to avoid duplication of efforts and dissipation of resources. Since then, we have contributed substantively to various SADC initiatives on capacity building for national gender machineries and parliamentarians in the SADC region. We also facilitated the revision of the SADC HIV/AIDS framework to apply a gender-response approach, which was adopted by the SADC Summit in August 2003.

But our collaboration and interests are ongoing. Following our multi-year study of the impacts of HIV/AIDS on governance in Africa, we have been working, in partnership with the World Health Organization and the World Bank, on what it takes to accelerate HIV treatment in Africa, using three pilot countries – Mozambique, Ghana and Burkina Faso. We are also giving serious thought to the question of long-term health financing with a continuation strategy so that our vast populations infected with HIV can have the benefit of treatment for as long as they need it.

Because of the implication of land for food security, housing, urban development and peace, ECA is collaborating with the African Union Commission, African Development Bank, and the RECs on an ambitious project to develop a Pan-African Framework for Land Policy. In the near future, we will be seeking broad stakeholder participation through sub-regional workshops and consultations. In this regard, I would like to acknowledge the support of our development partners and the particular lessons we have drawn from the SADC Regional Land Reform Technical Support Facility.

We are also building a facility, the African Centre for Statistics, to upscale our statistical capacity to better assist Member States with evidence-based planning, sound decision making, and identification of best courses of action in addressing problems. As you know, these elements are essential for effective delivery of basic services, and are indispensable for accountability and transparency. They are also essential for providing a sound basis for the design, management,

monitoring, and evaluation of national policy frameworks such as the Poverty Reduction Strategies and progress towards the Millennium Development Goals. They, therefore, are part of the enabling environment for development.

At the margins of the Banjul AU Summit, I held bilateral discussions with the Chief Executives of NEPAD and some of the RECs on how to strengthen collaboration and partnership between ECA and their respective institutions. Subsequent to this meeting, a NEPAD delegation, led by the Deputy Chief Executive Officer, visited Addis Ababa to discuss and prepare the framework for collaboration between NEPAD and ECA, drawing on each institution's comparative advantage in the implementation of the NEPAD agenda. A formal Memorandum of Understanding (MoU) between the two institutions is being drawn up for the signatures of the leadership of the two institutions. This is only a beginning.

In the case of SADC, our sub-regional office in Lusaka is preparing a proposal on a Cooperation Agreement, based on the outcomes of your Consultative Meeting in Windhoek, and the Integrated Committee of Ministers Meeting in Johannesburg in 2006 . The Agreement will specify areas for cooperation, incorporating regional integration, capacity building and human resources development, as well as resource mobilisation for regional multi-sectoral projects and programmes.

The modalities for developing the collaboration will include joint missions, dialogue, research, training initiatives and joint mobilisation of resources for programmes in SADC Member States. I have agreed with the Executive Secretary of SADC to send a delegation of senior ECA officials immediately after this Summit, to the SADC Secretariat to discuss the operationalization and finalization of this agreement, which could form the basis for a Memorandum of Understanding between our two institutions.

In this context, I would like to appeal for an enhanced participation and leadership of SADC in the deliberations of ECA's Intergovernmental Committee of Experts, which, as you know, is drawn from your various government institutions. We should exploit this forum fully as an instrument for policy dialogue in defining the priorities and needs of the subregion.

Your deliberations at this Summit are vital to the advancement of the development agenda in the SADC region and may be a beacon for the rest of Africa. I want to assure you that ECA will continue to work diligently, in close collaboration with the African Union, the African Development Bank and other partners, to translate your vision of integrating Africa into a strong competitive continent, into reality.

Strengthening collaboration with ECOWAS

*Retreat of ECOWAS Ministers of
Finance and Regional Integration*

*Ouagadougou, Burkina Faso
1- 4 June 2007*

We have gathered in Ouagadougou today to take a critical reflection on the performance of the Economic Community of West African States (ECOWAS) so as to chart the future path of this great regional economic community. In order to have a meaningful outcome, the ECOWAS Commission has invited not only the Ministers of Regional Integration but also the Ministers of Finance who decide on how the monies of Member States should be disbursed. The decision of bringing the two groups of Ministers together for consultations is very commendable because it provides an avenue for both groups to consult and have a common understanding on the use of regional integration as a strategy for the sustainable development of the sub-region.

In order to have a meaningful outcome, the Commission has invited us to focus the discussions at this forum on three main issues: the vision of ECOWAS, ECOWAS medium-term strategic plan for poverty reduction, and policy harmonisation.

ECOWAS is one of the [most?] successful RECs on the continent. Unlike the other RECs that cut across sub-regions and are therefore difficult to manage, ECOWAS covers only the West African sub-region. This puts it in an enviable and unique position to develop and pursue an integration agenda that would drive the African Union's continental integration agenda. Despite the successes you have chalked and

being seen as the most advanced REC on the continent, I strongly believe you can achieve more. This retreat is therefore appropriate and timely as it offers an opportunity to reflect on the challenges we face and in the end chart a roadmap, which would lead us to the full integration of the sub-region as well as strengthen our continental integration agenda.

Against this background, we are being called upon to reflect on the vision of the community. It is my desire that a new vision for this sub-region should ensure that the fifteen economies in the sub-region become one strong, robust, diversified and resilient economy, supported by a first-class trans-boundary infrastructure; highly educated, flexible and mobile workforce; financial capital that is highly mobile; sound health facilities and peace and security. All of this must be underpinned by the spirit of ownership and self-belief of national development policies, which gives sufficient policy space to Member States to design strategies that address their specific needs with a view of ending aid dependency over time.

The imperative for regional integration in West Africa is particularly strong due to the size, structure and low level of development of the economies of the sub-region. With the exception of Nigeria, most are small and non-diversified, with very little trading relations between the countries. The fragmentation of the markets is therefore impeding industrial development in the sub-region. That is why the markets in the sub-region need to be integrated so that ECOWAS Member States can overcome constraints arising from their small domestic markets and reap the benefits of economies of scale, stronger competition and increased domestic and foreign investment.

Regional integration is also crucial for West Africa because the countries of the sub-region face numerous common challenges that can best be dealt with collectively. These problems include the marginalisation of the region in the global economy, weak infrastructure, weak performance in macroeconomic policies as well as regional commons such as the environment and natural resources utilisation. In addition, fourteen of the fifteen countries of the sub-region are classified among the low-income countries in the world. Water resources from important rivers such as the Niger, the Senegal and the Gambia are common resources to many countries and therefore need to be managed in a collective and concerted manner so as

to assure their sustainability. Additionally, three countries, Burkina Faso, Mali and Niger are landlocked and therefore face high transport costs and difficulties that are unique to the fifteen landlocked countries in Africa, which can be resolved through improved regional cooperation or integration.

Against this background, there is the need for us to have a continuous dialogue and debate, at the regional, sub-regional and national levels, on how we place regional integration as the centre piece of our economic and social development. A forum such as this retreat, which allows for effective exchange of ideas on regional integration between key policymakers, should be replicated at all levels of our society and should be broadened to include all the key stakeholders, particularly the private sector and civil society organizations.

Commendable progress has been made by ECOWAS over the years. For instance, since 1990, it has established a vibrant free trade zone which is supported by programmes of trade facilitation, including a uniform and simplified customs declaration form and a common statistical nomenclature, which is in line with the World Customs Organization (WCO) harmonised system. It has also introduced programmes that seek to strengthen and develop the infrastructure in the sub-region, particularly the areas of telecommunication, roads and energy.

Despite the progress made, there are a number of challenges, including the low level of intra-ECOWAS trade, poverty, monetary integration and the movement of people. Intra-regional trade in West Africa is still low, representing on average around 10 per cent of total exports. There are many factors assigned for the low intra-community trade, including the economic structure of the Member States, which constrains the supply of diversified products; poor institutional policies; weak infrastructure; weak financial and capital markets and failure to implement trade protocols.

Although the trade performance of ECOWAS matches that of other African RECs, it is extremely low compared to other trading blocs outside our continent. For example, trade within the Association of South East Asian Nations (ASEAN) accounts for about 60 percent of their total export. The same is true for the countries of the Latin American Free Trade Agreement (ALENA) area, whose intra-regional trade accounted for 56 per cent of total exports. It is no wonder that

the economies of ASEAN and ALENA are doing remarkably well.

In order to promote and address the challenges impeding the flow of goods and services within the sub-region, we need to take appropriate policy prescriptions. Member States would have to commit to the effective structural diversification of production and exports. The production of non-traditional export commodities with comparative advantage on regional and global markets must be encouraged. Government might consider shifting their industrial development policies and strategies towards diversified production lines, which are driven by approaches based on the processing of local raw material and on local innovation.

Trade between ECOWAS Member States would not be improved with the current quality of our infrastructure. Transport infrastructure and services should be improved through maintaining and rehabilitating existing roads, expanding the road network to isolated areas, improving railways networks, replacing obsolete and inappropriate equipment at ports, developing more dry ports to serve both landlocked countries and interior areas of coastal countries, and increasing air transport connectivity in the sub-region.

To increase the free movement of the citizenry of the sub-region, ECOWAS introduced a common passport. In addition, citizens of Member States do not have to have an entry permit or visa to move across the borders within the community. However, although ECOWAS has a protocol on the right of residence, Member States are reluctant to fully implement it. It is about time that all state-signatories to the protocol fully operationalise it. This would also help promote trade and investment within the sub-region.

Let me now turn to the issue of poverty reduction strategies. I highly commend ECOWAS for its medium term strategic plan for poverty reduction. Till now poverty reduction strategies have been country specific. ECOWAS is the first to take an innovative approach to tackle the issue from a trans-boundary perspective.

Compared to other regions of the developing world, most African countries, including those in the ECOWAS region, have made limited progress in reducing poverty and achieving the MDGs. Although Africa's growth rate has improved in the last few years, it has been vol-

atile and insufficient to achieve the MDGs. Moreover, the benefits of the growth achieved have not, for the most part, been shared broadly across society largely because growth has been concentrated in the extractive sectors and the capital intensive sectors.

Stimulating faster, quality and sustainable economic growth in the sub-region is essential for poverty reduction. To do this, policymakers must vigorously pursue coherent and consistent policies that ensure sustained prudent public expenditure policies, particularly the scaling up of infrastructure development; reasonable macroeconomic stability; stronger international efforts aimed at coping with external shocks; productive public-private partnership and above all peace and security.

Financing the implementation of poverty reduction strategies will require both domestic and external resources. Member States would have to aggressively mobilise domestic resources to finance pro-poor growth policies. Part of the domestic mobilisation could include the efficient collection of taxes and the use of capital markets to issue financing instruments such as bonds and treasury bills.

Domestic resources alone would not be sufficient for the financing of PRS activities. That is why the UN Millennium Project (UNMP), the Commission for Africa (CfA), the G8 and the UN General Assembly have called for a “Big Push”, in other words the doubling of aid plus an acceleration in domestic investment, to spur growth and achieve the MDGs. Implementing the “Big Push” strategy will, however, require that adequate absorptive capacity and fiscal space be created within the macro-economic framework to accommodate the increased revenues and expenditures associated with additional official development assistance (ODA) inflows. The Accra meeting on “Financing for Development” had a focus on energy. The outcome of the meeting provides new insights on how to finance development on the continent, including this sub-region.

Scientific evidence clearly shows that as a result of greenhouse emissions, the global climate is changing. Poor developing countries, including those in the West African sub-region, are at most risk because they are more dependent on agriculture; more vulnerable to coastal and water resource changes; and have less financial, technical and institutional capacity for adaptation. Furthermore, half of

the countries of the sub-region are in the Sahel Zone and are threatened by desertification, which continues to gain ground and is pushing its way southward. It is therefore important for ECOWAS to come up with a comprehensive Action Plan on how to mitigate and adapt to climate change.

Let me now make a few remarks on why there is the need for harmonisation and coordination of policies of regional integration blocs in the sub-region. The assessment of ECA is that the current system of integration in Africa is too complex. Almost all of our countries belong to more than one of these RECs. The existence of these RECs and the failure to harmonise their initiatives has resulted in unnecessary duplication of effort. There is therefore an urgent need to align these RECs to ensure coherence.

In West Africa, there is the presence of ECOWAS and l'Union économique et monétaire ouest africaine (UEMOA). Both institutions recognise that each has to compliment the efforts of the other and are engaged in removing duplications and overlap of programmes and activities. That is why a framework of consultations between the two integration bodies has been created as a means to strengthen their relationship.

Despite this commendable framework of cooperation, ECOWAS and UEMOA need to do more. The bodies should harmonise their protocols and align their institutional settings so as to ensure efficiency and the effective use of resources.

Before I conclude let me briefly touch on what we are doing at ECA to strengthen our collaboration with ECOWAS.

At the margins of the Shanghai meeting of the African Development Bank, I held bilateral discussions with the President of the ECOWAS Commission, Dr. Ibn Chambas, on how to strengthen collaboration between ECA and the ECOWAS Commission. I informed him that our sub-regional office in Niamey has been strengthened and would very soon have a multi-year agreement with the Commission. The Agreement will specify areas for cooperation, incorporating regional integration, trade, infrastructure, capacity building and human resources development, as well as resource mobilisation for regional multi-sectoral projects and programmes.

Let me end by assuring you that ECA will continue to work to assist ECOWAS and its Member States to develop sound development policies. In addition, ECA will continue to strengthen its partnership arrangements with the African Union Commission and African Development Bank so as to advance the developmental agenda of our beloved continent.

Reaping the benefits of the Economic Partnership Agreements in Africa

*Addis Ababa, Ethiopia
8-10 October 2008*

The Economic Partnership Agreements (EPAs) continue to draw varied reactions, not only in the constituencies of the negotiating parties—the African, Caribbean and Pacific and European Union States—but across the world, moreover, the private sector, from small rural farmers struggling to improve their livelihoods through agriculture and the day-time worker in a small cottage manufacturing industry in a small African town, to the workers and owners of large plantations and formal manufacturing firms in African cities that are concerned by the EPAs. Some of them are worried about EPAs, despite the opportunities these agreements might have.

The cause of the worry is that they are still uncertain that the EPAs will deliver on their development promise. This is made worse by the discordant voices on what EPAs will do to African economies. Some of the issues causing concern include the fear that EPAs will undermine regional integration in Africa. These fears were, to a large extent, confirmed by the rush to initial interim EPAs last year. There are also concerns that the focus of EPAs is on trade, to the detriment of development objectives. Again, the audit of the interim EPAs did suggest that the development objective could be constrained by insufficient attention to special and differential treatment and lack of binding commitments on how development-oriented provisions will be financed.

Also of consequence is the fact that EPAs may contain WTO-plus provisions (such as government procurement; competition; investment rules.), which could in theory contribute to positive development outcomes, but most African countries lack sufficient institutional and regulatory capacity in these areas. Equally critical is the feeling that EPAs will have significant adjustment costs and impact negatively on already low intra-African trade.

Over the last four years ECA has presented various studies on EPAs at continental meetings in Mombasa (2005); Cairo (2006); and Nairobi (2007); in addition to similar work at country and sub-regional level. We have also made recommendations to you through the African Union Ministers of Trade conferences on how the EPAs could be used as development tools and also how the agreements could tackle some of these fears (Cairo (2005); Nairobi (2006); Addis Ababa (2007 and 2008)).

Let me therefore spend some time addressing some of the issues raised in the EPAs debate before concluding with some suggestions on how Africa could take the process forward. From the outset, it is important to recognise that there is a very strong relationship between Africa and Europe, which is why an Africa-EU strategy has been discussed and agreed at the highest level. Trade and development are important pillars in this strategy and the EPAs should be seen in this light—a partnership within the context of long-term co-operation strategic framework.

There is also another important given, and that is, despite the current turmoil in the world economy occasioned by shocks emanating from what is characterised by the 3F's—food, fuel and finance crises—bilateral, regional and multilateral trade negotiations will continue. The international community is in agreement that trade has an important role to play, including in resolving some of the challenges arising from the current crises. EPAs are one of several trading agreements that will be negotiated, and the key issue is how Africa, with its regional integration agenda, and weak integration in the global economy and trading system, will want to use these various routes to achieve its overall development objectives.

On the issue of regional integration, there is no doubt that both the configuration of the negotiating groups and the situation resulting

from the interim EPAs was not encouraging. Furthermore, some of the commitments that have been made in the interim agreements in the area of market access for the EU, (for example in tariff lines to be liberalised and also lists of sensitive products) are not aligned to the agenda of some regional economic communities. It is therefore important that as you meet here, you discuss exhaustively how these shortcomings could be redressed in the final EPA agreements.

With regard to development, some feel that having a predictable regulatory environment, with clear rules in the area of competition, investments, and government procurement, among other issues, could help in the expansion of regional markets, which would contribute towards positive development outcomes. On the other hand, there is the view that having fully financed policies and investment programmes, similar to Aid-for-Trade, in support of EPA implementation is the only way that African countries can benefit from this process. Both arguments have merit. The challenge is more on sequencing, which is why as you consider safeguards at this meeting, I would urge you to bear in mind the importance of having the right sequencing of the commitments that African countries will make. This would also help determine investment needs over the entire transition periods of the EPAs implementation.

Regarding the economic and social adjustment costs, as in all negotiations, there are bound to be winners and losers. Research shows that trade reforms can have unexpected impacts on livelihoods at the household level. One cannot therefore deny that some livelihoods might be negatively affected when some of the provisions in the EPAs are implemented. Our common responsibility here is therefore to come up with proposals for EPA negotiations that will protect or provide alternative adjustment paths for those that are likely to be affected adversely by the reforms occasioned by the final agreement. This could be done by having a gradual process of implementation of the reform measures, and also in the right order.

There are many other important issues that will arise from the technical presentations to be made at this meeting. For instance, there is the important question of financing adjustment costs. The EPAs must take care of this question in an unambiguous way. You may therefore have to look at how the Aid-for-Trade implementation could play a part, especially on the supply side, such that the EU and its Member

States provide support over and above the European Development Fund as African countries have been requesting.

You will recall that on April 3, 2008, the African Ministers of Trade and Ministers of Finance called upon the African Union Commission, in collaboration with ECA, to come up with a template that African countries can use in concluding comprehensive EPA agreements. In this meeting, you will be presented with results and recommendations based on a legal audit of interim EPAs. On this basis, a paper has been put together showing clauses and provisions in the various interim EPAs that closely approximate the African common position. Our expectation is that Member States and RECs will look at these recommendations and make suggestions for their improvement.

You have a very important task ahead of you and I want to reassure you of ECA's continued commitment to support you in this to ensure that at the end of the day, the vision of a prosperous Africa is realised.

On the capacity needs of the Regional Economic Communities

*Addis Ababa, Ethiopia
25 February 2006*

The African Capacity Building Foundation convened this very important meeting on addressing the capacity needs of the regional economic communities (RECs), which were designated, by the Abuja Treaty, as the lead agents for realising the dream of an African Economic Community. In addition, the Heads of State of the NEPAD Implementation Committee have also assigned them priority tasks to be carried out to advance the NEPAD agenda. Despite being assigned such important duties, the RECs are still not being provided with resources that commensurate with the tasks they have been assigned. This partly explains why progress towards the ultimate goal of an African Economic Community has been mixed.

The overlapping mandates and objectives of the RECs, the duplication of integration policies and the multiplicity of membership by African countries into the different RECs, appear to be slowing down the integration agenda. At the same time, despite the efforts of the RECs and member countries, intra-African trade remains low because of factors that include existing non-tariff barriers. With regards to the movement of persons from one country to another, most RECs have abolished tourist visas, however, most RECs are yet to implement the rights of residency and establishment for non-citizens of a member country.

The presence of many regional economic communities also spreads limited resources thin, complicates the overall continental integration process, and puts an enormous strain on governments' ability to cope with diverse agendas and exigencies.

Finding a solution to this problem is clearly not an easy one.

Top of the list of challenges facing the RECs are the capacity constraints within their individual secretariats, which are seriously impeding the implementation of their work programmes.

A survey undertaken by ECA for the second edition of *Assessing Regional Integration in Africa (ARIA II)* reveals that most of the RECs are under-staffed and also suffer from a high rate of staff turnover. The ECA survey reports that the RECs experience a turnover of 0 – 3 years, impacting heavily on the human resource capacity needs. They also lack technical expertise. In particular, the ECA survey indicates that more than 55% of the RECs reported serious gaps in the areas of IT management, law and accounts. Sectoral programmes such as agriculture, economics and political science, which are prominent features in a majority of the RECs, are also seriously under-staffed. These shortages are having a serious impact on the implementation of their work programmes.

These staffing constraints could also be linked to the resources constraints. There is a high likelihood that if their budgets were sufficient, most of the RECs would be in a position to deal with their technical skills shortages. Clearly, the financial crunch faced by the RECs can be explained by the failure of Member States to fully meet the financial needs of the secretariats. Given the multiple memberships of many countries in overlapping RECs, the ability of these States to meet their contribution obligations is also limited.

Moreover, the effectiveness and efficiency of the secretariats of the regional economic communities is hampered by the duplication of programmes at the RECs level. The ECA survey observed that RECs are duplicating their efforts in programmes related to trade facilitation and trade and market integration. Surprisingly, the duplication of programmes in trade and market integration is not translating into increased intra-African trade.

Today's meeting is very important and useful for the advancement and strengthening of the capacity of regional economic communities. You will be discussing the results of an important survey carried out by ACBF. The survey identifies the serious capacity constraints and challenges encountered by the RECs as I mentioned above.

We, at ECA, believe that the goal of creating the African Economic Community, as enshrined under the Abuja Treaty, is still achievable if the RECs can be effectively supported to tackle the challenges that confront them. In that regard, the recommendations reached at this meeting could assist all of us in addressing the capacity problems of the RECs.

Let me end by assuring you that the ECA will continue to work diligently, in close collaboration with the African Union and other partners, to assist Member States and the RECs in the strengthening of integration programmes on the continent.

Taking forward the Southern African Development Community's Free Trade Area

*South Africa
August 2008*

The launch of Southern African Development Community (SADC) Free Trade Area (FTA) is at once an expression of your well-known common commitment to the ideals of deeper regional integration as well as abiding faith in trade as an engine of growth. This framework, with its associated harmonisation of rules and standards and removal of existing barriers, promises welfare gains, including more jobs, increased investment flows and improved economic prosperity. It should help individual countries to diversify their economies and thereby collectively improve the productive capacities of SADC. Moreover, the SADC FTA is consistent with the ideals of continental integration and consistent with the vision the African Union and its NEPAD programme.

In taking its FTA forward, I know SADC will ensure that its benefits are broad-based and that they filter down to all Member States and reach the grassroots community, including previously marginalised sectors of society such as women and poor rural dwellers. You are also creating an enabling environment for the further growth of the private sector, which has a key role to play in making successful use of the regulatory framework provided by the FTA. Equally commendable are ongoing initiatives to harmonise SADC, the Common Market for East and Southern Africa (COMESA), and East African Community (EAC) programmes, which will give further impetus to achieving the

aims of this Free Trade Area as well as assist the process of concluding Economic Partnership Agreements with the European Union.

There is good reason to be positive about the prospects for the SADC Free Trade Area despite the recent lamentable breakdown of talks in the Doha Round of the World Trade Organization. While we must still hope that the global trade talks can be salvaged given the narrowness of the differences that need to be overcome, we should also see the situation as an opportunity in the sense that we should now focus our attention on intra-Africa trade. In this era of high food prices, it is now, more than ever before, important to promote intra-Africa trade as a means of meeting emergency food needs and in order to provide an incentive for increased investment in agricultural production.

In addition to high food prices, which threaten food security and affect political stability, the world is confronted by high energy prices, which pose a serious constraint on our collective ability to move forward on the development agenda, including achieving the MDGs. If we add the negative effect of climate change to the mix, it then becomes clear that concerted efforts will be needed if this region is to maintain current growth trends and overcome spill-over effects from an increasingly troubling global economic outlook.

SADC has established a strong track record of solidarity in responding positively to challenges that face the sub-region in areas such as poverty reduction, governance and confronting the challenge of HIV and AIDS. I am therefore confident that similar determination will be brought to bear in addressing present challenges of high food and energy prices, climate change and a potential economic downturn.

ECA, and indeed the entire UN system, remains available to support SADC efforts with regard to operationalising its FTA as well as in other areas of transboundary cooperation. In particular, we have created credible capacity to improve access to reliable data, which is essential for evidence-based planning and the monitoring and tracking progress in various areas of development. Indeed, since I last addressed this august gathering, an African Centre for Statistics has been established at ECA and it is working actively with several SADC member States to improve their statistics and develop their national statistical systems. In this context, we salute the support and en-

couragement received from the South African Government, in particular from Minister Trevor Manuel and the staff of the Department of Finance.

Our cooperation in support of its efforts over a wide range of activities will be deepened by the Memorandum of Understanding which ECA hopes to sign with the SADC Secretariat after approval by the relevant bodies. Meanwhile, we have re-focused our programmes so that they are synchronised and supportive of the priorities and programmes of the SADC Secretariat. You can count on the support of ECA and the entire United Nations system as you work together in a coherent and collaborative manner to improve the lives and prospects of your people.

Using good governance to promote regional integration

*African, Caribbean and Pacific Group
of States (ACP Group) Symposium on:
Regional Integration and Good
Governance*

*Brussels, Belgium
7 June 2010*

I am pleased to be here with you today to commemorate the 35th anniversary of the African, Caribbean and Pacific Group, the ACP Group. Since its inception, the ACP Group has consistently and credibly managed the relations between its member States and the European Union over the years through the changing structure of the European integration project as well as the constantly mutating international landscape. This anniversary is therefore well worth celebrating.

I find the theme of this symposium – Regional Integration and Good Governance – compelling for several reasons. To start with, regional integration is one of the two pillars of ECA's work, the other being helping Africa to meet its special needs. Improving governance conditions in Africa is certainly one of the continent's priorities if the provisions of the AU Charter and its NEPAD programme are anything to go by. The topic is also pertinent and timely because we are at the heart of the European Union, the most successful regional integration arrangement of recent times. Topical events, even here in Europe, have shown that governance conditions in some Member States impact greatly on other members of the European Union.

Since Africa is the continent that I am most familiar with, most of my examples will be drawn from there. Africa as a continent, given its fragmentation into small States, has to integrate if it is to significantly

improve the economic and social conditions of its people. We happily note the increasing commitment of Africa and its leaders through the African Union and the Regional Economic Communities (RECs) to the integration agenda.

I will outline some key issues that are relevant to all regional groups comprising the ACP. This is certainly the case with my central premise, which is that the success and credibility of any regional integration agreement be it a free trade area, customs union, economic community or economic union is ultimately dependent on good governance practices in individual member States shaped by shared values.

For purposes of clarity, by governance I am referring to the processes through which individuals and organisations participate, cooperate, decide and resolve disagreements regarding the production and use of public goods in the context of state relations. This relates both to the nature of policies adopted as well as the institutional set up for acting on them. For these processes to function effectively they must be underpinned by shared values such as a common cultural heritage, democracy, human rights, gender equality, accountability, equity and the realisation that the human being must be placed at the centre of development efforts. Shared values provide the basis of a common approach for dealing with the interlinkages between regional integration and governance.

The validity of this statement can be seen from the varying interaction of regional integration and governance, especially with regard to issues such as finding the right balance of sovereignty that member States are willing to yield to their regional grouping. It can also be demonstrated with regard to the management of institutions of integration and transboundary cooperation, the cost of integration, the prevention of conflicts as well as the overarching imperative of a development outcome. Also key in this regard are the issues relating to voice and representation of Africa and indeed the wider ACP in global economic processes.

The degree of sovereignty and amount of policy space that member States are willing to cede to regional groupings would depend to a large extent on their shared values. Their ability to cede such important state prerogatives depend on trust and commonality of purpose that they have with other members and this can only be assessed by

a good track record of governance and compliance with agreed policy objectives. We are all aware of the fact that membership to the European Union requires candidate countries to show that they can meet criteria such as functioning democratic institutions and market economies as well as the ability to meet the obligations of membership.

The close inter-relationship between governance and regional integration is also evident in the management of the institutions of integration and transboundary cooperation between member States of regional groupings. By the institutions of integration, I mean not only the secretariats of regional groupings but also their intergovernmental bodies and specialised agencies. These bodies need to acquire and build up the capacity to envision integration strategies and influence agreed economic and social outcomes. Moreover, regional economic communities should have the capacity to successfully undertake tasks that have been identified by participatory and inclusive processes as properly belonging in the realm of transboundary cooperation.

The process of integration is a costly one because of its institutional requirements as well as for the funding of physical infrastructure and programmes such as the EU's Common Agricultural Policy (CAP). Where money is concerned there are likely to be tensions over its use. It is the common commitment to the efficient and transparent use of resources and the belief that scales of assessment were fairly determined that encourages member States of RECs to be willing to entrust resources to the centre. But this is not the only consideration. Take the Economic Community of West African States (ECOWAS) for instance, which has developed a good financing arrangement through levies on imports into the Community. There have to be good governance practices in terms of statistics, record keeping and customs procedures to ensure that such levies are fully transferred to relevant ECOWAS institutions.

The formulation and implementation of common policies must also be underpinned by shared values. To illustrate, I recall that membership of the Euro zone required that governments of its member countries maintain and report accurately on policy regimes that would ensure the stability of the currency and the financial system of the entire zone. The ability to comply with the monetary and fiscal requirements of this policy regime would certainly matter more

in developing countries because of issues of state capacity. Where countries are unable to manage their external deficits due to structural constraints and governance challenges then they are unlikely to be able to enter into single currency arrangements. The same is true for the administration of rules of origin requirements in preferential trade areas.

Some key shared values of the African Union relate to identity, opportunity, justice, and fairness. When these are not observed there is potential for conflict, which also undermines economic and social development, including through the wiping out of social capital and trust. Similarly, with open borders and glaring disparities in economic opportunity within a regional grouping, people are likely to resort to migration which in turn can arouse feelings of xenophobia. Shared cultural heritage and affinities can help manage such processes and keep states from closing their borders when confronted with large numbers of refugees or economic migrants from within their regional grouping.

A key shared value in integration and governance processes relates to placing the improvement of the human condition at the centre of development efforts. Regional integration groupings must accordingly be governed with development outcomes in mind. In addition to the potential gains from trade, economies of scale from wider market opportunities and the pooling of resources to undertake common projects, regional groupings must remain accountable to their people in the policy stances that they adopt. Regional policies must promote the achievement of the Millennium Development Goals and encourage foreign direct investment and should not be focused solely on short-term gains. The ability of a financial institution such as ECOBANK to successfully open and operate branch offices in several member States of ECOWAS attests to the existence of regional policies that enable transboundary investment in that region.

Thus far, I have emphasised how the shared values underpinning good governance impact on regional integration but there are also ways in which the converse is also true. Being together in a regional integration grouping provides opportunities for countries to learn from one another, especially in the process of adopting common policies. It also provides a framework for clearly articulating and developing shared values. The example of the African Union is salu-

tary, the shared commitment of its member States to democracy and human rights has led to the adoption of clear policies to resist and oppose unconstitutional changes of government. The African Peer Review Mechanism of the African Union, which is an innovative and voluntary approach to institutionalising best practices in governance is yet another example of the contribution that regional integration arrangements can make to promoting good governance.

The same is also true for the conduct of international relations as membership of regional groupings gives small states greater voice and representation in global institutions and negotiating forums. Africa's widely hailed decision to negotiate as one in the climate change negotiations is an example of an institutional arrangement that has arisen out of the integration efforts of the continent. Another example, relevant to the ACP Group is the negotiation of Economic Partnership Agreements with the European Union by different regional groupings. Such arrangements, give Africa a voice to help promote global shared values of equity, fairness and respect for the views of the less powerful members of the international community.

Africa's commitment to regional integration and improved governance must be tempered by the realisation that there is still a lot more to be done. Take for example, trade, which is one of the pillars of regional integration programmes in Africa. Despite commendable efforts by African countries to significantly dismantle barriers to trade, intra-African trade is still low. The fourth report on Assessing Regional Integration in Africa, which was published jointly by the Economic Commission for Africa, African Union Commission and the African Development Bank, finds that intra-African trade represents on average around 10 per cent of total exports. This state of affairs is partly due to a lack of physical infrastructure as well as to poor governance practices such as the existence of road blocks, legal or otherwise, and the failure to implement trade protocols.

The successful implementation of policies and protocols adopted by RECs must also be matched by the continuation of efforts to reduce the cost of doing business. The evidence from Africa shows that the ex-factory cost of production is not much different from other parts of the world and that its products start becoming uncompetitive when transport, infrastructure and regulatory barriers are factored into the equation. This underscores the importance of regional trade

facilitation programmes, which are being supported by the Aid for Trade initiative of the World Trade Organization (WTO). The decision of member States of the Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and Southern African Development Community (SADC) to embark in this context on the North-South Corridor project clearly demonstrates the required vision and commitment to achieve such objectives.

To sum up, regional integration will not be successful if it is not underpinned by good governance and there are certainly governance practices that can be promoted by the integration process. The findings of the African Governance Report, published by ECA, indicate that good governance is intrinsically linked to improvement in economic and social outcomes.

These are outcomes that we are all committed to and ECA will certainly continue to work closely with the Secretariat of the ACP Group to articulate sound development policies and promote international economic cooperation.

Deepening regional integration to sustain Africa's emerging potential

*2nd Conference on Africa: 53 Countries,
One Union*

*Washington DC, USA
15 June 2011*

This is a time of greatly increased interest in Africa's economic prospects which is coming quite paradoxically at a time of uncertainty in the global economic outlook especially in the developed economies. However, to be able to benefit from its emerging potential, Africa must continue to embrace regional integration with even greater zeal and commitment than has been the case until now. In this regard, I must declare myself as an unwavering advocate of regional integration in Africa, but, of course, I am not alone. This is a position that Africa's leaders have by themselves committed to in the Abuja Treaty establishing the African Economic Community, the Constitutive Act of the African Union and the treaties of the various Regional Economic communities.

This commitment is also reflected in the notable progress that has been made in trade and market integration with the move by Regional Economic Communities to create free trade areas and customs unions. It is also reflected in arrangements for macroeconomic convergence, monetary and financial integration, free movement of people, commitments to improving governance and ensuring conditions of peace and security in the continent. I notice however from my vantage point at the Economic Commission for Africa, which has been in the vanguard of promoting regional cooperation in Africa since the early 1960s, that there is some degree of uncertainty about the pace, institutions and processes of integration in the continent.

In response, I wish to offer the following framework for accelerating the process of integration in Africa and for overcoming current challenges.

First of all, Africa, that is, its governments and peoples must continue to debate all dimensions of regional integration in the continent. The value of debate is informed by the example of Europe, where there is still a vigorous exchange of views about the nature and institutions of the European Union. Rather than being a constraint, such discussions have fuelled the great progress that has been made in that continent over the years since the establishment of the European Coal and Steel Community in the Paris Treaty of 1951.

Such a debate in Africa should include but cannot be limited to goals, stages, speed, timing, priority sectors and institutional structures. Without a doubt, if our efforts to integrate Africa are to succeed, then it is imperative that when we speak of regional integration in Africa, we can do so with confidence derived from the knowledge that we are aligned behind a common goal having examined the issues involved, aired our differences and determined the resources required to achieve our objective building a peaceful, united, resilient and renascent Africa.

My second point would be to reiterate that integration in Africa is based on shared values, as recently demonstrated at the January 2011 AU Summit which devoted its meeting to this theme. As I stated on that occasion, Africa's assertion of common values started in the pre-independence era with a focus on the African identity and the pan-Africanist ideal. This shared identity shaped a continental unity that does not exist elsewhere in the world and, despite setbacks along the way, it has brought about a common commitment to democratic ideals, respect for human rights, promotion of gender equality, promotion of cultural and religious tolerance and the building of inclusive and harmonious societies.

The African Peer Review Mechanism is a practical example of the commitment to shared values within the continent. It is not possible to have a club or community of any sort without shared values and Africa must accordingly continue to place emphasis on deepening commitment to the values to which it has subscribed.

Next, I would posit that more trans-boundary cooperation is required to deepen integration in Africa. If integration is to be meaningful, it must enable regional solutions to common challenges. In other words, the African Union and its member States must continue to work assiduously to increase cooperation within the continent to promote peace and security in all parts and assist in the harmonious and mutually beneficial use of shared resources including water, forest and mineral resources. Such cooperation is also essential for tackling common threats to health and environment as well as in overcoming the impact of climate change and the shared effects of environmental degradation.

Trans-boundary cooperation is also key for the determining the standards, codes, rules and regulations that reduce transactions costs and facilitate trade and investment. It will also enable the common provision and operation of infrastructure and services required to spur further growth in African economies. Of course, more trans-boundary cooperation might entail some sacrifices or entail the mustering of political will to cede some sovereignty but it must ultimately be driven by the realization that there is more to be gained by working together than in going it alone.

The last aspect of the framework through which we might wish to view issues of regional integration relates to clarifying the architecture of regional integration in Africa and strengthening related institutions. Since the adoption of the Lagos Plan of Action in 1980, regional economic groupings have been recognized as the building blocks of continental integration. However, the establishment of these bodies has not taken place in a consistent and coherent manner and the result has been overlapping roles, duplication of functions and competing claims on scarce resources. It was against this background that the theme of the 2nd Assessing Regional Integration in Africa report now jointly produced with the African Union and African Development Bank was devoted to “Rationalizing Regional Economic Communities”.

I can tell you that this was a very hotly debated and contentious issue for some of the Regional Economic Communities but the report ultimately spurred the decision of the African Union to recognise just eight Regional Economic Communities (RECs). This was a step in the right direction but there are many other groupings whose man-

dates relate to regional and economic integration that continue to exist and function. Since we cannot wish these groupings away, we need to be innovating in our thinking about how they can fit into the organizational frameworks of their relevant RECs. Perhaps in West Africa, the Mano River Union could become the subsidiary organ of ECOWAS for peace building and post-conflict reconstruction.

All of this goes to show that the organizers of this conference were quite right to focus the sessions that will take place tomorrow on issues of peace, security, democracy as well as trade and infrastructure. All of these issues are important but I cannot address them all in the time available, so permit me just to say a few words on the critical issue of infrastructure that is required to link up Africa's vast spaces, power its industries, facilitate trade and light up its homes. There is much agreement on the vital role of infrastructure in promoting growth at the national level in Africa but I feel that it is equally important to explore the possibilities of regional infrastructure. This approach will not only fast track integration but will actually enable implementation of some of the larger projects like INGA which will be more efficient and will bring unit costs down to be built.

Taking a regional approach to the provision of infrastructure requires several issues to be addressed including joint identification of projects and provision of financing through regional funding windows. I certainly hope that the work of the G20 High Level Panel on Infrastructure Finance will lend impetus to this process particularly in Africa. This matter is also closely related to financing the processes and institutions of integration and the ways and means of sharing the costs and benefits of integration. There will be losers in some instances of trade liberalization but the use of compensation funds in the short run and promotion of comparative advantages in the long run could help to overcome any difficulties in this area.

At ECA, we are working very closely with the African Union Commission and the African Development Bank to accelerate Africa's integration agenda. As part of the process of bringing the collective political, technical and financial resources of Africa together, we have established a Joint Secretariat Support Office. We are also collaborating with our partners across the four areas I have outlined to ensure that our common aspirations for an integrated Africa are achieved, sooner rather than later.

Transforming Africa into a destination for foreign direct investment

*Statement at 18th Ordinary Session
of the AU Executive Council
Addis Ababa
27 January 2011*

This era marks the beginning of the African moment. After years of negative views and news about our continent, a more positive message is emanating about our economic prospects. The African economy was resilient overall during the global economic crisis and our continent is emerging on the global economic scene. Africa's potential as a destination for foreign direct investment in support of global growth is evident from various studies including a recent analysis which found that six of the fastest growing economies globally over the last decade were in Africa.

The data available to us also tells this story. Africa's Gross Domestic Product grew on average by 4.7% in 2010 compared to 2.4% during the throes of the global economic and financial crisis in 2009. This swift and fairly robust recovery was helped by high commodity prices, increased flows of foreign direct investment and the rebound of tourism. It was reinforced by countercyclical policies in some countries, and a good showing in agriculture and the telecommunications sector. Growth prospects remain fairly strong with an expected average growth rate of 5% in 2011.

I must caution however that despite this fairly optimistic scenario, there remain serious downside risks, which as recent events in some of our countries show, can undermine social stability. In particular, Africa's relatively strong growth is yet to translate into meaningful

job creation especially for its rapidly expanding youth population. This troubling situation is being further compounded by rising food and fuel prices, the dangers of climate change as well as developments in the global economy especially the sovereign debt crisis, fiscal consolidation and currency tensions in developed economies.

If Africa's promising growth is to be sustained and improved upon then it must be buttressed by the shared values that underpin our societal and state relations including respect for the human being, equity, equality of opportunity and affirmation of the African identity. Indeed, Africa's economic growth must remain high for required structural transformation but it must also be inclusive, just and equitable otherwise there is a real risk that it might be derailed, which underscores the relevance of the theme of the forthcoming Summit – *Towards Greater Unity and Integration through Shared Values*.

Shared values convey a sense of community and common interests and are integral to any club, society, or grouping. They can be universal or particular as is obvious from the example of the United Nations and other regional groupings around the world. I would aver in this regard that Africa has contributed to promoting a globally accepted ethical norm that an individual does not exist in isolation from his community, what our brothers and sisters from Southern Africa call 'Ubuntu'. This is reflected in the "*African Charter on Human and People's Rights*" which takes account of social and group rights especially in the context of development but which does not negate from the concept of the African identity.

Africa's own quest for common or shared values started in the pre-independence era and continues to date. This process has been marked by successes and setbacks but the African identity, which is closely related to our unrelenting vision for an integrated continent has been a common thread. This was the value underpinning Pan-Africanism which reaffirmed human dignity irrespective of colour and creed and inspired Africa's fight for freedom and decolonization and against racism.

This shared identity also helped to shape Africa's institutional landscape first with the Organization of African Unity and now the African Union and our Regional Economic Communities. It has also buttressed our common commitment to improving governance in the continent

including through adoption of democratic ideals, respect for human rights, promotion of gender equality, promotion of cultural and religious tolerance and building of inclusive and harmonious societies. The adoption of the Charter on Democracy, Elections and Governance further attests to Africa's firm conviction and commitment to establishing a governance architecture to strengthen this agenda.

These aspirations are reflected in both the NEPAD and APRM programmes and enshrined in several treaties and charters of the African Union but we also have to accept that there are still gaps between our governance vision and the complex and difficult realities across our vast and diverse continent. Undeniably, electoral processes in some of our countries have been fraught with challenges that need to be better understood and addressed, which is why the next African Governance Report to be published by ECA and its partners will be taking a closer look at 'elections and management of diversity'.

Improved governance is also needed in the development process which is why the next AU/ECA Conference of Ministers of Finance, Planning and Economic Development will be deliberating on '*Governing Development in Africa*'. Just as the Lagos Plan of Action and the NEPAD programme attest to a shared commitment to the economic and social development of this continent, it has become important to place development back on the agenda of the governance discourse after nearly three decades of relative neglect. Given the continued existence of grinding poverty, hunger and limited access to education, health and suitable shelter and the evidence from other successful economies, it is no longer possible to limit the role of the African state to that of a mere 'night watchman'.

Another well known value that is shared in this continent is the collective commitment to promoting peace and security. This means preventing and stopping violent conflicts and civil wars to enable stable conditions for enduring socio-economic development. The decision of AU member States to discard the principle of non-interference in favour of non-indifference in the AU Constitutive Act was so that the Union could act as the ultimate guarantor and protector of the rights and well-being of the African people. This shared value has informed the development of an elaborate peace and security architecture and the important focus on post conflict reconstruction and development by the AU. Given its own well known mandate in

this area, the United Nations has geared itself to supporting this effort.

Our commitment to regional integration is about taking common approaches to tackling common challenges and also a mechanism for shaping new values. In addition to its economic advantages, regional integration promotes trade, peace and security, as border conflicts are unlikely where intra-regional border controls are de-emphasised and the ideal of free movement of people is attained. Integration also enables the shaping of values through inter-regional processes to guide the management of natural resources including shared water resources. It has also given impetus to the physical integration of the continent and projects like the INGA dam should be promoted and executed to show commitment. Success in regional integration cannot be measured by individual country progress but by the collective gains of the entire continent.

The shared commitment to shaping common African responses to global challenges is another key value that this Union has developed. While Africa has always tried to work together in global negotiating forums it was only recently in the context of the climate change negotiations that the decision to negotiate as one was formalized with the establishment of the Conference of African Heads of State and Government on Climate Change (CAHOSCC). I am confident that with the success of this process, we shall continue to have similar arrangements especially given the renewed desire to conclude the Doha trade talks this year as well as on-going efforts to reform the international financial system.

The wide range and scope of instruments reflecting our shared values all attest to the considerable progress that has been made to put in place continental policy frameworks and accompanying institutional architecture. What remains now is to domesticate their provisions, provide required financial resources and promote beneficial partnerships. Our shared commitment to successful integration requires that continental arrangements are implemented in individual countries and that we ensure the financial viability of the AU Commission and other institutions of integration. Moreover, we must continue to build partnerships with the rest of the world including the emerging economies.

The United Nations system remains committed to supporting Africa's integration and development agenda based on own universal shared values. Our pillars of work and the priorities in our work programmes reflect this reality from issues of conflict prevention, crisis management, resolution of ongoing conflicts and electoral assistance to human rights, humanitarian assistance including refugees, children, youth and women, health and HIV/AIDS, education and environment to mention but a few. This is why we continue to strengthen Regional Coordination Mechanism for UN Agencies in Africa which is convened and coordinated by ECA. At its 11th meeting in November 2010, the RCM adopted recommendations relating to the UN Ten Year Capacity Building Programme for the AUC, NPCA and the RECs and for using the RCM platform for advancing Africa's preparations towards the UN Sustainable Development Conference in 2012.

The UN has also established an Office to the African Union to enhance the partnership between it and the AU in the area of peace and security. The Office, known as UNOAU will also coordinate UN peacekeeping and special political missions. The Office is headed by Assistant Secretary-General Zachary Muburi-Muita who will no doubt be engaging Ambassadors in Addis Ababa to provide further details.

The renewed self-belief, and "can do" attitude in Africa should now be translated into peace, better economic management, the achievement of the MDGs, provision of first class regional infrastructure, increased intra-Africa trade and foreign direct investment. These elements and a commitment to placing the human being at the centre of development will bring about a well educated, healthy, highly-skilled and gainfully employed citizenry that will promote and protect the values of the African Union and take ownership of its integration agenda. This must be our unwavering vision.

Building productive capacities for poverty eradication

*LDC IV Conference's
Special event of the Organization of
Islamic Conference/Turkey Forum*

*Istanbul, Turkey
11 May 2011*

The topic of this forum is of critical importance and remains central in the ongoing discourse of accelerated economic growth, job creation and sustainable development of LDCs, most of which are African countries. Indeed, inadequate productive capacity and low productivity continue to constrain efforts to promote high sustainable growth and to increase welfare and reduce poverty in this group of countries. The theme of this forum is therefore very appropriate.

African LDCs recorded relatively high GDP growth rates during the last decade including notably in countries like Ethiopia, Mozambique and Uganda. However this growth did not translate into employment and poverty reduction due to limited progress in several areas that are critical to stimulating productive capacities for enhanced growth and poverty reduction including targeted investments to improve physical infrastructure and human capital, and labor-absorbing investment to create jobs.

It should also be pointed out that the drivers of African LDCs' growth are extremely vulnerable to shocks. This was evidenced by the impact of the financial, fuel and food crises on LDC growth rates. Although the economies of many of these countries rebounded after the crises, growth rates remain fragile and may not reach the threshold of 7 percent or significantly reduce unemployment and poverty

rates. Macroeconomic imbalances in some African LDCs have deteriorated further as a result of the crisis.

The vulnerability of African LDCs to exogenous shocks is also due to limited diversification. Growth in African LDCs was spurred by favorable trends in primary commodity exports. In the period 2000-2009, exports of African LDC grew at an average rate of 14 percent, compared to the global average of 7.8 percent with fuels and mining products constituting more than two-thirds of African LDC exports. This export performance has however had limited spillover effects on the rest of the economy because the production of these commodities is generally capital-intensive with limited forward and backward linkages to the local economy.

Economic diversification and structural transformation is vital if African LDCs are to accelerate and sustain growth, reduce vulnerability and reduce poverty which is why the increased political commitment in Africa to these outcomes is to be applauded. The Conference of African Ministers of Finance, Planning and Economic Development organized jointly by the African Union and the Economic Commission for Africa on an annual basis has paid increasing attention to this matter with particular emphasis on resource mobilization and institution building in support of African LDCs.

Similarly, a recent meeting of AU/ECA Ministers of Industry identified key strategic industrial sectors for strengthening of the African Industrial Development Agenda in order to promote greater value addition and structural transformation.

It is also pleasing to note that the UN cluster on trade and productive capacity, in which ECA plays an important part, has also drawn up an action plan to support LDCs in the vital area of increasing productive capacity.

The commitment to diversification nevertheless needs to be backed by other policy measures. LDC governments should accordingly continue to provide incentives for exports and expand internal markets through, regional integration.

But you will agree with me that LDCs cannot do it alone. They will need the support of the international community in a number of

ways. Of critical importance is the need for development partners to support efforts aimed at creating a common preference scheme with full product coverage, flexible rules of origin and a predictable time frame. As you are well aware, current schemes have inflexible rules of origin, exclude certain products that are of importance to LDCs and include eligibility criteria that negatively affect regional integration.

ECA continues to support the efforts of African LDCs to achieve their development objectives as demonstrated by the establishment of a dedicated team in its Economic Development and NEPAD Division to specifically work on LDCs' issues. We also organized the African regional review of the Brussels Programme of Action for LDCs whose outcomes involved the adoption of a common African position that will no doubt inform the final outcome document of UNLDC IV.

Other examples of ECA's support to African LDCs include the development of policy-enhancing knowledge products such as the Economic Report on Africa (ERA), the Africa MDGs Report, and the African Governance Report, to name a few. These products and as well as the capacity building and advisory services provided by ECA focus on strengthening democratic and economic governance in African countries including LDCs.

There remains much ground to cover and this forum affords us the opportunity to take stock and renew our efforts. As we reflect and deliberate on this very important theme, we should be guided by the ultimate goal of coming up with practical and concrete proposals to upscale the productive capacities of LDCs so as to increase growth and employment and thereby increase welfare and reduce poverty.

Trade as the bedrock of Africa's economic prosperity

*LDC IV Conference special event of
the UN Cluster on Trade and Productive
Capacity on "Development of productive
capacities and trade: The key to inclusive
and sustainable growth"*

*Istanbul, Turkey
9 May 2011*

ECA endorses the key recommendations contained in the briefing note prepared by the UN-CEB Inter-Agency Cluster on Trade and Productivity Capacity, to which we belong. The first point I wish to make is that trade is playing an increasingly important role in Africa's economic prospects.

African economies grew rapidly in the last decade and this good performance included African LDCs. This growth was relatively resilience during the global economic crises and trade was an important source of this growth.

Also noteworthy is the fact that LDCs trade values have improved although the products and destinations show limited diversification.

During most of the Brussels Plan of Action decade, LDCs experienced an average annual growth rate of exports of 14% compared to the world average of 7.8 per cent. However, this robust performance was mostly due fuels and mining products, which account for more than three-fifths of total LDCs exports. The market destinations of LDCs exports continue to evolve with China is now absorbing 21 per cent of LDCs' merchandise exports in 2008.

A third point to note is that the performance of African LDCs was similar to LDCs as a group

Exports from African LDCs to emerging and developing countries have considerably increased over the period. African LDCs have also increased their exports to other African countries, more than exports to European Union. Intra-Africa exports of African LDCs increased five-fold between 2001 and 2008; while to the EU they went up three-fold, pointing to important complementarities among African nations which can be exploited in the context of regional integration.

African LDCs trade with developed countries is dominated by exports to the United States which increased six-fold over the period under review, largely due to the African Growth and Opportunity Act (AGOA).

It should be noted nevertheless that LDCs are yet to realise the full potential of trade as a pillar of development. LDCs have not reaped trade opportunities in fully mainly due to their export composition. Most of their traded goods are in the lower end of the value chain and they are exported either as raw materials or with very limited value addition.

This vulnerability was made clear during the economic crisis when the trade channel turned out to be one of the main channels through which African economies were negatively affected.

This points to the fact that diversification is critical for sustainable development

LDCs in Africa have not been able to build diversified economies where manufacturing and services make a substantial contribution to economic activity. These sectors are critical for the good management of natural resources and raising growth rates.

In this regard, Africa's Industrial Development Agenda has indicated agro-industry, pharmaceutical and infrastructure sectors as key in promoting and catalyzing value addition and structural transformation in the continent.

It therefore goes without saying that domestic policies matter as much as international trade policies

History shows that no country has been able to develop without diversifying its economy and utilising trading opportunities to the full-

est. LDC governments need to not only pursue domestic policies that expand internal markets, and also put in place appropriate incentives to promote exports. Policies which create a bias against exports should be eliminated, while policies that enable access to cheaper inputs should be encouraged. This means LDCs should adopt more strategic trade policies while also taking into account the challenge now posed by climate change to the traditional path of industrial development.

I should however point out that by putting great efforts in regional integration processes, African LDCs are taking domestic policy action to build larger regional markets as platforms for diversification.

LDCs continue to require the support of the international community and development partners

African LDCs continue to need partnerships in their efforts to deepen regional markets, maintain stable macroeconomic conditions, provide a conducive legal and regulatory framework for investors, and to undertake targeted investments to improve physical infrastructure and human capital and to create jobs. These factors tally with the recommendations in the CEB's cluster position paper. Such support should also extend to providing improved market access for LDCs including in the context of Aid for Trade.

These issues point to the need for an improved common preference scheme

Without help, LDCs will not be able to develop viable and globally competitive manufacturing sectors. They should therefore be supported through the provision of privileged market access to developed and emerging economies, in a way that will enable their firms to participate in global supply chains.

Current schemes have several shortcomings including different time spans and coverage; exclusion of key products; inflexible rules of origin; and eligibility criteria that hampers regional integration. While the duty-free quota-free market access scheme for LDCs agreed at the WTO Hong Kong meeting in 2005 have catalysed the expansion of existing schemes or establishment of new ones, it is not enough. Creating a common preference scheme that overcomes the constraints I just listed would offer better support to LDCs trade development.

Finally, meeting Aid for Trade commitments remains important. Huge investments are required for LDCs to be able to improve their trade and productive capacities. Development partners could in this regard by meeting their aid for trade commitments. A regional approach to the delivery of the aid for trade will also help tackle the constraints limiting trade and production at the national level, but will also help enlarge regional markets that LDCs can exploit.

Reviewing progress in regional integration in Africa

*5th Conference of African
Ministers in Charge of Integration
(COMAI V)*

*8 September 2011
Nairobi, Kenya*

Regional integration is a necessity for Africa due to the benefits of a larger and more coherent economic space and also because of the growing trend towards regionalism in other parts of the world. Indeed, Africa has long since realized the importance of regional integration as can be seen from the creation of Regional Economic Communities from as far back as the 1970s as well as the adoption of various instruments like the Lagos Plan of Action, the Abuja Treaty establishing the African Economic Community and most recently the Constitutive Act of the African Union.

Given this background, it is particularly appropriate that at a meeting such as this, we review the progress that has been made toward integration, share lessons and experiences from other regions and deliberate on key challenges facing our aspirations for deeper and fuller integration.

The progress that has been made in regional integration in Africa is evident from common policies and programmes spanning arrangements for trade liberalization, macroeconomic convergence, and monetary and financial integration. It is also evident in the creation of regional power pools, river basin commissions, provisions for free movement of people and commitment to improving governance and ensuring conditions of peace and security in the continent.

In the area of trade, Africa's Ministers of Trade agreed to fast-track the establishment of an African Free Trade Area building on the landmark decision of COMESA, EAC and SADC to come together to create a single Free Trade Area embracing 26 countries. The gains of the Southern African Power Pool are estimated at over \$785m between 1995 and 2010. Agreed parameters ranging from reducing inflation and fiscal deficits to lowering external debt are helping African countries to achieve and maintain macroeconomic stability and move to greater convergence. The free movement of people in ECOWAS has been on for over thirty years and has been replicated in other sub-regions. Regional air networks are also notably beginning to emerge.

The institutional architecture of integration is being harmonized and concretized with attempts to limit the number of RECs while ensuring that they build collaborative and cooperative relations with other regional groupings within their geographical areas of coverage. Pan-African institutions of integration covering secretariat, judicial and parliamentary functions have been created and also exist or are being replicated at sub-regional level. Indeed, regional responses to common problems have become the norm as can be seen from the IGAD response to the drought in the Horn of Africa. Above all, in an effort to bring all these activities together within a clear framework, the AUC and the RECs have developed and agreed on a Minimum Integration Programme as a collective architecture for regional integration in the continent.

In spite of these notable achievements, it is clear that there is still much to be done. Intra-Africa trade remains abysmally low at about 10% compared to rates of up to 60% in Europe while the pace of movement towards FTAs remains uneven. Infrastructure deficits remain a major challenge with limited financing for regional projects while free movement of people across Regional Economic Communities is barely existent. I must stress however that we need not be discouraged by this situation because Africa is a developing continent and integration is an on-going process. Nevertheless, we must lend momentum to the process by continuing to debate and clarify the nature of integration that we want while drawing on lessons from elsewhere and tackling existing and emerging challenges with clarity of vision and determination to succeed.

As the crisis in the euro zone has shown, there is no perfect formula

for integration arrangements. The heart of the problem in the EU today is that the policy options for individual members of the euro zone to respond to national debt crisis are limited by their membership of the single currency. In other words, there are trade-offs between the commitment to common policies at regional level and the room for individual state action.

This leads me into the theme of this conference which is “Integration and Sovereignty”. By definition, there is an inverse relationship between deeper regional integration and national sovereignty. By entering into collective regional agreements a state is necessarily ceding its right to adopt alternative policies or change track as it deems fit. There are several dimensions through which this could be a cause for concern. First is that a country could be locked into policy regimes that it deems detrimental to its overall interests. Second, is that a state may perceive the costs of a regional agreement as being larger than the expected benefits. Thus the commonly expressed fear of loss of revenue arising from trade liberalization. Third is the fear that more open borders may undermine national and security and facilitate transnational crime.

These are legitimate concerns but they also point to the importance of regional integration agreements being underpinned by shared values. It is not possible to have a club or community of any sort without shared values and Africa must accordingly continue to place emphasis on deepening commitment to the values to which it has subscribed. These include but are not limited to democratic ideals, respect for human rights, promotion of gender equality, promotion of cultural and religious tolerance and the building of inclusive and harmonious societies. Such values are the foundation for peace and security without which it will not be possible to deepen regional integration.

An important point to bear in mind is that the ultimate objective of regional integration is to enable African countries to benefit from economies of scale, reduce transactions costs and use trade as an engine of growth and development. This would require greater transboundary cooperation, joint projects and programmes for investment and trade facilitation, and adoption of common standards and codes. We must keep these benefits in mind while fashioning mechanisms to address concerns about the possible consequences

of the loss of sovereignty. There are several ways in which this can be done ranging from opt-out clauses, to compensatory mechanisms, development of production networks and decision-making on a consensual basis. What should be uppermost in our minds is how to develop and improve our collective ability to react to unforeseen circumstances in an innovative and flexible manner

At the end of the day, however, both integration and sovereignty lie in the political realm. This is in the sense that any decision to deepen integration or willingness to cede some sovereignty is an expression of political will. In Africa, our shared values and economic reality have underpinned the political decision to increase the pace and remit of integration. Our challenge is therefore to seek ways and means of achieving this objective while addressing the related concerns about reduced room for maneuver for country specific problems.

This is where we need to re-dedicate ourselves to the MIP agenda. Member States need to demonstrate political commitment to the MIP and provide maximum support to RECs and the AUC including giving them the required authority and resources to implement regionally agreed programmes and projects. Two critical areas requiring attention relate to overcoming capacity constraints and resource deficits so as to enable the implementation of existing and future commitments without which we cannot reap the full benefits of regional integration. Indeed, the time has come to secure predictable and sustainable funding for our noble regional integration agenda.

Permit me to conclude by reiterating ECA's continued commitment to supporting the efforts of member States and regional institutions to implement Africa's regional integration agenda. In doing so we will continue to work with partners such as the AUC and AfDB especially on our flagship publication on Assessing Regional Integration in Africa and in using the capacities available in the African Trade Policy Centre to move the African trade agenda.

We continue to be motivated by our collective vision for a strong, robust, diversified and resilient African economy, supported by jointly agreed development programmes and first-class trans-boundary infrastructure as well as a highly skilled, flexible and fully employed workforce living in conditions of political stability.

NEPAD's contributions to the MDGs

*Panel discussion on NEPAD and the
MDGs: Progress, Challenges and the
Way Forward*

*7 October 2011
New York*

This discussion is timely and relevant as it comes at a time when NEPAD is celebrating its 10th anniversary, while the target date of 2015 set for achieving the MDGs is fast approaching and consideration is already being given to a possible post-MDG development agenda.

My remarks today will recall the nexus between NEPAD and the MDGs, examine the achievements of these two vital development frameworks and highlight some of the vital work that has been done by the United Nations to promote their laudable objectives.

The Millennium Development Goals (MDGs) and the New Partnership for African Development (NEPAD) are inextricably linked. The MDGs aim to achieve vital objectives in poverty reduction, education, health, gender, and environment and serve as a reference for measuring development progress while NEPAD is at once a vision and strategic framework to increase the pace and impact of Africa's socio-economic development. The MDGs and NEPAD thus have similar goals and both rely on partnerships at the global and regional levels for their successful implementation. Indeed, NEPAD can be described as the framework for achieving the MDGs in Africa.

NEPAD's programmes, projects and targets are accordingly consistent with and closely aligned to the achievement of the MDGs. For in-

stance, NEPAD highlights agriculture and food security as one of key thematic areas of focus and has designed the Comprehensive Africa Agriculture Development Programme (CAADP) whose aims are consistent with the objectives of MDG 1 to reduce poverty and hunger.

Similarly, the other MDGs that aim to achieve universal primary education, reduce child mortality, improve maternal health and combat communicable diseases all relate to different aspects of human development that are at the heart of NEPAD. It is in this regard that NEPAD has several programmes that specifically cater to promoting such objectives, a notable example being the Consolidated Plan of Action (CPA) for Science and Technology intended to provide the knowledge that will backstop the educational, health and environmental aims of the MDGs in Africa.

In other words, given their common purpose and mutuality of objectives, successes recorded on the MDG front also contribute to the achievement of the NEPAD vision and vice versa. To start with, most of us would agree that the MDGs have been successful in galvanizing political support for human development in the sense of influencing policy discourse and as a basis for measuring progress in achieving consensually agreed goals, targets and indicators.

In this regard, and through our joint ECA-AUC-ADB and UNDP annual regional report on Africa's progress towards the MDGs, we have seen that Africa's progress toward the MDGs has generally been positive, although performance has been mixed across indicators and countries. We can point, for instance, to the continent's progress towards universal primary enrolment which increased significantly from 65% in 1999 to 83% in 2009. Similarly the goal of gender parity at primary school level is on track, while women's representation in parliament increased in over 80 percent of African countries between 1990 and 2010. Advances in stemming the HIV and AIDS pandemic have been significant in the majority of African countries, both in terms of preventing new infections and in making Anti-Retroviral Treatment (ART) more readily available to infected people.

Overall, however, the initial rapid progress in achieving the MDGs was to some extent been slowed down by the adverse effects of the international fuel, food and financial crises. However, the integration of MDGs into national development strategies helped to mitigate the

negative impact of these crises and such institutional innovation also provided for a more medium term approach to development.

There have been other challenges as well. For instance, the positive growth in Africa since the turn of the new Millennium has not resulted in job creation just as domestic resources have not been sufficiently mobilized for the implementation of programmes and projects to stem poverty. Similarly, aid flows from development partners in support of the MDGs while substantially upscaled remain well short of commitments made.

These challenges do point towards more systemic issues which need to be addressed in the run-up to 2015 and this is where the lessons learnt from the implementation of NEPAD over the past ten years will come in useful. The extent of international support to successful NEPAD programmes such as governance, agriculture and infrastructure such as the African Peer Review Mechanism (APRM), CAADP and the Programme for Infrastructure in Africa (PIDA) shows that partnerships remains key in the African development landscape.

Similarly, NEPAD has played an important role in promoting regional integration by popularizing a regional and sub-regional approach to programming and project implementation. Through its major continental frameworks and across a wide range of sectors, NEPAD has created an approach wherein projects have been prioritized based on their readiness for implementation and degree of contribution to regional integration.

In the same context, NEPAD has contributed to improved coherence in the various mechanisms and arrangements by which development partners provide support to the African continent. In the case of the United Nations, the General Assembly in its Resolution 57/7 called for UN system organisations to align their activities in Africa with the priorities of NEPAD, and urged the scaling up of resources for this purpose.

Notwithstanding these notable achievements, significant challenges remain. For instance, the momentum of international support for Africa is not yet strong enough to be irreversible, and there are a number of areas in which policy measures and practical actions are needed to lend impetus to the implementation of NEPAD. One vital

area is the role of the private sector in the implementation of NEPAD, where more needs to be done to strengthen public-private partnerships – including in delivering public goods to achieve the MDGs, and the building of infrastructure.

Such issues point to the need for new thinking on the role of the State and other institutions in Africa which was why the 2011 AU/ECA Conference of Ministers of Finance, Planning and Economy and the accompanying Economic Report on Africa was devoted to ‘Governing Development in Africa’. We have also undertaken knowledge activities to support African priorities in regional integration, trade, food security, climate change, infrastructure, gender, science and technology and governance to mention but a few areas of work pertinent to the NEPAD agenda.

At a more operational level, UN support to the NEPAD agenda is coordinated under the auspices of the Regional Coordination Mechanism for Africa. RCM-Africa provides a forum for bringing UN agencies together on one side to interact and engage as one with the African Union, the NEPAD Planning and Coordinating Agency and the Regional Economic Communities. It is now the main mechanism for coordinating UN system support to NEPAD and has achieved enhanced interagency coherence and coordination while promoting broader cooperation through joint activities and programmes. RCM-Africa is organized around nine thematic clusters that reflect the objectives and priority work areas of AU/NEPAD and ECA serves as convener and provides the secretariat of the RCM on the UN side.

There is general agreement about the importance of improving African capacities to implement programmes such as the MDGs and NEPAD and this is why in November 2006, the Secretary General of the UN and the Chairperson of the African Union Commission signed a Framework Agreement for the UN Ten-Year Capacity-Building Programme for the African Union which with the full integration of NEPAD into the African Union is now extended to the NPCA along with other AU organs and the Regional Economic Communities. The implementation of the Ten Year Capacity Building Plan is also coordinated through the RCM.

From an ECA specific dimension, our partnership with the NEPAD Agency is guided by a Memorandum of Understanding between

the two institutions, which is now backstopped by a Multiyear Programme outlining ECA support to NEPAD. Our intention going forward is to move NEPAD from its initial and successful phase of transforming visions, philosophies, and principles into implementable programmes to one of implementing concrete regional projects.

In conclusion, I will like to underscore the importance of maintaining and supporting Africa's efforts to bring coherence to policy making and partnerships within the continent. This is important to avoid duplication of effort and dissipation of scarce resources as we strive to achieve the MDGs and successfully implement the NEPAD agenda. policy coherence and coordination of our actions in support of NEPAD and the MDGs. Even as we begin to reflect on the development agenda post-2015, the UN must remain closely engaged with the AU and NPCA to ensure that the strategic vision and objectives of NEPAD are factored into deliberations and eventual outcomes.

Let me end by commending Dr. Ibrahim Mayaki for his able and visionary leadership of the NEPAD Agency and by assuring you all of ECA's continued strong commitment to supporting Africa's regional, sub-regional and national efforts to achieve the MDGs and implement the NEPAD agenda for the ultimate purpose of building a vibrant, progressive and integrated Africa.

Part Three

ON PARTNERSHIPS

Introduction

If there is one subject that Mr. Janneh has been passionate about during his tenure as Executive Secretary, it is partnerships. The source of this enthusiasm is not difficult to locate: prior to being appointed to head the Economic Commission for Africa (ECA), he had spent many years at the United Nations Development Programme (UNDP). In that role, he worked closely with African countries and the African Union Commission in support of the continent's development agenda, and saw first-hand, the unqualified value of collaboration.

"That experience," he told the 8th Ordinary Session of the Executive Council of the African Union in January 2006, shortly after taking up his new position, "confirmed in me the conviction that strong and clear leadership in Africa is critical to building effective partnerships for addressing Africa's development priorities."

Mr. Janneh expressed his intention at that time to build on that background during his tenure at ECA in order to bring the Commission and the African Union into closer partnership. As the statements in this segment demonstrate, that vision has influenced his approach to his assignment since then. He holds the view that ECA can only be at its most effective in its task of delivering technical support to African nations if its programmes are in full harmony with African priorities as well as the work fabric of the AU Commission. He advanced

his hope for a seamless partnership building on the comparative advantages of each partner while avoiding duplication and overlap.

A critical dimension in his partnership vision includes trilateral collaboration with the African Development Bank (AfDB) as the third continental organisation in a schema in which AU is responsible for the political leadership, while ECA provides the technical needs.

His broader vision of productive and necessary partnerships for Africa includes active ECA partnerships with UN agencies. While those partnerships have existed for a long time, he believes that there is opportunity for deepening their scope and impact, and they are crucial to facilitating an exchange of views and strategic engagement with all partners. Furthermore, he is convinced that they are helpful in identifying potential areas of cooperation, as well as priorities and modalities for joint delivery of services.

One of the key concerns of ECA is assistance to fragile states. Mr. Janneh's conviction is that while partnerships are highly desirable in the quest for good governance and peace and security in Africa, he cautions that in the provision of such assistance, one size does not fit all. "Although many of the characteristics of fragile states are similar," he said in an address in 2007, "the causes may be context specific and thus approaches to addressing the challenges and opportunities must be context specific as well."

The Commission's commitment to partnerships is evident in the re-positioning plan. In it, ECA describes building partnerships as an important part of its work as continental institutions and development partners working for Africa or in pursuit of its interests have to collaborate to harness required resources, ensure coherence and avoid duplication in their activities.

In the interventions included in this segment, the Executive Secretary continues to spread this important message.

Forging a seamless partnership with the African Union

*Statement at the Eighth Ordinary
Session of the Executive Council
of the African Union*

*Khartoum, Sudan
20 January 2006*

I also am pleased that this opportunity has arisen so soon after I have assumed office as Executive Secretary of the Economic Commission for Africa (ECA). I wish to take this opportunity to thank each one of you and your respective governments, for the encouragement and support you have expressed to me since my appointment. I have come to ECA from the United Nations Development Programme (UNDP) – a sister United Nations institution that is a key and committed partner to Africa. While at UNDP I was privileged to work closely with African countries in support of their development agenda as I did with the African Union Commission, particularly with the Chairperson and Commissioners, in supporting capacity building for institutional transformation as well as the AU Peace and Security Agenda. Through this collaboration and with the leadership of the Commission, we were able to build a strong partnership in support of Africa's development initiatives. That experience confirmed in me the conviction that strong and clear leadership in Africa is critical to building effective partnerships for addressing Africa's development priorities. It is my intention to build on this broad and positive experience and to bring ECA and AU into closer partnership and upscale collaboration between the two organisations. This renewed partnership will take full advantage of the favourable factors of our shared vision and mandate, as well as our co-location in Addis Ababa, to effectively accompany Africa as it strives to achieve development.

What does this mean in practical terms? Allow me to briefly share with you my reflections on this collaboration before moving on to present some perspectives on the agenda for this Summit.

I essentially see the primary role of ECA as being one of providing technical support to Member States in their development efforts either directly or through the African Union. For ECA to do so effectively, I strongly believe that its programmes must be in full harmony with the African priorities and seamlessly woven into the work fabric of the AU Commission. AU Commission and ECA must therefore be prepared to think, plan and work closely in support of Africa. It is through this seamless partnership that I see opportunities for maximising synergies inherent in our comparative advantages and avoiding duplication and overlap in a way that will permit the two institutions to deliver effective support and service to Africa.

Furthermore, given the immense challenges faced by the continent and the bold regional response to meeting them expressed through the AU Strategic Plan and New Partnership for Africa's Development (NEPAD), I believe it is of utmost importance for AU, ECA, and ADB to significantly upscale their trilateral partnership.

In November last year, I had the privilege of addressing your colleagues, the African Finance Ministers, at a meeting organised by the [President of] the African Development Bank. Apart from the key issues of trade, debt, and oil that were discussed, we also took the opportunity to look ahead at our collaboration and how we can provide effective technical support to AU within the context of the trilateral framework of cooperation.

Extensive discussions were also held with the AU Chairperson on how best we can optimise our personal and institutional partnership in order to serve Africa better and as effectively as possible. I am glad to note that the three of us have a strong convergence of views on how this can be done. A key aspect of this will be through the revitalisation of the joint AU-ADB-ECA secretariat under the leadership of the AU Commission, as well as through the harmonisation and rationalisation of the ADB and ECA meetings.

Another important issue at the forefront of our agenda is the forging of effective coordination and partnerships within the UN system to

serve this continent. ECA has a well-established history of collaboration with UN agencies and other African regional and sub-regional organisations. However, I believe that there is much room to deepen the scope and impact of this collaboration. It is my intention to take a closer look at the effectiveness and efficiency of the existing mechanisms, such as how we work together, coordinate and harmonise our efforts to avoid wasteful duplication and strengthen our development impact in Africa, working in close collaboration with the African Union and African Development Bank.

2005 was a year in which significant attention was focused on Africa's development needs and in which commitments to upscale efforts were made both by regional leaders and by our international partners. The Debt Initiative, the Commission on Africa Report and UN World Summit, among others, were part of the sustained effort to place Africa's development challenge foremost on the global agenda. While these have yielded some initial results, particularly with regard to the debt question, much more remains to be done to tackle Africa's development challenges in a fundamental way. We now must strive to ensure that the momentum generated by that attention is not allowed to dissipate and that concrete results accrue from it.

It is important for the international community to live up to its commitments in aid delivery and ensure the predictability of resources for African countries. In this context, I would like to note the important joint work carried out by ECA and the Organization for Economic Cooperation and Development (OECD) on Mutual Accountability and Development Effectiveness in Africa, aimed at monitoring and catalysing implementation of various commitments made by development partners to Africa, and the commitments that we as Africans have made to our continent and to our people. There is a strong interest in operationalising this concept of mutual accountability, especially in the aftermath of the G8 Gleneagles Summit. It is my hope that some recommendations would emerge on how we carry this agenda forward. Without a doubt, the seamless relationship between AU-ADB-ECA is critical in this area as well.

At the same time, as we demand the commitment of our partners, we must acknowledge that we also need to work harder on the key issues of governance and peace and security that continue to con-

strain development effectiveness. Africa has made appreciable progress in this area and the African Peer Review Mechanism (APRM) is an eloquent testimony to Africa's commitment to strengthen and improve governance. ECA is honoured to be a strategic partner in the implementation of the mechanism and will continue to render its contribution in this regard.

Let me turn now to trade, another area in which there was particular focus and where Africa's concerns resonated in the global arena. Although the Doha Round negotiations did not go as well as expected, some modest gains were made. The challenge will be to secure those gains and build on them as Africa seeks its rightful share of trade and leveling of the playing field. Let me in this regard acknowledge the solid work that the AU Commission has done in facilitating the building of common positions by African countries in global, regional and bilateral negotiations. I believe that with continued capacity support from ECA, ADB and UNDP, AU's role as the coordinator of Africa's positions on trade issues in multilateral trade negotiations will be strengthened.

The main features of interest to Africa of the consensus that emerged from Hong Kong relate to the following:

On agriculture, an agreement was reached to end farm subsidies by the end of 2013, instead of by 2010, as proposed by African countries. On cotton, it was agreed that there will be an end to export subsidies by 2006 and that there will be duty and quota free access for cotton exports from least developed countries (LDCs) into developed country markets as from the beginning of the implementation period for the Doha agreements. However, on domestic support, which is the most important issue in the cotton debate, there was no specific commitment. Clearly, the modalities phase of the negotiations will be critical in determining who gains or loses from the Doha agreements. It is therefore important for African countries to be prepared to make their concerns known and to protect their national interests.

Trade is pivotal to economic growth and development. It therefore must be given the utmost priority and should be mainstreamed across government activity.

At the 2005 World Summit on the Information Society in Tunis, there was strong consensus on the need to accelerate the pace of building the global information society, based on local, national, regional and international activities. In that regard, ECA will be working closely with AU on the African Regional Action Plan on the Knowledge Economy, which was jointly launched in Tunis.

I am also pleased to note that the Tunis Summit demonstrated Member States' appreciation for ECA's support in building an information society in Africa based on its strong partnerships both inside and outside Africa. It is clear that your ministerial colleagues in charge of this portfolio now constitute a strong advocacy group to champion ICT issues in their respective countries as well as collectively on the continent. This is most significant as 2006 is going to be an important year for implementing our national and regional information and communication technology (ICT) action plans.

The Tunis meeting serves as an instructive background to the theme of this summit given the central role of information and ICT in education and culture. The role of education and training in the promotion of economic, social and political development cannot be over-emphasised. They play a crucial role in achieving higher economic growth by providing the economy with the required skilled human resources. Education and training also contribute to the health of nations, cultural development, democratic values, political stability and nation building.

This is why there is a strong correlation between the standard of education and training and the level of economic and social development. Indeed, evidence from around the globe shows that investment in human capital through high levels of education, especially for women, stimulates growth and has tremendous spillover effects.

There are huge challenges at all levels of education and training in Africa in terms of access, quality, relevance and equity. Although enrolment at all levels of education in sub-Saharan Africa has improved since independence, it is still very low. Pupil/teacher ratio and the number of untrained teachers have risen, while the number of textbooks per pupil and laboratory equipment has declined. The quality of education in higher institutes of learning has also declined due to a number of factors, such as inadequate textbooks and journals, poor

libraries, poorly equipped laboratories, brain drain, and low morale of teaching staff. There is also a growing obsolescence of the outdated curriculum content in relation to the advancing state of knowledge and the realistic needs of students. Inequities in education in terms of access, quality, gender disparities, rural, urban, and in some cases ethnic distribution are also high in many African countries.

Many factors underlie the challenges of education in Africa. These include declining resources allocated to education against rising demand. Although governments recognise the need to invest in education, and training and a host of policies geared towards promoting free primary education and supporting tertiary and higher-level education exist, in view of highly competing demands on limited and declining levels of governments' budgetary resources, investments in the education and other social sectors have not been as encouraging as expected.

Education also goes hand in hand with culture. Human societies are governed by sets of rules, values and principles that define their culture and civilisation. Such rules, values and principles are based on tradition, language, ways of life and thought. They are indeed based on a set of cultural values that reflect the distinctive character and personality of the society. Culture is therefore one of the most integrating factors in a society. Indeed, according to the OAU Cultural Charter for Africa adopted in 1976, the unity of Africa is founded first and foremost on its history. The Charter encapsulates the value of culture in African society and aims, among other things, to rehabilitate, restore, preserve and promote African cultural heritage. These values are as valid today as they were in 1976.

It is encouraging to observe efforts made in the context of Africa's regional integration to promote cultural cooperation among African countries, not least through the formulation of protocols on culture and sports. Many of our regional economic communities for instance emphasise the promotion of culture as stipulated in the African Charter and the Treaty, establishing the African Economic Community.

But the real challenge is to make culture one of the centerpieces of Africa's development agenda at the national level.

In that regard, African governments, through optimal education policies, can raise the levels of education and increase human capital,

creating a vicious cycle that enables the economy to increase its capacity to produce and create wealth, taking into account local human resources and knowledge and cultural endowment.

The linkage of education and culture is also crucial when we discuss the HIV/AIDS pandemic - the most serious constraint to Africa's development efforts - and the quest to achieve the Millennium Development Goals. The challenge of HIV/AIDS looms large over Africa's limited performance in attaining the MDGs, illustrating that all Goals are linked and must be achieved as a package.

Undoubtedly we all, as leaders, need to do more to turn back the tide. In that regard, I am pleased to note that the tabling of the "Progress Report on Aids Watch Africa (AWA) at this week's Summit of Heads of States and Government provides another good opportunity for Africa's leaders, at the highest political level, to review the state of our battle against the pandemic and propose options for stepping up the fight.

This is why ECA is glad to be associated with the Gaborone Declaration on scaling up universal access – to treatment, prevention and impact mitigation. We are happy to collaborate with AU, UNDP, UNAIDS, the Department for International Development (DFID) and other partners as we begin to build regional consensus around this important issue.

We know that our sub-regional mechanisms and longstanding work with the regional economic communities will be useful as we embark on the four sub-regional consultations which we must hold by March 2006 to help us identify the bottlenecks to universal access.

To conclude, I would like to briefly highlight some of the challenges we continue to face in advancing the regional integration agenda. Regional integration and the creation of the African common market has been the vision of African leaders since the early years of independence. The rationale for this is clear: a common market combining Africa's 53 mostly small and fragmented economies will lead to economies of scale that make countries competitive.

Good progress in many areas of regional cooperation has been made, but much remains to be done. Moving forward on Africa's integration agenda will therefore require sustained effort. One important area is the harmonisation and empowerment of the RECs. Multiple, poorly coordinated and poorly supported RECs will not be solid enough build-

ing blocs to create the African Union that we envisage. The need for harmonising the RECs is therefore timely so that AU can be endowed with strong institutional blocs for the continental integration process. To this end, the combined technical efforts of ECA and AU towards implementing this harmonisation agenda are noteworthy.

Partnership around the African Trade Policy Centre

*13 April 2006
Addis Ababa*

The formation of active partnerships with the African Union, African Development Bank, UNDP and other UN agencies as well as bilateral partners is central to our vision at ECA for sharpening the focus of our activities and improving service delivery to our Member States. In my view, such relationships should facilitate an exchange of views and a strategic engagement with our partners across the board. It should also assist us in identifying potential areas of cooperation as well as priorities and modalities for the joint delivery of services to our clients.

It is against this background that this Partnership Roundtable of the African Trade Policy Centre has been arranged. The Centre was set up within the Trade and Regional Integration Division of ECA in 2003 with the financial support of the Canadian Government through the Canada Fund for Africa. The main objective of ATPC is to assist African countries in formulating and implementing sound trade policies and enable them to participate more effectively in international trade negotiations.

Trade is an important issue for African countries because it is generally acknowledged to be an engine of growth. It can help generate investment and provide access to intermediate and capital goods, foreign technology and essential medicines. It has also become more important for African countries because it is an important means by

which they can respond to the opportunities of globalisation or are exposed to the risks. Of course, trade is not an end in itself but a means of reducing poverty, promoting growth and enabling more participation by women in economic activity. The imperative therefore is to ensure that trade contributes to human development in a meaningful way, which is why world leaders re-affirmed the importance of fully integrating African countries into the international trading system, including through targeted trade capacity building programmes in the 2005 World Summit Outcome.

Since its establishment, ATPC has made substantial and valuable contributions to support African countries in the area of trade but there is still a lot to be done. African countries continue to face numerous challenges in this area. Apart from the ongoing need for greater integration of trade into national development strategies, it remains important to continuously upgrade the capacity of African countries to negotiate trade agreements. These agreements are becoming more difficult to manage because they are increasing in number and cover a wider range of issues. For instance, in addition to the numerous issues in the negotiations at the World Trade Organization, most African countries have to service an increasing number of regional and bilateral trade agreements, including Economic Partnership Agreements with the European Union. At the same time, in addition to increasingly complex negotiations in merchandise trade, negotiations now often encompass issues such as trade in services, intellectual property issues, trade facilitation, and trade and the environment.

This Roundtable therefore provides an opportunity to exchange views on these multifarious challenges, including the technical assistance needs of African countries in the area of trade. It is also a good occasion to share information about the activities of the ATPC and deliberate on ways and means of strengthening it to meet future challenges. Given the increasing demands for trade policy support and capacity building in our Member States, we hope to use this occasion to broaden the support base of the Centre so that we can deepen and expand its activities and enable it to continue to deliver its services in a rapid and flexible manner.

ECA hopes that this Partnership Roundtable will contribute ideas on how ATPC can build on its existing activities, including suggestions on how to shape its future work. A concrete outcome would include indications of support to the Centre in terms of endowing it with the resources it needs to continue to provide vital support to ECA Member States in the crucial area of trade.

Getting ready for emerging challenges

*Statement to the Joint AU/
ECA Conference of Ministers of
Finance, Planning and Economic
Development
Twenty-eighth Meeting of the
Committee of Experts*

*Cairo, Egypt
2 June 2009*

This is the second in the series of joint annual meetings organised by the African Union Commission and Economic Commission for Africa. It further demonstrates the growing partnership between the two institutions and underscores our shared vision of greater coherence and coordination of activities in support of African development. Our first Joint Meeting had special significance as it took place against the background of ECA's 50th anniversary.

The celebration of our Golden Jubilee was in some way affected by the deteriorating economic outlook for Africa after several years of positive and encouraging growth. The global economic and financial crisis began just as it seemed that the worst was over with regard to the food and fuel crisis. After growing at an average of nearly 6% over the preceding half decade, the growth rate of the continent is expected to decline by up to four percentage points this year.

Export earnings are similarly expected to decline by up to \$251 billion in 2009 and \$277 billion in 2010 for the continent as a whole, while forecasts show that remittances and private capital flows into sub-Saharan Africa will fall by between one to two billion dollars in 2009. Trade finance, foreign direct investment and other capital flows are also expected to continue to decline this year.

The drying up of these important sources of development finance has implications for achieving the MDGs in Africa as it will impact negatively on funding of health, education, infrastructure and nutrition programmes with serious consequences for poverty reduction efforts. The crisis will also compound unemployment with the number of jobless likely to increase by three million in 2009. The social impact of the crisis will be particularly hard felt in this continent because we have few mechanisms in place to cushion its effects on ordinary people, such as unemployment benefits or social safety nets.

Our response to the crisis should not however be one of despair. Rather, we must take the situation as an opportunity for meaningful change in domestic policy formulation, in economic and governance institutions, in the pace of regional integration as well as in the framework of international economic, financial and trading arrangements that can facilitate and spur Africa's economic growth and development.

This is the reasoning behind the choice of theme for this meeting – “Enhancing the Effectiveness of Fiscal Policy for Domestic Resource Mobilization”. As Africa grapples with the fall-out of the financial crisis, it is imperative that we explore policy options to make up for expected short-fall in development finance. While it must be acknowledged that other forms of finance remain critically important, Africa must look to the policy options available to it to increase the resources that must perforce underpin its development. I therefore expect that this meeting of Experts will take full advantage of the opportunity that this meeting provides to examine the matter in rigorous detail.

The quality of governance is similarly important because it is a determinant of economic performance, particularly in crisis conditions. It is essential to remain alert to the dangers of social unrest as experience teaches that economic hardship and the scramble for increasingly scarce resources may undermine recent and hard won peace and security gains. Moreover, African states require capacity to manage their economies both when they are growing and also when they are facing crisis. An integral part of our response to the crisis should therefore be to strengthen human and institutional capacities, including by drawing on the record of experiences and best practices being garnered through the African Peer Review Mechanism.

Africa must explore ways and means of accelerating the pace of regional integration so that it can have a strong and credible voice in various international processes relating to reform of the international financial architecture, tackling climate change and improving trade opportunities. Similarly, transboundary cooperation must be further prioritised in regional integration efforts. Key in this regard is our transport infrastructure, such as roads, rail, air, and port services that need to be built, rehabilitated or expanded. Moreover, Africa needs common energy projects, including electricity grids and oil and gas pipelines that will facilitate cross-border supplies and thereby enhance the security and reliability of energy.

As the communiqué issued by the G20 Summit in London in April states, ‘a global crisis requires a global solution’. Such a solution needs to be underpinned by effective and fair global arrangements that take care of the interests of African countries. It is worth pointing out that several of the issues raised by Africa in the preparatory process were addressed by the G20 leaders, including allocation of new Special Drawing Rights, gold sales, financing of counter-cyclical spending, review of the debt sustainability framework and the provision of more capital for Multilateral Development Banks. Our challenge now is to ensure the realisation of these and prior commitments, including of official development assistance (ODA). This meeting provides us with the right platform to begin to assess progress that has been made thus far.

The global economic and financial crisis is not the only pressing challenge that this continent has to contend with. Climate change also poses serious problems for sustainable economic and social development in Africa and equally demands urgent action. In compliance with the decision reached by the AU Summit in January 2009, and because of the importance of the issues at stake, it is imperative that Africa speaks with a collective voice on the key issues of mitigation, adaptation, technology, capacity building, and financing at Conference of Parties taking place in Copenhagen at the end of this year.

ECA has been working closely with partners on this issue, especially within the ambit of the AU/AfDB/ECA Climate for Development in Africa (Clim-Dev Africa) programme. The African Climate Policy Centre – which is the policy arm of Clim-Dev Africa – is set to support Member States in this key area. We have also worked closely with Member States in two recent meetings that will input into a common African position for Copenhagen. These were the Third African Ministerial Meeting on Financ-

ing for Development, which focused on climate change and took place in Kigali, and the Special Session of the African Ministerial Conference on the Environment, which took place in Nairobi.

ECA has continued to make steady progress in the implementation of its work programme for the biennium 2008-2009. Across the board from economic policy analysis to gender and social development, statistics, information and communication technologies, governance, agriculture and food security, ECA has recorded significant achievements, including through the publication of knowledge products, consensus building and technical advisory services. Notable in this context is the 2009 Economic Report on Africa, jointly published by AUC and ECA, and the Mutual Review of Development Effectiveness, produced by ECA and OECD.

The Sixth African Development Forum (ADF VI) took place in Addis Ababa in November 2008 under the theme “Action on Gender Equality, Women’s Empowerment and Ending Violence against Women.” The Consensus Statement adopted at the end of the forum identified several key areas requiring immediate action, including finance for gender equality and women’s empowerment. Another key event that underscores the commitment of the United Nations system to support Africa’s development efforts is the Regional Coordination Mechanism (RCM) of UN agencies working in Africa. The RCM held its 9th session in November 2009 and focused on the food crisis and climate change issues. It adopted several recommendations that would enhance its work of the Mechanism and its Clusters and better align their activities with the programme priorities of the African Union and its NEPAD programme.

Satisfactory progress has been realised in capacity building and empowering the Sub-Regional Offices (SROs), in line with the Commission’s repositioning strategy for accelerated regional integration and socioeconomic development. The SROs are now well-equipped to respond quickly to the demands of their various sub-regions and have recorded achievements in the context of the implementation of the Multi-Year Programmes agreed with their respective RECs.

The building of partnerships is a core element of ECA’s work and a collaborative approach was further strengthened during the past year through our joint activities, particularly with the AU Commis-

sion, AfDB and the RECs. We have also continued to receive support and encouragement from a wide range of development partners in various areas of ECA's work. These partnerships also reflect the spirit behind the Coalition for Dialogue on Africa (CoDA), a joint initiative of AUC, AfDB and ECA that was inaugurated in March 2009. Its purpose is to situate broad-based dialogue on Africa's development agenda within the continent. CoDA's work is guided by an independent high-level Advisory Board, headed by former President of Botswana, Festus Mogae. It also has a number of other eminent and distinguished Africans and non-Africans as members. The Chairperson of the AU Commission, the Executive Secretary of ECA and the President of AfDB are ex-officio members of the Coalition.

ECA's Business Plan for 2007-2009 will complete its course at the end of this year. The orientation of the three-year plan for 2010-2012 will be to deepen the strategic focus of the current plan, especially with regard to supporting the priorities of the African Union and building strong, credible and coherent partnerships to promote African development. ECA's Proposed Programme of Work and Priorities for the Biennium 2010-2012 reflects the same strategic underpinnings.

In conclusion, let me underscore that these are challenging times for Africa but I am optimistic that the good foundation that has been laid of better macroeconomic management, improved governance and commitment to sustained peace and security will see us through. This meeting provides us with a unique opportunity to articulate ideas and policy options that will enable Africa to meet current and emerging challenges.

Deepening stakeholder dialogue on the financial crisis

*Coalition for Dialogue on Africa:
Multi-Stakeholder Dialogue on
the Financial Crisis*

*29 November 2009
Tunis, Tunisia*

The partnership with the African Development Bank and the African Union Commission is one which we at ECA strongly cherish and we are happy that our collaboration on the new Coalition for Dialogue on Africa (CoDA) initiative provides another welcome vehicle for deepening this tripartite relationship.

I am also most pleased that so many of you, experts and respected individuals in your respective fields, have accepted CoDA's invitation to participate in this event. CoDA is an institutionally independent forum for free discussion of niche issues between diverse and influential stakeholders from across all sectors, on Africa's emerging and pressing challenges. It is a successor to the Global Coalition for Africa and the Big Table, both of which promoted dialogue between Africa and its partners in support of Africa's development.

With CoDA, such dialogue will be African owned and led while continuing to be enriched by the wider participation of Africa's partners and friends. Moreover, in keeping with the tradition of the previous forums, CoDA will broach difficult and sensitive topics before they are taken up by other organisations. We also see CoDA playing a strong advocacy role to translate policies and initiatives into concrete action and results to underpin Africa's socio-economic progress.

Today's multi-stakeholder dialogue was convened in this spirit. We recognise that it is not the first such event to take place on the continent in response to the financial crisis and it will certainly not be the last. However, it is possibly one of the first to bring together such a cross section of views and expertise in such a gathering to discuss an issue that affects all of us today and that will impact on Africa's future prospects.

When I addressed the opening of the African Economic Conference in Addis Ababa, which focused on "Fostering Economic Development in an era of Financial Crisis", I highlighted the need for Africa to look past the impact of the current global crisis and focus on implementing steps that will re-direct Africa's development trajectory to make growth more enduring and sustainable.

To do so, we need to look beyond academic discussions of economic paradigms and focus on the ways that all stakeholders can be involved in harnessing the manifold resources and talents of this continent in order to generate employment and wealth creation that is critical to sustainable development and the achievement of the Millennium Development Goals.

At the same time we need to deepen the process of regional integration, especially given the impact of recent crises (food, fuel, and financial) which have shown that no single African economy is immune or ever able to weather the storms alone. As the proverb says, "When it rains, it is not only your neighbours' houses that get wet".

This gathering of such a diverse group of African "neighbours", stakeholders and partners to discuss Africa's response to the global financial crisis, I am certain our dialogue will indeed make a useful contribution to forging of a new "African consensus" on what Africa needs to do to put its economies on track to ensuring long term growth that will benefit the people of Africa.

When the CoDA Board agreed on the importance of convening this dialogue at its first meeting in Addis Ababa in March 2009, there was consensus that the Forum should in no way be seen to compete with, or duplicate, the good work of the other processes that are currently ongoing, but rather seek to support and encourage them.

In the particular case of Africa, I should acknowledge the good work of the Committee of Ten Ministers of Finance and Governors of Central Banks who have steered our collective engagement with the international community in seeking solutions to the financial crisis and its immediate and remote causes. It is my hope therefore that this meeting serves as a useful complement to their efforts by bringing up practical and innovative recommendations that can be translated into concrete policies to spur Africa's socio-economic progress.

Engaging with fragile States: challenges and opportunities

Addis Ababa, Ethiopia
24 July 2007

We are quite honoured to be playing host to such a distinguished gathering including the Ministers who have made time to participate at this meeting. This shows the importance that we all attach to the theme of this conference – Engaging with Fragile States: Challenges and Opportunities.

The collaboration between the World Bank, the Norwegian Agency for Development Cooperation and ECA in organising this conference and indeed, the presence of all of us here today is a clear testimony of the importance we all attach to partnerships in forging good governance and peace and security in Africa. This occasion also affords us an opportunity to address the human, economic and social implications of fragile states, especially in achieving regional priorities such as NEPAD and on national, regional and global security.

State fragility, which is indicated when governments are incapable of delivering basic social services, protecting people from internal and external threats, and providing institutions that respond to the legitimate demands and needs of the population can have dire implications for affected societies. Its effect may reach beyond national boundaries and can lead to devastating humanitarian crises and untold human miseries. In most cases, it is brought about by problems relating to governance as well as economic, political and social crises, and this was certainly the case in a few African countries in the last decade.

Today, it is widely acknowledged that despite some understandable bumps along the way, most African countries continue to make steady progress with regard to improving governance structures and promoting peace and security. The improved trend in governance is evident from increased political accountability, decentralization of decision-making processes and greater involvement of citizens in the development process. It is also visible from improved macroeconomic performance in the continent, which in turn has brought about more stable economic conditions and is, in many cases, translating to higher growth rates. It should be acknowledged nevertheless that despite the visible progress that has been made, there remains a lot to be done, especially as some African countries continue to face challenges of fragility, due in some cases to ongoing conflicts and in others to their post-conflict situations.

It therefore remains important to pay particular attention to the challenges facing fragile states. At the same time, there are also several emerging initiatives to support fragile states and it is therefore gratifying that this conference also focuses on this aspect. It is essential that we assist fragile states to take advantage of available opportunities, as they need all the support they can get to become capable states.

International engagement in support of fragile states will need to focus on issues such as democratic governance, human rights, civil society engagement and peace-building, and strengthening the capability of states to fulfill their core functions. Some of the priority functions include ensuring security and justice; mobilizing revenue; establishing an enabling environment for basic service delivery, strong economic performance and employment generation. Support to these areas in a concerted and sustained manner will tremendously assist in transforming fragile states into capable states.

A number of things should guide our collective approach to supporting fragile states. For instance, the promotion of good governance lies at the heart of ensuring peace and stability in Africa because it gives voice to previously marginalized communities and helps to ensure fair and equitable access to resources and opportunities for development. This in turn helps to build legitimacy and confidence in the workings of the state, which minimizes the potential for conflict. Post-conflict reconstruction and development are equally important

in building capable states and are essential for preventing affected countries from sliding back into conflict. In addition, they provide a firm basis for meeting international commitments to eradicate poverty and achieve the MDGs in Africa.

Similarly, affected states must take ownership of the policy process and commit themselves to addressing the fundamental issues that brought about crisis and conflict in the first place. It is also necessary to rebuild capacity in fragile states and to provide resources for resuming development activity. Effective partnerships are needed in order to provide the required resources for giving meaningful support to post-conflict countries. In doing so, however, we should avoid the approach of preparing a standard menu of international assistance for fragile states. Although many of the characteristics of fragile states are similar, the causes may be context specific and thus approaches to addressing the challenges and opportunities must be context specific as well.

The regional perspective is another area that deserves our attention as we address the challenges and opportunities facing fragile states. While conflict in individual countries has particular characteristics, there is also the cross-border and sub-regional dimension that brings about important commonalities that need to be addressed. ECA is therefore working closely with the Mano River Union to support the recovery and reconstruction efforts of its member countries, namely Guinea, Liberia and Sierra Leone.

I take this opportunity to salute the World Bank and its partners for its pioneering initiative to assist Low Income Countries under Stress (LICUS). I feel that the LICUS approach is in the right direction because of its overall intention of improving development aid effectiveness in fragile states and identifying new ways of conceptualising, delivering and evaluating the impact of the assistance they receive. The African Development Bank has also taken special measures to address this issue and I wish to take this opportunity to acknowledge their efforts.

On its part, the United Nations has added an important new dimension to its work with the establishment of the UN Peacebuilding Commission, which promotes and accelerates international efforts to support post-conflict states. ECA's work will continue to support

and promote the governance agenda in Africa, including through strengthening capacity for public administration and providing tangible assistance to the African Peer Review Mechanism process, which is an integral part of ongoing efforts to strengthen governance in Africa. It complements the new peace and security architecture of the African Union, which is aimed at reducing conflicts on the continent. In the long run, both these processes will also help to reduce the causes of conflict and contribute to building capable states.

While all these efforts must be welcomed as a positive sign of the increased priority being given to meet the challenges facing fragile states, it is important to harmonise interventions and ensure coherence for effective delivery of assistance. This gathering, which embodies our collective aspiration for partnership to support fragile states, should pay particular attention to this and other related aspects of effective cooperation in delivery. I am confident that you will come up with concrete and meaningful recommendations that will help the states concerned to meet the challenges and utilise the opportunities that are now available to them.

Harnessing Africa's full potential through strategic partnerships

2nd Strategic Partners Dialogue

*Addis Ababa, Ethiopia
11 April 2011*

The first strategic partners dialogue which was convened in December 2009 had several objectives. First of all, it was to demonstrate the strong and increasingly coherent partnership between the AUC and ECA, which has now been further strengthened with the establishment of the AU/AfDB/ECA Joint Secretariat Support Office. Secondly, it was to highlight and share key issues in the African development agenda in the spirit of partnership. Thirdly, we wanted to promote coherence and reduce the transactions costs of our institutions in relating to partners. Finally, we wanted to achieve these three objectives by enabling greater access, providing information to, and increasing interaction with partners who were strategically engaged with both our institutions.

By all accounts, these objectives were achieved and this led to calls to involve the other two key players in Africa's regional architecture, namely the African Development Bank and the Regional Economic Communities in the process. The first meeting also provided an opportunity for ECA to share its 2010-2012 Business Plan with our partners and we received a lot of support in its implementation from our key strategic partners. We will be providing further details in this regard at the next session.

The context in which we are meeting has also changed significantly. Our first dialogue took place during the global economic and finan-

cial crisis and there were concerns at the time that its effects would derail visible improvements in governance and economic growth in Africa. This fear has receded but we are now in a period of tremendous change for Africa. On the one hand, there is concern due to on-going events in North Africa but on the other hand there is hope. Concern because we do not know where all these events will lead us including in other parts of the continent, and hope because we know that the reasons for the revolts in North Africa are linked to demands for increased democratic space, human rights and better governance.

There is also great optimism and increased confidence in Africa's prospects by the African people. Our economies are growing including in the aftermath of the global economic and financial crisis at their fastest and most consistent rates since the late 1970s. These encouraging signs are being matched by welcome if uneven progress in achieving the Millennium Development Goals and informed engagement of Africa in international processes such as the climate change negotiations and, indeed, in the G20 although the continent still remains under-represented in this very important global forum. These are all pointers to the fact that our partners also share in the optimism and positive outlook for Africa. I sincerely hope that this strategic partners dialogue will lead to a concrete declaration of intent to accompany and encourage this upbeat scenario.

A good starting point in this regard would be for our partners to assist and support the efforts of the pan-African institutions and RECs in tackling key continental challenges. There are several of them including the pressing and critical issue of climate change as well as the challenges of gender equality and empowerment, maternal health, and trade. Permit me, however, to focus on two other issues of equal importance. The case and rationale for integration in Africa has been made and continues to be reinforced through various steps and actions being taken through the AU and RECs. However, this process needs to be accompanied especially with the provision of first rate infrastructure in the form of power plants, roads, railways and the like to improve welfare, underpin production and facilitate trade.

The experience of the Trans Africa Highway illustrates this point. It was started over a quarter of a century ago alongside similar projects in Asia, Europe and Latin America and while all these have been com-

pleted, this is not the case for this significant continental road initiative. This is why I particularly welcome the decision of the G20 to pay attention to the provision of infrastructure in developing economies which was demonstrated by the recent establishment of a very representative High Level Panel on Infrastructure Investment, chaired by Tidjane Thiam, an Ivorien and Chief Executive of Prudential Insurance. We in AUC/AfDB/ECA will support the work of the Panel for whose eventual recommendations Africa counts on you to forge consensus within the G20 so as to leverage resources for building infrastructure to drive its process of regional integration.

The other challenge which I want to highlight relates to governance. The discourse on governance in Africa is less heated than it used to be reflecting widespread commitment to democracy, observance of human rights and the rule of law. This was further demonstrated when the January 2011 AU Summit deliberated on the theme of 'shared values'. Nevertheless, there remains much to be done as events in North Africa and elsewhere have shown. Our partners are accordingly invited to support Africa's commitment to taking governing seriously.

It is a matter of regret that countries that are engaged in the APRM process have not received the support required to implement resulting action plans. Governance, moreover, extends to improving the thinking behind and the implementation of development plans and policies, which is why the last AU/ECA Conference of Ministers of Finance, Planning and Economic Development was on the theme of "Governing Development in Africa".

The 4th Joint AU/ECA Conference of Ministers, which has been recognized by our Heads of State and Government as 'a major annual ministerial platform for the deliberation and exchange of views on issues relating to Africa's growth and development', took place here from 28 to 29 March 2011. It brought over 50 African Ministers of Finance, Planning and Economic Development and some of their counterparts from Environment and Health together to deliberate on issues of major interest. We should give some thought to making this Strategic Partners Forum a side event of the Conference of Ministers as there is scope to reap mutual benefits and also as a means of further increasing coherence in partnership activities.

We will have the opportunity to deliberate and exchange views of various issues especially those contained in the agenda of this meeting. Ultimately, however, we must remain focused on the very reasons for which this dialogue was started. This would require that we devote some time to deliberating on the optimal format of carrying this strategic partners dialogue forward.

Japan's role in the transformation of Asian countries: A useful experience to share with Africa

*Statement at a seminar on
"Upscaling the Japan-Africa Partnership"*

*Tokyo, Japan
15 December 2011*

It is indeed an honour and privilege to be here in Tokyo under the auspices of AFRECO. This visit has afforded us the opportunity to exchange views on ways and means of upscaling cooperation between Japan and African countries in a mutually beneficial way. I would therefore like to take this opportunity to express sincere appreciation to AFRECO and all the other Japanese agencies and authorities that have facilitated my visit here.

Prior to going into the substance of my remarks, I wish to express my solidarity and that of my colleagues in the Economic Commission for Africa with the Government and people of Japan following the triple tragedy of earthquake, tsunami and nuclear meltdown which occurred early this year. I pay tribute to the memories of those who lost their lives and salute the courage and spirit of those recovering from injury, the loss of dearly loved ones and valuable possessions. The bravery, resilience and determination shown by the Japanese people in the face of such difficulties was remarkable and further deepened our admiration and respect for the dignity and calm for which this ancient civilization has come to be known.

The fundamental basis for increased cooperation between Japan and Africa rests in the fact that both Japan and Africa matter for one another and that there is potential across various key areas for scaling-up their ties. Given that my remit on the continent is to lead

the Economic Commission for Africa, I will be demonstrating the potential for such cooperation mainly from examples in the economic and social fields although a similar case can also be readily made in international political cooperation.

Japan is undoubtedly one of the leading economies in the world as exemplified by the size of its economy, the extensive global reach of its companies, its membership of global economic policy making bodies such as the G8 and G20 and appreciable foreign exchange reserves of 1.3 trillion. This means that it exerts influence on shaping international economic processes which determine the environment in which African countries seek to develop. Although Japan does not throw its weight around, it has promoted consideration of its views on development in a gentle but firm manner. I refer in particular to its insistence that the World Bank undertake what eventually came to be known as the 'East Asian Miracle Study' the very title of which conveys the successes recorded in this region following the lead of Japan. In his forward to that publication the then President of the World Bank noted that the diversity of the East Asian experience showed that economic policy must be country specific if it is to be effective.

Indeed, the only successful path of late development since the late 1940s has been the model of the developmental state pioneered by Japan. Thus we have seen in East Asia and South East Asia a succession of countries whose economic prowess has become quite legendary. What is interesting is that despite the different geographical, economic, political and social circumstances of countries, in East and South East Asia, all of them have used a concept that was successfully implemented here in Japan to drive their economic development. (core elements of developmental state)

Such is the accomplishment in this part of the world that one can legitimately assert that emerging economies are changing the balance of global economic power. It is also why we at the Economic Commission for Africa dedicated our 2011 Economic Report on Africa to exploring how economic transformation in Africa could be enhanced by studying key elements of the developmental state. Thus, we stressed the importance of issues like planning and coordination and bureaucratic capacity in the African development process.

What is particularly interesting about this matter is that when coun-

tries in this region sought to emulate the Japanese development model, their efforts were accompanied by this country. As contentious as it may sound, a lot of the development cooperation model which China is using to great success in Africa, was first used by Japan in East and South-East Asia. I am referring of course to close trade relationships, to the provision of assistance in the form of investment and infrastructure, the relocation of sunset industries. In other words, Japan led the way in establishing relationships with Asian countries which gave rise to the economic notion of flying geese, with the Japanese goose undoubtedly in front.

It is therefore quite evident that Japan led the way in terms of successful thinking and practice of development and it is to its eternal credit that it was the first country that attempted to build a bilateral relationship that was not colonially derived with the African continent. I am referring of course to the Tokyo International Conference on African Development (TICAD) through which Japan sought to anchor its trade, aid and investment relationship with Africa. TICAD 1 took place in 1993 long before it became fashionable to have the kind of bilateral relationships with Africa which have now blossomed and become the order of the day. It is salutary that we are now implementing TICAD IV to which I will return later.

The point that I am making then is that Japan is an important partner for Africa through its example, experience and path-breaking institutionalization of cooperation. I am aware of course that perhaps due to historical and geographical reasons, cooperation between Japan and Africa has not yet been fully optimized but then there is scope and opportunity to upscale such ties especially as we are at the cusp of an African moment. Members of this audience may have seen a recent edition of 'The Economist' magazine whose front cover (at least in the African and European editions) was entitled "Africa Rises". Those who recall that the very same magazine labeled Africa "The Hopeless Continent" barely ten years ago would appreciate the fundamental changes that have taken place in Africa and which offer a basis for further deepening relations between Africa and Japan.

Let me start with Africa's compelling economic performance which has averaged over 5% per annum since the turn of the Millennium. This encouraging performance was buttressed by the relative resilience of African economies during the recent global economic and

financial crisis. Growth in Africa is estimated to be about 4.7% on average in 2011 rising to over 5% in 2012 and this is despite the drag of the Arab Spring and euro zone crisis. This positive performance is mainly a result of improved political and economic governance in the continent.

Since the establishment of the African Union, African countries have acted firmly against unconstitutional changes of government with an undoubted commitment to choosing leaders by electoral means. There were up to 17 Presidential and National Assembly elections in Africa in 2010 and 20 of such elections will have taken place by the end of this year. Similarly, 31 African countries have signed up to the African Peer Review Mechanism, by which Heads of State and Government subject their national governance policies to scrutiny by their peers. The interesting aspect of this unique mechanism is that it is entirely voluntary.

The evidence of better economic management can be seen from the fact that inflation in Africa is on average at half of its level in the mid-1990s and that in 2008 nearly two-thirds of African countries had positive primary fiscal balances as compared to just over one-quarter of them in the 1990s, thus giving them more fiscal space during the financial crisis. Another set of equally compelling figures show that private capital flows of \$50 billion now exceed official development assistance while export values in 2008 had tripled compared to the beginning of the decade. Such improvements in economic performance are closely linked to policy regimes that give priority to the private sector and to attracting foreign direct investment.

Another reason for optimism is that the private sector in Africa is now playing an increasingly important role in economic activity in the continent. There is now a noticeable number of African companies investing outside their home countries in other African countries and their businesses span construction, banking and finance, manufacturing, retail and consumer services, mining, oil and gas, air services, and commodity trading to mention but a few areas. It has been estimated that these companies enjoyed a compound growth rate of 21% between 2003 and 2010. On a more general level, average returns in top African firms between 2003 and 2008 were said to be 20% as compared to 15% for S&P 500, and 10% for DAX30 and Nikkei 225.

Given these improvements, it is not surprising that Africa's prospects are attracting attention. The Economist was not the first to notice this. At its 2010 Summit in Seoul, the G20 underscored Africa's great potential to become a destination for investment and source of global growth while global research firms led by McKinsey have also released equally compelling reports on Africa's prospects. Before turning to specific areas in which Japan and Africa can cooperate to mutual advantage, let me first address the question of whether indeed the current growth cycle in Africa is sustainable.

For a number of reasons, I would answer this question in the affirmative. First is that it is Africans themselves that are mostly driving the process of growth and investment in the continent. This is happening through demonstrable commitment to promoting regional integration because while the size of the entire African economy was about \$1.6 trillion in 2008, its potential is reduced by the fact that the continent is made of 54 small, fragmented countries. Realizing these limitations, African countries have taken steps to accelerate the pace of regional integration notably through the establishment of the African Union and Regional Economic Communities.

Following the publication of ECA's fourth Assessing Integration in Africa report on intra-Africa trade produced in partnership with the African Union Commission and the African Development Bank, the African Union will be discussing this theme at its next January Summit where it will also explore the possibility of creating a continental free trade area by 2015. These efforts are also being complemented by the private sector and individual Africa. To exemplify, investment funds raised by private equity funds within the continent increased by 37% from \$2.3 billion in 2007 to \$3.2 billion in 2008. Similarly, remittances from the African Diaspora were estimated to be about \$40 billion last year alone and accounted for up to 9.3% of GDP in a country like Uganda.

It is undeniable that high demand for Africa's commodities especially from the emerging economies has contributed to recent growth performance. However, high commodity prices are only part of the story and probably accounts for just one third of recent growth as nearly all sectors have contributed to Africa's improved economic performance including sectors benefiting from rising disposable income such as telecommunications, construction, agriculture, finance

and transportation. Of course, given that Africa is home to a remarkable share of global resources, the rapid growth and needs of emerging economies will give a long-term boost to commodity prices from which the continent will continue to benefit. Going forward, African economic performance will be sustained by changing demographics. The demand for better goods and social services by an emerging African middle class will also help to sustain growth. It is estimated that this group will amount to 300 million people by 2030 and that their spending power will amount to 2.2 trillion dollars.

Since Japan is a major player in the global economy and Africa is a potential pole of global growth, it is quite evident that there is much scope to increased cooperation between both sides. I will show how this can be the case in six main areas.

The first of the areas in which Japan can support the process of African development to mutual advantage is in governance. As I stated above, African countries have taken major steps to improve their political and economic governance which in turn has laid the foundation for better economic performance. If Japan supports initiatives like the African Peer Review Mechanism as well as those taken to reduce corruption in the continent then it would have helped to create an enabling environment for its companies to do even more business in Africa. An issue of particular concern in Africa relates to illicit financial flows conservatively estimated by the Global Financial Integrity Report to have been about \$854 billion since 1970 and 2008. It would be important for Japan to support efforts to stem such outflows which will not only improve governance in Africa but also complement resources available to boost investment and promote development within the continent.

The next area in which there is scope to increase cooperation between Africa and this great country is through investment in productive sectors such as agriculture and manufacturing. If Japanese companies invest in Africa as they did in Asia this will help to promote economic transformation and create much needed jobs. Such investments could take place through a second relocation of sunset industries from Asia to Africa as well as by including African enterprises in global value chains. Investment in African countries now will enable Japanese companies to take advantage of growing regional integration by using such locations as a base of exports to third countries.

A key constraint to scaling up productive activities in Africa derives from infrastructural constraints and there is great scope for Japan to contribute to improving the situation as its companies have the capacity to build world class infrastructure while its financial institutions can support the process through structured financing.

Improvements in infrastructure will not only support regional integration and intra-Africa trade but also boost trading relations between Japan and Africa. Total merchandise trade between these two partners amounted to about \$24 billion in 2010 which itself is a significant amount. However, if we compare this with an economy of comparable size such as China whose trade with Africa in 2010 was estimated to be about \$120 billion, then it can be seen that there is far more scope for increased trade between Japan and the African continent. This is also reflected in the fact that Japan's share of exports to an expanding African economy fell from 4% in 2000 to 2.7% last year. It is nevertheless worth recording that Japan is involved in supporting intra-African trade facilitation through joint projects such as One Stop Border Posts for which I would like to express great appreciation.

Japan can also support African development by helping countries in the continent to take advantage of new technologies and opportunities. We are currently in the digital age and there is growing global consensus about the need to shift to a green economy to promote environmental sustainability and to adapt to the damaging effects of climate change. As a global leader in ICT related industries and activities, Japan can contribute to efforts to scale-up the use of innovation, science and technology in Africa through investments in the continent as well as in supporting capacity building activities. To illustrate, the rapidly rising use of mobile phones and related applications including the world famous M-Pesa payment system in Kenya shows how ICTs can contribute to on-going growth in Africa. A similar effort is required in advancing the green economy in Africa, for while the continent has a natural resource base for undertaking such activities, it still requires substantial financial support and transfer of technology to be able to change its current growth trajectory to a more green basis.

The examples of climate change and environmental negotiations such as the forthcoming Rio+20 conference show that Africa has high

stakes in global economic processes. Japan can therefore upscale its cooperation with Africa by appreciating and supporting its positions and priorities in global processes such as G8 and G20 meetings, negotiations at the World Trade Organization, in its relations with international financial institutions and of course at the climate change and environmental negotiations mentioned earlier. The issue of ensuring that Africa's voice is heard is of continuing concern to the continent and relations with Japan will undoubtedly be enhanced if it shows empathy and appreciation for Africa's needs and concerns in global processes. Let me add that we in ECA expect that as the second largest contributor to the UN, Japan should use its influence in that body to support our efforts to promote the social and economic development of Africa in accordance with our mandate.

As indicated earlier, I am aware that Japan has a framework for managing and promoting cooperation with Africa through the TICAD mechanism and indeed most of the points I have just made will be easily accommodated under the four pillars of the TICAD IV Action Plan which are boosting economic growth, achieving the Millennium Development Goals, peace consolidation and good governance; and addressing environmental issues and climate change. About a decade after the TICAD process was launched, Africa adopted the New Partnership for Africa's Development as a framework to guide continental development in the new Millennium. While expressing appreciation to Japan both for pioneering this type of cooperative arrangements with Africa and for the financial and technical assistance it renders under the TICAD programme, I would like to see closer alignment between these two programmes such that NEPAD priorities drive the TICAD work programme.

This then leads to the last area that I want to highlight for upscaling cooperation between Japan and Africa which is increasing the amount and scope of official development assistance to Africa. A starting point would be to meet the commitments made in Monterrey and the Gleaneagles Summit of the G8. Such assistance can be used to mutual advantage by using it to leverage finance for infrastructure and investment in productive sectors in Africa. This is a model which Japan used successfully in this region and which is being replicated by others in Africa. Equally important in this regard is the need for urgent deployment and utilization of the \$10 billion promised in TICAD IV to fasten the pace of climate change adaptation in Africa.

To conclude therefore, Japan was the pioneer of some of the most successful development and cooperation models and used its knowledge and experience to mutual advantage in its relations with Asia. There is no reason why it should not do so in upscaling its relations with an emergent Africa.

Enhancing capacities for development results

*Launch of the
Africa Platform for Development
Effectiveness (APDev)*

*27 March 2011,
Addis Ababa, Ethiopia*

The Africa Platform for Development Effectiveness (APDev) is a commendable and bold initiative that will add value to Africa's development landscape and complement various efforts being made to actualize the Continent's development objectives.

The United Nations remains committed to the partnership with the implementation of the African Union goals through support for the realization of the African agenda. In particular, the regional integration agenda of the African Union provides a firm basis for this partnership with regional mechanisms such as the Africa Platform are at the core of the systems and processes required to drive the continent's reform agenda.

As a strategic partner of the African Union, ECA is proud to be associated with the conceptualization, design and the programmatic work of the Platform, along with other UN agencies and key African institutions including the African Development Bank.

Africa today is a continent on the move. Political and economic reforms are being consolidated at national and regional levels, towards achieving sustainable growth and development.

The theme "Governing Development in Africa" at the ongoing AU/ECA Joint Conference of Ministers of Finance, Economic Develop-

ment and Planning is relevant to the work and thrust of the Platform, otherwise known as APDev. This welcome initiative of the African Union Commission (AUC), the NEPAD Planning and Coordinating Agency, and partner institutions will mobilize African policy makers and practitioners toward achieving sustainable development results;

Indeed by providing a physical and virtual multi-stakeholder forum focusing on Aid Effectiveness, South-South Cooperation and Capacity Development, APDev will enable policy and decision makers to connect through a linkage of existing communities of practice. It will also serve as an African window to the outside world on the evolving global economic governance architecture;

It is quite evident that greater investment in knowledge and learning is required for Africa to be globally competitive. However, with so many actors, sources of knowledge and communications media, there need for better coordination and coherence. APDev promises to play this role if it evolves in an inclusive and all-engaging manner.

In addition to better coordination of consultation, dialogue and knowledge sharing among African stakeholders, APDev should be configured to provide much needed support to African countries and RECs in the implementation of the Paris Declaration and the Accra Agenda for Action. This will enable the consolidation of African common positions on key issues of development effectiveness particularly with regard to preparations for the Fourth High Level Forum on Aid Effectiveness taking place in Busan, South Korea in November 2011;

APDev's ambitious programme of activities, including the publishing of the "State of Capacity Development in Africa Report" in 2012, a capacity building support programme for RECs and the articulation of a consensus paper on Development Effectiveness for Busan, are crucial in accompanying Africa's development efforts and should be supported by all stakeholders including pan-African institutions, Regional Economic Communities, national governments, national and regional parliaments, private sector, civil society organizations, social and economic interest groups and Africa's development partners.

Activating the UN ten-year capacity building programme for the African Union

*12th Session of Regional Coordination
Mechanism of United Nations Agencies
and Organizations Working in Africa in
Support of the African Union and its NEPAD
Programme*

*21-22 November 2011
Addis Ababa, Ethiopia*

It will be recalled that at our 11th Session last year, we were confronted with an inconvenient truth: that the framework for our Ten year capacity building programme in support of the African Union was not accompanied by concrete programmes fully reflecting the priorities of the AU. That was why the 11th session directed the RCM-Africa Secretariat to consult our AU colleagues in order to fill this gap and it is also the reason why this 12th session is devoted fully to the question of capacity building of the AU.

As part of this process, we held a retreat early September 2011 to deliberate on this matter and elaborate a concrete and implementable work programme to energise the Ten Year Capacity Building Programme. The retreat helped us better understand the real capacity needs of the AU and revealed some gaps in the workings of RCM-Africa. Indeed, our existing structure does not address organizational and institutional aspects such as human resource needs, finance, strategic planning and conference management nor does it cover issues of economic development in the macro sense, regional integration and statistics. This meeting is a good opportunity to further discuss these issues.

The Kuriftu retreat also yielded a draft work programme with log-frames of planned activities and expected outcomes accompanied by allocation of responsibilities, resource needs and time frames. I

hope this 12th session will support the implementation of the work programme including on meeting related resource requirements. Our annual meeting also provides an opportunity to renew RCM activities over the past one year by asking ourselves some frank questions. For instance: are we supporting joint actions rather than individual activities? Are we responding to the needs of our partners based on their mandates and priorities? The answers to these questions should help us determine how best to strengthen RCM-Africa.

One area in which progress is undeniable is that the African Union Commission, NEPAD Planning and Coordination Agency and the Regional Economic Communities (RECs) have taken increasing ownership of RCM-Africa and its various Clusters. This would in turn require that the UN side takes steps to reciprocate by acting as one to strengthen the RCM-Africa secretariat.

Various UN processes and previous RCM meetings recognized the need to establish Sub-regional Coordination Mechanisms (SRCMs) develop a framework for coordinating UN programmes and activities at the sub-regional level. In this regard, I am pleased to report that the SRCM for Eastern and Southern Africa has been established, while the process of establishing that of Central and Western Africa has also been initiated.

Permit me to recall in conclusion that it was at this forum last year that we began to think about supporting Africa's participation at next year's Rio+20 conference by focussing our meeting on the 'Green Economy'. Following that start, we organized a discussion around the topic at the AU/ECA Conference of Ministers of Finance, Planning and Economic Development and African Preparatory Meeting for Rio+20 which has the 'Green Economy' as one of its two themes took place here just last month. I hope that this meeting will also look at some the outcomes emanating from these processes so as to provide additional insights to our member States in the run-up to the Conference proper.

Part Four

ON THE FINANCIAL CRISIS

Introduction

The statements in this cluster differ significantly from others because they focus specifically on the global economic and financial crisis, which emerged towards the end of the first decade of the Millennium.

For several years, the economic performance of African countries was impressive, with growth averaging over 5% per annum. As cooperation with the continent's development partners as well as the renewed push of nations for development and the gains of globalisation began to make an impact, it seemed that the high hopes at the beginning of the Millennium would yield fruit.

On the basis of that confidence, African nations were looking at ways of scaling up their efforts in order to meet the set targets, such as the Millennium Development Goals (MDGs), because it was clear that despite the progress that was being made, much more needed to be done.

In 2008, however, those calculations changed when the food and fuel crisis set in, threatening not only the ability of African nations to meet MDG targets, but even the macroeconomic gains they had made. As though that was not enough of a new challenge, the food and fuel crisis was followed in short order by a devastating global economic and financial crisis, the world's worst since the Great Depression.

The statements in this cluster reflect the concern of ECA about the new turn of events, and the Commission's efforts, in concert with other bodies, to understand it and help its clients to respond appropriately.

In various interventions, the Executive Secretary pointed out the significance of the crisis, how it would affect growth, trade, investment flows, trade credits, remittances, and tourism, as well as make it difficult for national governments to finance their recurrent and investment programmes.

But he was also quick to caution Africa not to see the situation as one for panic or despair, but as an opportunity to implement better and stronger policies. He called for a change in outlook in such areas as domestic policy formulation; in economic and governance institutions; in the pace of regional integration; as well as in the framework of international economic, financial and trading arrangements.

He cited the need to further diversify African economies and increase agricultural production, thereby enhancing the resilience of African economies to enable them deal with future economic shocks.

Mr. Janneh stresses in these interventions that the economic and financial crisis is a reminder of the need for cooperation and collaboration among states at various levels of development, particularly in Africa, and that the continent's regional integration agenda should be sped up as a basis for competitive markets and diversification of its production structures.

Africa's response to the global financial crisis

*High-level Panel on the Financial
Crisis Impacts and Responses: An
African Perspective
Sixty-fifth Session of the
Economic and Social Commission
for Asia and the Pacific (ESCAP)*

*28 April 2008
Bangkok, Thailand*

The world economy is facing the worst financial crisis since the Great Depression. Although the crisis was triggered by events in the advanced countries, its impact is being felt in all developing countries. In Africa, the crisis is taking place at a time in which our economies are slowly emerging from the effects of the food and energy crises and so presents a serious challenge for meeting the Millennium Development Goals in the region.

At the beginning of the crisis, the widely held view was that the impact on African economies would be insignificant because they have very small inter-bank markets, are less integrated into global financial markets, and have a variety of restrictions on market entry as well as the operation of financial markets. This assessment was overly optimistic.

The global economic crisis is negatively impacting on African economies in several ways. Its effects are being manifested in slowdown of growth, weakening currencies, declining stock market indices and sharply reduced commodity exports. It has also reduced investment flows, remittances and tourism receipts.

Our assessment indicates that in 2009 the crisis will reduce growth in Africa from an average of 6 percent over the past decade, by between 2 and 4 percentage points depending on assumptions made about re-

source flows to the region as well as the effectiveness of policy responses to the crisis by advanced countries. The heterogeneity of the African region implies that the degree of impact will differ across countries. For example, in 2009, Angola, Botswana, South Africa, Equatorial Guinea and Sudan are expected to experience a decline in growth of more than 4 percentage points, while in other countries the decline is expected to be much less. The crisis has also had significant wealth effects on stock market indices in countries such as Nigeria and Egypt, declining by up to 60 percent between March 2008 and March 2009. Similar wealth losses from this source have also been observed in South Africa.

Most countries in the region depend on advanced economies for trade and investment and the decline in growth in these economies has had a negative effect on traditional sources of development finance to Africa. The expected shortfall in export earnings amounts to \$251 billion in 2009 and \$277 billion in 2010 for the continent as a whole. For example, commodity prices, which many African countries depend on for foreign exchange, have taken a big hit. The price of crude oil fell by more than 50 percent between February 2008 and February 2009, while those of copper, coffee, cotton and sugar fell by more than 20 percent over the same period. There has also been a decline in the volume of exports. The growth of African exports in real terms fell from 4.5 percent in 2007 to 3 percent in 2008 and further decline is expected in 2009. The declines in commodity prices and export volume have led to a decrease in export earnings in African countries. In Burundi, coffee earnings fell by 36 percent between October and November 2008. In Angola, earnings are expected to decline from \$67 billion in 2008 to \$23 billion in 2009.

Foreign direct investment and other sources of private capital flows are expected to decline in 2009. Prior to the crisis, countries such as Ghana and Gabon successfully issued bonds in international capital market. As a result of the crisis, this source of external finance has dried up and several African countries are facing difficulties issuing bonds in international capital markets. There has also been an increase in risk premiums facing African countries in international capital markets. Another channel through which the crisis and the associated global economic slowdown are affecting African countries is through declines in workers' remittances and private capital flows. Recent forecasts indicate that remittance inflows into sub-Saharan Africa will fall by between 1-2 billion dollars in 2009.

The drying up of these important sources of development finance has implications for achieving the MDGs in Africa. For example, the expected declines in development finance will reduce the ability of African governments to fund health, education, infrastructure and nutrition programmes with dire consequences for poverty reduction. The crisis will also affect poverty in the region through the impact on unemployment. Recent studies indicate that in 2009, the number of unemployed people in sub-Saharan Africa will increase by 3 million relative to the 2007 figure. The social effects of the crisis will be particularly hard felt in Africa because there are few or no mechanisms to cushion the effect on ordinary people, such as unemployment benefits or social security arrangements.

African countries have taken several steps in the form of policy responses to mitigate the impact of the financial crisis on their economies. These include interest rate reductions, recapitalisation of financial institutions, measures to increase liquidity to banks and firms, fiscal stimulus, trade policy changes, and regulatory reforms. The measures adopted differ from country to country depending on available fiscal space as well as the degree of vulnerability to the crisis. For example, oil-exporting countries in the region have more fiscal space to conduct counter-cyclical policies because they accumulated huge foreign reserves during the recent oil price hikes. In the non-oil economies, however, the ability to adopt fiscal stimulus measures is severely limited.

Several countries in the region have set up task forces or committees to monitor the financial crisis and advise the government on how to respond. Rwanda, Kenya, Nigeria and the Democratic Republic of Congo are some examples of countries that have adopted this approach.

Some actions have also been taken at the regional level to enable African countries deal with the financial crisis. For example, the African Development Bank (AfDB) set up a US\$1.5 billion Emergency Liquidity Facility to help African countries weather the global slowdown. It also established a \$1 billion Trade Finance Facility to support trade and investment in Africa.

Regional organisations have taken steps to facilitate regional consensus on how to deal with the crisis. ECA, in collaboration with the Af-

frican Union Commission and African Development Bank organised a High-Level Forum on the Financial Crisis for Ministers of Finance and Planning and Governors of Central Banks in Tunis on 12 November 2008. In the communiqué issued at the end of the meeting, African Ministers established a Committee of Ten Ministers of Finance and Central Bank Governors to monitor the crisis and recommend palliative measures, including an African submission to the G20 Summit. Above all, African governments remain committed to pursuing sound macroeconomic, good governance and policy reforms that had been the key drivers to sustained growth and socioeconomic development.

The policy measures advocated by Africa were presented to the G20 Summit by its representatives, notably the Prime Minister of Ethiopia, who represented the continent in his capacity as Chairperson of the Heads of State and Government Implementation Committee of NEPAD. He was accompanied in this role by the heads of AUC, AfDB and ECA.

Some of the specific areas for international action identified by African governments and addressed by the G20 Summit include the need for resources; greater policy flexibility; resisting protectionism; and reforming the international financial architecture.

Developed countries should meet their existing commitments to Africa and in particular front load financing from these commitments to enable African countries respond effectively to the global slowdown. There is the need for additional resources from the following sources: sale of IMF gold; issuance of new special drawing rights (SDRs); and setting up of a vulnerability fund to be financed through rich countries providing 0.7 percent of their domestic fiscal stimulus package.

There is need for greater flexibility in the policy frameworks through which assistance is delivered to developing countries. The G20 Summit recognised this by agreeing to review the flexibility of the Debt Sustainability Framework. Similarly, the Country Policy and Institutional Assessment (CPIA) of the World Bank, which is now used by many donors, should comprise a mix of performance and outcome indicators in addition to specific policy indicators and ex-ante conditionalities.

Domestic stimulus packages should not be used to introduce new forms of protectionism in trade, finance or investment. Every effort should be made to bring the Doha Round of talks to a speedy conclusion while ensuring that the final outcome keeps to the initial promise that it would be a development round that would bring significant benefits for developing countries.

The international community needs to take proactive measures to ensure that African countries have voice and are adequately represented in international organisations where decisions affecting the world economy are made.

We are facing a challenge of epic proportions and the G20 was right to emphasise that “a global crisis requires a global solution”. The solutions indeed require solidarity by all, developed, emerging and developing countries alike. There is also much for our countries to learn from each other in terms of impact and workable solutions and I hope that our deliberations here will contribute to ongoing efforts in this regard.

Implementing Monterrey Consensus at a time of global crisis

*Follow up to High Level Forum of
implementation on Monterrey
Consensus
Doha, Qatar
1 December 2008*

Today's meeting is a follow-up to the High-Level Forum on the same theme organised by AUC, AfDB and ECA in Tunis in November 2008. We are meeting to review progress on the implementation of the Monterrey Consensus at a time when the global economy is engulfed in the worst financial crisis since the Great Depression. This crisis is taking place at a time when Africa is confronted by multiple crises of food and energy that have threatened the achievement of the Millennium Development Goals in the region. The crisis also comes at a time when the continent seems to have turned the page on the dark years of the 1980s and 1990s, when most African countries experienced stagnant, and some, even negative real growth in per capita income. In recent years, African countries have had improved economic performance with growth averaging over 5 per cent per annum in the last five years. There is concern in the region that if appropriate steps are not taken to deal with the crisis, these gains might be eroded.

Although the full impact of the crisis on African economies is not yet known, it is clear that it will affect the region through direct and indirect channels. So far, the direct effects have been limited to weakening exchange rates and declining stock markets for some of the major African stock exchanges. There has also been a tightening of credit in domestic financial markets. The indirect effects will arise mostly from the impact of a decline in output in the major advanced

countries on demand for African exports as well as investment flows, remittances and tourism receipts.

In addition, pressure to recapitalise the banking sector and provide support for ailing industries may force developed countries to cut down on official development assistance (ODA) flows to Africa. Given the importance of ODA in financing social infrastructure, this will be a major setback for the region. Since African countries are heavily dependent on aid-funded social protection programmes, reduction in aid could affect the poor considerably and thus increase their vulnerability. According to the World Bank and IMF, up to 100 million people, the majority in Africa, are at risk of falling into poverty.

The crisis facing us today is unprecedented in terms of its magnitude and potential impact. It therefore requires bold and swift responses to contain and reduce its negative effects on African economies. Although the crisis was caused by events beyond our shores and control, concerted actions are needed at the national and international levels to find an effective solution.

Let me begin with national actions that are needed to minimise the negative effects of the crisis on the African region. First, there is the need to strengthen economic policy management as well as deepen reforms. This is not only crucial for minimising the effects of the financial crisis on African economies, but also for creating a sound basis for sustainable growth. African ministers and governors of central banks continue deepening economic reforms to provide a strong and sustained basis for growth.

Second, the financial crisis underscores the importance of developing a sound regulatory and supervisory framework for the financial sector. In this regard, African countries need to undertake a comprehensive review of their regulatory and supervisory regimes with the view of identifying areas that require further strengthening. There is also a need to ensure that all sectors of the financial industry are subjected to proper regulation and oversight. Improving structures of governance and accountability is also crucially important.

Third, since the poor are likely to bear disproportionately the brunt of the financial crisis, appropriate forms of social protection are required to cushion the effect of the crisis on vulnerable segments of

our society. This will require increased expenditure on education, health and infrastructure.

Although domestic actions are critical to minimising the effects of the crisis on Africa, complimentary actions are also needed at the international level given the interconnected nature of the global economy. One area that requires urgent action at the international level is the reform of the international financial architecture. African countries do not have adequate representation in decision making organs of international institutions set up to regulate the functioning of the international financial system. There is the need for Africa to have more voice in these institutions. This is particularly important given that recent crises have shown that African countries are heavily affected by actions and events emanating from activities of developed countries.

Another issue that needs to be addressed as part of the reform of the international financial architecture is how to improve crisis prevention. In the past international financial institutions such as the IMF put more emphasis on policy reforms at the expense of crisis prevention. It is important that more tools be developed to increase multilateral surveillance of policies in areas such as exchange rate policies, banking systems and capital account movements. There is also a need to improve our understanding of the link between financial systems and the real economy.

Official development assistance will also be needed to enable African countries to cushion the effects of the crisis on their economies. This is important given the limited fiscal space that most countries in the region currently have as a result of the crisis. In this regard, it is important that our developed partners fulfill their commitment to double aid flows to Africa by 2010.

Let me end by stating that the current financial crisis must not be used as an excuse to renege on existing international commitments made to Africa. Together we must ensure that these commitments are turned into actions that deliver the sort of economic and social development that African countries rightly need and deserve. Only then will we be able to truly say that we have made the new global partnership work for Africa.

Focusing on domestic resources mobilization

*African Economic Conference
Tunis, Tunisia, 12-14 November 2008*

This meeting is taking place at a time of increasingly grave outlook for the global economy and by extension the African economy. The financial meltdown in key economies has spread to other parts of the world and is also impacting negatively on the real sector. Accordingly we are faced with the prospect of global economic recession and slow down, which contrary to the view in some quarters, will certainly have serious implications for economic and social development in Africa, both in the short-run and intermediate term.

Although we are unable to immediately measure the full impact of the crisis on African economies because of the rapidly changing situation and time-lags in reporting, there are clear signs of a slow-down. An AfDB forecast for 2008 cut the growth rate for Africa from 6.5% to 5%, while the IMF projected a similar decline of 1.3% in continental growth for 2009, which is the largest in any region of the world. There is clear evidence of financial contagion as all the four major African stock markets have fallen as dramatically as the US stock market. Falling commodity prices, which portend lower export revenues, are of equal concern, especially as many African countries are still struggling to cope with the lingering effects of recent historically high food and oil prices.

There is also a strong likelihood of increased cost and reduced availability of capital due to reduced private investment, official develop-

ment assistance and remittances. Tourism, which is key for several African countries, is also likely to be seriously affected. I took the opportunity in several statements made this year to caution against the danger of letting Africa fall into the severe economic conditions reminiscent of the 1980s and 1990s when its economies were ravaged by severe balance of payments crisis, huge external debt burdens and large fiscal deficits arising partly from difficult global economic conditions.

It is true, of course, that Africa is managing itself better and that improved macroeconomic performance has contributed to recent average continental growth rates of about 6%. This issue however goes to heart of a key point that I wish to make at this stage, which is that the current crisis should not be allowed to detract from Africa's recent good economic performance nor from efforts to address other challenges with long-term implications for Africa. Developed countries should continue to show strong support for African development and should not let the current crisis become an excuse for reducing official development assistance and investment inflows into Africa. Africa's partners must keep to their commitments, including those made in the Monterrey Consensus, which required developing countries to improve economic governance while developed countries supported such efforts with increased flows of official development assistance. Africa has done its part and its development partners should keep their commitments.

We must of course continue to bear in mind that despite strong similarities, African economies are not all the same. Since the crisis will affect countries in different ways the response in each case might need to be differentiated. For example, the needs of countries with relatively open financial markets will differ from those which are less integrated into global financial markets. Similarly, countries with substantial foreign exchange reserves may have different concerns from those that have been left vulnerable to balance of payments problems due to recent high food and energy prices. To take the example of oil prices, recent declines will provide relief to net importing countries while exporters will have to adjust to decreasing revenues.

There is, moreover, a social dimension to the current crisis in the sense that it is bound to slow down progress towards achieving the

Millennium Development Goals. Our concern about recent strong growth in Africa was that it was not enough to meet the MDGs by the target date of 2015 and that it was not reducing income inequalities nor creating jobs. Reduced growth in Africa as a result of deteriorating global conditions will no doubt further limit progress towards achieving the MDGs and may reverse modest gains that have been made in this regard.

At the international level, it has become imperative to fashion a new and improved international financial architecture to better regulate globalised financial flows, ensure better surveillance and take account of the emergence of developing countries as key economic actors. It became very clear in the recent past that unilateral action by the biggest economies does not work because we live in a world of economic interdependence. It is therefore heartening that there are several key initiatives being taken to coordinate reform of the international financial architecture.

This gathering has a unique opportunity to put across its point of view on some of the issues I have just raised. In particular, I would urge you to adopt an African common position that includes a strong call for Africa's voice to be heard around the table in decision-making at the global level. We should moreover call for observer status at global talks on the financial crisis and on a new international financial architecture for our own development finance institution, the African Development Bank.

Worrying as the potential impact of the current crisis seems to be, it also points to an opportunity in the sense that our economies must both individually and collectively begin to focus on the key issue of domestic resource mobilisation. Evidence abounds from other regions that economic progress receives a significant boost from having a stronger domestic resource base rather than relying mainly on external support.

Notwithstanding, this meeting should issue a strong call to developed countries to maintain and even upscale official development assistance to Africa countries, in the spirit of current counter-cyclical spending in their domestic economies. These issues will of course come up at the Doha Review Conference on Financing for Development taking place at the end of this month and Africa should go to

Doha with a clear position on these and related issues, such as mobilising foreign direct investment, international trade, external debt, and systemic issues in monetary, financial and trading systems.

We are also gathered here for the African Economic Conference whose theme is “Globalization, Institutions and Economic Development of Africa”. Although this topic was chosen before the current financial crisis broke out on a full-scale, it is very apt because it provides a good framework for addressing the impact of the crisis on Africa. This is because solutions to the crisis, whether they are short, intermediate or long-term have to be grounded in sound economic research and empirical evidence. The challenge before African scholars and researchers and their counterparts from other regions who also work on African economic issues, therefore, is to bring their collective efforts to bear in gaining a better understanding of African economies and searching for solutions to its socio-economic challenges.

I am confident that working together with this common purpose in mind, the African Economic Conference will grow into the leading platform where policymakers and academics can meet and interact in a mutually beneficial manner on matters of critical importance for Africa’s development.

Consolidating macroeconomic gains at a time of financial crisis

*The 14th Ordinary Session of the
Executive Council
of the African Union*

*Addis Ababa, Ethiopia
29 January 2009*

In previous statements to this Council, I pointed to the strong economic performance of Africa with average growth rates of above 5%, which though commendable, was not enough to achieve the Millennium Development Goals. Against this background, our continent now faces pressing challenges relating to the global financial crisis, climate change and the maintenance of peace and security.

The current financial crisis is unprecedented in scale and scope and will impact on growth and trade as well as on investment, trade credits, remittances, and tourism. Moreover, several African countries have experienced volatility in their stock market and exchange rates since the onset of the crisis. Above all, we must be concerned about the impact of this crisis on the fight against poverty, which had already been negatively affected by recent historical peaks in food and energy prices. In this regard, it is essential to keep commitments to scale-up official development assistance to African countries so as to sustain growth in the continent and protect vulnerable groups.

However, we should not panic but use the current crisis as an opportunity to consolidate recent macroeconomic achievements and put measures in place to further diversify our economies. We need to increase agricultural production and diversify into manufacturing and services in order to provide jobs for our teeming number of unemployed youth. Diversification will also give our economies the

resilience to deal with future economic shocks, to which they are now vulnerable.

Diversification and domestic resource mobilisation were key elements in the road-map for a coordinated and coherent African response to the global financial crisis drawn up by the Tunis Meeting of African Finance Ministers in November 2008. They also established a Committee of Ten Ministers of Finance and Central Bank Governors to continue to reflect on the issues involved and a report on the Committee's work so far will be rendered to the forthcoming Summit.

The economic and financial crisis also underscores the need for cooperation and collaboration among states at various levels of development. This applies in particular to African economies, which are relatively small and fragmented. Africa's regional integration agenda should therefore be sped up to give impetus to the NEPAD agenda on intra-Africa trade and also to infrastructure – the thematic issue to which the next Summit is dedicated.

Efficient and reliable transport and energy infrastructure has a critical role to play in socioeconomic and physical integration. Yet, under 40% of Africa's population has access to electricity, while several countries are experiencing severe power shortages that are contributing to a slowdown in economic activity. Africa's transport networks remain similarly underdeveloped while the implementation of the Yamoussoukro Declaration on liberalising air transport in Africa can be improved upon. These deficiencies impact negatively on the competitiveness of the African economy and need to be tackled through increased investment, better regulatory frameworks and investment priority setting.

Climate change must continue to engage our collective consciousness. Africa will bear most of the impact of climate change and therefore needs to factor in mitigation, adaptation, financing and technology issues into its policy agenda. Action is needed at several levels but an immediate concern relates to global negotiations that will determine the future management of climate change. We have to engage actively in the negotiation processes in order to protect our interests. To support this process, the AU Commission, AfDB and finalised the Clim-Dev Africa programme, a crucial component of which is the African Climate Policy Centre.

Africa's ability to meet its challenges head-on depends on the consolidation of peace and security and the cessation of violent conflict and civil wars. It is consequently of great importance that the African Union has focused attention on this very critical sector and that it has placed emphasis on the actualisation of its Peace and Security Architecture, Post Conflict Reconstruction and Development as well as human rights, justice and reconciliation.

The United Nations system stands ready as always to accompany Africa's efforts in all these areas. The 9th Annual Meeting of the Regional Coordination Mechanism (RCM) of United Nations agencies working in support of AU and its NEPAD programme focused on articulating a coordinated multisectoral response to the challenge posed to Africa by the food crisis and on UN support to climate-related actions at the regional level. The functioning of the RCM has improved greatly in the recent past and the AU Commission, NEPAD Secretariat and regional economic commissions are all actively engaged in this process.

In November 2008, the AU Commission, African Development Bank and ECA co-organised with other partners the 6th African Development Forum, whose theme was "Action on Gender Equality, Women's Empowerment and Ending of Violence Against Women". The Consensus Statement and Action Plan adopted at the end of the Forum provide a good basis for us to move from commitment to delivery. Our cooperation in organising this event reflects the exemplary level of collaboration between your three pan-African institutions, which is thriving and remains deserving of your continued support.

The United Nations remains firmly committed to supporting the African Union in its noble efforts to build a stable and renascent Africa. Africa has been making steady progress but is now confronted with several challenges that are not of its own making. We should however draw on the confidence and self-belief embodied in the campaign slogan of President Barack Obama so that Africa can actualise its dreams and affirm that "Yes, we can".

Involving private sector in domestic resource mobilization

*The 5th African World Business
Congress and
1st IGAD Investment Forum*

*Addis Ababa, Ethiopia
3 March 2009*

We are all witnesses, and indeed contributed in various ways to the recent strong economic performance of Africa, which averaged nearly 6% over the past six years. However, recent forecasts indicate that the economic outlook for the continent in 2009 does not look as bright, with the current downturn in the world economy already having a negative impact on Africa.

The current crisis is unprecedented in scale and scope and will affect growth, trade, investment flows, trade credits, remittances, and tourism. It will also translate into shortfalls in public revenues and make it difficult for national governments to finance their recurrent and investment programmes. The sharp fall in stock market indices in countries such as South Africa, Nigeria, Egypt and Kenya which has resulted in significant wealth losses is particularly relevant to this gathering.

We must, above all, be concerned about the impact of this crisis on the fight against poverty and the ongoing effort to achieve the Millennium Development Goals. Recent progress in this area, which had already been negatively affected by recent historical peaks in food and energy prices, may be further stalled. We are already seeing massive job losses and sharp reductions in industrial activity in the developed and emerging economies which will no doubt translate into similar situations in Africa.

African governments have taken concerted action to respond to the crisis. The African Union Summit of Heads of States this year deliberated on the impact of the financial crisis on Africa and agreed on the importance of Africa speaking with one voice on this issue. The Summit was preceded by a meeting of African Ministers of Finance and Central Bank Governors which was held in Tunis in November 2008. On that occasion, a Committee of Ten Finance Ministers and Central Bank Governors was set up to monitor developments, provide regular follow up, and advise the wider group on proposals including those to mitigate the economic impact of the financial crisis.

The Tunis meeting also tasked the African Development Bank, African Union Commission and Economic Commission for Africa to “continue to emphasize the growth agenda, strengthen their respective work on infrastructure, regional integration, aid for trade and the private sector”, as well as resolved to embark on more effective mobilisation of domestic revenues and deepening of African capital markets for a more robust mobilisation of local savings and financial integration.

The African business sector will be directly affected by these troubling developments and should therefore be fully engaged in helping to draw up mitigating measures. Before the onset of the crisis, private enterprise in Africa suffered disadvantages from its relatively small scale, the small market size of individual African countries and inadequate infrastructure. The challenge before us now is how to overcome these handicaps while at the same time using the opportunity of the crisis to ensure long-term growth and development.

Africa’s private sector has a crucial role to play in the continent’s response to the crisis. Despite the handicaps that they face, African businesses have demonstrated their capacity to mobilise capital, make rational and profitable investments, create employment, and engage in trade. They must therefore be actively involved in efforts to raise domestic resource mobilisation, build infrastructure, enhance productive capacity and augment Africa’s human capital base. This gathering shows that Africa is not short of dynamic entrepreneurs who can contribute to its economic and social transformation.

However, the transformation of Africa is beyond the resources and capacities of individual countries and companies. It requires coherent action and closer integration of countries, which in turn calls for

greater collaboration by all countries within specific sub-regions. Africa must accelerate the pace of regional integration to provide basis for competitive markets and diversification of its production structures. In addition, for the business sector in Africa to grow and contribute to poverty reduction and economic development, domestic investment as a proportion of gross domestic product (GDP) must improve from an average 18% in sub-Saharan Africa to between 25% and 30%, which is the average rate in East Asia.

By bringing together authorities and representatives from across continents and all economic sectors to discuss and share knowledge on the challenges of and opportunities for increasing growth, this Congress clearly appreciates that the task of economic development is not for public agents alone. Our governments need the support of all sectors if Africa is to attain its vision of greater prosperity and integration. Our objective should therefore be to continue to promote collaboration between governments, the business sector, the three pan-African institutions of AU, ECA and AfDB, the regional economic communities so that their joint effort yields visible progress for Africa.

It is against this background that I wish once again to salute the initiative of the African Business Roundtable (ABR) and Intergovernmental Authority on Development (IGAD) in jointly organising the 5th African World Business Congress and 1st IGAD Investment Forum. This collaboration will surely promote and boost investment opportunities in this sub-region and is therefore most welcome and commendable.

ECA, in collaboration with all its partners, will give ABR and IGAD all possible support, especially in the areas of capacity building and institutional strengthening so that they can achieve the noble objectives for which they were set up.

Africa and the financial crisis: An agenda for action

*Statement to the 2009 Ministerial
Roundtable of the African
Development Bank*

Tunis, Tunisia, 12 May 2009

Although the financial crisis was triggered by events in the advanced countries, its impact is being felt in all developing countries. The crisis has imperilled recent improvements in African economies and compounded the deleterious effects of last year's food and energy crisis.

It is now evident that initial sanguine views that the crisis would have limited impact on Africa because our financial systems were less integrated into global financial markets were wrong. The spread of the crisis from the financial sector to the real sector in developed and emerging economies soon made it clear that Africa would feel its negative impact. This is now clearly evident from the slowdown of growth, weakening currencies, reduced investment flows, declining stock market indices, sharply reduced commodity exports, remittances and tourism receipts.

We are now fully conscious of these negative developments but it remains essential to capture the specific impact of the crisis on individual countries and sub-regions. It is only by gaining a full empirical appreciation of the extent of the crisis that we can make the right policy choices. This is why the theme of this Roundtable – Africa and the Financial Crisis: an Agenda for Action - is especially relevant. It certainly points to a need for us to begin to pay close attention to what the crisis portends for Africa going forward into the future.

Permit me to address our overarching theme from the viewpoint of a cross-cutting set of issues that ought to inform our deliberations, including what the crisis implies for the state-market balance; financial markets; social development, peace and security; official development assistance; state capacity; and the institutional landscape of development finance in Africa.

The response of the developed and emerging markets to the financial crisis has re-awakened the debate about the appropriate balance between states and markets. The massive state interventions by developed countries in the financial and real sectors to prevent bankruptcies, stimulate demand and protect jobs are now forcing a re-think in Africa of whether current policy regimes have not tilted too far in favour of the market. The issue, however, should not be one of choosing between these two institutional forms but that of finding the right balance between them, while taking account of factors such as state capacity, effectiveness of markets and global norms and rules. Moreover, Africa should not discard the visible benefits of reform, such as improved macroeconomic management and better governance, while seeking greater policy space to introduce fiscal stimulus packages in their economies.

The global economic and financial crisis is further evidence of the inherent volatility of financial markets since they were liberalised. The empirical evidence is that the incidence of the financial crisis in the period after 1973 (collapse of the Bretton Woods fixed exchange rate regime) has been far greater than the period between then and the Second World War. One study found for instance that there were 139 financial crises in developed and emerging economies between 1973 and the end of the twentieth century as compared to 38 between 1945 and 1971.¹ This volatility has been due to a combination of regulatory failures or unmanageable foreign currency liabilities, but it is also costly in terms of the contagion and recessions it has caused as well as in the policy responses it has provoked. Key in this regard are the huge global imbalances as reflected in the high reserves that several emerging economies have maintained to prevent the problems that they faced in previous financial crises. This is a global problem that requires a global solution and we should spend some time pondering where Africa fits into the equation and how best it can convey its own

¹ Eichengreen, B. and M. Bordo, (2002) "Crises Now and Then: What Lessons from the Last Era of Financial Globalization". National Bureau of Economic Research Working Paper 8716

views on this matter to the rest of the international community.

The crisis will have serious implications on Africa's ability to achieve the MDGs and might even reverse previous gains made in this area. It is estimated that the food and fuel crisis of last year tipped over 100 million more people into extreme poverty and these groups, including those who were already poor, will bear the full brunt of the crisis. The poor will have to reduce the basic services they consume both in terms of quality and quantity and may not get help from the usual sources. Expected declines in development finance will reduce the ability of African governments to fund health, education, infrastructure, sanitation and nutrition programmes with dire consequences for jobs and poverty reduction. Increased unemployment and reduced remittances means that the poor will not get much support from the extended family system. Indeed, the social impact of the crisis will be particularly hard felt in Africa because there are few or no mechanisms to cushion its effect on ordinary people, such as unemployment benefits or social security arrangements.

One of the greatest achievements in Africa over the past decade and the half has been a marked improvement in peace and security in the continent. According to research emanating from the Swedish International Peace Research Institute (SIPRI) the number of major armed conflicts fell by over half between 1990 and 2003. Of course, it is not the number of conflicts that matters but the human misery that they produce and their negative effect on productive activity, especially farming, as well as on investment, infrastructure and social developments that should concern us. Experience teaches us that economic hardship and the scramble for increasingly scarce resources may undermine hard won peace and security gains in Africa. The potential for such outcomes is vividly illustrated by the riots that broke out in several of our countries last year as a result of high food prices. We must accordingly seek policy solutions that will help to improve rather than exacerbate social and political tensions.

Fears have been expressed about reduced official development assistance to Africa as developed and emerging economies focus on their own domestic woes. However, there is the wider debate on aid, triggered in part by the work of William Easterly and Dambisa Moyo about the desirability of continued aid flows to Africa. I feel that the issue needs to be fully debated upon and should be fully taken into account

in articulating responses to the financial crisis. Suffice it to say, at this stage neither side of the argument questions the need for humanitarian assistance under which rubric I include social sectors such as education, health, nutrition and sanitation. But there are wider issues that should engage our attention, including the use of aid to stimulate productive activity.

I wish to stress that building state capacity in Africa is central to enabling this continent to respond to its challenges. African states need the capacity to envision development programmes and plans and to be able to influence economic and social outcomes using the machinery of government. Irrespective of varying views on the proper role of the government in an economy, a state should have the capacity to successfully undertake tasks that have been identified by social and political processes as properly belonging in the realm of public policy. Some factors that affect the ability of African states to play this role properly are the brain drain of qualified Africans; the flight of quality from the public to the private sector; and the determination of the respective roles of government; the private sector, and civil society organisations.

Just as the rest of the world is reviewing existing global monetary and financial institutions such as the IMF, World Bank and Financial Stability Board it is perhaps also appropriate for Africa to consider whether its current arrangements in this area are optimal. We have an African Development Bank which has responded admirably to the crisis, including through the establishment of a US\$1.5 billion Emergency Liquidity Facility to help African countries weather the global slowdown. It has also established a \$1 billion Trade Finance Facility to support trade and investment in Africa. Should we not be concentrating on supporting the AfDB's efforts instead of embarking on a wholesale restructuring of Africa's financial and monetary landscape? Similarly, should we not be exploring options for regional or sub-regional stimulus packages given that some African countries have sufficient fiscal space as a result of recent commodity booms?

The challenge we are facing is a huge one and there is much that we can learn from each other to arrive at durable solutions.

Giving hope to Africa's youth

*17th Ordinary Council of the
African Union Executive Council
Malabo, Equatorial Guinea
26 June 2011*

It is now common knowledge that Africa displayed relative resilience to the fall-out of the global economic and financial crisis. There is also much to cheer in the fact that Africa is increasingly recognized as a destination for foreign investment and as a global growth pole. Of course, Africa's good performance is relative in the sense that while growth rates fell quite sharply to 2.4% in 2009 it was not as bad as other regions. Its recovery rate of 4.7% in 2010 was also swifter. There is however no reason to be too sanguine because this rate is far below the minimum growth rate estimated to achieve the MDGs.

Moreover, as I mentioned to you in January, there were several downside risks. These have been partially actualized as projections for Africa's economic performance in 2011 have been lowered to 3.7%. This is partly due to global events like high food and fuel prices, the devastating earthquake and tsunami in Japan (a great country to which I extend sincere commiserations on the loss of life and property) and troubling fiscal conditions in Europe. Political developments in North Africa also contributed to the downward revision of growth estimates.

Africa's commitment to improved governance since the adoption of NEPAD and APRM was not misplaced and might even have provided a safety valve in some countries by helping to maintain political sta-

bility in the face of severe economic shocks. Indeed, I see the revolutions in Egypt and Tunisia and changes elsewhere in North Africa as evidence of the desire to upscale and improve governance. While youth unemployment was a factor, the desire for greater freedom, demands for greater accountability and distaste with the scale of corruption also played a significant role in the demand for change. We now need to move to implementation of the recommendations of APRM National Programmes of Action while paying closer attention to policy on land, our greatest asset, and the huge illicit financial outflows from Africa.

At this stage, I wish to posit that current economic and governance conditions are merely a snapshot. We now need to begin to connect the dots of several emerging trends which indicate that we are on the cusp of a new era whose final shape is yet to emerge. Globalization has changed the nature of the world and we now have to contend with recurrent economic crisis, worsening environmental degradation and inadequate and jobless growth. When we factor in the rise of the emerging economies, faster ICT enabled flows and changing global demographics then it is obvious that we have to find new ways of coping with the world that we now live in.

While coping with current challenges, we have to also think in terms of the future which is why the issue of “Youth Empowerment for Sustainable Development” is an apt theme for the Summit. The worrying truth is that young people in our continent live in the rapidly changing world that I have just outlined but for which they lack adequate preparation and guidance. The life experience for a majority of them is of joblessness, poverty and instability aggravated by conflict, displacement and health pandemics such as HIV/AIDS. Our youth live in such despair that they are vulnerable and likely targets for recruitment into militant activities.

The obvious solution then is to channel their energies into positive and productive activities by empowering them in a manner that promotes sustainable development. A good starting point would be for our governments to provide a compelling vision and realizable plans for the future that will give hope to Africa’s youth. In this regard, at their meeting last March, the Ministers of Finance, Planning and Economic Development pledged to develop inclusive policies to address widespread poverty and youth unemployment while continuing to mainstream related gender concerns.

We must at the same time invest in the education of Africa's youth and equip them with skills for coping in today's world. With only 5% of our populations enrolled in universities, every effort must be made to enable Africa's youth to become good entrepreneurs, managers or workers. This must start from the adolescent stage when formal education is still on-going because, very often, this is when many young ones are contending with adult roles as child labourers and child soldiers, and partaking in adult vices such as sex work and drug use.

The empowerment of Africa's youth also means reducing the high rates of unemployment in their ranks. Recent studies show that youth unemployment in Africa is over 20% in many countries but even this figure underestimates the gravity of the problem. A strategy that combines public works programmes and enhanced investment in infrastructure and production is needed to tap into the nexus between job creation, sustainable development and social stability. Accordingly, we must now pay greater attention to green growth, which could leap-frog old and environmentally unsustainable technologies and enable African countries to take advantage of their current potential in agriculture, tourism, forestry, and eco-industries.

Another key issue is that of voice and inclusion. The participation of young people in societal processes can be enhanced by harnessing social media in a positive way so that they can play a more active role and transit from being mere observers to participants in shaping their own destiny. As they have the greatest stake in the future sustainability of our planet, Africa's youth should be mobilized to get out the message of sustainable development. Indeed, they also have to contribute by bringing their dynamism to bear through ideas, taking business risks and contributing to educating and mobilizing the rest of society behind agreed goals.

These laudable objectives will be difficult to achieve without meaningful integration which is why we must all welcome the recent agreement reached by COMESA, EAC and SADC to launch negotiations for the establishment of a free trade area. Regional integration will be boosted similarly by the devotion of next January's summit to intra-Africa trade and the decision of the G20 to identify sources of finance for building infrastructure in developing countries, including in Africa. The G8/Africa Joint Declaration calling for Africa to receive priority in infrastructure financing is also encouraging.

All hands must similarly be on deck to ensure that the outcomes of the on-going climate change negotiations which continue in Durban later on this year and the Rio +20 Summit taking place in Brazil next year take account of Africa's interests and concerns. In the case of Rio +20, ECA is working closely with the AUC, AfDB and UNEP to prepare the background documents that will guide Africa's negotiating position. We are also organizing the African Regional Preparatory Conference for Rio +20 in October 2011, where a common African position on the negotiations will be adopted. I call on our member States to continue to pay very close attention to this process whose outcomes will affect the future growth trajectory of our continent.

The United Nations system in Africa continues to strengthen its partnerships in support of continental development and with the conclusion of the review of the Ten Year Capacity Building Plan, the UN Regional Coordination Mechanism for Africa is poised to build on previous achievements by developing concrete capacity building programmes for the African Union, its NEPAD programme and the Regional Economic Communities. RCM-Africa resolved at its 11th session which was co-chaired by the AU Commission that an annual report on its activities should henceforth be submitted to the AU Summit through appropriate organs.

There is much to be done but I am encouraged by your active engagement on behalf of Africa and wish to reiterate that the United Nations, under the leadership of Secretary-General Ban Ki-Moon who has just been re-elected with your support, stands ready as always to accompany your efforts to build the united and prosperous Africa that we all aspire to live in.

Part Five

ON AFRICA'S SPECIAL NEEDS

Introduction

Africa has a large variety of significant special needs. Indeed, world leaders began the new Millennium by offering due recognition to these needs in the historic Millennium Declaration in 2000.

Following the lead and determination shown by the African Union and the New Partnership for Africa's Development (NEPAD), world leaders situated these special needs at the very heart of United Nations reforms in the Outcome Document of the 2005 World Summit.

Attention to these special needs—in terms of their significance but equally, their urgency— is also at the heart of the work of ECA, as is reflected in the fact that they form the second pillar in the Repositioning Plan. It is in this regard that the Commission has been focusing on helping African nations to develop their capacities and deploy knowledge in the pursuit of their development objectives.

While some of the statements in this cluster could easily have fit into some other clusters, the reality is that sometimes, an individual forum provides the Executive Secretary with the opportunity to address a particular subject somewhat differently.

Similarly, there are audiences that he faces that afford him the opportunity to touch upon various themes in one address. In a number of forums, he takes the opportunity to explore the interrelationship

between subjects that have a bearing on the work of ECA. We have therefore brought together under this cluster several such statements.

In one of the statements represented here, the Executive Secretary quotes Nelson Mandela, from the OAU Summit in 1994, in which the revered statesman called for an African Renaissance.

“We know that we have it in ourselves, as Africans, to change all this,” Mr. Mandela said, “We must assert our will to do so. We must say that there is no obstacle big enough to stop us from bringing about an African renaissance”.

Paraphrasing him, Mr. Janneh said of Africa, “We must re-assert our will to achieve the MDGs by the target date.”

It is Africa’s special needs that must be addressed on the road to achieving those MDGs and sustainable development. In the statements included here, the Executive Secretary covers a variety of issues that include climate change, gender, ICT, NEPAD, knowledge, youths and HIV & AIDS and reflects the gravity of the challenges, as he calls on his audiences to understand their role and the urgency of pushing for the achievement of set targets.

These statements cover the spectrum of the work of the ECA in tackling various general and specific development challenges, reversing the marginalization of Africa in the globalization process, building strong institutions and ensuring good governance, as well as sharing knowledge and best practices.

Some of the addresses are powerfully cross-cutting, and some themes recur frequently, such as gender equality. On the subject of land, for instance, the Executive says in one address: “If women, who comprise more than 50% of Africa’s population, lose out on development, African families lose, and indeed, the continent loses. In order for Africa to realize the full potential of all members of society, more must be done to ensure that land policy reforms are accompanied by the appropriate mechanisms that allow for the implementation of laws and programmes to guarantee women’s rights to land.”

In yet another, he says to the participants, “If Africa is to attain the Millennium Development Goals and sustained growth and development, it cannot afford to exclude and/or marginalise half of its population, its human resource asset - the valiant and industrious women of Africa - from its development agenda and programmes.”

Improving climate data for development

*Workshop on Climate
Information for Development
in Africa*

*Addis Ababa, Ethiopia
18 April 2006*

The adoption of the Millennium Declaration in September 2000, showed a commitment by Member States to collectively making the right to development a reality for everyone, and to free the human race from want. They acknowledged that progress based on sustainable economic growth must focus on the poor. At the same time, the Declaration set eight Millennium Development Goals (MDGs), and called for the promotion of “a coordinated strategy, tackling many problems simultaneously across a broad front” in order to meet them by 2015.

In that context, the environmental issues are, without doubt, an essential element of a comprehensive approach to achieving the MDGs, especially in Africa.

Following the commitment made in the 2005 World Summit outcome document to address the serious challenge posed by climate change through the creation of a worldwide early warning system for all natural hazards, this workshop provides a timely opportunity to consider how climate information can be effectively used in support of efforts to achieve the MDGs in this region as well as the actions that must now be taken on the ground.

The imperative for action is clear. In recent years, humanity has had to contend with an increasing spate of weather-related disaster risks,

such as floods, droughts, hurricanes, heat waves, cold spells, and landslides, all attributed to climate variability and change. Africa's situation is so critical, due to drought and flood, that a recent report of the US National Intelligence Council says some African countries are "so burdened by their extreme climate-related problems of health and disease, and poor geographic position that it is not clear that any economic model offers them a path towards development".

Droughts impact human livelihoods directly through crop loss that can lead to famine if alternative food sources are not available. This is a predicament of particular concern to many countries. In that regard, the onus is now on all of us to work harder to find solutions to tackle the immediate causes and consequences of drought in this region and elsewhere in Africa.

We also know that there are often further challenges down the line as a result of droughts. Indirectly, water shortage contributes to the proliferation of diseases, as people lack water for basic hygiene. Furthermore, if the drought persists, people are often forced to migrate, resulting in a refugee population and the multiple health problems faced in refugee camps. The Food and Agriculture Organization (FAO) estimates that about 800 million people in the developing world do not have enough to eat, and that although food production is still on the rise, such increases are mainly in the developed world, where production subsidies play an important role.

For Africa, where farmers bear the brunt of the subsidies given to their counterparts in the developed world, the other extreme to droughts has been floods. Floods reduce the asset base of households, communities and countries by destroying standing crops, dwellings, infrastructure, machinery and buildings. In some cases, the effect is dramatic, as in the case of Mozambique in 2000 where flooding cost 700 lives, left half a million people homeless, and caused the country's promising economic growth rate to fall from eight percent to two percent that year.

The irony is that floodplains also come with enormous advantages. The fertile alluvial soil of floodplains is ideal for higher crop yields and helps reduce vulnerability of the floodplain occupant to a wide range of other risks, such as drought. Furthermore, floodplains typically support very high densities of human settlement, and the gross

domestic product (GDP) per square kilometre is high in countries whose territories are comprised mainly of floodplains. An example is the Netherlands, which has the highest GDP per square kilometre in Europe.

These two extremes also have a direct impact on Africa's freshwater, an essential driver of terrestrial and aquatic ecosystems. Freshwater ecosystems such as ponds, lakes, wetlands and river channels provide support for aquatic and terrestrial wildlife, and supply environmental goods and services. Thus, for millions of people, particularly in the rural areas, who depend directly on natural resources or benefit from ecosystems, providing water for the environment and for people is one and the same thing. For them, as with the rest of us, water makes the difference between hunger and buoyancy.

Yet, according to some climate scenario analysis, more people will face the risk of hunger by 2080, due to the effect of future climate change. Indeed, the GDP of the agricultural sector in the developing regions, especially in Africa, would be negatively impacted by climate change, and since high-tech solutions do not always reach poorer farmers who rely on rain for crop sustenance, they will pay the highest price.

FAO says while climate change is not expected to depress global food availability in the next three decades, it may increase the dependence of developing countries on food imports and accentuate food insecurity for vulnerable groups and countries. Other studies show that 13 African countries, which already have 87 million undernourished people, may lose cereal production potential in the 2080s for three climate models and across all the emission scenarios.

While diversification is a natural strategy for spreading risk across several enterprises, such strategies are only effective if the risk does not co-vary across the enterprises involved, which often happens in rural Africa. Many sectors of the African economy depend indirectly on agriculture and when shocks arise, they affect all farms.

It is a cause and effect scenario which indicates that vulnerability is maintained by economic and other conditions. It is reproduced by the activities that either sustain unsafe living conditions for some or disempower them; changing only if those conditions are transformed.

It also shows that vulnerability is the product of many processes, including poverty, marginalisation, social instability, conflict, environmental degradation and floodplain settlement.

An emerging body of evidence indicates that natural resources mismanagement contributes to the vulnerability of human systems to disaster, and that enhanced management can provide a tool for its reduction.

ECA is aware that managing climate-related disaster risks is key to achieving the MDGs. For example, the lack of information about the onset, intensity and cessation of rainfall may cause farmers to lose their assets, including crops and even seed, affecting the livelihoods of many African homes. Sustainable livelihoods, food security, poverty reduction and sustainable environmental management are therefore linked to climate variability and extremes.

Available evidence shows that climate information can be developed with risk managers for addressing specific problems. Specifically, climate information can be used to manage risks related to farm-level agriculture, food insecurity, livestock trade, and reservoir operation.

In the case of farm-level agriculture for instance, experience shows that the most serious problems confronting farmers include inadequate or unreliable rainfall, as well as lack of knowledge, and that seasonal rainfall forecasts could enhance viable management responses related to the timing and method of land preparation, crop and cultivar selection, planting strategy, weeding and soil fertility management as well as pest management, and other critical agricultural factors. In the same way, climate forecasts on possible droughts and food shortages can help governments and humanitarian agencies plan ahead for timely assistance.

However, the value of climate risk management is fundamentally dependent on the quantity and quality of the basic climate observations that are available. In Africa, we have seen that some of our important networks are deteriorating and that others have never been extensive enough to allow for the risk management that is required to optimise sustainable development.

A critical requirement of sustainable development is the capacity to design policy measures that exploit synergies between economic

growth objectives and those focused on the environment in accordance with national strategies.

In that regard, climate change mitigation strategies offer a clear example of co-coordinated and harmonised policies that take advantage of such synergies. This is why this workshop is very crucial. It is a worthwhile investment, fundamental to all development projects in high-risk areas in Africa.

We must come up with recommendations on ways to mainstream climate risk management into national policy-making processes in Africa. As well proper consideration must be given to the creation of appropriate communication and information channels so that the elements that make up policies at different levels can operate in a mutually reinforcing manner. I also wish to exhort you to explore the possibility of convening “training of trainers” workshops on the climate dimensions of risk management at the various sub-regional offices of ECA and the African Institute for Economic Development and Planning (IDEP), so that in the near future, the capacity of African countries in climate risk management can be further developed.

ECA is proud to be in this partnership because of the significant contribution that climate risk management can make to our mutual quest to attain the MDGs and help African countries develop and implement home grown solutions to some of the challenges facing the continent.

Addressing the impact of climate change in Africa

*Conference on Climate Change:
Regional Commissions' Side
Event - Regional Perspectives on
Addressing Climate Change*

*Bali, Indonesia
12 December 2007*

Our deliberations at this Side Event come at a pivotal moment in the global dialogue on climate change and what should be done about it. There is now a strong consensus on the following issues: climate change is an increasingly threatening global challenge; there is need to increase the pace of response through more effective strategies at the global, regional, sub-regional, national and local levels; and there is need to chart a new path to development.

After many years of inaction on this issue, we are now witnessing a flurry of new activities in response to major scientific warnings that we cannot continue with “business as usual” if we want to avoid unprecedented global economic, social and environmental disruptions.

Addressing global challenges is a complicated and multifaceted undertaking. To highlight our modest efforts at the African regional level, I will therefore discuss only two issues which we at ECA see as priorities in creating an effective response to the climate and development challenge in Africa before moving on to outline our current regional response to climate change.

Although Africa contributes only about 3.8% of total greenhouse gas emissions, its countries are among the most vulnerable to climate change in the world. This vulnerability of the region derives

from the geographical location of many countries, characterised by already warmer climates, marginal areas that are more exposed to rainfall variability, poor soil and flood plains; the heavy reliance of most African national economies on climate-sensitive sectors such as rain-fed agriculture, fisheries, natural resources and tourism; and the continent's inability to respond adequately to the direct and indirect effects of climate change because of widespread poverty, poor economic and social infrastructure, conflicts, and limited human, institutional and financial capacities.

The Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and the Stern Review of the Economics of Climate Change shed light on three main current and projected impacts of climate change on Africa's development. These are:

- 1. Increasing water stress and water-related conflicts:* Water levels have seriously decreased in major lakes such as Lake Victoria, Rift Valley lakes and Lake Chad, which lost over 90% of its water between 1973 and 2002, and rivers. Coupled with increased demand on water, this will adversely affect livelihoods and exacerbate water-related problems.
- 2. Constrained agricultural production and increasing food insecurity:* Climate change is projected to severely compromise agricultural production and food security in many African countries and sub-regions. For instance, the climate change modelling results of IPCC indicate that a warming by another 0.4°C on current temperatures would result, by 2020, in a shortening of the crop growing period by more than 20% in the Sahel and a reduction of yields from rain-fed agriculture by up to 50% in many African countries. More frequent and severe droughts, floods and weather extremes would also compound the constraints on crop and livestock production systems.
- 3. Increasing energy constraints:* A combination of reduced water flows to major hydropower dams and worsening depletion of biomass energy resources resulting from climate change could seriously compound the already dire state of energy availability and accessibility and, therefore, further impede industrial development throughout Africa.

In addition to these main threats, other significant current and projected impacts of climate change include rising sea levels degrading livelihoods and environments in coastal areas; loss of biodiversity, forests and other habitats; expanding range and prevalence of vector-borne diseases; and increased risks of conflicts related to population migrations.

Further warming is expected even if the current levels of total Green House Gas concentrations were kept constant, adding to the likelihood of the alarming economic, social and environmental impacts highlighted earlier. Hence, Africa now has to mainstream climate risk management into development by devising and implementing adaptation measures as well as actions to cope with major impacts of climate change, in order to safeguard its chances of achieving long-term sustainable growth and development.

However, to achieve success in this mission, the region needs to urgently address an intricate set of challenges (such as the following):

Institutional capacity challenges, including:

- Inadequate human, technical and institutional capacity to design and implement appropriate policies, strategies, plans and programmes;
- Inadequate legal and regulatory frameworks for natural resources governance;

Knowledge challenges, including:

- Lack of reliable climate observations, data, forecasts and information;
- Poor communication on climate risk management best practices for private sector stakeholders, including farmers.

Technological challenges, including:

- Poor access to clean and efficient energy technologies; and
- Inadequate investments in efficient agricultural, water and energy technology innovation, transfer and deployment.

Financing challenges, including:

- Insufficient availability and allocation of domestic (national and regional) resources as well as Official Development Aid (ODA) to provide funds needed for climate risk management.

Africa's political leaders have expressed explicit commitments to addressing these challenges for effective integration and implementation of adaptation strategies to climate change at regional and national levels. The eighth Ordinary Session of the African Union held in January 2007, urged African States and regional economic communities (RECs), in collaboration with the private sector, civil society and development partners, to integrate climate change considerations into development strategies and programmes at national and regional levels. In April 2007, the ECA Conference of African Ministers of Finance, Planning and Economic Development adopted a Resolution engaging African Member States and development partners to support the implementation of the same plan.

In consonance with these resolutions, ECA has partnered with AUC and AfDB to develop and implement, in collaboration with relevant regional and international institutions, a major Climate Information for Development in Africa (ClimDev Africa) programme, with a view to promoting and supporting the integration of Climate Risk Management (CRM) into pertinent policy and decision processes throughout the continent.

In addition, ClimDev-Africa aims to enhance economic growth and progress towards the MDGs and sustainable development through mitigating the vagaries of climate variability and climate change and ensuring that development achievements already gained are climate resilient in the longer term. It is a three-phase programme that will be spread over a period of 11 years.

ClimDev-Africa is an integrated approach and collective action to address issues of climate-related data and observations, information services, policies and risk management practices. The expected outcome from the programme would include tangible results in the areas of policies, practices and services, as well as data and infrastructure. ClimDev-Africa is specifically designed for multi-donor engagement, and is predicated on and calls for major donor support

for transfer and scaling up phases to achieve maximum impact on poverty throughout Africa.

The ClimDev-Africa programme will be implemented at the regional, sub-regional, national and local levels with the active involvement of the regional economic communities, regional and sub-regional climate institutions, river/lake basin organizations, national weather, climate and water services and other public authorities (i.e., health, agriculture and other ministries), universities and other research institutions, societal groups (e.g., NGOs and consumer groups), consumer markets, distribution networks, media (TV, newspapers, magazines), and so on.

Climate change and its humanitarian dimensions

*Delhi Sustainable Development
Summit 2009: Towards
Copenhagen: an equitable and
ethical approach*

*New Delhi, India
6 February 2009*

Climate change is no doubt one of the most daunting challenges confronting the world today. There is an unquestionable body of knowledge that demonstrates that urgent and major efforts must be invested to tackle climate change if we are to guarantee sustainable development, including security at all levels.

However, climate change will have differentiated types and severity of impacts. As such, due to their low levels of assets and adaptive capacity, developing countries and the poor among these countries will face disproportionately high negative impacts of climate change. The African continent, which is currently grappling with the menace of poverty, famine and a high disease burden, features yet again among the regions that will be worst hit by climate change impacts. Already, Africa has to deal with devastating impacts of climate variability and change, including increasing water stress and conflicts; constrained agricultural production and increasing food insecurity; rising energy constraints; and expanding range and prevalence of vector-borne diseases, among others. Thus, climate change should also be measured by its social, economic and humanitarian implications.

What comes out clearly is that the burden on adaptation activities in particular, is being shifted to the peoples and a continent that have least contributed to creating the problem. It also brings to the fore

the challenges of ensuring justice, rights and equity that must and can be taken into account in combating climate change.

Any strategy for poverty reduction and for climate change adaptation and mitigation requires comprehensive action that encompasses development issues. We cannot fight climate change without considering the rising energy needs of poor people and countries, nor can we effectively address global poverty without accounting for the impacts of climate change on agriculture, disease patterns, and violent weather events, all of which particularly impact the poorest countries.

Climate change is a threat to our economic well-being as evidenced by the prolonged drought in the Sahel during the late 1960s and early 1970s as well as the floods in southern African countries. Changing rainfall patterns and extended drought cause more crops to fail and livestock to perish. More frequent storms destroy housing and infrastructure, and threaten economic growth and productive investment. This, in turn, results in conflicts over scarce resources, and when those are gone, we witness mass migration from vulnerable zones. In this process, in order to survive and find shelter, displaced persons cut down trees for shelter and cooking fuel, exasperating the impact on the environment and contributing more to climate change.

Climate change is a threat to social, political and security stability. The high cost of living conditions evidenced by the recent food crisis, the costs of housing and building construction, as well the rhythms of migration are some of the consequences of climate change. The need for urgent action to address global warming grows. It will drive numerous other economic, political and social impacts that will deepen the humanitarian dimension of climate change. For example, coastal cities in Africa are vulnerable to rising sea levels, tropical cyclones and floods, all frequent, severe and unpredictable with the advent of climate change. Due to their dense population and weak infrastructure, the human and economic risks associated with coastal cities in Africa are huge. Early warning, disaster preparedness, education and training within local communities could help minimise loss of life in severe disaster situations.

The people and communities that are vulnerable to climate change should be well informed. There is a need to improve the flow of information about those life and livelihood saving measures that can be taken. Fully harnessing social networks will be critical for stepping up the flow of information. A stronger voice should be given to communities to speak out on how they are affected so as to better match solutions with needs. Improving community participation in decision-making regarding adaptation needs and measures is a key component and should receive priority attention.

Africa, therefore, has very high stakes in effectively engaging with the global community to ensure that the post-2012 climate change regime recognises and addresses these features that distinguish the continent's plight in the face of climate change.

ECA fully recognises the challenges that Africa is confronted with in responding to climate change and its burgeoning impacts. Chief among those are the continued enhancement of African negotiating capacity to enable the region to effectively engage in global climate change negotiations; mustering political commitment; and spurring policy and institutional actions to enable African countries to mainstream climate-related concerns in the formulation and implementation of their development policies, strategies and plans.

To help African countries address these challenges, ECA embarked on a strong partnership with the African Union Commission and the African Development Bank to develop and implement a comprehensive Climate Information for Development Africa (ClimDev-Africa) Programme.

In addition and in support to the ClimDev-Africa initiative, ECA established an African Climate Policy Centre (ACPC). In this connection, ECA and The Energy and Resources Institute (TERI) in India concluded a Memorandum of Understanding for collaboration on several key areas of work, including climate change. ACPC will strengthen African countries' capacity to participate more effectively in international climate negotiations, and will also enhance the capacity of African countries to develop coherent policy frameworks for coordinating adaptation and mitigation investment.

Both ClimDev-Africa and ACPC have received strong political support and endorsement from Africa's policymakers at summit and ministerial levels. They also enjoy strong support commitments from development partners, including the UK Department for International Development (DFID), Sweden, Norway and Denmark. I have no doubt that more partners will join us in taking forward these initiatives and thus contributing effectively in enhancing the resilience of African countries and people in facing up to the daunting challenges of climate change.

Helping Africa respond to climate change impact

*Delhi Sustainable Development
Summit 2009: Towards Copenhagen:
an equitable and ethical approach -
Multilateral Institutions Session*

*New Delhi, India
6 February 2009*

Climate change is now recognised as an inescapable challenge that represents a great threat to economic growth, social cohesion and ecosystem integrity and productivity.

Three broad features distinguish Africa's plight in the face of climate change and its adverse impacts. These features underpin Africa's urgently needed responses to climate change and should shape Africa's engagement with the global community in the pursuit of effective remedial measures.

The first feature is the low contribution of Africa to climate change. African countries have contributed the least to the global pool of greenhouse gases, which are the major cause of the climate change phenomenon. Estimates indicate that Africa has contributed only about 3.8 percent of the total greenhouse gases.

The second feature is the disproportionate African distress from the impacts of climate change. Despite Africa's marginal contribution to the cumulative global greenhouse gases concentration, all projections suggest that the continent will be the most distressed by climate change impacts. These include, among others, increasing water stress and water-related conflicts; constrained agricultural production and increasing food insecurity; increasing energy con-

straints; expanding range and prevalence of vector-borne diseases; and loss of biodiversity, forests and other habitats.

Africa will also bear the greatest brunt of climate change impacts due to its high vulnerability arising from high levels of poverty, reliance on climate-sensitive sectors such as rain-fed agriculture, fisheries, forestry and tourism, lack of adequate infrastructure, and limited coping capacity.

The third feature is the immediacy of the onslaught of climate change impact on Africa. African countries are already experiencing the devastating impact of extreme weather and climate variability. Droughts have become more frequent and severe, exerting an enormous toll on agricultural production, fresh water resources and water supply. This has escalated the food crisis in African countries. Hydroelectricity supply in a number of African countries has been constrained, thereby undermining Africa's industrialisation potential. Malaria outbreaks have expanded in spatial distribution, threatening to erode most of the gains made in the health sector.

One clear message that comes out of these defining features is that African countries cannot afford to fall behind in addressing these climate challenges in general, and in particular, in instituting timely adaptation measures. Such a failure would bear catastrophic consequences on the hard won development gains, and will compromise chances of achieving sustainable development in the region. Therefore, it is time to act.

This leads to the question of the choice of adaptation measures that the countries in the region choose to deploy.

As a front line strategy to effective adaptation, it is important that regional, national and local policymakers, leaders and investment agencies pursue a climate resilient developmental path by ensuring that climate change concerns are fully considered and mainstreamed into all development strategies, programmes and investments. Of necessity, such a path should be defined and maintained through the development and deployment of effective policies and institutional frameworks. It should also be paved by the provision of accurate, adequate and timely data and information to keep strategies on track and to sustainably lend momentum to adaptation efforts. But,

perhaps, most importantly in terms of realising tangible benefits for the most vulnerable and affected communities, the approach should be to swiftly deepen the reach of adaptation efforts and engage with farmers, ecosystem managers and businesses in all the hotspots of climate change impact.

The adoption and pursuit of such a climate resilient development path will enable African countries to lead the way in working with development partners to tackle climate change and address priority adaptations needed in the region. Fortunately, African leaders at the level of Heads of State and Government are acutely aware of the need and importance of such a route to development. The eighth Ordinary Session of the African Union held in January 2007, urged African States and regional economic communities (RECs), in collaboration with the private sector, civil society and development partners, to integrate climate change considerations into development strategies and programmes at national and regional levels.

African countries have placed high expectations on the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol. However, international responses on adaptation have so far fallen short of what is required. Although several multilateral financial mechanisms have been created, delivery has been limited. Most National Action Programmes for Adaptation (NAPAs) formulated by African countries remain largely unimplemented. Therefore, African countries continue to hope that effective international support for their adaptation needs will be forthcoming. For their part, they will continue working together to formulate and negotiate a common position for the post-2012 climate regime.

From the African point of view, there are two major considerations, namely fairness and costs. Fairness needs to take into account Africa's right to development. As part and parcel of fairness, there is need to address the question of barriers to accelerated deployment of technologies. In this respect it is very important that adaptation potential building on indigenous coping strategies should be sufficiently explored to underpin technology innovation and adoption. Also, given the high costs that effective adaptation in developing countries would require -- US\$ 28-67 billion by 2030 according to UNFCCC estimates -- the principle of common but differentiated responsibilities enshrined in the UNFCCC should be brought to bear to

enable African countries that are the least greenhouse gas emitters to meet their adaptation and sustainable development requirements in a fair and cost-effective way.

But, even if the basic principles are clear, Africa needs to enhance its negotiating capacity so that the region can effectively engage in global climate change negotiations. Again, time is of the essence since important processes in these negotiations are underway. Further, there is the need to muster political commitment and spur policy and institutional actions to enable African countries to mainstream climate-related concerns into their development policies, strategies and plans.

ECA together with its partners is committed to assisting African countries to deal with the various challenges of climate change. Allow me to outline some of the initiatives.

Firstly, the Commission, in partnership with the African Union Commission and the African Development Bank, has developed a comprehensive Climate Information for Development Africa (ClimDev-Africa) Programme. The programme sets out to scale up the capacities of key institutions and stakeholders with a view to improving climate-related data and observation, information services, policies and risk-management practices in climate-sensitive sectors such as agriculture, water, energy, health, infrastructure and human settlements.

ClimDev-Africa is designed to address the need for greatly improved climate information for Africa and to strengthen the use of such information for decision-making, by improving analytical capacity, knowledge management and dissemination activities. Political leadership for the Programme will be provided by the AUC. The African Climate Policy Centre (ACPC) that ECA is establishing will be responsible for coordinating and strengthening policy response to climate change and facilitate the implementation of the ClimDev-Africa Programme. In addition to UN inter-agency partnerships, ECA and TERI have also concluded a Memorandum of Understanding for collaboration on key areas of work of the Centre. Furthermore, a demand-led Special Fund to be administered by AfDB will finance field-level activities of the ClimDev-Africa Programme.

Secondly, I am happy to inform you that the ACPC is already providing support to Africa's post 2012 negotiation process, with a view to reaching a common regional position to be presented for adoption by the AU Summit in June/July 2009. Current support from the Centre in this regard is funded by the UK Department for International Development (DFID), and implemented in close collaboration with UNEP in its capacity of Secretariat of the African Ministerial Conference on the Environment (AMCEN), the Commission of the African Union (AUC) and Secretariat of the New Partnership for Africa's Development (NEPAD).

Thirdly, the African Ministerial Conference on the Environment (AMCEN) at its 12th Session held in Johannesburg South Africa in June 2007 adopted a decision to prepare a comprehensive framework of African climate change programmes. The indicative conceptual outline of this framework includes intervention areas in adaptation, mitigation, and supporting and enabling measures. ECA is collaborating with the United Nations Environment Programme (UNEP) to support the elaboration of the Framework.

I wish to underscore the importance of concerted efforts and coherent approaches and actions at addressing climate change challenges in Africa. ECA is committed to working in full synergy with all of you to this effect.

Facing the climate change and security challenge in Africa

*Swedish Presidency Conference on
Environment, Climate Change and
Security – Facing the challenges*

*15 October 2009
Stockholm, Sweden*

The importance of the entire world to be discussing and debating the issue of climate change in all its ramifications can not be stressed enough, as the various contributions will assist in tackling this pressing challenge in practical and meaningful ways. This Conference also provides a good opportunity to emphasise the importance of partnerships in effectively addressing the challenge of climate change, which poses an existential threat to all of us and if not seriously combated can undermine hard-won development gains.

Africa's vulnerability to the impacts of climate change in spite of its negligible contribution to green house gas emissions has been well documented. Such vulnerability derives in part from Africa's already warm climate and fragile ecosystems, its reliance on climate dependent sectors and low adaptation capacity. However, Africa is also the region that is most at risk to climate-induced conflict because of the fragility of state structures and institutions, an unfortunate history of proneness to conflict and in the current context, the potential of climate change to act as a threat multiplier.

The impact of climate change will be felt globally as well as in Africa through temperature changes, water availability, and extreme weather occurrences. If sufficient care is not taken, temperatures will rise in Africa by between 2% to 6% before the end of the century. The picture with regard to water availability is more varied in the sense that some

regions will face increased water stress and desertification while others will experience unpredictable rainfall and shorter rainy seasons. Extreme climate events such as floods, droughts, desertification and sea-level rise are also occurring more frequently. These climatic changes may impact negatively on human security by acting as a catalyst or trigger of conflict through their impact on production, water supplies and migration and by complicating efforts to improve governance on the continent.

The well-being of African peoples is closely tied to the issue of climate change because much of the productive activity in the continent is closely tied to climatic factors. Most of Africa's gross domestic product (GDP) derives from sectors such as agriculture, fisheries and forestry, which are in turn very dependent on rainfall, water availability and suitable temperatures. For instance, reductions in crop yields and lack of pasture for animal grazing can exacerbate food insecurity and bring about tension arising from competition to own or control viable agricultural lands. Recent estimates from the World Bank indicate that the cost to Africa of climate change could be in the region of 4% of GDP.

Water stress caused in part by unpredictable rainfall and extreme weather such as drought and desertification may lead to intense competition at community level for scarce water resources. Some projections show that by 2020, between 75 and 250 million people in Africa would be exposed to increased water stress and this will have an adverse effect on livelihoods and worsening of water-related conflicts at community level. Moreover, there is also a high degree of water inter-dependence between African States that could lead to tensions in the use of such resources. A familiar example is that of the Nile Basin, where there is a potential for inter-state conflict because existing agreements over the allocation of its waters could become untenable if climate change leads to lower flows while populations continue to increase.

Another potential area of climate induced conflict in Africa is the displacement of populations due to drought, desertification, floods or declining water supplies. Some analysts have ascribed the conflict in Darfur to ethnic tensions arising from climate induced migration. Similarly, there is evidence from the Sahel that increasing desertification is pushing pastoralists southwards and bringing them into increased conflict with arable farmers whose farmlands are destroyed

by grazing animals. In Turkana, northern Kenya, the lack of water has led to tensions between disparate groups of herders searching for food and water and a substantial number of people have been killed in related clashes.

Africa's on-going efforts to improve governance exemplified by the African Peer Review Mechanism (APRM) under the New Partnership for Africa's Development (NEPAD) programme may be undermined by climate change. Where production and economic growth are slowed down as a result of climate change, governments may find it very difficult to provide equitable access to social and security services or to maintain on-going efforts to tackle poverty in a credible manner. Such circumstances may trigger societal tensions because there is abundant evidence of a strong link between poverty and conflict. Accordingly, climate change may end up worsening governance conditions in Africa.

It is evident that climate change poses a major threat to Africa's already fragile economic, social and security fabric. African States are therefore keen to have positive international action to mitigate the pace of climate change and to adapt to changes that have already occurred. For Africa, therefore, failure in Copenhagen is not an option which is why they have taken significant steps, at the highest political level towards the collective endeavour of achieving a just and equitable climate change deal in Copenhagen.

Africa's key interests in Copenhagen relate to action in mitigation, adaptation, technology, and finance.

- Africa wants ambitious global emissions targets to be agreed upon in Copenhagen. Action is needed on mitigation to avoid going over the tipping point by restricting global warming to a minimum unavoidable level of no more than 2o Celsius and taking account of common but differentiated responsibilities and respective capabilities.
- Adaptation is inevitable since a certain amount of climate change has already taken place. However, adapting to climate change will impose massive additional costs on African countries for which they will need support in addition to integrating adaptation strategies into national development plans.

- **Technology.** The development, diffusion and transfer of technology are essential to support Africa's mitigation and adaptation efforts. This must be accompanied by the capacity to use new technologies as well as the elimination or reduction of existing trade barriers in environmental goods and services.
- **Finance** is key for mitigation, adaptation and technology development. African countries are therefore seeking new, additional, more predictable and sustainable resources to support their efforts. Moreover, existing carbon market mechanisms need to be reformed to make them more accessible to African countries.

On its part, ECA has been actively engaged in supporting the Africa regional process towards Copenhagen, in the context of several mandates received from African Ministers of Finance and Environment, as well as African Union Summits. This engagement is within the framework of ClimDev-Africa.

Given its vulnerability to climate change and unfortunate history of conflicts, the African continent has a strong interest in maintaining current trends towards peace resulting from the strenuous efforts of the African Union and its partners. It must therefore be equally attentive to the threats to security posed by climate change.

Fighting climate change and ensuring security are common challenges for which we have common responsibilities. We must therefore work together by leveraging our comparative advantages to achieve desired outcomes.

Taking action on gender equality, women's empowerment and ending violence against women in Africa

*The Sixth African Development Forum
(ADF VI)*

*19 November 2008
Addis Ababa, Ethiopia*

Fifteen years after Beijing, ten years after ECA organised a conference on African women and economic development and in this year that we are celebrating the 50th anniversary of ECA, Africa continues to grapple with gender-related challenges. Happily, some progress has been made since then as we now have the first female President in the continent in Mrs. Ellen Johnson Sirleaf of Liberia. We also have an African woman as the Deputy Secretary-General of the United Nations, Dr. Asha-Rose Migiro. Rwanda is now the leading nation with regard to female representation in parliament, with 52% of members of that body being women and as a whole, Africa has made substantial progress in girl child education.

We still have much more to do, which is why I salute the presence of so many of you here to deliberate on this very important topic.

The theme of this Sixth African Development Forum - "Action on Gender Equality, Empowerment and Ending Violence against Women in Africa" - is relevant and timely, especially in the context of upscaling efforts to achieve the Millennium Development Goals by the target date. It will also enable us to lend support to the recently launched multi-year campaign of the UN Secretary-General to intensify action to end violence against women and girls, which will run from 2008-2015 to coincide with the target date of the Millennium Development Goals.

Gender equality and women's empowerment are essential for achieving sustainable and inclusive development. Promoting women's education and training and their access to productive assets such as land, credit, time-saving technology and information and communication technologies (ICTs) could help African countries to scale-up annual growth rates in order to achieve the MDGs. ADF VI therefore provides us with an opportunity to reflect on Africa's progress in achieving gender equality as defined in gender-related MDGs as well as the African Union's gender instruments. In doing so, however, we must remain mindful that Africa, like the rest of the world, is confronting challenges related to recently historical highs in food and fuel prices, the effects of which have been further compounded by the global financial crisis. All of these, combined with the negative effects of climate change, affect women in different ways from men, and have the potential to deepen and widen existing gender inequalities.

The review of the status of implementation of the Dakar and Beijing Platforms of Action undertaken at the Seventh Africa Regional Conference on Women buttresses earlier remarks that we have made considerable progress in reducing the gender gap in several sectors, including education, access to health services, representation in parliament and decision-making positions, and ratification of the Convention for the Elimination of Discrimination Against Women (CEDAW). However, there remains much to be done, especially as recent strong growth of over 5% per annum has not impacted enough on poverty reduction, the achievement of the MDGs, gender equality or on overall social development.

There is also clear evidence that policies, legislation and effective strategies aimed at promoting gender equality and women's empowerment have been adopted in many African countries. Nevertheless, these various measures need to be more effectively implemented and enforced to make a meaningful difference. Important obstacles remain to women's empowerment while violence against women and the violation of the human rights of women and girls continue to be of major concern. This vulnerable group continues to be marginalised in the labour markets and has limited access to assets and other means of production. Considering that human beings are the most precious resource in development, marginalisation of women means that we are locking out more than half of Africa's resources from the developmental process.

As this Forum demonstrates, ECA continues to work in close partnership with the African Union Commission, the African Development Bank, other UN agencies and bilateral partners to enhance the capacity of policymakers and other stakeholders in Member States to use the appropriate tools and methodologies to establish gender-responsive policies and programmes. One of our major achievements in this regard is the development of the African Gender and Development Index (AGDI), which measures the extent of gender inequality in Africa and helps African governments assess their performance in narrowing the gender gap and advancing the cause of women. Other achievements relate to the establishment of an African Women's Rights Observatory to monitor the status of women's rights at the regional level and the development of a guidebook to mainstream unpaid work and household production into national statistics.

These developments notwithstanding, there is need for Africa to speed up implementation of all gender related instruments and policies, which is why this forum has a very important task before it. The outcome of our deliberations must help move our countries closer to the desired goal of gender equality, empowerment of women and a life free from violence for the African woman and girl. In addition to reviewing progress that has been made, this Forum is called upon to articulate concrete actions that could be taken to accelerate the process. We must place emphasis on adopting an innovative and well thought out Action Plan that will ensure a transformational intervention in all our three main sub-themes.

Implementing Security Council resolution on women, peace and security

*High Level Policy Dialogue on national
implementation of Security Council
resolution 1325 (2000) in Africa*

*Addis Ababa, Ethiopia
6 February 2008*

This dialogue aims to raise awareness on why Resolution 1325 should be implemented in Africa, especially in countries emerging from conflict. It also aims to build national capacities, including of national mechanisms on gender equality and the advancement of women, to accelerate implementation of Resolution 1325. These are commendable objectives, especially in Africa, which registers the largest number of armed conflicts in the world. None of our countries is spared: they are either in conflict, resolving conflict, or involved, one way or another, with displaced persons, mediation or peace building.

Unfortunately the impact of wars and conflicts is highly gendered. Women are not only victims of conflicts; in many wars in Africa, they have also been fighters. They have been active participants, especially in wars of liberation. Together with men, they have carried arms and taken up the role of nurses and care-givers in many conflict situations.

The Security Council (SC) Resolution 1325 on Women, Peace and Security, which was unanimously adopted in October 2000, serves as a milestone with respect to its recognition of, and commitment to, addressing women's experiences in armed conflict. The presence of ministers and senior officials from several African countries that are in conflict, emerged from conflict, or involved in peacemaking is

heartening. This is evidence of the serious commitments in addressing the issues of conflict resolution and peace building.

The linkage between human rights, peace, security and development is now acknowledged and established. As rightly pointed out by Secretary-General Ban Ki-moon, peace is everyone's task and its realisation is a prerequisite for development. Yet, more remains to be done to achieve this prerequisite. The implementation of Resolution 1325 at the national level is important to Africa, especially in situations of conflict where women and girls pay a heavy cost. They are subjected to various forms of violence, including sexual violence, murder, systematic rape, sexual slavery and forced pregnancy.

Resolution 1325 calls upon Member States, the United Nations system and all relevant actors to ensure that the specific needs of women and girls are better taken into account in conflict prevention, management and resolution. For Africa, Resolution 1325 represents a blueprint for further action in these three crucial areas if we are to achieve sustainable peace, security and development. The resolution recognises the central need for gender equality and women's empowerment in all areas of life, especially with regards to peace building and conflict resolution. In reality, it provides a comprehensive agenda for gender mainstreaming in peace and security with a view to enhancing women's participation in peace processes, including decision-making.

As we all know, the Resolution puts emphasis on the prevention of conflicts, the protection of all civilians, especially women and girls, and on their participation in peace building.

With regard to prevention, it calls upon all actors involved, including Member States and the United Nations system, to increase women's representation at all decision making levels in national, regional and international institutions as well as all mechanisms and arrangements for the avoidance of eruption and escalation of conflicts. The Resolution, therefore, agrees with Article 33 of the UN Charter, which calls for regional arrangements in handling questions of peace and security.

Speaking on gender-based violence, the Secretary-General said in 2007 that rape and other forms of sexual abuse remained "perva-

sive, and in some situations has become systematic.” Resolution 1325, therefore, calls on all parties to armed conflicts to take special measures to protect women and girls. It is our duty and our responsibility to work towards the end of all forms of gender-based violence. In this regard, the Secretary General has launched a multi-year and system-wide campaign on violence against women. This initiative, which seeks to address gender-based violence under all circumstances, also addresses the need for better protection of women and girls in situations of armed violence.

I hope that this meeting will identify concrete ways of ensuring that women and girls are adequately protected, and how to respond to the challenge of impunity in conflict situations. Member States, non-state actors and all parties involved in conflicts must be held accountable for acts of violence against women and girls.

Fortunately, the international community has taken actions to address these serious instances of the violation of the human rights of women. In the mid-1990s, the Security Council established two ad hoc tribunals to try the perpetrators of the grave human rights violations that took place in the former Yugoslavia and in Rwanda. Their statutes and jurisprudence, together with the Rome Statute on the International Criminal Court, have played a crucial role in addressing gender-based violence in situations of armed conflicts. In 2002, the Secretary-General Study on Women, Peace and Security documented the collective experience of the United Nations system and analyzed the impact of armed conflicts on women and girls.

While much progress has been made at the international level, a lot still needs to be done at the national level. Unfortunately, eight years after the unanimous adoption of 1325 in October 2000, many governments, institutions and people working on issues of peace, security, gender equality and women’s empowerment have not factored its implementation in their activities, despite the need for it.

Our exchanges during the next three days when we share experience, identify good practices and reflect on how best we can achieve effective implementation of the Resolution and the commitments unanimously made by the Security Council, are crucial. This meeting will benefit from the experiences from all sub-regions of Africa in coming up with solid recommendations.

The countries represented here have a number of historical circumstances in common: they have all dealt with conflict; either by actually going through it, working towards the realisation of peace, by being involved in peace negotiations or hosting refugees. Therefore, I am confident that our recommendations will be informed by actual first-hand experiences and lessons, which will help to strengthen and deepen policies and actions towards implementation.

ECA is committed to taking forward the Resolution from this High Level Policy Dialogue. Through the ACGS and other divisions, ECA is creating space to address issues of peace and security, without duplicating efforts carried out elsewhere in Africa by other institutions. We have also strengthened our relationship with the African Union in this area, and put particular emphasis on gender.

Investing in science and technology

*First Session of the Committee on
Development Information,
Science and Technology (CODIST)*

*Addis Ababa, Ethiopia
29 April 2009*

It is indeed with great pleasure that I welcome you to Addis Ababa and to this first Session of the Committee on Development Information, Science and Technology (CODIST), which is one of the seven subsidiary bodies of the ECA. CODIST is entrusted with the task of reviewing issues pertaining to Information and Communications Technology (ICT), Geoinformation, Science and Technology in relation Africa's development challenges. It also provides to assist ECA in determining priorities to be reflected in the work programme of the ICT, Science and Technology Division of ECA.

The theme of this meeting, "Scientific Development, Innovation and the Knowledge Economy" was chosen to underscore the key role of science, technology and innovation (STI) in helping our Member States to cope with the global financial and economic crises, as well as the food, energy and climate change challenges that they face.

The initial financial meltdown in some developed countries has now turned into a global economic crisis whose multiple effects will impact on Africa. As a coping mechanism and a shield against the onslaught of the global financial crisis, many countries are responding by investing in science and technology. Some examples can be drawn from China, India and the United States.

- The Chinese Premier, Wen Jiabao stated in January 2009 that China should move forward some 600 billion yuan (\$88 billion) in planned spending on science and technology investments to help the country achieve a faster rebound from the global financial crisis.
- In addition, the Indian Premier also announced this year a doubling of India's investment in science from one to two percent of the national income.
- The American Recovery and Reinvestment Act signed into law by President Obama earlier this year includes a \$US 17 billion investment in scientific research, including investments at the National Institutes of Health and the National Science Foundation, among others. Regarding new technologies, the package also includes nearly \$US 40 billion in investments in America's information technology (IT) network infrastructure (including broadband, health, IT and a smarter energy grid) which will create close to a million US jobs, more than half of which will be in small businesses.

These examples should not be lost on Africa and I hope the deliberations conducted over the next three days will address how African countries can use science and technology not only to shield themselves from the current crisis, but also to propel their economies to become more competitive for growth.

It must be noted that similar trends are coming out of Africa:

- In Ghana, the Council for Scientific and Industrial Research (CSIR) developed 20 new crop varieties. These include maize, rice, sorghum, groundnuts, soya beans, cowpea, cassava, yam and plantain and the Council also developed pozzolana cement from local clay as a substitute for clinker, which is used for the production of Portland cement.
- South Africa's Department of Science and Technology plans to invest \$US 7.7 million in a nanotechnology research centre that will house a high-resolution transmission electron microscope. The centre is to be located at the Nelson Mandela Metropolitan University in Port Elizabeth.

- The President of Tanzania, H.E. Jakaya Kikwete announced recently that the Tanzanian Government will raise public investment in research and development (R&D) from the current 0.3% to 1% of GDP in the 2009-2010 financial year. Tanzania is the first African country with a high disease burden to significantly increase its health research budgets, for which we congratulate it, while encouraging other countries to follow suit.

If we optimise the use and management of Africa's wide range of assets, they provide enormous opportunities for science, technology and innovation-driven sustainable growth and development. Indeed, scientific knowledge and its proper use have always been critical ingredients for economic growth and today underpin the concept of the Knowledge Economy, which is a multidimensional process involving context, culture, content, mechanisms, infrastructure and policy. It raises many possibilities for enhancing growth and competitiveness by increasing productivity in all sectors of the economy and by adding value to local raw materials and natural resources, but also carries the risks of marginalisation for countries and organisations that do not keep up with its momentum.

Therefore, we in Africa must start relying on science, technology and management to achieve scientific development, paying more attention to resource saving and environmental protection and gradually narrowing the development gap on this continent. From a long-term perspective, we should endeavour to build innovation societies by gradually shifting from the export of raw materials and products into that of capital and knowledge.

It is a fact that the economy can only sustain us today, however, science and technology may ensure our tomorrow, but only education can guarantee us the future.

It is against this background that ECA boosted its activities in science and technology including by establishing the ICT, Science and Technology Division. Some of ECA's activities include a "Science with Africa" Conference organised by ECA, African Union and our development partners in March 2008. The event brought together scientists, researchers, government officials, private sector and the international community to explore how STI can be of service to Africa as an engine for accelerated economic growth and poverty reduction.

Strengthening R&D is one of such outcomes of the Science with Africa Conference, and R&D happens to be at the helm of scientific and technological progress and is key to increasing productivity, exploiting growth opportunities in emerging markets and creating knowledge-driven competitive advantage. To this end, Africa needs to invest more in research and development in the creation of innovation.

Nevertheless, developments in many advanced countries are mainly based on knowledge instead of raw materials and natural resources. Due to strong innovative systems, rapid advances in new and emerging technologies, such as ICT, biotechnology, nanotechnology and genomics are dramatically affecting all economic, social, administrative and cultural activities. The impactful technological revolution resulting from these advances is now disrupting all kinds of relationships, transactions and production systems of goods and services.

Furthermore, as a consequence of the ICT explosion that has led to worldwide interdependency and connectivity, globalisation and competition have drastically increased and are leading to extensive shifts in world trade patterns and economic relations. Now, even corporate research and development are internationalised. Countries' or companies' competitiveness depends, more than ever, on their ability to access, adapt, utilise and master scientific and technological knowledge for a continuous innovation process.

However, R&D is not the only ingredient in the production of economically useful knowledge or innovative capabilities. It has to be emphasised that innovation also comes from learning, experimentation and re-use of knowledge and not always from the discovery of entirely new technical or scientific principles.

The STI environment will therefore require a strong ICT infrastructure. Despite efforts, significant gaps still remain in Africa's backbone network connectivity. Internet penetration is still very low, with only 5.6 percent penetration rate compared to Asia (17.2 percent), Middle East (23.3 percent), and Europe (48.9 percent). Broadband Internet penetration is much lower, with only 1.0 percent penetration rate. The high-speed Internet services that are vital for business, government and consumer applications continue to be either very expensive or unavailable in much of Africa beyond main population

centres. Furthermore, many landlocked countries in Sub-Saharan Africa rely on expensive and slow satellite services for Internet access, while capacity on undersea cables, where available, is priced well above the global average. The lack of access to infrastructure inhibits the region from exploiting the potential of ICTs to key sectors that contribute to the economy, such as e-commerce, e-health, e-government and e-learning applications.

This is why the Government of Rwanda is to be commended for investments above \$100 million in the ICT industry by end of this year. The big investment priorities include the laying of a fibre optic loop across the country, and the connection of the local fibre to international bandwidth as part of the Government's commitment to create a knowledge based economy by 2020 in Rwanda.

Africa's cell phone connections rose by 15 million subscribers or 6.6 percent in the third quarter of 2007, with some countries recording a growth rate ranging from 40 to 50 percent during the last three years. This substantial growth has shown that there is tremendous potential for ICT-driven social and economic development throughout Africa. Building on this progress, as never before, African countries have the opportunity to empower marginalised populations and communities with ICTs to reduce poverty, thereby improving access to health, education and employment opportunities, particularly in rural and remote areas.

Furthermore, African operators are not just adopting business models developed elsewhere, but are forging their own new models, suited to the African market. Such models include innovative mobile banking, micro-recharging methods and flat-rate pricing models, e.g. the M-Pesa in Kenya, allowing consumers without bank accounts to deposit, transfer, pay for and withdraw money using their SIM cards.

Technological change, innovation and growing private investment will continue to open new possibilities for extending access to infrastructure and services. The right mix of policies, regulations, investments, incentives and partnerships is needed to expand access and also to empower a range of local actors to contribute innovatively to sustainable solutions.

ECA continues to support countries in the formulation of policies that provide a framework within which ICTs are mainstreamed into the national planning process in order to facilitate the achievement of national and sectoral development priorities and objectives. Prior to the launch of the African Information Society Initiative (AISI) in 1996, only six countries had developed national ICT policies and by 1999, 13 countries had commenced the development of their National Information and Communication Infrastructure (NICI) policies with ECA's assistance. There are now over 35 countries with national ICT policies.

The creation of an enabling environment is one of the key building blocks in the establishment of an information society — the World Summit on the Information Society (WSIS) recognised that “to maximise the social, economic and environmental benefits of the information society, governments need to create a trustworthy, transparent and non-discriminatory legal, regulatory and policy environment”. Recently, ECA undertook a survey to analyse the progress achieved by Member States in the implementation of the WSIS outcomes. The results of the survey indicated that some countries were on track in some of the areas and others were still way behind. For example, less than 50% of the respondent countries confirmed that they had enacted legislation in relation to key enabling mechanisms for e-commerce such as e-payment, e-currency and digital signature, which are key legal and regulatory mechanisms required for the growth of the knowledge economy.

I hope that Member States will continue in efforts to implement their ICT policies as they holistically address some of the challenges I have cited. We recently celebrated our achievements over the last decade since the adoption of AISI and we now need to look ahead and renew our commitment to creating a knowledge and innovation-based economy in the coming decade.

There is an increasing need for geospatial technologies to be adopted by African countries to better manage their natural resources and environment. Geoinformation can be used to create new value and knowledge by leveraging the power of location and analysis in support of strategic decision-making, governance and advanced operations.

ECA continues to support Member States to develop their national spatial data infrastructures (NSDI), which also enable countries to monitor and address some of Africa's current pressing issues – the impact of climate change, water scarcity, energy and food shortages, environmental challenges, disaster management and disease mapping and intervention. ECA will continue to support the development of regional spatial geo-databases for the priority areas defined by regional initiatives of the African Union, NEPAD and other continental bodies.

The foundation of accurate geospatial information starts with a uniform coordinate reference system. ECA will pursue, in partnership with the African Union Commission, efforts to develop through the African Reference Frame (AFREF) Project, a unified geodetic reference frame for Africa.

This is also exemplified by the establishment of a new Geodetic Reference Network for Ghana to address the rising demand for cost-effective land delivery and management processes in country. The first phase of the renewal of the Geodetic Reference Network (GRN) was completed with the provision of the basic infrastructure in and around the Golden Triangle of Ghana for using the Global Navigations by Satellite Systems (GNSS) technology. This prepared the country to join the proposed continental AFREF led by ECA. In addition, more African countries, through support from Trimble, the world leader in the manufacturing of professional Global Positioning Systems have received equipment for five GPS reference stations. The reference stations will form part of the GPS network that will define a uniform African (Geodetic) Reference Frame (AFREF) and the agreed installation sites are Botswana, Niger, Tanzania, DR Congo and Ethiopia.

ECA continues to collaborate and coordinate its activities in support of Africa's developments in the field of geoinformation with other agencies in the UN system, international and regional associations and programmes and other development partners as an important vehicle for mobilising financial resources and technical know-how. We will strengthen our efforts to develop partnerships with regional and international organisations through contribution and participation to several initiatives on geospatial science and technology at various levels. As part of our commitment to developing geoinfor-

mation in Africa, we will provide support to the organisation of the Regional Conference of the African Association of Remote Sensing of the Environment (AARSE), in October 2010.

As I alluded to earlier on, education ensures our future and therefore, human resource development is the main factor for economic prosperity and it is important that priority is accorded to investing in human capacity development. The evolving knowledge-based economy has created continuous demand for a highly skilled workforce in the development, use and deployment of STI for socio-economic development, characterised by an ever increasing demand for highly skilled human resources for developing and maintaining a competitive edge in the global market. High-quality S&T education and training is essential to the efficient acquisition, utilisation, creation and dissemination of the relevant knowledge and skills and therefore, education and training providers will have to “come to the table” and play a pivotal role in supporting all members of society as they adjust to the new environment of developing a vibrant knowledge-based economy.

Finally, distinguished participants, I do hope that the CODIST sub-committees will among others, address some of these issues from their various perspectives, including how to:

- Draw on the lessons learned from the global financial crisis and how science and technology can be scaled up in our countries;
- Identify the key constraints facing African decision-maker e.g. innovative financial mechanisms as traditional financial mechanisms have shown their limitations;
- Define the enabling environment needed for the development of Africa’s STI system that can enhance private partnerships and accelerate economic growth;
- Develop capacity-building strategies that address the ever-increasing demand for highly skilled human resources;
- Revitalise AISI through a regional roadmap towards building a knowledge-driven economy; and

- Ensure that National Geospatial Data Infrastructure are integrated in the successful national ICT policies and plans developed so far in member States so as to harness geospatial data infrastructure and technologies for socio-economic development.

Powering Africa with ICT and entrepreneurship

*GKP AFRICA 2008
3 March 2008
Addis Ababa, Ethiopia*

ECA is a proud member of the Global Knowledge Partnership (GKP), which we see as a club of like-minds, a group of highly committed individuals, institutions and partners working towards the noble goal of promoting knowledge and information through the use of information and communication technologies (ICTs). Together, we have achieved a lot and we remain convinced that Africa would continue to benefit from the work of GKP.

It is pleasing to note that GKP is maintaining its tradition of innovative thinking to promote the use of ICTs across different sectors. There is much to be said for focusing on exploring the role and potential application of ICTs to the exciting area of social entrepreneurship and the equally pressing challenge of climate change. These are themes that are important for Africa's economic and social development.

Social entrepreneurship is powerful because it recognises that social problems should not be left to government alone to solve and neither should societal needs be subjected to hardnosed profit considerations of business enterprises. Combining the use of ICTs and the ideals of social entrepreneurship with the passion and drive of youth is a great idea and in this regard, I welcome the GKP Youth Social Enterprise Initiative. ICTs have already transformed the business world and are poised to revolutionise the development sector.

The emergence of ICT-enabled youth social enterprises allows young social entrepreneurs to be uniquely positioned to address social problems and bridge the inequalities that we face in the world. For young people to take up social entrepreneurship successfully, they will need access to information on the world's problems to ignite their passion; insight into social issues in order to develop their social enterprise ideas.

I have no doubt that you will look at the full potential of ICTs and their practical use towards the promotion of sustainable African Youth Social enterprises by sharing knowledge and building partnership among African and Asian members of the Youth Social Enterprise Initiative (YSEI), supported by our long standing partner, the Swiss Development Cooperation.

Climate change has become one of the defining issues of our time and it poses a challenge for the achievement of the MDGs, especially in Africa. Our response to it will in many ways determine the future of human life on this planet as it is affecting delicately balanced ecosystems, agricultural production, water supplies, human health and habitation.

Authoritative reports such as that of the Inter-Governmental Panel on Climate Change (IPCC) indicate that although Africa contributes least to the causes of climate change it is the region that will suffer most from its effects. Many African countries run the risk of experiencing aggravated water stress, reduced food security, increased effect of extreme weather events, displacement of millions of people, and increased transmission of vector-borne diseases

Strong and broad partnerships are needed to meet this challenge and I am therefore pleased that you will be deliberating on this issue from the perspective of how ICTs can help in adaptation to climate change. Adaptation is important because with the best efforts at mitigation, climate change is already with us. Given the impact of climate change on the poorest sections of society, it is particularly important to explore how ICTs can help in adaptation to climate change, especially through technical analysis, promoting flow of information and enabling exchange of views on best practices.

Indeed, I see a potential link between social entrepreneurship and climate change adaptation because governments sometimes have little incentive to incorporate adaptation into decision-making, responsibilities for action are often unclear and the potential for profit is not yet evident. I trust therefore that you will explore these linkages during your deliberations. ECA will contribute to ensuring a positive outcome on these issues at this meeting given its good track record of work in the area of ICTs, youth and climate change.

This GKP meeting is an important pre-event to the Science with Africa Conference not only because they share common objectives but also because we cannot talk about strengthening research and development without sharing knowledge and building partnerships: the two main pillars of GKP.

The upcoming Science with Africa Conference is also about promoting the use of science and technology in the African development process. Its aims and objectives are however different from the norm. This Conference is about exploring how African scientists can increase their collaboration and participation in international science initiatives and research and development projects. Science with Africa is more than a Conference in the sense that it has a follow-up mechanism to ensure that African scientists are kept in the picture with regard to such initiatives and projects. It will also be used to start off and sustain a constructive dialogue between the scientific community and other stakeholders

In this regard, we expect Science with Africa to lead to increased synergies between African and science-based organisations in other regions. It should also lead to improved linkages between international scientific research programmes and business enterprises to expedite economic growth in Africa. Another expected outcome is a framework for using science and technology options to support economic progress in Africa;

I am confident that the outcomes of this meeting will be translated into concrete GKP Africa action plans and projects and that you will collectively provide the support for their successful implementation.

Formulating a framework for action to secure land rights, enhance productivity and secure livelihoods

*AUC-ADB-ECA Consultative Workshop on
Land Policy in Africa*

*Addis Ababa, Ethiopia
27 March 2006*

This workshop is intended to spearhead a process that will lead to the development of a framework for guidelines and procedures for land policy in Africa. It is the result of extensive work carried out by ECA, AUC and AfDB in the realisation of the central role that the governance of land and Africa's natural resources plays in the socio-economic development of the continent. Indeed, in order to achieve development targets such as those set out in the MDGs, Africa must urgently address the constraints to the management of land and other resources, including farmlands, rangelands, forests, wildlife, water, oil and minerals.

For the majority of our people, land is vital for survival. Therefore, a meaningful structural economic transformation that results in employment and improved living standards for the majority of Africans will partly depend on securing land rights to millions of our people. We must also take steps to reduce the cost of doing business for the corporate sector in the farming, agribusiness and agro-industrial spheres by reducing the transaction costs associated with attaining these rights. But, while secured rights to land can transform these sectors, we should remember that other complementary elements such as technologies, credit, markets and transport infrastructure are also vital for a structural transformation.

Many factors, such as the transformation of rural areas (into towns); rapid population growth; globalisation and market development are already resulting in increasing populations in our towns and cities. Indeed, as a result of these factors, it is estimated that Africa's urban population will increase from 38% in 2000 to 55% in 2030. Consider this, Africa's most populous country, Nigeria, is expected to have 134 million people residing in urban areas by 2030. This figure was only about 50 million in 2000.

This is bound to put more pressure on urban and peri-urban areas, raising land values and increasing the vulnerability of livelihoods of informal settlers. We, therefore, urgently need to take steps to recognise the land rights of slum dwellers and squatters, and provide low cost methods for acquiring, documenting and managing these rights. If we do this, we will have gone a long way in reducing the vulnerability of those living in urban and peri-urban areas as well as decreasing the occurrence of disputes and conflicts, which sometimes lead to evictions and homelessness.

The majority of conflicts in Africa, and indeed around the world, including the recent wars in Rwanda, Burundi, the Democratic Republic of Congo, and Cote d'Ivoire, are related to failures in systems related to the governance, control and use of land and natural resources.

In some parts of southern Africa, the inability to address a history of unequal land distribution has led to racial and political tensions, and hampered economic development.

In South Africa, Namibia and Zimbabwe, the minority population still owns a disproportionately high percentage of the land, usually relegating the indigenous black population to marginal lands.

Conflicts are undoubtedly one of the major impediments to economic development, sound environmental management, and human survival. They do not only impede development, but they also contribute to human rights violations, adversely affecting the most vulnerable members of society. Indeed, the most gruesome breaches to human rights occur during times of conflicts. Therefore, we must take steps to reduce these conflicts by addressing their underlying causes - insecurity of land rights, bad governance, and bad management of land and natural resources. Since poor governance of land

and natural resources are a major source of conflict, these issues should be part and parcel of any post-war recovery and peace building efforts in Africa.

We need to examine the processes aimed at land redistribution, and catalyse equal access to land. We must address the resettlement of displaced families, claims to land, property rights, dysfunctional and inaccessible land administration, and redress for crimes related to land grabbing and land invasions.

It is ironic that the most marginalised members of our society are the same people tasked with harnessing land for food security and development. They are also expected to be the ‘keepers of the environment’.

In Africa, women constitute 70% of the agricultural labour force and 90% of the labour for collecting firewood and water. They are largely rural dwellers. For instance, 93% of Malawi’s female population and 80% of Mozambique’s women live in rural areas. Of the 65% of Zimbabweans who live in communal areas, 85% are women. The majority of these women, like other African women in general, do not own or control land and other natural resources. Indeed many of them only gain access to land through a male relative. This means that women in Africa cannot participate and contribute adequately to development. And they do not fully benefit from the wealth created by the use of land and its resources.

Yet, if women, who comprise more than 50% of Africa’s population, lose out on development, African families lose, and indeed, the continent loses. In order for Africa to realise the full potential of all members of society, more must be done to ensure that land policy reforms are accompanied by the appropriate mechanisms that allow for the implementation of laws and programmes to guarantee women’s rights to land.

These challenges will require that our laws and legislation adequately deal with the pluralistic systems of land tenure, which are mainly a result of our colonial legacy.

It is well acknowledged that customary systems govern the majority of land in Africa, as is the case in Ghana where customary authorities still hold considerable responsibilities and influence in managing

land. These systems are however under pressure from population growth and competing land uses, including urbanization. Unfortunately, the law, in most cases, does not provide adequate protection for customary rights holders due to multiple, and at times, conflicting legislation relating to land acquisition and management. As a result, there is insecurity of tenure and disputes which continue to hamper investment and development.

In the next few days, I urge you to think seriously about these issues and help to provide guidance to our governments on legal and institutional mechanisms of ensuring effective co-existence of formal and customary systems of land tenure.

The good news, ladies and gentlemen, is that African governments, with the help of the institutions represented in this room, are already instituting the needed reforms. Some African countries have made remarkable progress in policy formulation, law, legislative, and even institutional reforms, while others are in the process of doing so.

The work that we have done here at ECA, however points to the need to catalyse these reforms through increased political will, resource mobilisation, peer learning and review of progress made, in order to avoid losing the gains that have been realised.

This is why the AU Commission, ECA and ADB, spearheaded this workshop. It is the beginning of a very important process. I hope that at the end of this first step, you would have developed a skeleton of the guidelines and principles, which will then be strengthened at various sub regional forums where regional specificities will be reflected and taken aboard. Once this is done, we hope that the framework will be adopted at the highest level of government in Africa, starting a process that will lead to the incorporation of these guidelines and principles into national systems across Africa.

Let me end by assuring you of ECA's commitment to work in close partnership with the AU, ADB, the regional economic communities in Africa and other partners, to ensure that the outcomes of this workshop guide our work as we assist African governments to improve the governance of land and its natural resources for poverty reduction, wealth creation and employment for all Africans.

Responding to Africa's food crisis

*Ninth Meeting of the Regional
Consultation Mechanism of UN
Agencies and Organizations
Working in Africa in Support of
the African Union and its NEPAD
Programme*

*UNCC, Addis Ababa
21 October 2008*

We are meeting at a time of serious concern about the global economic outlook. Our apprehensions about the impact of high food and oil prices on African countries have now been compounded by worries on how the global financial crisis will impact on African economies, which have grown steadily in the recent past and seemed on the cusp of sustained economic take-off. It is difficult to judge the full extent of the impact of the financial crisis on African economies if only because of the rapidly changing nature of events in global financial markets and differing degrees of exposure to them by African countries.

What is clear however is that because of its vulnerability, negative developments in the global arena pose a particular challenge for Africa. This continent is particularly vulnerable because its growth is not yet self-sustaining and it has the steepest road to travel to achieve the Millennium Development Goals in the short time remaining to the target date. The effect of recent declines in commodity prices, is double-edged in the sense that it may mean lower costs of energy but also means falling revenues, even for non-oil producers. Indeed, there is need for vigilance to ensure that the combined effect of the food, fuel and financial crisis does not derail the recent good economic performance in Africa but also that it does not undermine recent notable improvements in governance.

We must also bear in mind that the food crisis in Africa has been mainly structural and long-term in nature and therefore only exacerbated by the recent spike in prices. The theme of this RCM – A Coordinated Multisectoral Response to the Food Crisis Challenge in Africa – which places appropriate emphasis on an action-oriented approach to the various international initiatives that have been adopted is therefore quite apt. We must also go beyond providing emergency food aid, or celebrating the short-term supply response to higher prices to address the underlying cause of the structural food crisis in Africa. It is essential to guard against the inadequate attention and provision to agriculture that lies behind the structural food crisis in the continent while working vigorously to implement the Comprehensive Africa Agriculture Development Programme of NEPAD.

What is emerging from the recent crises, be it high food and fuel prices or financial meltdown is the important role of coordinated international action to fashion a response and reduce their negative impact. In other words, either due to conviction or because unilateral action has proved ineffective, international cooperation has taken centre-stage in seeking solutions to dampen the effect of these challenges to global growth and prosperity. This belief in the effectiveness or inevitability of international cooperation to tackle these and other serious challenges such as climate change underscores the key role of multilateral institutions like the United Nations at the global level and the African Union at the regional level in the search for answers.

The three pillars of United Nations work, peace and security, development and human rights have particular relevance for Africa because they are at the heart of continental aspirations for socio-economic progress. The ideals of the United Nations and its universal aspirations have brought about wide-ranging programmes and projects to support African regional integration and cooperation, particularly through the African Union and regional economic communities. Moreover, the Political Declaration adopted at the recent high level meeting on Africa's development needs stressed the need to strengthen the capacities and capabilities of the UN system to support Africa's development. In doing so, however, there is increasing recognition for the need for greater coherence and coordination of UN support to avoid duplication of efforts, maximise synergies and avoid wastage of scarce resources.

This meeting of the Regional Consultation Mechanism, the 9th in the series, reflects the common commitment of the UN system to supporting Africa's regional aspirations in a coherent and meaningful manner. Our task therefore is to build on this momentum by making the RCM an effective and viable mechanism for supporting the work of the African Union Commission, the NEPAD Secretariat and the RECs.

In addition to the thematic focus of this meeting, permit me to highlight three other issues that must engage our attention. The first relates to ensuring that our institutional make-up, especially the cluster system, is meaningfully aligned to the priorities of the African Union Commission and can effectively promote the implementation of the Ten-Year Capacity Building Programme for the African Union. This would require that our deliberations on the outcome of the recent review meeting on "Measures to enhance the functioning of the RCM in support of the African Union and its NEPAD Programme" should lead to clear and implementable recommendations.

The second has to do with how we operate to improve coherence and deliver on the Ten-Year Capacity Building Programme. We should clearly specify our intentions and the resources that we are willing to commit over a specified timeframe to achieve this objective. This would require that each cluster articulates and implements multi-year business plans to guide its activities and serve as a basis for coordinated action.

The third issue that I would flag for your attention relates to the secretariat of the RCM, which ECA proudly hosts. The RCM Secretariat belongs to all of us and its make-up should reflect this common ownership. I therefore expect that this meeting will build on the momentum of the last RCM to broaden participation in the work of the Secretariat.

Achieving better UN coherence in support of the AU and NEPAD

*10th Session of Regional
Coordination Mechanism of United Nations
Agencies and Organizations Working in
Africa in Support of the African Union and its
NEPAD Programme*

*5 November 2009
Addis Ababa, Ethiopia*

This 10th session of the Regional Coordination Mechanism (RCM) signifies a decade of collective engagement of UN agencies and organisations with key African institutions in strengthening coherence and coordination of UN support to Africa's development agenda and programmes. This 10th anniversary provides us an ideal opportunity to take stock of performance and achievements and discuss how to consolidate our vision and commitment of "delivering as one". It is also a time to reflect on the challenges encountered and lessons learned, and chart a way forward with renewed vigour and energy to better support Africa's development.

We have, indeed, come a long way, since Africa held its first RCM meeting in 1999. We have established an RCM Secretariat charged with coordinating our work in support of the AU and its NEPAD programme. The RCM has been strengthened and has indeed become a veritable tool for coordinating our work, rather than a mere consultative forum. We have created clusters that are better aligned to the priorities of the African Union and NEPAD. The RCM is giving strategic support to clusters and offering sound advice on inter-cluster relations.

The clusters are fulfilling tasks in General Assembly Resolution 57/7 which mandates the UN system to support NEPAD; they are planning together and implementing as one. While we celebrate the improved functioning of the clusters, we still have some way to go in utilising

their strengths to the optimum. In particular these clusters need to be backed up by an RCM secretariat that is supported not only by ECA but by other agencies. This should be through financial support and provision of additional capacity through the deployment of staff as recommended by the Joint Inspection Unit.

This RCM session affords us the opportunity to review our support to Africa in key thematic areas, especially that of climate change and MDGs. The Conference of Parties to negotiate a post-Kyoto agreement takes place barely one month from now. It will certainly be important for us to use this session to gain a proper understanding of where Africa stands with regard to the negotiations and how the UN system can provide support to our member States in implementing its outcomes. Next year will leave us five years to the target date for achieving the MDGs. A high-level review meeting is scheduled to take place in New York in September 2010. It is incumbent for us to use this opportunity to explore the potential contribution of the RCM to this process.

Also critical is the need to further strengthen the RCM and achieve greater interagency coherence in our work. In this regard, we should strive to enhance the synergies between the RCM and the Regional Directors Team (RDT). Some regions have the experience of holding back-to-back meetings of RCM and RDT and we should review this practice to see if there is anything we can learn from. We have to take bold steps in establishing linkages between the two mechanisms in order to avoid duplication of efforts and wastage of resources.

As we ponder these questions, let us be mindful that our preferred solutions should achieve maximum benefits, based on each other's comparative advantage, and not to add unnecessary layers and structures. We should give some thoughts to enhancing the strong collaboration that exists between ECA and UNDP Regional Bureau for Africa (RBA), since these are critical players in the RCM and RDTs respectively.

Another idea for exploration is that of strengthening the linkage between sub-regional coordination mechanisms (SRCM) --- whose establishment we have discussed in past RCMs --- and the regional economic communities.

These are just few practical suggestions that this meeting can deliberate on. Whatever we decide, let us be clear on the division of labour --- in terms of geography, functions and thematic focus.

The 10th RCM session is taking place at a time when significant changes are taking place in the African Union Commission — in its focus, orientation, institutional arrangement and relationships. As you are aware, the AU Summit of July 2009, in Sirte, decided to transform the AUC into an authority and reaffirmed its decision to integrate the NEPAD Secretariat into the structures and processes of the AUC. These significant developments and institutional transformations will impact the way we work in support of AU and NEPAD. This is particularly important in the context of the UN Ten-Year Capacity Building Programme which this meeting will review. This meeting should come up with clear guidance on how we can jointly implement the programme in the seven years remaining. I believe that the RCM will be an extremely useful mechanism for this purpose.

In conclusion, this 10th session of the RCM would have been another success if we are able to accomplish four simple objectives: agree on the modalities for joint support to the RCM secretariat; bringing the RDTs closer to RCM; develop strategies for enhanced implementation of the Ten-Year Capacity Building Programme for the AU and NEPAD; and further elaborate our thinking on the establishment of sub-regional coordination mechanisms where they do not exist.

Giving substantive support to the APRM process

*Expert Group Meeting on
Promoting Partnerships in
Support of the African Peer Re-
view Mechanism (APRM)*

*Addis Ababa, Ethiopia
15 November 2007*

The African Peer Review Mechanism (APRM) is recognised in Africa and globally as a key element of the NEPAD initiative. Indeed, it is a laudable attempt by Africans themselves to improve governance by identifying weaknesses, setting benchmarks, and monitoring progress in meeting them. It is a unique initiative because no other region in the world has attempted to implement such a comprehensive, wide ranging peer review mechanism covering all dimensions of governance -- democratic and political governance; economic governance and management; corporate governance and socio-economic development.

It is pleasing to note that up to date, twenty-seven African countries have signed up for the review and that five of them have successfully completed the process of review (Ghana, Rwanda, Kenya, South Africa and Algeria). Moreover, several other countries are well advanced in the process. For example, Benin has just received a country review visit and Nigeria, Uganda and most likely Mozambique are also scheduled for a Country Review Mission.

From all indications, therefore, APRM is very much on track and it is making progress despite significant challenges at both the national and continental levels. To be sure, APRM is a functioning and resilient governance monitoring and strengthening system that is fast gaining traction, despite a steep learning curve given its novelty and

the lack of a model in other parts of the world to be drawn upon. There are many positive lessons already emerging from the rollout experience of the APRM, although many significant challenges still remain to be overcome.

We at ECA have been a strategic partner to the process from the very beginning and will continue to support the APRM process. For instance, in acknowledgement of the huge and demanding task of peer review, the APRM Strategic Partners -- ECA, AfDB and UNDP -- are scaling-up support and redefining their tools and strategies to further support the implementation of the National Plans of Action (NPOA). Accordingly, we are providing technical assistance on how to mainstream the NPOA into the planning and budgeting processes and to align the Plan of Action into existing national development strategies such as poverty reduction strategy papers (PRSPs).

ECA has also facilitated an APRM Peer Learning Group whereby workshops, seminars, and e-mail networking are used to enable countries to exchange information, experiences, and lessons learned with a view to accelerating the review process and the implementation of the National Plans of Action. Moreover, we have established an information database on participating countries to support the country review process. The database draws on ECA's work in governance, economic performance, poverty assessments, trade competitiveness, gender, and other MDG-related indicators.

In addition, ECA has also constructed an African Governance Experts database that will assist the APRM Secretariat in identifying competent independent African experts in all areas of governance for the Country Review Missions.

An equally important dimension of ECA's work relates to our substantial contributions to both the Country Support Missions and the Country Review Missions. We remain committed to continuing this important area of collaboration by providing experts in all the APRM assessment areas for these missions.

An APRM Workshop held in Algiers reached a consensus among APRM participating countries that would lead to the revision of some of the basic tools and instruments of the APRM. These include:

1. Revisions of the APRM Questionnaire;
2. Revision of the Methodologies and Processes of the APRM;
3. Development of an effective monitoring and evaluation framework; and
4. Elaboration and implementation of an effective communication strategy of the APRM.

It is my hope that this workshop would contribute towards streamlining and fast-tracking the APRM process by feeding into the deliberations of Algiers last week.

One of the critical issues facing the successful implementation of the APRM is how to mobilise internal and external resources in support of the implementation of the APRM Programme of Action. However, in this regard, and in accordance with APRM key principles of African ownership and leadership, countries are expected to have the primary responsibilities for funding identified priority governance activities in the National Program of Action. Donors could supplement to fill in the financing gap. The challenge here is how the APRM should receive assistance outside Africa and still keep the concept local. In other words, how can APRM win the financial support of the international community and still maintain its integrity?

This is the question that this workshop should debate vigorously and honestly and come up with some good proposals for implementation.

This Experts Group Meeting is a good opportunity for an in-depth look at the practical challenges facing the APRM, especially as more and more countries move forward in implementing the APRM process and the resulting Programme of Action.

Involving the youth in Africa's development

*Opening Statement at the Fifth
African Development Forum -
Youth and Leadership in the 21st
Century (ADF V)*

*Addis Ababa, Ethiopia
16 November 2006*

ECA initiated the African Development Forum in 1999 as a multi-stakeholder platform for building consensus on identified key challenges of African development and the strategies for overcoming them. The theme of each ADF has addressed a pressing development challenge. For example, the first ADF was on Information and Communication Technology while the second was on the Leadership Challenge of HIV and AIDS in Africa.

The theme of this ADF, “Youth and Leadership in the 21st Century” was chosen after a very long and deliberative process. The theme pays tribute to the actuality that Africa is a “young” continent - obviously not geologically, but demographically. Close to two-thirds of our population is below the age of 25. Currently, youth account for 45% of the total labour force in our region, a situation that is unlikely to change in the foreseeable future according to latest projections.

Youth are a force in society, not just because they are the leaders of tomorrow but also because they are crucial drivers of progress. Young people are among the most creative and innovative members of any society. Critical actors in several areas of development, they are the initiators of many of the “radical” ideas that very often transform societies. Nobel Literature laureate Wole Soyinka, another illustrious son of our continent and a keynote speaker at ADF III, reminds us in his autobiography, “You Must Set Forth at Dawn”, of the central

importance of this formative period of our lives. To make a demonstrable contribution to our society, Wole advises, we must set forth at dawn, start early in life.

This ADF is not solely about the “debts” that African adult society owes their youth. That is one side of the coin. It is also about the important lifecycle decisions that youth must make, decisions about their own vision of the kind of African society that they and their children and grand-children will live in. In this era of globalisation and heightened individualism, I must admit, making those decisions is often not easy.

But Africa is today mired in poverty. It is the continent making the least progress towards the targets of the Millennium Development Goals and it is the continent spoken about with greater pessimism than optimism. Will our youth choose to live in an Africa that is forever described as the laggard in terms of human and social development among all regions? An Africa mired in poverty and disease? An Africa that is not the leader in aid receipts? An Africa that makes only but marginal contributions to the march of science and technology?

As inheritors of our continent’s future, the decisions that each of our young people make have enormous consequences for our region in particular and for humanity in general. In particular, whether Africa reaches the targets of the Millennium Development Goals by 2015 depends critically on the decisions that youth make.

While each of us individual actors can set forth at dawn, there is an important role for our governments, adult society and Africa’s development partners in making the conditions under which young people set forth as propitious as they possibly can be in terms of employment, good health, high quality education and so forth. This, I must admit, is not often the case. Young people and youth issues are often marginalised in national economic, social and political structures and are disproportionately adversely affected by development challenges that the continent faces.

In a sense, the challenge of African development can be said to be the challenge of creating an Africa where the life-chances of young people are not circumscribed by poverty, unemployment, disease, and poor quality education. Take for example the case of migration

of Africa's young to other corners of the globe. While there is evidence that the evolution of personal aspirations plays a part, it is also clear that the lack of employment opportunities is a primary causative factor. Our economies are not creating enough meaningful jobs for our young people.

Increasingly, this lack of opportunities drives them to try to migrate to places where better opportunities exist. Many lives tragically end in this quest while many among those who succeed end up struggling at the bottom rungs of the societies to which they have migrated.

These problems and challenges can be successfully overcome through partnership, a pact between young and old, and a pact that youth can only make with itself. Let me in this regard paraphrase the Secretary-General's call to World Youth at the recent UN Youth Summit: youth, as leaders of the future are essential to our efforts to meet the simple but powerful people-centred targets of the MDGs. But youth must make themselves essential, and the rest of us, especially our leaders, must make it possible for youth to make themselves essential.

Let us rise from this ADF, whose work programme I am sure we are all now well acquainted with, resolved and determined to create a new partnership with the youth, a partnership based on a firm commitment by both not to abdicate responsibilities to self and to society at large. It is my hope and expectation that we will rise from this meeting with a consensus on an actionable agenda to enhance the contribution of youth to African development.

A charge to the African youth

*Closing Statement at the Fifth
African Development Forum -
“Youth and Leadership in the 21st
Century”*

*Addis Ababa, Ethiopia
18 November 2006*

We have come to the end of a long, demanding, tasking and above all very productive three days. This ADF at which we have centre-staged youth and youth issues is testimony to our recognition that youth issues are among the most pressing problems of our region in early 21st century. We have dispassionately discussed, fervently argued, and soberly reflected on these issues and have come to agreement on what we, youth and old, need to do to faithfully confront and overcome these problems and to build an all-inclusive African economic and political space.

This ADF has reminded us that African youth are alive, active, and engaged with the challenges of our continent. This is largely due, I believe, to recent improvements in governance across our continent. The return to democracy of many of our countries after years of military dictatorships and brutal conflicts that frightened citizens into cocoons of self-preservation is creating space for all – young and old - to unleash their creativity. You the youth were the primary drivers of this change and its main beneficiaries. Many of you are now actively participating in the political affairs of your countries through the youth wings of the new political parties. Through this participation, you are being readied to assume leadership. I urge you to secure these improvements to ensure that there is no return to the bad old days.

I was very encouraged by the interventions of young people at this ADF and the expressed willingness of the representatives of our governments and regional bodies such as the African Union Commission, whose Youth Charter was launched at this ADF, to devote more resources to youth development and to expand the space for youth engagement with and participation in all spheres of society. The AUC Charter, which was developed with the active contribution and participation of youth from across Africa, provides a framework for all of our countries, working together to confront and overcome the challenges to youth involvement in governance. I urge all of us to advocate for the speedy ratification of the Charter in all AU Member States.

We had one major objective at this ADF – to propose, based on a reasoned discussion and debate of the issues, an actionable agenda to advance the cause and life-chances of youth in Africa. I think we have largely succeeded in this goal - the Consensus document – the capstone document of this ADF - that you have adopted. I applaud all of you for this document – which is in a way – an enabling document to the African Youth Charter.

There are some bold and innovative proposals in the Consensus Document, such as the launching of an African Youth Volunteer Corps to address manpower and skills gaps in African countries – especially in countries emerging from conflict; an African Youth Exchange Programme to promote a common African identity and citizenship; programmes to mainstream youth in national development, peace-building and conflict resolution, and employment. I am further encouraged that the Document also called for programmes to promote and support youth economic empowerment, especially entrepreneurship, notably in the ICT sector. I believe that we all youth, adults, governments, the private sector and our development partners, working together, can make the goals become actualities earlier than 2010, the target date that you have set.

African Youth! You are the bequest of our continent to the future. You are, as Secretary General Kofi Annan said, essential to our continent in achieving the MDGs. You have through your eloquent speeches, very mature and thoughtful contributions to the debates in the breakout sessions, and through your behaviour and conduct

here, shown that you are the best bequest that our continent can make to the future of humanity.

Your governments, regional institutions and development partners are, I believe, ready and willing to support your efforts and to forge a new partnership with you that would advance the goals and objectives clearly and so eloquently expressed in the Consensus Statement. The Ministers who spoke here said so. But that partnership must be based on your acceptance of responsibility to lead, not on claims of victimhood and/or agitations for special entitlements.

The United Nations system will continue to be your active companion in your efforts to play a more active and positive role in your societies. Their efforts in ensuring the success of this ADF testify to their commitment to you. And I pledge this to you: ECA will remain your ever present ally, as I am sure would our other leading Pan African institutions, the African Union Commission and the African Development Bank. The ADF-V partners have assured me that this is not their last engagement with you. You will see them in many other arenas, supporting you, and through advocacy, amplifying your voice.

Using knowledge and peer learning to improve policies to reduce poverty in Africa

*Joint ECA/AERC Conference on
Poverty, Inequality and Labour
Markets*

*Addis Ababa, Ethiopia
11 October 2006*

This joint AERC/ECA Conference on “Poverty, Inequality, and Labour Markets” was organised to disseminate the results of an AERC research program on that theme. ECA’s partnership with AERC is consistent with our goal of advancing the frontiers of knowledge on issues that are of critical importance to our region and making that knowledge readily available to policy makers for improved decision-making. ECA is committed to partnering with African research institutions to accompany our countries in their search for durable answers to the challenges of development that they face.

This Conference is important for reasons that we all know – poverty remains a major development challenge in our region, a problem that bars our access to the club of developed countries. But the Conference is important for another reason: because it is a dissemination conference, it underscores our faith, our confidence that knowledge about the determinants of poverty can help us abolish it. Gareth Stedman Jones, in his 2004 book, “An End to Poverty?”, which traces the history of ideas on poverty eradication not only reminds us that there once was a time when it was believed that the intellectual progress of humankind would be accompanied by a material transformation of the human condition but also shows that those ideas did indeed contribute to the near abolition of poverty in western Europe.

More often than not, into stories on Africa and African countries is woven the word “impoverished”. Evidence to support this characterisation abound: Worsening social indicators; conflicts; bottom ranking in all leagues of human development. But things are changing. Strong growth has resumed and many of our countries have grown at more than 5% per annum consistently over six years now. This impressive performance, as reported in ECA’s 2006 Economic Report on Africa is not only due to strong commodity prices, but also due to much more prudent and knowledge-driven macroeconomic policies..

Notwithstanding these developments and initiatives, it is clear that despite impressive country-level performances and overall improvements in macro-economic performance, poverty remains high. It is difficult for me as a development practitioner to understand why this is so since Demery and his co-authors some time ago showed that growth was associated with poverty reduction in Sub-Saharan Africa. What the current evidence does suggest is that presently, rates of growth in Africa are performing rather poorly with respect to meeting the MDG targets. Inequalities in access to social services and jobs as well as the poor employment growth remain a problem. The growth process remains too narrow and is generally said to be without jobs.

Without doubt the studies whose main findings you have come here to disseminate will confirm the current evidence and also propose some policy options.

But I also hope that your conference will also address the much more critical question: What should Africa do to secure the positive gains of the recent past? A very commonplace answer to this is:

“More emphasis needs to be placed on improving the productive base of African countries and in parallel expanding market access. In this respect, both African leaders and development partners have a shared responsibility. African leaders must continue to be supportive of the private sector through the pursuit of prudent policies that nurture domestic price stability, minimize the cost of doing business, promote export competitiveness and facilitate market access.”

There is perhaps another answer, not opposed to the ones above, but perhaps the unseen super-structure on which the above are built. It is knowledge. Knowledge production (which you do); knowledge sharing (what this conference is about); and knowledge use (what you hope to get out of this conference).

The importance of knowledge – in the three dimensions mentioned above – for economic growth is pretty well known. Francis Bacon long ago said “knowledge itself is power”. The 1998 World Bank Development Report “Knowledge and Information for Development” made the point that successful development entails not just the closure of the physical or indeed human capital gaps but also closing the knowledge gap – a point also made in ECA’s publication “Harnessing Technologies for Development”. The economic journalist David Warsh, in his book “Knowledge and the Wealth of Nations”, puts it very starkly: “new ideas, more than savings or investment or even education, are the keys to prosperity, both to private fortunes, large and small, and to the wealth of nations – to economic growth.” Your profession was fixated on knowledge in the 1990s as you engaged with the “New Growth Theory” following the publication of Paul Romer’s very influential paper – “Endogenous Technological Change” – a paper you all refer to as “Romer 90”, which for the first time incorporated knowledge in your very fanciful and abstract growth models.

One key lesson that we at ECA have learned from our work in the nearly 50 years of our existence is that knowledge about pathways to improve economic management holds the key to development. We need to generate new knowledge as well as know how to use it. Knowledge use is critical for our region’s progress towards the targets of the MDGs. It is for that reason that knowledge is acutely emphasised in our current efforts to reposition this institution. Our current efforts are therefore strongly geared towards conveying to our Member States the view that improvements in the use of economic knowledge is critical for securing the progress recorded recently in Africa and for moving forward.

We are redoubling our analytical work on poverty analysis and the Millennium Development Goals. For this reason, we have created a new Section, MDGs/Poverty Analysis and Monitoring Section, to underscore the seriousness that we attach to Africa makes progress in these areas. A key and very important component of our work in this

area is peer learning (on poverty reduction strategies and the Millennium Development Goals and knowledge management. Permit me to illustrate what we have done and are doing in this area with our flagship peer learning initiative, the African Learning Group on Poverty Reduction Strategy Papers (PRSP-LG). I am sure some of you have heard of this initiative.

Shortly after the introduction of the PRSPs in 1999 by the WB and the IMF as a prerequisite for access to debt relief ECA hosted a workshop for African countries for dialogue on the PRSP content and process and on its implications for the region. In July 2000 ECA also launched a high-level mission to several African countries at different stages of the PRSP process to learn first-hand how these countries were adjusting to the PRSP process and how they were addressing the practical challenges the process was raising.

One key message that came out of the workshop and the consultations with member States was the view that the Structural Adjustment Policies of the 1980s would have been better managed if there had been a mechanism for the systematic sharing of experience and peer learning among countries which could also have provided a platform for the articulation of a strong African voice in the international community on the continent's experience with the challenges of adjustment and poverty reduction.

Given the context and in recognition of the operational challenges associated with the PRSP approach, the member States urged ECA to establish an African-owned forum that would facilitate African peer learning and serve as a mechanism through which Africans could ensure the relevance of the PRSP approach to Africa's development challenges.

ECA responded to this by setting the African Learning Group on Poverty Reduction Strategy Papers (PRSP-LG) in 2001. The LG facilitated systematic information sharing among diverse stakeholder groups in African countries (including civil society) on their experience with the PRSPs, and helped identify best practices and outstanding implementation challenges, while in addition promoting peer learning and African ownership of poverty reduction strategies.

ECA, based on information distilled from meetings of the LG, was able to provide advisory and policy support to our member states, broker support from other development institutions and partners, and network expertise to assist African countries. In order to influence donor policies in support of national poverty reduction strategies in Africa, the outcome of the joint ECA/SPA Experts group meeting was also formally communicated to the plenary meeting of the Strategic Partnership with Africa donor groups.

The crucial role of the LG was recognized by the African (Ministerial) Plenary on the PRS and MDGs in Cairo in March, which called on ECA to revive the Learning Group and to broaden its mandate to include learning on the Millennium Development Goals. My colleagues will tell you more about the LG and what we are doing since Cairo to promote peer learning on poverty reduction strategies and MDGs since Cairo.

So, Ladies and Gentlemen, broadly, the LG does what your Conference seeks to do – disseminate knowledge on best practices on poverty reduction strategies and the MDGs. In many cases, there is a deep aversion for imagining the new, a reluctance to believe that new things can happen. A new idea – and there are many in the area of economics and economic policy - triumphs not because those opposed to it are brought around (or undergo a Damascene conversion) but because it is embraced by a new generation. Through our Peer Learning and Knowledge Sharing initiatives, we hope to encourage new generations of African policymakers to embrace new ideas and thus steer our member states to the new, to innovate. Through this process we aim to help our member states build appropriate knowledge assets to secure and carry forward their impressive performances of the rest past.

In their book, “Plowing the Sea: Nurturing the Hidden Sources of Growth in the Developing World”, Fairbanks and Lindsay advised that “leaders need to think about developing more sophisticated knowledge assets.” It is my view that our leaders are already doing that as evidenced by the set of policies and management techniques that they have introduced over the recent past, policies and management techniques that in part explain the recent improvements in economic performance. Your Conference will be a resounding suc-

cess if it contributes in important ways to assisting countries in our region to develop the sophisticated knowledge assets needed combat poverty, reduce inequality and improve labour market outcomes for our people.

Good governance for achieving the MDGs

The African Civil Society Forum 2007

*Addis Ababa, Ethiopia
21 March 2007*

The theme of this meeting – “Democratizing Governance at regional and global level to achieve the Millennium Development Goals (MDGs)” – resonates with any well-informed observer of African societies because it underscores the important role of popular participation in achieving the MDGs. It also indicates at the same time that African countries cannot go it alone in their quest for development but need to work together at the regional level and in partnership with the rest of the international community.

Most of the MDGs are people specific and success in achieving them is dependent on genuine ownership and participation, which in turn can only be guaranteed by inclusiveness and equity, the cornerstones of democratic governance. As the only continent that is not on track to achieve all the MDGs by the target date of 2015, Africa therefore has a particular interest in ensuring the democratisation of governance to achieve the MDGs. This is however not a job for governments alone nor is it limited to the national level.

It is evident that African countries have made major strides in democratising governance, notably since the 1990 Arusha Conference, which produced the African Charter for Popular Participation in Development and Transformation. The Arusha document was a milestone as it identified the lack of popular participation in development as central to the dismal state of African economies and also as

a cause of political instability and social calamity. It can indeed be argued that since then the case for democracy, freedom of association, the rule of law and economic justice has no longer been in question.

Today, it is widely acknowledged that despite some understandable bumps along the way, most African countries continue to make steady progress with increasing political accountability of the leadership, decentralisation of decision-making processes and greater involvement of citizens in the development process. Despite the visible progress that has been made, there remains a lot to be done. For instance, we should acknowledge that some African countries are yet to embark on this path, due in many instances to continued conflict and political instability. At the same time, countries that have committed themselves to enthroning democracy and respect for human rights continue to need support in order to broaden and deepen their governance agenda.

It is now generally accepted that developing an active, informed and viable civil society has a vital role to play in building enduring democracies, underpinned by good governance practices. A well-developed civil society widens the democratic space and facilitates opportunities for citizens' participation in political and social life by giving voice to their aspirations and concerns. Beyond this however, civil society organizations (CSOs) have a crucial role to play in service provision as well as the monitoring of impact of public action, especially where capacity is weak and resources are scarce.

African civil society organizations have played a critical role in promoting democracy and popular participation at country level and have also contributed to the regional consensus that good governance and sound economic management are key to improving Africa's long-term development. I should stress however that their role goes way beyond advocacy and includes partnership in making, implementing and monitoring policy outcomes either working together as CSOs or in tandem with governments and intergovernmental bodies. CSOs also have an increasingly important role in service delivery, especially in the social sector, where government resources and capacities are stretched to the utmost.

This, in the context of our theme, means that CSOs have a critical part to play in supporting governments to articulate and fashion appropriate strategies for scaling-up efforts to achieve the MDGs.

The formal and informal arrangements that the United Nations has with civil society organizations is aptly demonstrated by the acronym of one of the co-organisers of the Forum – CONGO – The Conference of NGOs in Consultative Relationship with the United Nations. It is therefore quite clear that CSOs should accompany the efforts of the UN as it undertakes reforms related to its work in development, peace and security, human rights and the rule of law. New elements of the new institutional architecture of the UN that should therefore engage the attention of this forum include the Peacebuilding Commission, the Human Rights Council and the United Nations Democracy Fund.

It is important to stress in the particular context of Africa that peace and security is necessary to provide an enabling environment for achieving the MDGs. Good governance promotes peace and stability in Africa by giving voice to previously marginalised communities and ensuring a transparent, fair and equitable access to resources. The focus of this Forum on peace and human security, governance and human rights, and development in all its ramifications is therefore well-placed as it tallies with the areas of UN reform. Cooperation in these areas should also therefore lie at the heart of the increasingly close collaboration between CSOs and the United Nations.

I should stress however that the common engagement of the UN and CSOs in Africa should be driven by African priorities and the African Union agenda. This, after all, was the spirit behind the New Partnership for Africa's Development (NEPAD), which emphasised African ownership and responsibility for the development of the continent. NEPAD emphasised political, economic and corporate governance and also led to the creation of the African Peer Review Mechanism, which is a concrete example of the positive steps that African countries are taking of their own accord to improve governance in Africa. A key objective of this forum should therefore be to find ways and means of strengthening the partnerships between CSOs and the African Union and the regional economic communities to support the African development agenda.

ECA is well placed to play a catalytic role in deepening the engagement of CSOs with other key actors at the regional and global level. This is due to its dual role as the regional arm of the United Nations as well as its close partnership and collaboration with the African Union Commission and the NEPAD and APRM secretariats. As part of its recent repositioning exercise and in addition to the existing African Centre for Civil Society, ECA has created a Civil Society Section within its Governance and Public Administration Division. This section will help to manage knowledge, build consensus and provide advisory services in this critical area of our work. It accordingly played an active role in making arrangements for this Forum.

Permit me in this context to also highlight some of the things that CSOs keep in mind as they seek to build stronger partnerships in order to strengthen and support the process of democratising governance in Africa and at the global level.

- First of all, I would urge CSOs to continue to bring forth and give voice to issues concerning large segments of the population, including those that affect women, children and other marginalised groups. Even with the best of intentions, policymakers often have competing demands for their attention and need to be continuously encouraged to mainstream these concerns into national and regional development strategies.
- Secondly, CSOs should always seek to make the best use of existing representative structures in democratic societies. In other words, CSOs should strive to work closely with parliamentarians and other representative groupings to influence the governance agenda.
- Thirdly, CSOs should not spread themselves too thinly on the ground if they are to make meaningful impact. CONGO is a good example of coming together to positively influence the development agenda. However, since capacity building is one area in which African countries and institutions need a lot of support, capacity deficits arising from the multiplicity of CSOs and duplication of efforts need to be overcome.

- Fourthly, and most importantly CSOs should become actively engaged in the APRM process which anticipates the involvement of civil society. CSOs should lend support to countries that have acceded to the APRM process and also encourage those that have not yet subscribed to join the mechanism.

Working together to prevent HIV in Africa

*Launch of 2006 as “Year of
Acceleration of HIV Prevention
in Africa”*

*11 April 2006
AU, Addis Ababa*

The need to scale up our collective efforts to prevent the spread of HIV/AIDS is clear to us all. To date, HIV has infected more than 50 million people in Africa and 22 million of them, many in their prime and most productive years have died. This is a critical emergency for our continent; our collective roofs are on fire, and we dare not go to sleep.

In that regard, you may recall that ECA convened the African Development Forum 2000 (ADF), which identified AIDS as the greatest leadership challenge and launched an important step in the scaling up of the fight against the pandemic. At that meeting, over a thousand representatives of governments (including several serving and former heads of government), civil society, private sector, UN agencies and other stakeholder groups called for an immediate increase in the response to HIV at all levels – national, regional and international. They also placed a special emphasis on the need for demonstrable leadership in the fight against HIV at the personal, community, national, regional and international levels.

Our Heads of State in the Abuja Declaration on HIV/AIDS, TB and Other Infectious Diseases subsequently endorsed the ADF 2000 Consensus Statement in April 2001, which has presented the framework for many of our actions in recent years.

We have made some worthwhile progress since then in several areas, but the challenge before us is still immense. The SG report, *Securing Africa's Future*, the outcome of the Commission on HIV/AIDS and Governance in Africa (CHGA), whose Secretariat was hosted by ECA, showed that sustained advocacy efforts and growing awareness of the devastating impact of HIV have translated into heightened political commitment and increased funding for preventive programmes. Campaigns on abstinence, faithfulness and condom use have also met with some success in some African countries, but more needs to be done.

While the economic realities in our countries vary, we need to take steps to accelerate the process of dedicating 15% of national budgets to health, which our Heads of State promised in the Abuja Declaration.

In Abuja, our leaders also instructed ECA to collaborate with the African Union (AU), UNAIDS and the World Health Organization (WHO) in assessing the extent to which African countries have implemented the letter and spirit of the Abuja Declaration.

In the first report on this issue, *Scoring Leadership for Better Health*, released in 2004 and collectively prepared by the four organisations, we found that the HIV pandemic can be stopped in its tracks through visionary and committed leadership, as the examples of Botswana, Senegal and Uganda show us. The study also found that only two countries had at that time committed 15% of their budget to health. Today, more and more African countries have done so, and some have even gone beyond it.

To achieve the objective we have set ourselves for this year in the area of prevention, there are several priority actions we need to focus on. Let me highlight a few.

We must improve the quality of information on HIV prevention and make it available to all, especially our vulnerable groups. We must take steps to counter stigma and discrimination, which thwart our efforts to achieve success in voluntary testing and counselling.

As we do this, we must also do more in the critical area of behaviour change regarding casual and unprotected sex, sexual activity at an early age and fidelity. As difficult as behaviour change may seem,

ECA is encouraged by recent results from a number of countries where targeted communication campaigns and peer education have brought about significant drops in prevalence rates.

As we scale up our effort to prevent HIV this year, let us also, in the spirit of the Brazzaville Commitments, make the courageous move to align our budgets to national AIDS plans and balance allocation between prevention, treatment, care and support.

The CHGA report underscores the need for an integrated plan that takes account of the specificities of each African country. “One size doesn’t fit all,” says the report. There is, therefore the need to “balance between prevention, treatment and impact mitigation.”

This, I believe, is in the true spirit of the Universal Access initiative, which we have all committed to. At the African Union Summit in Khartoum in January this year, I therefore pledged the full support of ECA to this, so that we can make sure that as many of our people as possible have access to treatment, prevention care and support by 2010.

Let me conclude by telling you what ECA is doing in the area of treatment. In collaboration with the World Health Organization and the World Bank, we have begun to think seriously about how to accelerate HIV/AIDS treatment in Africa, not for three years, as most programmes seem to provide for, but for life, and how to establish meaningful linkages with prevention efforts.

We are starting with three pilot countries – Mozambique, Ghana and Burkina Faso – but lessons learned from these pilot studies will have wider impact across Africa. At the centre of our work is a key question: What does it take to offer lifetime treatment support for those who need it in Africa?

We will therefore be hoping to understand the implications of moving from short term treatment financing with an exit strategy to long term financing with a continuation strategy.

We are also asking these questions: What is the trajectory of HIV/AIDS in the near future – resistance to drugs, new antiretrovirals? How do we ensure that treatment reinforces prevention, and so on? Indeed, what challenges are associated with predicting a future without precedence?

There are other questions, of course, such as the macroeconomic impacts of such lifetime support on our fragile economies. Who will foot the bill and what sector will be impacted? We need to understand these and other relevant questions.

ECA is committed to working hard with the AU, UNAIDS, WHO and other key partners to help African States find answers to these questions and fight back effectively against all the dimensions of HIV/AIDS.

This initiative to accelerate efforts to prevent the spread of the pandemic, which is being launched across the region today, is an important front in this war and we, at ECA, are committed to staying in the frontline.

Promoting pro-poor growth to achieve MDGs

*Conference of African Ministers of
Finance, Planning and Economic
Development - Fortieth Session of
the Commission*

*Addis Ababa, Ethiopia
2 April 2007*

I ncreasingly, the Conference of African Ministers meeting is being seen as a credible platform for deliberation and debate on the African development agenda. The theme of this Conference, is “Accelerating Africa’s Growth and Development to meet the Millennium Development Goals: Emerging Challenges and Way Forward”. When we met in Abuja in 2005 to review Africa’s progress towards achieving the MDGs, you said in your Ministerial Statement that:

“Strong political will, bold and decisive action, is needed to establish the conditions for achieving sustained economic growth and to reduce poverty, as well as promoting sustainable development in Africa.”

In 2007, barely two years since Abuja, the MDGs are again the theme of our Conference. A legitimate question would be why the MDGs again and what has changed since then? The answer is that the bold and decisive action called for in the 2005 Ministerial Statement is yet to become a continent-wide trend. It should be noted however that several countries are beginning to take steps in the required direction. This is cause for cheer.

Nevertheless, there is need for urgency on our part. September 2007 will mark the mid-way point on the road to 2015, the target date for achieving the MDGs. Recent assessments, including the one that we have prepared for this Conference, indicate that although Africa is

making progress towards the targets, the rate of progress is so slow that the region as a whole is at risk of not meeting the goals. As we approach this halfway mark, we are reminded that we will soon run out of time to make the critical investments that are needed for the on-target achievement of these goals. The issue then is how to bring about the required transformation.

The attainment of the MDGs for most African countries will depend on our ability to resolutely tackle key challenges. While the importance of these challenges will inevitably vary from country to country, five interrelated broad categories of challenges facing most African countries should be highlighted. These include sustaining economic growth; scaling up development financing and public sector investments; getting the policy environment right; managing the risks of globalisation; and ensuring peace and security.

From the perspective of meeting the MDGs, the challenge of economic growth relates mainly to the magnitude and sources of growth on the one hand and its redistributive effects on the other. In terms of magnitude, African countries have to reduce volatility in growth and ratchet-up the 5% growth rates recorded in the recent past to the 7% adjudged as the minimum rate for halving poverty by 2015. Admittedly, this is just an average and the quantum of growth needed will vary from country to country.

In terms of sources of growth, three key issues arise:

- First, countries have to maintain and scale up the policies that led to recent improvements in growth. This should include a more vigorous tapping of the productive potential of the private sector, with particular focus on support to small-scale enterprises, formalising and increasing productivity of the informal sector, and encouraging novel national financial and innovative systems that are friendly to small domestic operators. Most African countries are least developed countries (LDCs) and the importance of scaling up productive capacities for sustaining growth was recognised in the Brussels Plan of Action adopted at the Third UN Conference on the Least Developed Countries.
- Second, the role of the agricultural sector as the major source of growth in most African countries must be emphasised in all

government policies. In this respect, raising agricultural productivity and achieving rural transformation is paramount. Indeed, the objective should be a 'revolution in African agriculture' by taking immediate measures to increase farm-level investments and addressing declining soil fertility, land reform, water, and climate related issues.

- Third, African countries must strive to achieve a breakthrough in the struggle to reform the international trading system so that they can benefit from the dynamic gains from trade. A fair international trading system is indispensable if Africa's economic growth is to benefit from the engine of international trade. I therefore urge you, our Ministers, to do your utmost to reconvene the Doha Round and to ensure that its essential character as a development round is not weakened. I should stress in this regard that exploiting the full potential of intra-Africa trade is a necessary complement of these efforts.

Employment creation for the larger part of the population is a very important aspect of the content of growth. Indeed, the centrality of employment creation for poverty reduction and for meeting the other MDGs was affirmed by the Extraordinary Summit of African Union Heads of State and Government in Ouagadougou in 2004. Three items in employment creation need to be urgently placed on the agenda. These are the formulation and implementation of policies to overcome jobless growth; ensuring increased paid employment for women, which not only increases their empowerment, but also helps provide additional income to pay for food, education, and healthcare; and paying priority attention to creating opportunities for youth employment. Widespread youth unemployment can lead to restiveness and threaten social stability. It has already engendered a worrisome trend of life-risking international migration in several countries.

The redistributive effects of economic growth are important and need to be addressed. This pertains both to income inequality in terms of the unequal distribution of opportunities as well as the unequal distribution of income. These aspects of inequalities operate in tandem to dampen the poverty-reducing effects of growth in many countries. They therefore need to be tackled.

The second category of challenges relates to the urgent need to scale up domestic and external financing. The consensus on external financing from Monterrey and other international processes is well known and widely publicised, and the Paris Declaration on Aid Effectiveness is a useful complement to such outcomes. The issue therefore is implementation. In this regard, since many African countries are LDCs, some just emerging from conflict, Africa's partners should act to replenish the African Development Fund (ADF), which is a credible and appropriate financing mechanism for supporting the development efforts of African LDCs. External financing should quite naturally support internal financing which entails a scaling up of domestic resource mobilisation. This means increasing the rates of domestic savings, reducing the high transaction costs of domestic savings mobilisation and creating a better investment climate for mobilising foreign private savings.

Scaling up of financing is important for increasing public sector investments in infrastructure and improving social service delivery. The emerging consensus is that improved infrastructure and human capacities can play a catalytic role in promoting the kind of growth that will help to achieve the MDGs. Accordingly, we need to scale up interventions in infrastructure, in health and education, in protecting our environment, and in job creation, and we need to do that now. For example, governments need to fulfill the commitment that they made in the Abuja Declaration on HIV/AIDS, Tuberculosis and Malaria to allocate no less than 15% of their annual budget to health.

A third set of challenges relates to the policy framework in which there are a number of issues to be addressed. For instance:

- Poverty reduction strategies have to be harmonised and aligned with the Millennium Development Goals, especially in the context of scaling up. This was why the Cairo Meeting of the ECA Peer Learning Group on Poverty Reduction Strategies called for the inclusion of MDGs in the remit of its work.
- The issue of policy space also needs to be addressed, especially if national development plans are to be bold and ambitious. An overly restrictive macroeconomic policy framework and onerous international financial and trade obligations for African countries could be a constraint to any scaling up efforts. ECA's research and knowledge based activities are therefore geared to addressing this matter.

- Credible and reliable data sets are needed for monitoring and tracking progress in meeting the MDGs. This creates a major challenge of building a statistical base and statistical capacity in Africa. ECA is working closely with the African Union and African Development Bank to meet this challenge head-on.

The fourth category of the challenges is that of managing the risks of globalisation. If not properly managed, globalisation may bring about adverse effects of trade and financial openness. It could also contribute to the brain drain of skilled workers from Africa and certainly requires greater partnership in the management of international economic and financial processes. These risks have to be managed such that Africa reaps the benefits of globalisation while minimising the fall-out.

Of course, it must be borne in mind that sustained peace, human security and good governance are preconditions for achieving Africa's development aspirations and are therefore deserving of equal attention. This is the fifth challenge that I wish to highlight. For many years, peace and security eluded many of our countries. Countries spent enormous amounts of limited resources on war. Infrastructure and lives were lost. Diseases spread faster than they otherwise would have. The economic cost of these wars in terms of growth foregone is high. According to a study by two leading observers of African economies, one year of conflict reduces growth rates by 2.2%. The same study estimated that it would take a post-conflict country roughly 21 years to achieve the GDP level that it would have achieved had there been no war. Peace and security is thus a *sine qua non* for accelerating growth and development to reach the MDGs on time. The African Peer Review Mechanism (APRM), put in place by African countries themselves will help improve the conditions of governance that are necessary for maintaining peace. It is therefore deserving of our continued support.

We should recognise and applaud the impressive role of the African Union in quelling conflicts in Africa and wish them further success particularly in troubled spots such as Darfur and Somalia. Today, the number of conflicts in our region has substantially decreased. However, we need to continue to support and put in place special mechanisms for post-conflict countries such as Liberia and the Democratic Republic of Congo to prevent them from sliding back into war and

civil unrest. The new UN Peacebuilding Commission has a critical role to play in post-conflict reconstruction and development and needs the assistance of all concerned to succeed in meeting its mandate.

In the outcome document of the 2005 UN World Summit, countries with extreme poverty were called upon to adopt and implement “comprehensive national development strategies to meet the internationally agreed development goals, including the Millennium Development Goals”. In doing this, it is essential that all of us, rich and poor, educated and non-educated alike, regard the MDGs as our ends. Thus far, most of the activity and deliberations on the MDGs has been carried out at the level of governments and donors. There is very little citizen participation. Yet success will depend critically on the involvement of all citizens.

Before I conclude, permit me to refer to Claude Ake, the late pan-African academic who in his essay on Democracy and Development in Africa, wrote that: “the problem is not so much that development has failed, as that it was never really on the agenda in the first place.” Let us collectively resolve that our efforts to achieve the MDGs in Africa will not be described as: ‘the problem was not so much that Africa failed to reach the targets of the MDGs by 2015, but that the MDGs were not on the agenda in the first place’. Let us continue to put the MDGs squarely on our agenda.

Addressing the OAU Summit in June 1994, Nelson Mandela called for an African Renaissance, stating that: “The time has now come for a ‘new birth’. We know that we have it in ourselves, as Africans, to change all this. We must assert our will to do so. We must say that there is no obstacle big enough to stop us from bringing about an African renaissance.” Allow me to paraphrase this great African statesman to say that: ‘We must re-assert our will to achieve the MDGs by the target date.’

Let us continue our common endeavour to actualise the vision of a peaceful, stable, secure and developed continent.

Tackling climate change: the abiding challenge of this era

*1st Conference on Climate
Change and Development in
Africa (CCDA-I)*

*Addis Ababa, Ethiopia
17 October 2011*

Tackling climate change is the abiding challenge of this era. We have to find ways and means of mitigating and adapting to this menace in order to preserve our dear planet as a heritage for generations yet unborn. Accordingly, the Climate Information for Development (Clim-Dev) Programme sets out to scale up the capacities of key institutions and stakeholders in the continent to improve climate-related data and observation, information services, policies and risk-management practices in priority climate-sensitive sectors such as agriculture, water, energy, health and human settlements.

Exactly one year ago, over 700 delegates gathered in this very UN Conference Centre to deliberate on the theme: Addressing Climate Change in Africa within the framework of the 7th Africa Development Forum (ADF). This Conference is being held as one of the recommendations of the ADF VII to help us keep the momentum in addressing the existential threat that climate change continues to pose to our continent.

The evidence abounds all around us. This year we have seen droughts hit the Horn of Africa with unparalleled devastation thus putting nearly a million people at risk of starvation. This is but one incident as the effects of climate change continue to hamper the ability of African countries to address the most basic needs of their populations, including access to food, clean water and energy, and public health services.

There is abundant evidence that most the impact of climate change impacts will be felt in the water sector and this indeed seems to be the case with widespread water stress, increased frequency and severity of droughts and floods, changes in rainfall, retreat of glaciers with impacts on major rivers, and the rising sea levels.

African farmers' traditional dependence on rain-fed agriculture means that the continent's entire agricultural sector is especially at risk, given prolonged periods of droughts in many regions. In addition, there is a huge threat to displace millions from the coast and destroy infrastructure, tourism, fisheries, thus further leading to job losses, and placing a major constraint on the attainment of the MDGs, sustainable growth and development.

Indeed, a strong consensus has emerged among stakeholders that Africa faces the dual challenge of managing climate change and overcoming poverty. Failing on one will guarantee failure on the other. Under such circumstances, adaptation is clearly the most pressing and urgent, if not the only viable line of action for large segments of the population in Africa. It offers the chance to manage, spread risk and enhance choices, thereby contributing to sustainable development whilst dealing with social, economic and security threats posed by climate change. That is why Africa's leaders have said repeatedly that adaptation is an existentialist issue for the continent.

Of course, adaptation without rapid and meaningful cuts in emissions to maintain global warming at its lowest possible level, would be futile. This explains the critical importance of a coherent African position on climate change negotiations in general.

By bringing together policy makers, academicians and practicing stakeholders we hope to establish a forum for dialogue, enhance awareness raising and mobilize effective commitment and actions on the ground at country level.

CCDA-I also aims to strengthen Africa's position and participation in international climate change negotiations with a view to ensuring adequate reflection of the continent's concerns and priorities in a post-2012 international climate change regime.

Accordingly, this forum cannot be just another occasion to highlight the different dimensions of climate change impacts. Rather, we must

come out with concrete and implementable proposals on how we can create enabling environments for our peoples to improve on this adaptive capacity and turn climate change into a development opportunity for our local communities, countries and regions.

Such an outcome will enable Africa to make an intellectual contribution to global climate change discourse, and more so to climate change negotiations which continue in Durban, South Africa next month.

Even as we decry the impact of climate change on Africa, we need to bear in mind that it presents paradoxically, a tremendous opportunity for Africa to revisit its development objectives and strategies. Exploiting this opportunity requires integrating local and global concerns, addressing immediate needs while investing in long term climate change scenarios, through indispensable and systematic bridge building between development and environment, and by widening the base for decision making at various levels.

It is by linking policy and practice in the context of climate change that Africa can begin to address its development priorities in a more coherent and comprehensive manner. There exists a vast array of local actors and actions, national policies that have delivered positive development and climate outcomes. There is a need to explore those policy options at various levels and scale them up where necessary, in tandem with international initiatives to boost their impacts.

This is why all hands must be on deck to ensure that the outcomes of the on-going climate change negotiations which continue in Durban later on this year and the Rio +20 Summit taking place in Brazil next year take account of Africa's interests and concerns. In the case of Rio +20, ECA is working closely with the AUC, AfDB and UNEP to prepare the background documents that will guide Africa's negotiating position. We are also organizing the African Regional Preparatory Conference for Rio +20 in October 2011, where a common African position on the negotiations will be adopted. As I have said before, our member States need to continue to pay very close attention to this process whose outcomes will affect the future growth trajectory of our continent.

For our part, let me assure you of the full commitment of ClimDev-Africa partners to work with all stakeholders in addressing climate change for sustainable development in Africa. It is in this regard, that ECA with the generous support of our multilateral and bilateral partners such as Norway, UK, Sweden, Denmark and European Union, established the African Climate Policy Centre (ACPC) to help generate and harness knowledge, develop capacity, and provide relevant technical advisory and cooperation services to African member States and their sub-regional and regional organizations. It will continue to work as a demand-driven hub on climate change and development knowledge, advocacy and capacity mobilisation/building in Africa.

Adopting a green economy for Africa's structural transformation

African Economic Conference

25 October 2011

Addis Ababa

Our theme for this year's African Economic Conference - Green Economy and Structural Transformation - is particularly relevant, apt and compelling. Just yesterday, the Ministerial segment of the African Preparatory Meeting for the Rio+20 Conference which has the 'green economy' as one of its themes opened in this very hall and it is useful for us to hear the views of a wider constituency before heading to Brazil for the global Conference next year. It is also important to deliberate on the 'green economy' at a high-level intellectual gathering such as this because there is still concern in some quarters about what it means for sustainable development agenda agreed upon in Agenda 21.

We can of course address this concern by clearly defining what we mean by the green economy and to show that it does not subtract or detract from sustainable development but rather further deepens our ability to promote the balanced integration of its economic, social and environmental pillars. In so far as the green economy means improving economic and social well-being while ensuring that production processes and consumption patterns do not further damage the environment then there would be no need to quibble about its import.

Indeed, it is now evident to all concerned that mankind needs to move from old resource intensive methods of growth in which pro-

gress has been at the expense of the environment to one in which productivity is boosted by using and managing natural resources more efficiently and effectively. Moreover, economic activity must take account of long-term consequences for the environment and the need to preserve our common heritage for future generations while promoting improved social conditions. Building a green economy is therefore an important element of the solution.

Let me state however that commitment to building a green economy brings its own challenges. Although switching to a green growth path may enable leap-frogging of dirty and inefficient technologies, there are more fundamental dilemmas to grapple with including costly adaptation and path dependence. Radical changes would be required in behaviour from government, firms and consumers and matched by sufficient financial resources if this approach is to succeed. We also face a predicament in the sense that while the pressing priority for most African countries is to promote growth that creates jobs the immediate effect of on-going growth is a short-run increase in demand for food, energy, and water that may further burden the environment.

It is against this background that we must examine how best the green economy can bring about structural transformation in Africa. In doing so, however, we must note that Africa has been growing quite steadily since the turn of the new Millennium with growth rates averaging about 5%. We therefore need to take this situation into account as we try to shift to a green growth trajectory, and especially as our major development partners are also grappling with debt, unemployment and slow growth. Moreover, we must strive to ensure that our growth processes provide job opportunities for young people and give them hope for the future.

In other words, to ensure that the green economy contributes to structural transformation in Africa, we have to overcome some of the challenges I have just outlined. It would also mean providing a persuasive vision for the green economy, promoting green growth, determining key sectoral priorities and establishing frameworks for coordination at national and international levels.

If the green economy is to drive a process of structural transformation it would be important to convey a clear vision to all stakeholders

of what it entails and what is required to bring it about. Creating awareness about the concept is an important and necessary first step in meeting this very important requirement, just as it would be necessary to highlight its potential contribution to growth and structural transformation.

Quite fortunately, Africa has an abundance of natural resources such as minerals, fisheries, forests, wind, hydro and solar which provide it with options for their long-term use in an eco-friendly manner. Similarly, it is possible to drive a green growth agenda through well-targeted investments in renewable energy and manufacturing processes that minimize pollution and release of hazardous and toxic waste. This also points to the opportunities that abound in recycling and proper waste management.

The green economy would also need to be properly coordinated with on-going processes and must therefore be integrated in national development plans and strategies. African countries like Ethiopia, Kenya, Morocco, Rwanda and South Africa to mention but a few are good examples of how the green economy could be used to create jobs, generate energy and aim towards carbon-free targets. In addition, governments also have a role in establishing policy frameworks that will prioritize investments in the green economy and create incentives to overcome negative externalities and encourage private actors to embrace the idea.

It is also important that international governance of the environment promotes rather than hinders green growth. There is legitimate fear that a green economy may allow for trade protectionism and the imposition of additional policy conditionalities but this need not be the case if we promote and adopt global norms that make it easier to produce and trade in green goods. Additionally, since developed economies have the resources and technological capabilities needed to undertake required changes, serious consideration should be given to how best to assist African countries to implement agreed outcomes including through the provision of accessible finance, building of local capacities, and access to green technologies.

The role of legislation and policy development in ensuring youth development at a national level

*Strategic future leaders’
public lecture and conference:
23 June 2011
Accra, Ghana*

As you may all be aware, a week from today, the African Heads of State will be meeting in Malabo, Equatorial Guinea to deliberate on youth development under the theme “Accelerating youth empowerment for sustainable development.”

The theme of this public lecture “Law making & policy development: Implications on youth and national development” is therefore very timely and a central issue in improving the overall situation of young people in Africa.

There are a number of reasons why youth development should be given priority. From an equity and human rights perspective, young people constitute a significant proportion of national populations therefore, their issues warrant being priority on public policy agendas.

Secondly, the high proportion of young people is recognized as a window of opportunity for rapid human capital development and economic growth. The alternative implications of passively focusing on youth development issues are being experienced in North Africa and Middle East with revolutions and uprisings led by young people.

Africa should be deriving dividends from its very young population. African youth are full of optimism, energy and aspirations that if

nurtured and fulfilled, would not only contribute to their empowerment, but also lead to achieving sustainable and inclusive economic and social development that would enable the continent to achieve the MDGs by 2015.

On the contrary, young Africans today continue to face striking paradoxes. They experience extreme disparities in terms of economic, technological, social, political and cultural resources, which vary enormously across regions, countries, localities and population groups. Allow me to reiterate some facts about the current situation of young people in our continent.

The African youth population (15-24 years) will generally remain high until 2050 with sub-regional variations: 18.3 per cent in Eastern Africa, 18.5 per cent in Central Africa, 17.8 per cent for Western Africa, 16.4 per cent for Southern Africa and 13.9 per cent for North Africa for the same period.

Specifically in Ghana, the youth population is estimated to be at 16.9 per cent in 2050.

A number of countries including Uganda and Nigeria where the population of young people (below 30 years) constitutes 70 per cent and 60 per cent of the total population respectively, and where fertility rates remain high, are already feeling the population pressures.

Young people especially young females, continue to experience high unemployment rates which in Africa is around 20 per cent, although underemployment among youth is even a greater challenge.

Despite applauses of improved literacy rates in the last two decades, the reading and math's proficiencies among young people have been found to be very low.

An estimated 3.2 million young people are living with HIV in sub-Saharan Africa and young women continue to die from preventable causes like maternal mortality.

More so, young people are victims of conflict and in addition to maternal mortality, opportunities for young females' development are hampered by limited schooling, early marriages, labour trafficking and other socio-cultural factors.

No individual is to blame but collectively, we all take responsibility for the status of young people in our countries. Recognizing that youth in development is a big challenge to many African countries, governments have embarked on policy development and legislation to improve on the well-being and status of young people.

Several commitments, policies, and programmes on youth education and employment have been prioritized and made at national, sub-regional and global levels; however, these commitments should be translated into accelerated implementation to ensure that desired outcomes are realized.

Political will and a strong commitment across sectors of a society is required to develop national youth policies since there are several elements that need to be articulated. Youth participation in policy development, implementation and monitoring are critically important. They must be empowered to make decisions on issues that impact on their lives.

In order for youth policies to be of national significance, they should represent an agreed-upon formula for both meeting the needs and aspirations of young people and recognizing their potential as a framework for youth development.

But actions associated with the formulation of a youth policy must first of all serve as a symbol of society's commitment to its young citizens; communicating a common vision for its young generation and identifying their needs and priorities.

The potential benefits that a country gains from a comprehensive national youth policy are manifold. As a framework for common goals and collective action, it provides a basis for equitable and concerted distribution of government resources to meet the needs of youth. Furthermore, a national youth policy gives valuable importance to youth participation in decision-making processes in a country and in the development and implementation of youth policies.

Recently (in March 2011), during our annual fourth joint AUC-UNECA conference of Ministers of Finance, a lot of our discussions focused on the forming blocks and paradigms of a developmental state. We all know that many of the African countries including Ghana have at

one point in time prioritized economic development and gone ahead to design effective instruments to promote this goal.

Such a state is also able to construct and deploy the institutional architecture within the state and mobilize society.

Building a developmental state although not alien to Africa, may not have produced the desired results, since for many post-independence African leaders, development was a major preoccupation and they espoused various developmental ideologies, strategies and policies.

From Ghana came Kwame Nkrumah's philosophy of Pan-Africanism, which focused on the need for political and economic liberation through the strategy of regional integration, designed to promote economic development on the African continent.

In reflecting, addressing, being sensitive to, and being responsive to youth issues, we need to involve young people at all stages of the policy cycle whether in national parliaments, or at the local administrative levels.

In addition, we need to adequately mainstream youth issues in all government policies and national development plans. As such, "pro-poor" strategies must be "pro-youth", and that any development intervention seeking sustainable impact must address the youth cohort.

Inclusive policies and programmes should take into consideration young women, young people living with disabilities, youth from very poor backgrounds, orphans and young people living with HIV/AIDS and those in conflict environments .

UNECA, as the regional arm of the UN secretariat, has for many years embarked on youth related advocacy and assisted countries in our region to design and implement youth policies and programmes.

Working very closely with our partners, like the African Union Commission, civil society and International organizations, we offer a platform for advocacy, dialogue and assist member states to fulfill their internationally and regionally agreed commitments like the Interna-

tional Year of the Youth 2010-2011 and the AU youth plan for the decade.

In addition, the African Center for Gender and Social Development Division at UNECA offers a platform for knowledge sharing, south-south cooperation and sharing of best practice in youth development.

One such best youth practice on Industrial Skills Development in Ghana has been cited in our recently published Africa Youth Report 2011.

I am therefore confident that the deliberations on the critical role of youth development at a national level, during this public lecture meeting will play a key role in developing inclusive policies and ensuring youth participation in the implementation of youth programmes.

As I conclude, I would like to quote Kofi Annan, former Secretary General of the United Nations, address to the World Conference of Ministers Responsible for Youth in Lisbon, 1998.

No one is born a good citizen and no nation is born a democracy. Rather, both are processes that continue to evolve over a lifetime. Young people therefore must be included from birth. A society that cuts itself off from its youth severs its lifeline; it is condemned to bleed to death’.

We look forward to working with Ghana and other countries on implementing the outcomes of the upcoming Heads of State Summit this June among other youth initiatives.

Enhancing AU's capacity to achieve its Strategic Plan

*Retreat on the Implementation of
UN-AU Ten Year Capacity Building
Programme*

*Kiriftu Resort and Spa, Debre Zeit,
Ethiopia
7-9 September 2011*

The UN Secretary General and AUC Chairperson signed the Declaration on “Enhancing UN-AU Cooperation: Framework for the Ten Year Capacity Building Programme for the AU” in 2006. In the Declaration, it was agreed that stock would be taken of efforts to implement the Ten-Year Capacity Building Programme at three-year intervals. In light of this, the 10th RCM session requested ECA to undertake the first triennial review in collaboration with UNLO/DPA, AfDB and AUC. The review was indeed undertaken and its findings presented at the 11th Session of RCM held in November last year.

Many of you were present at that meeting during which it was acknowledged that implementation of the Ten-Year Capacity Building Programme had been hampered by the absence of a clearly defined work programme. On that basis, a major recommendation of the 11th Session of RCM was that the Secretariat should steer the process of elaborating a comprehensive work programme with the view to ensuring better coordination and coherence as well as sharper focus of capacity building interventions in support of AU.

This Retreat is an integral part of the process of preparing the work programme. You therefore have a very important task in front of you over the next three days. As you go about unpacking AU capacity building requirements and translating them into concrete activities

that will lead to tangible results, due attention should be given to interventions that will contribute in:

- Building a critical mass of skills within AU to enable it to achieve its priorities and the objectives set out in its Strategic Plan;
- Strengthening the tools and processes that support the delivery of services provided by AU; and
- Up-scaling financial resources available to implement planned activities.

During this exercise, it is paramount that we acknowledge and take on board relevant aspects as well as lessons learnt from ongoing efforts by the UN system and other partners aimed at strengthening the capacity of AU to deliver its mandates and programmes. For instance, within the RCM, many Clusters have developed Business Plans – with some of these plans having capacity building components. UN agencies are also supporting capacity building of AU, mostly on bilateral basis, in a broad range of areas such as Peace and Security, Governance, and Emergency Response, to name just a few. In addition, the AU has engaged other development partners on capacity building issues.

Some concrete examples of areas where UN has supported AU include:

- The creation and management of a database system of African electoral observers and experts;
- Conducting training for peace support operations;
- Creation of a roster of African mediators and experts;
- Funding the recruitment and training of staff in some AUC Directorates;
- Supporting the NEPAD Planning and Coordinating Agency (NPCA) and the African Peer Review Mechanism (APRM) Secretariat; and

- Building AU and RECs capacity for disaster response by training emergency response teams.

The RCM Secretariat and its Clusters have also recorded several achievements over the years. Key among these include: the establishment of the joint AUC-ECA Secretariat with dedicated staff from the two institutions; strengthening of inter and intra-Cluster coordination; alignment of UN programmes to NEPAD priorities, and increased ownership and leadership of RCM by AU - supported by creation of NEPAD coordination unit at AUC.

The achievements I have just highlighted have not always been within the context of the Ten-Year Capacity Building Programme. Moreover, while the multiplicity of capacity building actors assisting AU is commendable, it comes with its own challenges including possible duplication of efforts and waste of resources, especially in the absence of proper coordination. Our effort to develop a joint and comprehensive work programme provides a unique opportunity to coordinate capacity building interventions and mitigate these challenges. This will not only help in building synergies but also in maximizing the collective impact of our interventions.

In this respect, the importance of scaling up and demonstrating the results of our interventions in a credible manner cannot be overemphasized. This is particularly true for the Ten Year Capacity Building Programme for the AU that has been in existence for over four years. You would all agree that it has been difficult to convincingly report on results of the Programme mostly because we have not articulated a logical framework linking capacity building interventions with expected outcomes and impacts. This Retreat therefore lays the foundation for addressing this challenge as its outcome – in the form of a draft work programme - will provide the basis for objectively assessing our performance.

Any work programme, as a management tool, is only useful to the extent that concrete modalities are put in place for its implementation and key actors are committed to the process. I therefore urge you to spend some time during this Retreat to reflect on the modalities for implementing the capacity building interventions that you will identify and retain for the work programme. In this regard, roles, responsibilities, implementation timeframes, and resource require-

ments – to the extent possible - should be clearly defined. It is also worthwhile to identify potential partners that could accompany the AU and UN system in this laudable endeavour.

For instance, ECA's Institute for Economic Development and Planning (IDEP) whose Director is present here with us has a long and impressive track record on capacity development of African countries and institutions. The experience of IDEP could be brought to bear in accelerating the implementation of the Ten Year Capacity Building Programme and we should explore options to make this happen. Similarly, we should seek ways of tapping the expertise of other institutions on the continent such as the African Capacity Building Foundation.

This Retreat will only be considered a success if we leave Kuriftu with a draft capacity building work programme for AU which should be finalized and presented at the 12th Session of RCM. Let me assure you that ECA is committed to supporting efforts to accelerating the implementation of the Ten Year Capacity Building Programme and RCM in general.

Harnessing forests for economic livelihoods

*High-Level Segment of the Summit of
Heads of State and Government of the
Amazon, Congo and Borneo-Mekong
Forest Basins*

*Statement delivered
On behalf of Mr. Ban Ki-moon
United Nations Secretary-General
Brazzaville, Congo
3 June 2011*

It is my singular honor to represent the Secretary-General of the United Nations, Mr. Ban Ki-moon at this Summit of Heads of State and Government of the Amazon, Congo and Borneo-Mekong Forest Basins. I bring you his warm regards and best wishes for a successful Summit.

I salute your initiative to hold this Summit as one of the events to mark 2011 as the International Year of Forests proclaimed by the UN General Assembly in 2006. This is indeed a laudable and landmark event in the history of forest management the world over, as it will set in motion decisive action to achieve tangible and durable results in the near and long-term.

Forest goods and services support a significant part of the economic livelihoods of over 1 billion people in the world. They boost agricultural productivity, provide food, water and flood protection among other services. Moreover, forests are important carbon sinks. Yet these vital functions of forests are being severely undermined by deforestation and forest degradation resulting in about 20% of annual global carbon dioxide emissions. Therefore, we must strengthen our resolve to take urgent action to arrest forest loss, which globally, remains significant.

Similarly, across the globe, we continue to battle with the economic, food and energy crises, and to address the urgent and pressing challenge of climate change. Sustainable forest management is inextricably linked to these issues and offers us the opportunity to address them.

The United Nations Forum on Forests, through its continuing efforts to advocate for and guide policies for sustainable forest management at all levels, has been able to generate consensus, which has resulted in the adoption of the four Global Objectives on Forests.

These objectives which we must all deliver on comprise: reversing the loss of forest cover worldwide through sustainable forest management, consistent with the objective of Reducing Carbon Emission from Deforestation and Forest Degradation (REDD), on which progress is being made, including through the UN-REDD Programme; enhancing forest-based economic, social and environmental benefits; increasing significantly the area of protected forests worldwide; and reversing the decline in official development assistance for sustainable forest management.

What now remains is to make these goals a reality. I wish therefore to take this opportunity to call for implementation and action at a scale and speed essential to address and counteract deforestation and forest degradation, so as to achieve concrete results on sustainable forest management and improvement of the livelihoods, particularly of forest dependent communities.

The presence at this Summit of political leaders and policy makers at the highest level, and from countries whose territories command 80% of tropical forests and harbour 60% of global biodiversity, demonstrates strong political commitment towards laying a firm basis for concrete actions and the realization of these Global Goals.

This Summit is also significant as it brings to bear on the forest agenda, the required vision for embracing and translating into action, programmes and policies on forest management. Therefore, the establishment of South-South and North-South cooperation for forest and climate change, as an outcome of this Summit is very welcome, as it will provide the necessary framework for collective action.

Such triangular cooperation will facilitate resource mobilisation and help to up-scale the diverse and rich experiences, including best practices on sustainable forest management gathered over the years. What immediately comes into mind in this regard is the commendable effort of Brazil that has resulted into reduction of deforestation to 67% below the average annual rate from the decade between 1996 and 2005.

I am heartened that this Summit also aims at strengthening policy coherence for forest management, climate change mitigation and the transition to green economies. The Summit outcomes will contribute to and guide the deliberations at the upcoming 17th Conference of Parties to the United Nations Framework Convention on Climate Change to be held in Durban, South Africa towards the end of the year, and the United Nations Conference on Sustainable Development or Rio+20 to be held in Rio de Janeiro, Brazil in about a year.

Given the high-level representation, as well as the wide-ranging expertise and experience that this Summit has gathered together, I am confident that its outcomes will be instrumental and would also lend great momentum to sustainable forest management and the achievement of sustainable development at all levels.

As we deliberate on sound strategies and action plan on the way forward towards a sustainable management of forest ecosystems in the three basins, I wish to assure all of the continued support of the United Nations system towards achieving this noble objective.

Exploring hydropower for sustainable development in Africa

*Meeting on Hydro-power for
Sustainable Development 2011*

*Addis Ababa, Ethiopia
31 March 2011*

I am pleased to have the opportunity to say a few words at this meeting on 'Hydropower for Sustainable Development'. I believe that the choice of the theme is timely because it focuses attention on a matter of great importance for us in Africa and I therefore thank the organizers accordingly.

It is particularly appropriate that this conference is holding in Ethiopia because of clear and demonstrable commitment on the part of its government to launch as part of its growth and transformation plan, hydropower and other renewable energy resources projects aimed at generating about 10,000 megawatts over the next five years. I salute Prime Minister Meles Zenawi on this inspiring vision.

It is common knowledge that Africa is very well endowed with a rich variety of energy resources, including oil, coal, and other fossil fuels, hydro-electricity, solar and other sources of renewable energy. Paradoxically, however, Africa has yet to fully exploit this massive energy potential to buttress and sustain its development. Whether measured in generation capacity, electricity consumption, or security of supply, Africa's power infrastructure delivers only a fraction of the service found elsewhere in the developing world.

Africa with 14% of the global population produces only about 3% of the world's electricity. From a business viewpoint, power shortages and regu-

lar interruptions to services are the norm and this causes Africa's firms to lose about 5% of their sales, while the economic costs of power outages in Africa have been estimated at around one to two percent of GDP.

At the same time, we are compelled to adapt to climate change and promote environmental sustainability which means that we should be innovative in seeking energy solutions. Already, fossil fuels account for a large share of industrial and household energy needs, which taken together with increasing greenhouses gases, dwindling reserves and escalating global energy demand have made it imperative to look for options for meeting present and future energy requirements in a sustainable manner.

These two challenges of inadequate power generation and the need for transition to low carbon means of power generation will impact on the otherwise positive story of recent economic growth in Africa. We know that improvements in infrastructure have contributed a great deal to Africa's growth resurgence. However, this has been mainly due to telecommunications and we have not seen any significant improvement in the quantity and quality of power infrastructure. It is therefore imperative to exploit and maximise Africa's power potential in order to increase the economic and social gains that the continent has worked so hard to achieve in the recent past.

This is where hydropower has a particularly important role to play as we will increasingly need to look to less carbon intensive power plants which are also large enough to enable the economies of scale that will lower the unit costs of power. Africa is currently using only 7% of its hydropower potential energy sources despite its significant potential to bridge this continent's energy deficit. This will also mean taking a regional perspective because some individual African countries might not be large enough to undertake the investment required. Indeed, many of our smaller economies consume less than 500 megawatts of electricity per year, a figure that precludes the development of large hydropower dams.

The fact of shared water resources also means close regional cooperation if they are to be used in an optimal manner. Regional cooperation is also important because there is an intriguing imbalance in the availability of energy resources across Africa's sub-regions. While coal resources are mostly located in Southern Africa, crude oil and natural gas are more prevalent in the western and northern parts of the continent while 51%

of hydropower resources are in the central and eastern sub-regions. Indeed, the Democratic Republic of Congo and Ethiopia together account for much of the hydropower potential of the continent.

This suggests to me that energy development in Africa has to be a regional integration issue, focusing on those projects that will deliver the greatest regional benefit. I am not saying that national projects are not important, but merely emphasizing that our energy development needs are intertwined and cannot be delivered without regional energy projects. National projects are of course critical as energy cannot be transmitted across countries if national grids do not exist.

The inevitable need to resort to hydropower, including through a regional approach leads naturally to the issue of financing. Recent estimates from the World Bank placed Africa's infrastructure financing needs at about US\$93 billion annually over the next decade, and 40% of this figure will be required in the power sector. The issue is not just one of the large magnitude of funds required but also a realisation that traditional sources of power project financing and investment have not delivered many power projects in Africa. Of course we understand that due to high up-front investment requirements, power projects are necessarily not easy to finance. There is a plethora of reasons for this, that our projects are not properly structured; that we do not have suitable vehicles for starting regional projects, or that the sovereign risk is rather high and our countries do not carry sufficient credit rating. Further, we are told that we do not have the technical capacity to run these projects as viable businesses and that our tariffs are not sufficiently cost reflective to justify the large power investments.

I am therefore hoping that your meeting will make concrete suggestions on how to attract the required investments in power projects including hydropower plants in Africa. We know of course that the G20 following its Seoul Summit has put in place a High Level Panel on Infrastructure Investment which will among other things explore the possibility of using global savings for investment in infrastructure. The Panel will no doubt appreciate any workable suggestions and proposals that emanate from this conference when you discuss finance and investments.

Before I conclude, let me thank the other organizers and sponsors of this conference, International Hydropower Association, Sinohydro, and our partner, the African Union Commission, for the resources, efforts and

hard work put in to ensure the success of this meeting. I assure you of ECA's continued support and commitment to improving regional integration and promoting energy development to underpin the growth and economic transformation of this continent.

Green growth and sustainable development governance: Rio+20 and beyond

Global Green Growth Summit

2011

Seoul, Korea

20 June 2011

The topic of green growth and the governance of sustainable development is a compelling one because the green economy forms one of the two substantive items on the agenda for the forthcoming United Nations Conference on Sustainable Development also known as Rio +20 which will be taking place in Rio de Janeiro, Brazil in just under one year. Moreover, recurring crises in food, fuel, finance and climate change events have highlighted the need to adopt new approaches to growth. In addition, the debates that we have had on the theme so far shows that several constituencies are still struggling to reach a common understanding of what the green economy means for the sustainable development agenda. Some people wonder why the switch to talking about a green economy if it means the same thing as the tried and tested notion of sustainable development?

Fortunately, we do not have to grapple with such differences of opinion as our focus is on green growth, which fits in well under the rubric of sustainable development. There is now no debate about the need to rethink the existing growth paradigm given the challenges of environmental sustainability such as climate change, degradation of natural resources and loss of biodiversity. It is now evident to all that humanity needs to move from old resource intensive methods of growth in which progress has been at the expense of the environment to one in which productivity is boosted by using and managing natural resources more efficiently and effectively. At the same time,

economic activity must take account of long-term consequences for the environment while we also reconsider ways of measuring progress to take account of other factors including the environmental quality of life. Green growth is therefore an important element of the solution.

Despite the attractive argument that switching to a green growth path may enable leap-frogging of dirty and inefficient technologies, I would posit that it poses more fundamental dilemmas which is why we must pay attention to the governance of the process of sustainable development. To start with, transition to a green growth paradigm poses problems of path dependence. It also has implications for efforts to reduce poverty and create jobs and may give cause for concern about trade protectionism and policy conditionality.

Existing economic structures are path dependent in the sense that it is easier to use existing structures in which accompanying technologies, skills, practices and processes are locked-in rather than change to a green growth trajectory. Radical changes would be required in behaviour from government, firms and consumers but the process of promoting green growth with requires replacement or upscaling of technologies will be costly. This also means that the more developed economies would have the initial advantage over developing countries because they have the resources and technological capabilities needed to undertake required changes. Governance frameworks for green growth would need to take these considerations into account.

The pressing priority for African countries is to promote growth that can create jobs and help to meet the MDGs. Such efforts to improve welfare will entail an increase in consumption of food, energy, and water but given the way that human activity has met these needs up until now it is inevitable in the short run that growth in developing economies will add to the burden on the environment. It would accordingly be important to fashion policies for transiting in the short-term to sustainable development using already existing opportunities while also undertaking long-term investment policies for green growth. The important thing here would be striking the right balance. Even the now increasingly welcome approach of building hydroelectric dams which are of low carbon intensity may attract concerns about environmental degradation.

There are also legitimate concerns about the potential harm of the regulatory framework that would need to be drawn up to promote green growth. Certain policies would need to be adopted in order to give further momentum to the process of green growth either by promoting certain technologies or standards or prohibiting some existing practices. There is a legitimate fear that such policies may not only lead to a loss of competitiveness but also allow for trade protectionism and the imposition of additional policy conditionalities for official development assistance of debt relief. This again points to the importance of governance mechanisms.

Against this background, African countries have espoused and adhered to the path of green growth. This was reaffirmed at this year's AU-ECA's conference of African Ministers' responsible for Finance and Economic Planning. The Ministers at this meeting underscored their commitment to exploit new models of growth that is much less intensive in natural resources and that can lead to social well-being and poverty reduction in Africa at the same time finding the right balance between economic growth and preserving environmental integrity. We must note that it is "early days" to report African success stories. However, the commitment of the Ministers is anchored on four key principles for sustainable development governance.

First, green growth would be best promoted by building it into national development plans and strategies. In addition to providing a vision, such a step will give the right signals to other economic actors in terms of coordination and forward planning of their own activities. Similarly, it will help to determine what balance of market and price based instruments versus government regulation should guide green growth activities. We already have the good example of our host country, Korea which has a national strategy for green growth. In Africa, several countries, including South Africa, Kenya, Rwanda, Mozambique and Morocco have taken similar steps.

The second point relates on the one hand to finding appropriate policies to overcome existing constraints to green growth especially path dependence while fostering investment and innovation on the other. To change behaviour in favour of green growth, it would be necessary to have a policy framework that encourages re-training and re-tooling possibly through the use of subsidies as well as preventing or prohibiting certain outcomes such as the limitation of carbon dioxide

emissions. On the more positive side, innovation would be required in thinking about how to use existing processes and technologies in a more environmentally friendly way as well as in promoting public and private investment and the development of new technologies.

Third, it would be important that the governance of green growth is inclusive of all sectors and stakeholders. All sectors of the economy should be part of the green growth agenda just as the people to be most affected by proposed changes should be consulted to obtain their buy-in. There is a social dimension to sustainable development which must ensure the access of poor people to food, water, energy, education and health care.

Fourth is the international dimension of governing sustainable development. It is important that we act to strengthen international governance of the environment by promoting agreements that accompany rather than hinder green growth. In this regard, we should not let environmental regulations become another form of trade protectionism. Rather, we must and should seek to promote and adopt global norms that make it easier to produce and trade in green goods.

The provision of finance through international frameworks is also important since substantial funds will be required to fund the green growth process. Various scenarios show that huge amounts are needed for halving carbon dioxide emissions or for undertaking clean energy investment. The establishment of a Green Climate Fund in Cancun is a good first step in helping to fund the transition to low carbon economies but this must be complemented by public and private investment from those with the resources to support green growth in developing economies. In this regard, Africa supports the establishment of Africa Green Fund within the African Development Bank.

It is obvious that success in promoting green growth depends greatly on how well we govern sustainable development. To quote the Global Footprint Network:

“Sustainability will remain elusive if we do not design ways to live within the means of one planet and sustainability will remain equally elusive if there is no hope for all for a better life on that one planet”.

Let me end by reiterating ECA's commitment to collaborate closely with the African Union to solidifying the continental green-growth agenda. We shall also use our advisory services to provide technical support for the implementation of the agenda by our member States.

