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I. Background

In the aftermath of the 2008 global economic and financial crisis, and the recent euro area debt crisis, the global economy is marred by a slow and highly uneven growth recovery, high unemployment and massive global macroeconomic imbalances. Uneven growth and global imbalances are manifestations of high surpluses and savings in emerging and developing economies, and high deficits in many developed economies.

Since the end of World War II, countries such as the United States of America, Germany, Japan and the former Soviet Union have emerged as new drivers of the global economy and have been global growth poles. Stalled growth in these countries has led to severe unemployment, causing great uncertainty and limiting their contribution to global growth. These trends underscore the need to look elsewhere for new potential poles of global growth.

Several studies and reports by institutions such as the World Bank, the International Monetary Fund and the McKinsey Global Institute have underscored Africa's potential as a global growth pole because of its human and natural resource endowment, demographic transition, improving political and economic governance and business and social environment, and the fact that it is gaining increasing recognition as a profitable investment destination. Prior to the global economic and financial crisis, African countries sustained relatively high growth rates, averaging 5.5 per cent. Compared to the stagnation of the previous two decades, this positive trend in growth is an indication of a possible turnaround for the continent. Based on this recent growth momentum, Africa is projected to become the world's highest-growing region over the next decade. Moreover, African countries have demonstrated their ability to absorb shocks, with their swift and relatively strong recovery from the recent crisis.

Africa has the potential to attract sizeable savings from emerging and developing countries and also to become an attractive investment destination in the future. Despite this optimistic outlook, the continent faces significant challenges and binding constraints in terms of governance, human capital, infrastructure, slow regional integration and weak financial institutions. In order to increase growth capacity and fully unleash its potential as a pole of global growth, the continent must address these key development challenges.

II. Objective and focus of the 2012 Conference of Ministers

The world economic context highlighted above clearly indicates that the global recession has proved difficult to overcome and has been compounded by the euro area crisis. Indeed, reviving global growth and addressing high levels of unemployment in various parts of the world have proved to be challenging, as has the problem of addressing global imbalances in a changing world marked by the rise of new economic powers. This calls for attention to be turned to poles of growth other than those of the emerging economies, in order to increase global aggregate demand, revive growth and address global imbalances. A number of questions naturally arise in this connection: Why is it important for the world to look for new growth poles and why should the world now see Africa as a pole of global growth? What challenges do African countries face in playing this role? What would it take to unleash Africa's potential as a pole of global growth and global rebalancing?

The objective of the Conference, therefore, is to provide a platform for African ministers to deliberate on Africa's role in solving the problem of low global growth, high unemployment and global imbalances. This role is well founded in view of Africa's steady growth in the past decade – not to mention its untapped potential and vast natural resources – as a result of which it can no longer be ignored. Political and economic conditions are improving, as are the general economic outlook and business and investment environment. Also, demographic changes have led to urbanization and a growing middle class. However, for the continent to be a genuine pole of global growth, certain challenges and binding constraints must be addressed. This requires action by both Africans and members of the international community alike.

The Conference will provide an opportunity to discuss concrete ways of addressing these challenges and the policies needed to position Africa as a pole of global growth. It will also recognize that addressing the constraints that limit Africa's development capacity presents opportunities for dealing directly with the problem of global imbalances and increasing global aggregate demand. Such issues as prioritization, policy coherence and policy coordination will require urgent attention in this regard.

The Conference will discuss other priority development issues relevant to the theme of the Conference. These include: (a) *Perspective study on Africa 2050*; (b) *Eurozone crisis: impact and lessons for Africa*; and (c) *Post-MDGs African development agenda*. Three high-level panels will be organized around these subthemes to provide an opportunity for Conference participants to share their experiences and perspectives and explore policy options for addressing the issues.

The general theme that cuts across these issues is the need for a unified vision and general understanding that Africa should enhance capacity as a way of unleashing its potential as a new driver of global growth and rebalancing. Achieving strong, sustainable and shared growth on the continent must be underpinned by efforts at national, regional and continental levels to address binding development constraints within a holistic economic and social development framework.

III. Format of the Conference

A high-level panel of eminent personalities, senior government leaders and distinguished experts from regional and international organizations, including the United Nations system and the World Bank, will lead the discussions. The interactive moderated sessions with panel and audience participation will help to maximize the benefit for delegates and discussants.

The Conference will be preceded by a technical preparatory meeting of the Committee of Experts, which will analyse the theme and make recommendations to the ministers for adoption. In addition, the Committee will review the state of economic and social conditions in Africa, consider other statutory issues relating to the work of the African Union Commission (AUC) and the ECA secretariat and make appropriate recommendations for consideration at the Conference.

IV. Expected outcomes

The Committee of Experts will prepare and adopt a concise report on the main recommendations and resolutions of its meeting, and submit it to the Conference for adoption.

The Conference is expected to lead to the adoption of a ministerial policy statement, which will provide a basis for concerted action at the national and regional levels on the issues discussed by the Conference. The Ministerial Statement and other outcomes of the Conference will be submitted by AUC as major inputs to inform discussions at the African Union Assembly of Heads of State and Government in July 2012. ECA will also submit the documents to the United Nations Economic and Social Council.

V. Documentation

An issues paper on the Conference theme and technical background papers on the subthemes for the panel discussions will inform the discussions of the Conference. Other documents and reports to be presented at the Conference include:

1. The Economic Report on Africa 2012, on the theme “*Unleashing Africa’s potential as a pole of global growth*”;
2. A report on the follow-up to the decisions and recommendations of the 2011 Conference of Ministers;
3. Reports and other parliamentary documents from AUC and ECA on their activities in the past year.

VI. Participation

Participants and delegates to the Conference will include ministers and representatives from member States, Regional Economic Communities, United Nations agencies, the African Development Bank, the Bureau of the Association of African Central Banks, the Association of African Universities, the African Capacity Building Foundation, the Arab Bank for Economic Development in Africa, the European Commission, the European Central Bank and other intergovernmental organizations. Invitations will be extended to other cooperating partners, non-governmental organizations and the private sector.

VII. Contacts

For more information about the Conference and the meeting of the Committee of Experts, kindly contact Mr. Demba Diarra, Secretary to the Commission, ECA (Tel: +251 911223925; ddiarra@uneca.org) or representatives of AUC: Mr. Abdallah Msa, Head of Division, Economic Policies and Research Division (Tel: +251 911784692; Fax: +251-11 5510249; AbdallahM@africa-union.org); Mr. Abia Sunday Udoh, Policy Officer, Economic Policies and Research Division (Tel: +251 921947016; Fax: +251-11 5510249; UDOHAS@africa-union.org); and Ms. Victoria Egbetayo, Policy Officer, Economic Integration and Regional Cooperation Division (Tel: +251 910204691; Fax: +251-11 5510249; egbetayov@africa-union.org).