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**REPORT OF THE FIFTH JOINT MEETINGS OF AU CONFERENCE
OF MINISTERS OF ECONOMY AND FINANCE AND ECA
CONFERENCE OF AFRICAN MINISTERS OF FINANCE,
PLANNING AND ECONOMIC DEVELOPMENT
ADDIS ABABA, ETHIOPIA, 22 – 24 MARCH 2012**

INTRODUCTORY NOTE

REPORT OF THE FIFTH JOINT MEETINGS OF AU CONFERENCE OF MINISTERS OF ECONOMY AND FINANCE AND ECA CONFERENCE OF AFRICAN MINISTERS OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT ADDIS ABABA, ETHIOPIA, 22 – 24 MARCH 2012

1. The Fifth Joint Conference of Ministers of Finance, Planning and Economic Development of the African Union (AU) and the Economic Commission for Africa (ECA) was held on 26 and 27 March 2012 in Addis Ababa, Ethiopia.
2. The Conference was opened by the Prime Minister of the Federal Democratic Republic of Ethiopia, His Excellency Meles Zenawi.
3. The Ministers focused their deliberations on the theme "Unleashing Africa's Potential as a New Pole of Global Growth." In addition to this central theme, the Ministers held panel discussions on the following issues: Perspective study on Africa 2050; Euro zone Crisis: Impact and Lessons for Africa; and Post MDGs African Development Agenda.
4. The Ministers further laid emphasis on the following key questions:
 - Major development initiatives;
 - Follow-up of decisions and outcomes of the Joint Meeting of the AU Conference of Ministers of Economy and Finance and ECA Conference of Ministers of Finance, Planning and Economic Development.
5. The meeting adopted resolutions to be submitted for approval by the Assembly of Heads of State and Government of the Union in July 2012, bearing essentially on: unleashing Africa's potential as a pole of global growth; accelerating the integration programme in Africa and boosting inter-African trade; establishing the African remittances institution; the regional dimension of development; the MDGs and post-2015 agenda; implementing the African Charter on Statistics and the statistics harmonization strategy in Africa; etc. (See attached list);
6. The Ministers also issued a Joint Declaration in which they reaffirmed their determination to:
 - (i) promote and implement comprehensive, coordinated and integrated policies in order to unleash the potential of balanced and sustainable growth, both locally, nationally and regionally;
 - (ii) support the harmonization of statistics in Africa and speed up the implementation of the Millennium Development Goals;
 - (iii) strengthen individual and collective leadership as well as the capacity to seize opportunities in order to accelerate the achievement of development;

- (iv) implement their various commitments and initiatives taken at regional and global level that are consistent with the vision of a transformed continent capable of serving as a pillar of global growth;
- (v) promote mutually beneficial intra-African and South-South cooperation;
- (vi) carry on with efforts to integrate into national plans and budgetary strategies and allocations the Action Plan to Boost Intra-African Trade and the Roadmap for Fast-Tracking the Continental Free Trade Area as well as various related initiatives such as the Minimum Integration Programme and the Programme for Infrastructure Development in Africa;
- (vii) take measures to foster employment for the youth and women; and
- (viii) reduce the financing gap in African development by refocusing efforts on mobilizing domestic resources. (See attached Declaration).

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REPORT OF THE
AU Conference of Ministers of Economy and Finance
(AU/CAMEF)

Addis Ababa, Ethiopia
26 – 27 March 2012

REPORT OF THE

AU Conference of Ministers of Economy and Finance (AU/CAMEF)

A. Attendance

1. The fifth 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 was held at the AU Conference Centre in Addis Ababa, Ethiopia on 26 and 27 March 2012.

2. The meeting was attended by representatives of the following member States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Chad, the Comoros, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, The Niger, Nigeria, Republic of the Congo, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, South Sudan, the Sudan, Swaziland, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia and Zimbabwe.

3. The following regional economic communities (RECs) were represented: Common Market for Eastern and Southern Africa (COMESA); East African Community (EAC); Economic Community of Central African States (ECCAS); Economic Community of West African States (ECOWAS); Intergovernmental Authority on Development (IGAD) and Southern African Development Community (SADC).

4. Also present were the African Development Bank (AfDB); NEPAD Planning and Coordinating Agency (NPCA); Bank of Central African States (BEAC) and Central Bank of West African States (BCEAO).

5. The following United Nations bodies and specialized agencies were represented: Economic and Social Commission for Western Asia (ESCWA); Food and Agriculture Organization of the United Nations (FAO); International Fund for Agricultural Development (IFAD); International Labour Organization (ILO); International Monetary Fund (IMF); International Organization for Migration (IOM); International Telecommunication Union (ITU); Joint United Nations Programme on HIV/AIDS (UNAIDS); Office of the Special Adviser on Africa (OSAA); Regional Commissions New York Office (RCNYO); the World Bank; United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women); United Nations Office for the Coordination of Humanitarian Affairs (OCHA) African Union Liaison Office; United Nations Development Programme (UNDP); United Nations Educational, Scientific and Cultural Organization (UNESCO); United Nations Environment Programme (UNEP), United Nations Children's Fund (UNICEF), Office of the United Nations High Commissioner for Refugees (UNHCR); United Nations Industrial Development Organization (UNIDO); United Nations Population Fund (UNFPA); World Food Programme (WFP) and World Meteorological Organization (WMO); World Health Organization (WHO).

6. Observers from the following Member States of the United Nations were present: Belgium, Canada, France, Germany, Italy, Japan, and United States of America.

7. Observers were present from the following organizations: Africa Governance and Monitoring Project; African Advisory Board; African Capacity-Building Foundation (ACBF); African Centre for Development Capacity-Building; African Centre For Applied Research and Training in Social Development (ACARTSOD); African Export Import Bank; African Forum and Network on Debt and Development (AFRODAD); African Health Economics and Policy Association (AfHEA); African Monitor (African Voices for Africa's Development); Association of African Central Banks (AACB); Centre for Constitutional Governance; Central Organization of Trade Unions (COTU); Collaborative Africa Budget Reform Initiative (CABRI); Columbia University;; Congress of African Economists; Coalition for Dialogue on Africa (CODA); Development Consulting Associates (DEV-CAS); Dukes Transnational; ECOWAS Federation of Business Women and Entrepreneurs (ECOWAS-FEBWE); Ethiopian Tourist Trading Enterprise (ETTE); European Union (EU); Federation of Unions of South Africa (FEDUSA); Federation of West African Chambers of Commerce and Industry (FEWACCI); Femmes Africa Solidarité; Global Coalition for Efficient Logistics (GCEL); Helpage International Ethiopia; Institute for African Alternatives (IFAA); Institute for Security Studies (ISS); International Organization of Employers (IOE); Japan International Cooperation Agency (JICA); JIC-Développement, Kale Hiwot Church; League of Arab States; New African Magazine; Organization for Economic Cooperation and Development (OECD); Observatoire économique et statistique d'Afrique subsaharienne (AFRISTAT); One Campaign; One Laptop per Child; Oxfam International Liaison Office with the African Union; Pan-African Chamber of Commerce and Industry (PACCI); Pan-African Policy Research; Pan-African Postal Union; Save the Children; Smart Entertainment; Tax Justice Network-Africa; The Tony Elumelu Foundation; Third World Network Africa; West African Economic and Monetary Union (UEMOA); United Nations Millennium Campaign in Africa; University of Lille; University of Lomé; University of Cairo; University of Nigeria-Nsukka; University of Gambia; and UPBEAT Marketing.

B. Election of the Bureau

8. Following consultations among delegations that had taken place earlier, the following member States were unanimously elected by the Conference to form the new Bureau of the Conference:

Chairperson:	Gabon
First Vice Chairperson:	Libya
Second Vice Chairperson:	Swaziland
Third Vice Chairperson:	Eritrea
Rapporteur:	Côte d'Ivoire

C. Adoption of the agenda and programme of work

9. The work of the conference was carried out in several plenaries and three parallel panel sessions according to the agenda below adopted by the conference.

Theme: Unleashing Africa's Potential as a Pole of Global Growth

1. Opening of the Conference
2. Election of the Bureau
3. Adoption of the agenda and programme of work
4. High-level panel discussion on the theme of the Conference: *Unleashing Africa's potential as a pole of global growth*
5. Parallel panel discussions on:
 - Perspective study on Africa 2050
 - Eurozone Crisis: Impact and lessons for Africa
 - Post-MDGs African development agenda
6. Report from panel discussions
7. Launch of the *Economic Report on Africa, 2012*
8. Consideration of the report and major recommendations of the meeting of the Committee of Experts of the AU Conference of Ministers of Economy and Finance
9. Any other business
10. Consideration and adoption of the draft Ministerial Statement and draft resolutions
11. Closing of the Conference

D. Account of proceedings

Opening of the Conference

10. The conference was opened by H.E. Ato Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia, who delivered a keynote address on the theme of the Conference. Opening statements were delivered by the Chairperson of the outgoing Bureau of the Conference, H.E. Mr. Soulaymane Cissé, Minister of Planning and head of delegation of the Republic of Guinea; H.E. Mr. Abdoulie Janneh, UN Under-Secretary-General and Executive Secretary of ECA; and H.E. Dr. Jean Ping, Chairperson of the AU Commission.

11. Mr. Soulaymane Cissé began his statement by thanking the Government and people of Ethiopia for hosting the conference. He welcomed the assembled dignitaries and other distinguished delegates to the conference. He expressed delight at Africa's impressive economic performance in recent years, noting in particular, the continent's strong resilience to the impact of the global financial and economic crises, as it braces itself to confront the threat posed by the current eurozone debt crisis. The theme of this year's conference, *Unleashing Africa's potential as a pole of global*

growth, was therefore, timely and relevant in light of recent developments in the global economy. This theme also builds on the theme of last year's conference: *Governing Development in Africa*, and the outcome of the recent as well as the outcome of the 2010 G20 Seoul Summit, which recognized Africa's growing importance as a player within the evolving new global architecture. He concluded by commending the Committee of Experts who had deliberated on the theme over the past few days, and developed a set of important recommendations aimed at facilitating the realization of Africa's potential as a pole of global growth, for consideration by the present conference. He expressed appreciation to the members of the outgoing Bureau of the Conference for their work during the past year, and he wished the incoming Bureau success.

12. In his statement, the Executive Secretary of ECA, welcomed all the participants to the conference and thanked the Prime Minister of Ethiopia for gracing the conference with his presence. He commended the Prime Minister for his vision and leadership of Africa's development, describing him as a first class pan-Africanist. He also thanked the African Union Commission, the Chair-person Dr. Jean Ping and all his staff for their cooperation and commitment to the partnership with ECA. In this regard, the Executive Secretary expressed gratitude to the Deputy Chairperson, Mr. Erastus Mwencha and Commissioner for Economic Affairs, Dr. Maxwell Mkwezalamba for their personal involvement in all the joint activities of the two institutions.

13. The theme of this year's conference, "*Unleashing Africa's Potential as a Pole of Global Growth*", could not have come at a better time, given the continent's strong response to the global economic and financial crisis. Africa must now take advantage of the current favourable international environment to transform itself. The present conference should provide an opportunity to discuss Africa's short, medium and long term prospects, as an contribution to this important objective. In this regard, there was a need for closer analysis and discussion of the euro zone crisis and the global uncertainties that could negatively impact Africa's growth prospects. Attention should also be given to other important factors for achieving structural transformation including notably, (i) deepening the governance agenda; (ii) improving natural resources management in the context of the African Mining Vision the outcomes of the forthcoming UN Conference on Sustainable Development (Rio+20); (iii) addressing the needs of women and young people; (iv) mobilizing domestic resources for development, including stemming illicit financial flows; (v) tapping the potential of African people in the Diaspora; (vi) transforming the agricultural sector to ensure food security and overcome the risks of drought and famine; and (vii) enhancing intra-Africa trade as an engine of growth in the context of regional integration.

14. The Executive Secretary concluded by saying that hope in Africa was on the rise and acknowledged that Africa's potential to become a major global player was both realistic and achievable. However, this would require continued efforts and active engagement of African leaders to ensure that the continent contributed to global growth and prosperity.

15. In his statement, Dr. Jean Ping, Chairperson of the AU Commission, expressed gratitude to the Government and people of Ethiopia for hosting the conference, and commended Prime Minister Meles Zenawi for his exceptional leadership. He also expressed gratitude and appreciation to Mr. Abdoulie Janneh, ECA Executive Secretary for the enhanced collaboration and partnership between the AU Commission and ECA. He congratulated the Government of the Republic of Guinea as chair of the outgoing Bureau of the Conference for the work done during its tenure. He noted that the conference was taking place at a time marked by uncertainties in the global economy, characterized by several crises, including the current euro zone debt crisis. This notwithstanding, African countries had demonstrated a remarkable capacity to resist the worst effects of the crisis and resumed its growth recovery in 2010. As evidence of this remarkable recovery, 10 out of the 15 fifteen fastest growing economies in the world today were in Africa. In 2010, two African countries registered a GDP per capita higher than that of China, while six others had a GDP per capita higher than India. Indeed, a new global growth map was taking shape and a consensus had now emerged on Africa's economic take off, underpinned by factors such as abundant human and natural resources, a young and growing population, improved macroeconomic policies and institutional reforms, and a conducive investment and business environment.

16. Turning to the theme of the Conference, the Chairperson noted that unleashing Africa's potential as a pole of global growth was within reach if certain conditions were met. First, measures must be taken to ensure that the continent's recent positive growth performance was translated into poverty reduction and sustainable human development. Efforts should also be scaled up to address a number of binding constraints and obstacles that the continent was facing such as (i) ensuring economic stability and growth to reduce high unemployment and poverty; (ii) reducing political conflicts and addressing governance challenges, (iii) promoting trade and investment; (iv) developing human capital and infrastructure; and (v) strengthening regional integration and intra-African trade.

17. Prime Minister Meles Zenawi extended a warm welcome to all the participants attending the conference, and re-echoed the conventional view and consensus that Africa was indeed poised to become the next pole of global growth. The Prime Minister commended the quality of the issues paper prepared for the conference, noting that it had usefully highlighted the most important factors that would lead to Africa emerging as the next pole of global growth - the continent's abundant natural resources, demographic advantages of a young and growing population, and improved macro-economic management in recent years. He, however, pointed out that the same factors which had impeded Africa's growth and development in the past had now become the main sources of the continent's potential. He highlighted three important global developments that had transformed these factors into potential sources of a possible global growth pole for Africa: (i) Growth in China and India in the last three decades had contributed to a surge in the prices of natural resources, including minerals and agricultural products. This global trend had stimulated long-term investments in these resources; (ii) The emerging economies had reached a stage where they had to shed some manufacturing jobs as they moved up the global value chain, thereby creating opportunities for a new wave of industrialization with the relocation of labour intensive manufacturing in Africa and other developing

regions; (iii) the need to overcome the imbalance in the global economy and compensate for the loss in global growth resulting from the massive debt in the advanced countries and the huge savings in the emerging economies that need to be productively channelled to investments in developing countries. Based on these three factors, Africa, therefore, had a unique opportunity to use its demographic and natural resources advantage to attract investments and join the new wave of industrial relocation.

18. To exploit the window of opportunity, African countries must discard the neo-liberal paradigm of the past which had hindered the continent's progress and kept it in a state of perpetual under development. Africa must build effective and capable developmental states through investment in infrastructure and human capacity development to support manufacturing and value-added agriculture, which would create spill over effects across the continent. He emphasized the central role of the state in building robust infrastructure and training its citizens, while the private sector should be encouraged as a partner to fill any identified gaps.

19. The Prime Minister concluded his keynote address by encouraging all African countries to support the candidacy of Dr. Ngozi Okonjo-Iweala, Minister of Finance of Nigeria for the Presidency of the World Bank. He said the fact that she was a candidate showed that there was a wind of change in what he described as "the citadel of the bankrupt neo-liberal ideology."

20. The Prime Minister then declared the session formally opened and wished the Ministers every success in their work.

High-level panel discussion on the theme of the Conference: *Unleashing Africa's potential as a pole of global growth* (agenda item 4)

21. The discussion on the theme of the conference was led by a high-level panel of speakers and discussants representing Governments, international organizations and the private sector who addressed various aspects of the theme. The high-level panel comprised of H. E. Mr. Pravin Gordhan, Minister of Finance of South Africa; H.E. Mr. Soulaymane Cissé, Minister of Planning of Guinea; Dr. Kanayo Nwanze, President of the International Fund for Agricultural Development; Lord Paul Boateng, a former British Cabinet Minister; Dr. Frannie Léautier, Executive Secretary of the African Capacity-Building Foundation; Mr. J. S. Koroma, Chairman of Union Trust Bank, Sierra Leone and Mr. Arnold Ekpe, Group Chief Executive Officer of Ecobank Transnational Incorporated. The discussion was moderated by H. E. Dr. Ngozi Okonjo-Iweala, Minister of Finance of Nigeria.

22. In her introductory remarks, the Moderator noted that the choice of the theme of this year's conference *Unleashing Africa's potential as a pole of global growth*, indicated a shift in the way Africa perceived its role in the global economy. The theme was also appropriate because of the steady high economic growth of several African countries in recent years. She initiated the dialogue by urging panellists to address several thought-provoking questions, including the following:

- How could the opportunities provided by Africa's situation today be seized in order to unleash the continent's potential to become a pole of global growth?
- How could Africa overcome its infrastructure gaps, including in the area of telecommunications?
- How could African countries ensure better healthcare access to their citizens?
- How could Africa be re-industrialised?
- What could be done to move Africa up the value chain?
- How could Africa's productivity be improved?
- How could Africa benefit from the opportunities provided by climate change?
- How could Africa benefit from the manufacturing jobs that would emerge as emerging economies move up the value chain?
- How could Africa unleash its trade potential, both intra-Africa and external trade?
- How could Africa ensure that it becomes a major destination for investment?

23. Mr. Pravin Gordhan began his intervention by noting that Africa's economic potential was linked to developments in other parts of the world, such as the recent global financial and economic crisis as well as the current sovereign debt crisis in Europe. He also highlighted the multiple transitions in the international economic order that began in the 1970s/1980s, characterized by alignments and realignments in economic relations between countries and resulted in many creditors becoming debtors and vice versa.

24. In his view, economic growth alone was not sufficient to transform Africa into a pole of global growth. What was desired was high quality and inclusive growth that created jobs, reduced inequality and improved the well-being of ordinary people. Factors that could contribute to Africa's economic growth included its large and youthful population, rich endowment in mineral resources, and improved economic management. Overall, Africa needed a new growth path that focused on investment in infrastructure, emphasised manufacturing, and would place the continent in a better position to take advantage of the opportunities created as emerging economies such as China moved up the value chain. The human factor, notably capacity building through appropriate training also had to be central to the new growth path. In addition, regional integration efforts had to be accelerated as part of the strategy.

25. In his intervention, Mr. Soulaymane Cissé underscored the need for African countries to have a common vision of where the continent should be in the future. The fact that discussions were taking place on "unleashing Africa's potential" implied that the current potential was restrained, and underscored the need for an examination of the factors restraining the continent's economic transformation. Major constraints identified included: poor economic, political and judicial governance; inadequate infrastructure, including energy; and low productivity of the agricultural sector on which most rural people rely for their livelihoods. Mobilising development finance and corruption were also identified as constraints to economic transformation in Africa.

26. Dr. Kanayo Nwanzefocused his intervention mainly on the role of agriculture in Africa's economic growth, stressing that agriculture remained a critical sector in the economies of African countries, yet under exploited despite its huge potential. The main development challenge in Africa was poor leadership across sectors and at all levels. Africans must change their mind-sets and move beyond talking about potentials, as potentials do not feed hungry people. Positive steps had to be taken towards the full implementation of programmes and projects that would have a tangible impact in the lives of people. The importance of developing a post-MDGs multi-sectoral development framework and of ensuring that change in Africa was home-grown and not be imposed from outside the continent was also underscored.

27. In his presentation, Lord Paul Boateng emphasised several concepts that were relevant to equitable and sustainable growth, including the following: unity in diversity; policy adaptability and market flexibility; competition and cooperation; regional integration; science and technology, including research and development. – with recognition and motivation of home-grown innovation. He underscored the importance of ensuring that policy prescriptions were supportive of innovation, and for African countries to increase their investment in R&D especially as that was currently insignificant and estimated at less than 0.3 percent of the GDP. It was equally important to put in place appropriate mechanisms for protecting intellectual property rights. He concluded by emphasizing the need for African countries to scale up their investment in tertiary and higher education and aim for the highest quality human capital. As a matter of principle, he stressed that “only the best should be considered good enough for Africa.” Regional integration and cooperation also need to be promoted through the development of regional infrastructure, including roads, railways and ports.

28. In her presentation, Dr. Frannie Léautier emphasized the need for African countries to fully exploit their natural endowments to accelerate their development. Investment in research was also critical, especially in the context of searching for new opportunities, including new sources of growth, and investing in the future. African countries also had to be innovative and learn from the development experiences of other countries. Equally important was the need for good governance and leadership to create the necessary conditions and environment for all segments of society to contribute to the development process. Also needed was a better labour management information system. Overall, it was necessary for Africa to identify and invest in new sources of growth. Attention should also be given to infrastructure development, including multi-country energy grids and markets, regional transport networks, water management, and ICTs, agriculture, training and skills building, including harnessing the potential of the African Diaspora.

29. In his intervention, Mr. Koroma emphasised the importance of strong financial institutions for achieving economic growth and transformation in Africa. He pointed out that the informal sector accounted for a significant share of Africa's economy and underscored the need for that to be reduced. He also pointed out that African countries lacked the mechanisms to rescue failed banks, unlike countries with more developed financial markets and systems. Africa could, therefore, not depend on the existing financial structures and mechanisms, which date back to the colonial era, if it

was to become a new global growth pole. In conclusion, Mr. Koroma noted that strong financial systems would contribute in boosting trade, mobilising resources, and tackling economic crises.

30. Mr. Arnold Ekpe, speaking on the importance of open markets, observed that the full economic potential of the continent had not been met due to significant fragmentation among African countries that hindered trade and investment across borders. He further observed that some African countries had significant resources to invest in other countries on the continent. Intra-Africa investment required free movement of capital as well as free movement of people, especially professionals. Equally important was the need for policies to promote intra-African investments; and strengthening Africa's financial infrastructure as this was critical in financing development on the continent. In conclusion, Mr. Ekpe suggested an Africa-Africa Summit to discuss intra-Africa investment in support of the continent's development.

31. The Moderator summed up by posing a number of questions which highlighted the key messages of the panel presentations. These questions set the tone for the general discussion that followed:

- Where should Africa be in 25 years?
- How could inclusive economic growth be achieved?
- How could the needs of Africa's youth be addressed?
- How could free movement of people, goods and capital across the continent be facilitated?

32. The Moderator also highlighted the importance of long-term vision and planning similar to the Chinese experience under Jiang Zemin. She called on participants to focus on the opportunities rather than the challenges in their interventions, as the challenges were already well known.

33. In addition to the above questions, the ensuing discussion focused on a number of issues and factors that could help unleash Africa's potential as a pole of global growth, including the following: human capital development; the role of the state and the private sector in economic development; African ownership of the continent's development agenda; development financing; inclusive growth; poor implementation of development policies and strategies; role of the diaspora in Africa's development; regional integration; partnerships; and industrial development. The discussion was also informed by the issues paper and recommendations of the experts meeting on the theme of the conference.

34. Several speakers acknowledged the importance of human capital development for Africa's transformation, and underscored the need for increased investment in higher education as well as reforming Africa's educational systems to meet the changing needs of domestic and international labour markets.

35. Several speakers endorsed the Prime Minister's comment that Africa needed effective developmental states with efficient public sectors, operating alongside vibrant private sectors with better access to financing. Overall, the need for visionary

leadership and capable bureaucracies to pursue the agenda of structural transformation was underscored. The need for African ownership and leadership of the continent's development agenda was similarly emphasized. Self-belief would also be important if Africa was to realize its vision of becoming a pole of global growth.

36. Participants also endorsed the idea of an “Africa to Africa” summit aimed at facilitating investment between African countries.

37. The Conference underscored the need for Africa to reduce its dependence on ODA and put greater emphasis on foreign and domestic investments. It also underscored the importance of strengthening the continent's financial infrastructure, noting in this regard, that increased domestic savings was a critical input. Foreign Direct Investment (FDI) and other capital flows to Africa, as well as measures to reduce the debt burden especially for low income and least developed countries were also identified as part of the mix of resources needed to finance Africa's development. In this regard, the conference underscored the need for Africa to “speak with one voice” and harmonize their position on the management of debt and engagement with creditors. The importance of remittances and contribution of the diaspora to financing development was also underscored in this regard.

38. Further, the Conference called for a coordinated strategy among African countries in engaging with external partners in order to maximize the benefits from such partnerships in support of the continent's development agenda.

39. Several Ministers noted that inclusive growth and development should be an urgent priority for Africa in view of the fact that recent high economic growth across the continent had not translated into tangible outcomes for most Africans. In this regard, the Conference underscored the need to put poverty reduction and social development at the centre of national development strategies. Deliberate policies to reduce inequalities and promote inclusion were now needed more than ever before. It was time for Africa to focus on what its people wanted – decent jobs, a living wage, access to basic services, and better and more accountable governance.

40. Some participants lamented Africa's poor record of implementing development strategies and commitments emanating from major conferences, and underscored the urgent need to break this “cycle of poor implementation.” In particular, attention should be given to the implementation of the recommendations and outcomes of the present conference.

41. With regard to industrial development, the Conference urged African countries to seize on the opportunities created by the global relocation of manufacturing, especially from emerging economies that were moving up the global value chain. In that regard, research and development as well as ICT would be vital. The utilization of new technologies and productive strategies are critical in moving upwards in the global value chain and achieving middle-income status.

Conclusions and recommendations

42. The overarching view from the discussion was that Africa's potential as a pole of global growth could be unleashed if certain actions by African countries and their development partners to address some of the challenges highlighted. To this end, the following key recommendations emerged from the discussion:

- African countries should examine their educational systems and scale up investment in higher education;
- African countries, in collaboration with sub-regional and continental organisations, should develop a long term vision to guide the socio-economic development of the continent;
- African countries, in collaboration with sub-regional and continental organisations as well as other stakeholders, should organise an "Africa to Africa" summit aimed at facilitating investment between African countries;
- African countries should facilitate access to development finance for young entrepreneurs;
- African countries should develop a harmonised position on the management of debt and engagement with creditors; and
- African countries, in collaboration with sub-regional and continental organisations, should develop a comprehensive strategy for engaging with external partners, especially emerging economies.

➤ **Special presentation by H.E. Ambassador Walter Fust, Chairperson, African Innovation Foundation on Innovations for growth and development in Africa**

43. Following the discussion on the theme of the conference, the chair of the meeting invited Ambassador Walter Fust, Chairman of the African Innovation Foundation (AIF), a Swiss-based non-profit organization, to brief the Conference on innovations for growth and development in Africa. Ambassador Fust began his intervention by highlighting the crucial role of innovation in social and economic development. Innovation creates value, jobs and revenue, generates demand and leads to new economic opportunities and economic transformation. For innovations to flourish and succeed, a conducive environment is required, including good governance, strong intellectual property regime, access to capital, knowledge, adequate infrastructure and continuous learning. Innovation is the combination of an inventive process and an entrepreneurial process to create new economic value. Entrepreneurship and venture capital are also essential to innovation. Although market mechanisms can lead to solutions for development, but these cannot replace the state and its central role of providing leadership and creating an enabling environment for private sector activities. He concluded by stating that the objective of AIF was to promote growth and sustainable development in Africa through the pursuit of science, technology and engineering careers among young African men and women and especially to develop innovative solutions with a great potential for commercialization. In this regard, he mentioned that the Foundation, in collaboration

with ECA would be launching the Innovation Prize for Africa at an event organized on the side-lines of the present conference.

Parallel panel discussions on key issues in Africa's development
(agenda item 5)

44. Under this agenda item, three parallel panel sessions were organized to allow for in-depth discussion on three topical issues in the context of the theme of the conference as follows:

- Perspective study on Africa 2050
- Eurozone Crisis: Impact and lessons for Africa
- Post-MDGs African development agenda

45. The three parallel panel sessions featured a number of Ministers, Central Bank Governors, senior officials and experts from the United Nations and other organizations, including representatives of civil society and the private sector. The discussions were informed by the technical background papers prepared by the secretariat as well as various panel presentations and country experiences.

I. Panel on perspective study on Africa 2050

46. This panel session was co-chaired by H.E. Mr. Benjamin Mkapa, former President of Tanzania and co-Chair of the African Emerging Markets Forum; and H.E. Mr. Horst Köhler, former President of Germany and co-Chair of the African Emerging Markets Forum. The session comprised six eminent panellists: H.E. Dr. Shamsudeen Usman, Minister of National Planning and Deputy Chairman of the National Planning Commission of Nigeria; Ms. Sheila Sisulu, Deputy Executive Director, World Food Programme; Mr. EssopPahad, former Minister in the Presidency of South Africa and Editor of *The Thinker* magazine; Professor KakoNubukpo of the University of Lomé, Togo; Professor Benjamin Turok, Director, Pan-African Policy Research Institute for African Alternatives; and Mr. HarinderKohli, President and Chief Executive Officer of the Centennial Group International and Founding Chief Executive of the African Emerging Markets Forum. The co-Chairs and all the six panellists focused their interventions on the central issues related to the need for an African Vision towards the year 2050.

47. The ECA Executive Secretary, H.E. Mr. Abdoulie Janneh introduced the panel session and provided a brief background to the *Perspective Study on Africa 2050*, highlighting its objective and rationale. He indicated that Africa's potential as a pole of global growth and its long-term prospects remained threatened by major uncertainties in the world economy due to the fact that most African economies were heavily dependent on natural resources export. He stressed the need for the continent to develop a sound strategy and insight into its development path to envision where it wants to be in the next 30 to 40 years. The study will explore into Africa's future and examine how productivity and competitiveness across the continent could be enhanced by leveraging on the current overall good fortunes of

the continent to achieve sustainable growth, development and transformation. It was against this backdrop that the perspective study on Africa 2050 would be undertaken.

48. The study would take full account of demographic dynamics on the continent, as they constituted the fundamentals of development planning. It would also pay attention to inter-generational issues. With regard to methodology, several renowned experts (about 15) would be selected from across the continent to undertake the study.

49. Following the introduction by the ECA Executive Secretary, panellists shared their perspectives on Africa's future, addressing a number of salient issues, including the importance of good governance, political leadership and strong institutions; demographic dynamics; the need for economic diversification and value addition; private sector development; education and training; focused long-term development plans; and African ownership of the development process. Other key issues addressed by the panellists included importance of food security for sustainable development; the participation and involvement of all stakeholders, strong commitment to implementation, and access to and availability of relevant data to track progress.

50. In the general discussion that followed, participants welcomed the ECA initiative to prepare a continent-wide vision towards the year 2050. The discussion focused on a number of key issues, including the objective, approach, scope, structure and funding of the prospective study. In this regard, participants stressed the need for the perspective study to be extensive and deep; underline the principle of inclusivity and African ownership, and focus on implementation and outcomes. The role of development partners in supporting the study was emphasized. It was important for the study to be anchored on a concrete plan, including details on how national and sub-regional development visions would be aligned to this continent-wide vision. The time frame for conducting the study (considered to short by many) as well as the need to collaborate with other African institutions and scholars undertaking similar studies and projects on the continent were also emphasized. A key point repeatedly emphasized in the discussion was the need for the study to avoid drawing comparisons between Africa as a continent and emerging economies such as India, China and Brazil, given the diversity of the continent and its different conditions and needs.

51. The proposed study should take into account a number of key issues, including demographic change, climate change, globalization, geopolitical developments, particularly with regard to recent developments in North Africa, regional integration (particularly in the areas of infrastructure, agriculture, energy, social cohesion, the need for value addition, brain drain, illicit financial flows, food security, governance, and youth empowerment. It should focus initially on certain key sectors and extend to other sectors with time. The importance of an effective monitoring and evaluation framework was underscored.

Conclusions and recommendations

52. In light of the above discussions, the following conclusions and points of agreement on the way forward with the study could be drawn:

- The continental vision 2050 should take into account existing national and sub-regional visions and development plans. The process should also be consultative and sufficiently inclusive to ensure buy-in by member States.
- There is a need for more robust involvement of the private sector in the formulation of the continental vision and the continent's development. The time had come to acknowledge the constructive role of the private sector and to encourage its participation in the development process. The conference also stressed the need to enhance public-private partnerships for development.
- There is need to prioritize the steps to be taken in developing the development vision, given the continent's limited resources.

II. Panel on euro zone crisis: Impact and lessons for Africa

53. The discussion on this topic was led by a high-level panel comprised of Prof. Njuguna Ndung'u, Governor of the Central Bank of Kenya; Mr. Jean-Baptiste Compaoré, Vice Governor of the Central Bank of West African States (BCEAO); and Dr. Abdoulay Bio Tchane, former Director of the African Department of the IMF. The discussion was moderated by Dr Perks Ligoya, Governor of the Reserve Bank of Malawi.

54. In his brief introductory remarks, Dr. Perks Ligoya gave a background to the eurozone crisis. He noted with concern that just as the world was finally showing signs of recovery from the 2008-09 financial crisis, the global economy was once again on the brink of meltdown as a result of the sovereign debt crisis of a few European Union member States, which posed serious challenges to Africa's growth and development. He highlighted the transmission mechanisms and possible effects of the euro zone crisis on African countries, which included trade and the falling demand for African exports to Europe, sovereign risks, including reductions in ODA, and liquidity risks which could affect other financial inflows such as FDI and migrant remittances. Other longer-term effects include a reduction in Africa's GDP growth rate, reduced social spending, increased unemployment, vulnerability and poverty. To address the impact of the eurozone crisis on African economies, he offered some solutions which included among others, economic diversification, strengthened south-south cooperation and promoting intra-African trade and regional integration.

55. The panel presentations addressed various aspects of the euro zone crisis, including the distinguishing characteristics from the recent global financial crisis; the channels of transmission and identified the potential policy responses for African countries.

56. Based on the contributions of the panellists and the subsequent discussions, there was a general consensus about the potential impact of the Eurozone debt crisis on the African economies particularly as a result of a number of structural and

process factors. The following main points and policy recommendations emerged from the discussions:

- African countries should not sit and wait for the Europeans to solve the crisis but should start to take steps themselves to limit contagion and encourage alternative drivers for growth;
- Maintaining fiscal soundness and macroeconomic stability should be a priority for African economies. Furthermore, major efforts should be promoted to diversify trading partners and products, increase capital cushions for banks, and manage capital inflows effectively. Similarly, there is need to create fiscal space and strong tax administration in order to enhance resource mobilization and reduce evasion;
- Whilst policy responses in the 2008-09 crisis were about preventing further crises, the main strategy now should be to focus on finding long-term solutions. Governments should pass the necessary reforms to improve their domestic business environment and provide the right incentives to start nurturing internal demand;
- There was clear evidence that the current euro zone crisis originated from unsustainable public debt. However, this did not prove that public debt was bad. It only called for countries to ensure that borrowed resources were prudently invested in sectors that could generate resources to service the debt. Transparency and credibility were also important elements of economic policy;
- Similarly, the euro zone crisis also underscored the need for regional integration, particularly in achieving monetary union and adhering to agreed regional commitments and standards, including coordinated regional solutions to problems;
- On their part, developed countries need to demonstrate leadership and coordination in tackling the European sovereign debt crisis as a matter of urgency before it leads to a major recession.

III. Panel on the post-MDGs African development agenda

57. The high-level panel on the post-MDGs African development agenda comprised of the following: H.E. Jameleddine Gharbi, Minister of Regional Development and Planning of Tunisia; H.E. Cheick Sidi Diarra, UN Secretary-General's Special Adviser on Africa and High Representative for the Least Developed Countries; Mr. Charles Abugre, Deputy Director, UN Millennium Campaign for Africa; Mr. Zéphirin Diabré, former UNDP Associate Administrator; Mr. Jay Naidoo, former Minister in the Presidency of South Africa and Chair of the Partnership Council of the Global Alliance for Improved Nutrition (GAIN); Mr. Mario Pezzini, Director, Development Centre of the Organization for Economic Cooperation and Development (OECD); and Mr. Robert Liebenthal, Development Economist and

former Adviser, Africa Region, The World Bank. The discussion was moderated by Dr. Maxwell Mkwezalamba, AU Commissioner for Economic Affairs.

58. The panel discussion took stock of progress and challenges towards achieving the MDGs by 2015 as well as the post-2015 African development agenda. In particular, the panel addressed the following key questions in moving forward past 2015: The Commissioner emphasized that a number of aspects should be considered in moving forward past 2015: Should the MDGs continue in their current form with simply an extension of the target year? Should the goals and indicators be substantially revised to reflect changing development priorities? Should there be a new development agenda altogether?

59. Progress toward the MDGs in Africa had been mixed. Remarkable advances had been made on some indicators such as net primary enrolment, gender parity in primary education, representation of women in decision making, immunization coverage and stemming the spread of HIV/AIDS. However, the quality of education remained a concern and progress was too slow on health-related MDGs such as child and maternal mortality and access to sanitation. Further, reducing inequity in access to basic social services remained a major challenge.

60. Recommendations by the panellists included the need for an MDGs-plus development agenda that would take into consideration country and regional level goals and outcomes. The new framework should focus on human development, governance, value addition, monitoring and evaluation, resource mobilization and employment creation. The process should be inclusive and involve all stakeholders.

Conclusions and recommendations

61. Key issues and recommendations that emerged from the general discussions centred, among others, on the need to integrate the MDGs into national development plans and focus on key priority areas; the need to adopt an inter-sectoral approach in implementation; invest in statistics for evidence-based planning and implementation. Many participants underlined the need for the outcomes of the forthcoming Rio+20 conference on sustainable development to inform the post-2015 development agenda.

62. The discussions also highlighted certain areas as particularly important for a post-2015 African development agenda: water and sanitation, the aged and extreme poverty were highlighted as critical issues. Furthermore, the issues of inclusion and sustainability were underscored. The following specific recommendations emerged from the discussions:

- African countries must play a more assertive role in shaping the post-MDG development agenda. This will require a common vision and strategy;
- The post-MDGs agenda must be informed by national development priorities. The targets need to better reflect local conditions and the

limited means a country had to realize them;

- African countries should invest in statistics to guide the production of quality, comparable and timely statistical data in the continent and subsequently inform policy discussions. In this regard, member States were urged to ratify and adopt the African charter on statistics;
- African countries should put emphasis on developing and implementing national policies and strategies aimed at achieving the new development framework. These policies should focus on a number of key areas, including committed leadership, good governance, domestic resource mobilization, social protection, gender, youth employment, and capacity building, among others. Further, the new development framework should also mainstream human rights principles in all dimensions;
- The process for preparing the post-2015 agenda should involve wide consultations with stakeholders at the local, national, sub-regional and continental levels to allow for ownership and accountability. This process should be completed and reported on to the 2013 Conference of Ministers, and subsequently submitted to the AU Heads of State and Governments Summit in July 2013 and the General Assembly in September 2013.

Reports from panel discussions (agenda item 6)

63. The reports from the parallel three panel sessions were presented and discussed under this item. A detailed account of the discussion is reflected under agenda item 5 above.

Special Briefings on major development initiatives and reports from panel

64. Following the reports from the parallel panel sessions, the chair invited Dr Mark Drabenstott, Secretary General of the GCEL (Global coalition for Efficient Logistics) to brief the conference on the *Humawealth* initiative. Dr Mark Drabenstott underscored the importance of innovation and efficiency, which were catalysts for development. He also underscored the need to move to a digital economy to connect Africa's strengths, as well as connect Africa to the rest of the world. In particular, Africa should connect with China as it moved up the value chain and reduced its dependence on the USA due to the adverse impact of the global financial crisis needed resources from Africa. He indicated that a digital trade platform was being developed as part of the initiative that would boost trade and investment between Africa and the rest of the world. The platform would be no cost to Africa. For instance, in Cote d'Ivoire, cocoa producers had been able to gain better market access through such platforms.

Launch of the *Economic Report on Africa, 2012* (agenda item 7)

65. Under this agenda item, a brief press event was held to launch the *Economic Report on Africa 2012*, a joint publication of the ECA and the AUC, which addressed the same theme as the conference, *Unleashing Africa's potential as a pole of global growth*. The report was officially launched by Mr. Abdalla Hamdok, Deputy Executive Secretary of ECA and Dr. Maxwell Mkwezalamba, AU Commissioner for Economic Affairs.

66. In his remarks at the launch of the report, Mr. Hamdok noted that if Africa had to become a pole for global growth it would need to sustain its current growth momentum for another two decades and implement bold and innovative reforms on the political and economic governance fronts. Infrastructure development and innovation were also key areas that needed attention. In this regard, the Innovation Prize for Africa (IPA), awarded this week to outstanding innovators was a good example of how ECA and the Africa Innovation Foundation were promoting innovation for Africa's development. The report is expected to stimulate debate among stakeholders, including the international business community on the key actions needed to unleash Africa's potential as a pole of global growth.

67. In his remarks, Dr. Mkwezalamba described ERA2012 as a seminal piece of work that takes a cautious and nuanced approach in analyzing Africa's current growth rates. The recommendations contained in the report could help the continent leapfrog its development and lead to broad-based and inclusive growth. Africa should indeed seize on the opportunities presented by this new growth spurt to transform itself and improve the lives of its people.

68. Mr. Emmanuel Nnadozie, Director of the ECA Economic Development and NEPAD Division and Dr. Rene KouassiN'guetta, AUC Director of Economic Affairs made presentations on the report's key messages, including highlighting major achievements and challenges.

Consideration of the report and major recommendations of the meeting of the Committee of Experts of the AU Conference of Ministers of Economy and Finance (agenda item 8)

69. Under this agenda item, the conference considered a draft report of the meeting of the Committee of Experts, together with draft resolutions recommended by the Committee. Following extensive discussions on some issues in the report and some of the resolutions, the conference adopted the report and the resolutions annexed to it with some amendments. The conference agreed to consider and adopt an additional resolution supporting Dr. NgoziOkonjo-Iweala's candidacy for the Presidency of the World Bank.

Any other business (agenda item 9)

70. Under this agenda item, the conference welcomed the offer by the Government of Ivory Coast to host the Sixth Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of Ministers of Finance, Planning and Economic Development in Abidjan, Ivory Coast in 2013.

71. The Minister of Finance of Mozambique noted that there were too many meetings and resolutions, and suggested that these could be reduced in the future. He stressed the need to make greater use of ICTs, including video conferencing for interaction among member States.

72. The Minister of Finance of South Sudan welcomed the opportunity provided to his country, as a new member State to participate in this year's conference and expressed gratitude for the admission of South Sudan to the gathering.

Consideration and adoption of the draft Ministerial Statement and draft resolutions (agenda item 10)

73. Under this agenda item, the conference considered a draft version of the Ministerial Statement of the meeting. A few delegations made general comments and observations on various sections of the draft statement, and proposed minor corrections and changes to improve the draft.

74. The conference unanimously adopted the draft Ministerial Statement in the light of its observations and amendments. The amended version of the Ministerial Statement is attached to the present report as Annex I.

Closing of the conference (agenda item 11)

75. H. E. Ali Boukrami, Minister of Planning and Statistics of Algeria gave a vote of thanks on behalf of all the Ministers attending the conference and stressed the need to implement decisions and outcomes of the conference. Closing remarks were also made by Mr. Erastus Mwencha, Deputy Chairperson of the AU Commission.

76. Following the customary exchange of courtesies, the Chair declared the meeting closed.

EX/CL/724(XXI)
Annex

MINISTERIAL STATEMENT



**UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL
ECONOMIC COMMISSION FOR AFRICA**

Forty-fifth session of the Economic Commission for Africa



**AFRICAN UNION
COMMISSION**

Seventh session of CAMEF

5th Joint Annual Meetings of the AU Conference of Ministers
of Economy and Finance and ECA Conference of African
Ministers of Finance, Planning and Economic Development

Addis Ababa, Ethiopia
26–27 March 2012



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MINISTERIAL STATEMENT

MINISTERIAL STATEMENT

1. We, African Ministers of Finance, Planning and Economic Development, met in Addis Ababa, Ethiopia, on 26 and 27 March 2012 for the Fifth Joint Annual Meetings of the African Union (AU) Conference of Ministers of Economy and Finance and the United Nations Economic Commission for Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development.

2. We welcomed in our midst the presence and participation for the first time of the delegation of South Sudan, Africa's newest State. We also welcomed, as has become customary, the presence and participation of the Governors of the Central Banks of many of our countries and sub regions.

3. We deliberated on the theme of "Unleashing Africa's potential as a pole of global growth". It is a theme that we consider to be both timely and pertinent. After a long period of decline and slow growth that spanned the 1980s and 1990s, it is refreshing to note that our continent has re-emerged in the twenty-first century as a region that is alive with opportunities and prospects. Factors such as improved governance, a better and stable macroeconomic environment, an improved business climate, high rates of return on investment, abundant natural resources and more favourable commodity prices, increasing urbanization, an enlarged middle class and promising market potential have all combined to propel Africa into an era of sustained growth. Indeed, the continent has transited from its recent slow-growth trajectory to become one of the fastest growing regions in the world, achieving an average annual growth rate of above 5 per cent over the last decade.

4. We noted that across the continent, fundamental changes are taking place; these are likely to steer our countries towards domestic structural transformation and position the region to become a new source of global economic growth. The individual and collective dynamism of our countries contrasts with the sluggishness which characterizes major swathes of the world economy. It is an historic moment which, working with all stakeholders, we are determined to grasp for the betterment of our peoples.

5. We noted further that in order for Africa to sustain the positive growth trends it has been registering and translate these into developmental gains that will benefit its peoples and the world, it is crucial for Governments and other development actors to pay attention to various challenges that have acted in the past to stymie our efforts at structural transformation. Addressing these challenges will require urgent and determined action in many areas, particularly strengthening leadership, governance and institutions; reinforcing self-belief in our peoples, ideas, and institutions; better packaging and communicating Africa's development prospects and perspectives; articulating well-resourced long-term visions and plans to which we remain faithful; building strong development financing and investment systems; modernizing agriculture; significantly scaling up and improving infrastructure networks; nurturing technology, innovation and development clusters; promoting coherent and coordinated industrial and

trade policies; investing in human and physical capital; enhancing opportunities for small and medium-sized enterprise development; harnessing Africa's demographic dividend; promoting, diversifying and improving the quality of exports; accelerating regional integration; addressing the threat of climate change; and mobilizing the required domestic and external resources, including diaspora remittances.

6. We took note of the increasing contribution of remittances to economic and social development in Africa, as noted in AU Executive Council decision EX.CL/Dec. 683(XX) on the establishment of an African Institute for Remittances, and urged the AU Commission to expedite work on the establishment of the institute, in collaboration with its partners. In this regard, we also took note of the offer of Mauritius to host the institute, and the interest of Djibouti, Egypt and Kenya in doing so.

7. We noted that in our renewed quest for structural transformation, spurred by our new growth successes, we will have to ensure the mobilization of the citizenry around a common development vision. Such a vision will, inter alia, have to be complemented by an institutional framework that is able to effectively harness the potential of the State, the private sector and civil society as key drivers of transformational change, and harmonize their actions. It will also benefit from appropriate national planning mechanisms and instruments, including more effective networking by planning officials with a view, among others, to building a resilient community of peers that is appropriately equipped to share knowledge and best practices.

8. We are aware that global trends and developments are refracted into the economies of African countries in direct and indirect ways. In this regard, we are concerned that the escalation of the recent euro zone sovereign debt crisis, as a continuation of the global financial and economic crisis, has raised the risk of another global recession that may negatively affect African economies. We note further that a significant deceleration of growth in emerging markets could also adversely affect Africa's growth prospects. Still, we are encouraged by the fact that in 2011, Africa's growth rate remained positive in the face of global shocks and the prospects for 2012 and beyond are relatively bright. We reiterate the need for our Governments to remain committed to the pursuit of the broad range of policies and strategies that enabled us to weather the global crisis of 2007-2008 and that have helped us to maintain our overall resilience. Central to these policies and strategies is the development and consolidation of our internal markets, as well as on-going efforts at achieving monetary and financial integration.

9. We recognize that to be sustainable, growth must be broad-based and inclusive, as amply demonstrated by the democratic transitions unfolding in North Africa, with reverberations in other parts of the continent. In this connection, the importance of employment generation, targeted particularly at young people, cannot be overemphasized. The need to sustain and expand measures designed to tackle poverty and improve social welfare is also crucial. We welcome the progress made by African countries towards the achievement of the Millennium Development Goals (MDGs), as

manifested in such indicators as net primary school enrolment, child immunization, gender parity and containment of the spread of malaria and HIV/AIDS. However, the uneven pace at which progress is being achieved; the persistent hunger and poverty in many parts of the continent; the continuing high rates of child and maternal mortality and the inequities that persist in accessing basic services are all core elements of a development agenda beyond 2015 which we should keep within our focus.

10. In order to overcome the gaps and lags in our progress towards the MDGs, we reiterate the continued need for strong Government policy responses that are focused on economic diversification and structural transformation in ways that will accelerate poverty reduction, generate domestic value addition and intersectoral linkages, tackle unemployment, ensure food security, accelerate progress towards reducing child and maternal mortality, improve gender equality and provide increased access to better basic services to the populace.

11. We also endorse the calls that have already gone out for the adoption of an African common position on a development agenda beyond 2015. We propose that the persistent development challenges that we continue to face should constitute the kernel of the continent's input into the United Nations debate on this agenda. To this end, we call on the AU Commission, ECA and the African Development Bank to take coordinated action to support the process of identifying Africa's priority concerns towards forging a harmonized continental position.

12. We call for wider use of gender-disaggregated data, including time-use data, in the analysis, planning and management of gender-aware economic and social policies. We salute progress made by our countries in increasing the representation of women in our parliaments and other areas of national and regional decision-making. We are confident that this progress will continue to be enhanced in the years ahead so that our continent can achieve the full gender parity to which our Governments have committed themselves.

13. We welcome the decision of the Second African Union Conference of Ministers Responsible for Mineral Resources Development to establish the African Mineral Development Centre as a platform to implement the Africa Mining Vision Action Plan. In the same vein, we endorse the decision to focus the theme of the Eighth African Development Forum on "Governing and harnessing natural resources for Africa's development" as much for the opportunity to build partnerships as for the occasion to further deepen discussions on the implementation of the Africa Mining Vision. We note that coherent and effective policies on the development of Africa's mineral sector will go a long way in, among other benefits, boosting domestic resource mobilization, facilitating balanced intersectoral linkages, scaling up skilled human resource growth, boosting infrastructure development and promoting local value addition.

14. We commend the regional economic communities (RECs) for their efforts to keep pace with the Abuja Treaty and for working in close collaboration with AU and ECA on

the implementation of key regional integration and development initiatives. We recognize that regional integration is a key driver for unleashing Africa's potential as a pole of growth and a dynamic force in the global economy. We will therefore continue to work at different levels to address all constraints faced by the regional integration process in Africa so as to accelerate the tempo of the integration agenda and enable our continent to become more resilient to external shocks. In this regard, we welcome the Tripartite Arrangement between the Common Market for Eastern and Southern Africa, the East African Community and the Southern African Development Community and encourage other RECs to emulate its success so as to speed up African integration. We also urge member States to extend their full support for the implementation of the Minimum Integration Programme Action Plan adopted by the Eighteenth Ordinary Session of the African Union Assembly of Heads of State and Government held in January 2012.

15. We also applaud the landmark decision of the Eighteenth Assembly to fast-track the establishment of a pan-African/continental free trade area by 2017 and implement a comprehensive action plan for boosting intra-African trade in the short, medium and long terms. We are persuaded that the decision will help unleash Africa's potential as a pole of growth, in addition to reinforcing our regional integration agenda.

16. We recognize that our continent's aspiration to emerge as a pole of global growth cannot be fully achieved without further investment in skilled human capital for the strategic purpose of the acquisition, generation and diffusion of new knowledge and technologies. We will continue to improve and expand African tertiary education in general, and science, engineering and technology training in particular, in order to ensure that the skills pool needed is available for fostering Africa's rapid economic and social development. Such a skills pool will also be indispensable for nurturing and expanding industrial design and manufacturing, which a carefully managed policy of technology acquisition should enable us to develop. To this end, we welcome the recent establishment of the Pan-African University and its constituent centres of excellence.

17. We acknowledge the need to promote domestic and foreign private research and development projects and manufacturing investments, as well as to establish incentives and other mechanisms to eliminate barriers to innovation, including unfair taxation and unfavourable intellectual property regimes. We recognize the need to promote national investment so that it plays its role as an engine of growth, to promote research and development in investment projects, and to take measures to eliminate obstacles to innovations. We also recognize the importance for Africa of promoting innovation in academia, industry and government, through incentives such as innovation and technology leadership awards, profiling successful innovators and entrepreneurs and offering fiscal incentives.

18. Pursuing structural transformation and assuming the role of a pole of global growth will entail continuing to strengthen public policy capacity and institutions across Africa. In this connection, we recall that our Fourth Conference issued a call to the United Nations

to substantially increase the financial support to the African Institute for Economic Development and Planning (IDEP) against the backdrop of the revival of long-term and development planning in our countries and the consequent increase in the demand for the services of the Institute.

19. We acknowledge with satisfaction and appreciation the laudable decision of the United Nations to increase the budgetary allocation to IDEP by almost 300 per cent, as from January 2012. We also acknowledge the increased support from member States to the Institute, while encouraging those with arrears to take steps to clear them at the earliest opportunity. We call on the Governing Council of the Institute, comprising 10 African Ministers and the Executive Secretary of ECA, to continue to closely oversee the commendable process of institutional renewal and expansion that has been under way over the last few years, in order to ensure that it remains closely aligned with the priorities and needs of African countries.

20. We note that our enhanced domestic resource mobilization efforts are undermined by the growing problem of illicit financial transfers. We also note that Africa's efforts to retain as much value as it can within the continent for development and implementation of its prospects of becoming a pole of global growth will not be fully accomplished if illicit transfers are not seriously tackled. In this connection, we welcome the implementation of the resolution of the Fourth 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 on the establishment of the High-Level Panel on Illicit Financial Flows from Africa, with the inauguration of the Panel chaired by former President Thabo Mbeki of South Africa. We look forward to the country-level engagements which the Panel will undertake in an effort to build greater policy and political awareness about the problem of illicit transfers and involve local actors in the search for solutions. We also welcome the forthcoming African conference on strategies for resource mobilization to be organized by the Government of Guinea on 5 and 6 September 2012.

21. We reiterate our conviction that the fight against corruption and corrupt practices is crucial to the prospects of our countries overcoming underdevelopment and improving the welfare of the citizenry. We commend the formulation of the five-year Regional Anti-Corruption Programme for Africa (2011-2015) by ECA and the AU Advisory Board on Corruption and urge the two bodies to vigorously implement the Programme, along with partner institutions, with a view to scaling up the fight against corruption in Africa.

22. Africa's growth pole potentialities will, without doubt, benefit from partnerships from around the world. In this respect, commitments made by Africa and its partners will have to be closely monitored and evaluated. We welcome the continued production of the annual report on the Mutual Review of Development Effectiveness by ECA and the Organization for Economic Cooperation and Development and reaffirm our support for it. We encourage the two institutions to intensify efforts to distribute the report to a broad

range of development actors involved in strengthening development dialogues between Africa and its partners.

23. All aspects of our quest for development will benefit from improved statistics. We reiterate the need for quality statistical information to support Africa's development effort and integration agenda. The African Charter on Statistics and the Strategy for the Harmonization of Statistics in Africa which encompass the political, economic, social and cultural priorities underpinning our integration agenda are key instruments which we will continue to nurture to redress deficits in our statistical systems and resources. We commend work that has already been accomplished in the area of statistics on food security, agriculture and rural livelihoods, labour markets, the International Comparison Programme and national accounts. We call on member States to expedite ratification of the Charter.

24. Cognizant of the opportunities, potentialities and challenges involved in efforts to ensure that our continent becomes a pole of global growth, we commit ourselves to:

- (a) Promoting and implementing holistic, coordinated and integrated policy approaches and mixes to help unleash balanced and sustainable growth and the development potential of our countries at the local, national and regional levels;
- (b) Strengthening our individual and collective leadership and capacities to grasp evolving local and global opportunities in order to speed up the attainment of development transformation;
- (c) Scaling up implementation of various regional and global commitments and initiatives that are compatible with our vision of a transformed continent that is able to serve as a pillar of global growth;
- (d) Promoting mutually beneficial intra-African and South-South cooperation, including on-going regional integration programmes across Africa;
- (e) Facilitating efforts towards mainstreaming the Action Plan for Boosting Intra-African Trade and the Road Map and Architecture for fast-tracking the Continental Free Trade Area, as well as various ancillary initiatives, such as the Minimum Integration Programme and the Programme for Infrastructure Development in Africa, in national plans, strategies and budgetary allocations and effectively contributing to advancing the implementation of integration programmes and activities;
- (f) Supporting a range of measures to strengthen participation by young people and women in wage employment and widening their access and opportunities in the labour market;

- (g) Contributing to accelerating measures designed to radically curb child and maternal mortality in Africa;
- (h) Addressing the gap in financing Africa's development by refocusing efforts on domestic resource mobilization;
- (i) Playing a robust role in the shaping of the development agenda beyond 2015, in line with Africa's aspiration to achieve structural transformation.

Vote of Thanks

25. We thank the Government of the Federal Democratic Republic of Ethiopia for hosting the Conference and for the excellent facilities made available to us. We also thank the people of Ethiopia for their generosity and warm hospitality.

26. We are grateful too to the AUC and ECA for successfully convening the Fifth 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.

2012

Report of the fifth joint meetings of AU
conference of ministers of economy
and finance and ECA conference of
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