

## UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA

## CHECK AGAINST DELIVERY

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

**Opening Statement** 

by

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UN Under-Secretary-General and
Executive Secretary of ECA

Addis Ababa, Ethiopia 31 March 2008

## Co-Chairmen

Your Excellency, Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia,

Your Excellency, Mr. Jakaya Kikwete, President of the United Republic of Tanzania,

Your Excellency, Professor Alpha Konare, Chairperson of the African Union Commission,

Your Excellency, Mr. Donald Kaberuka, President of the African Development Bank,

Honourable Ministers and Governors of Central Banks,

**Excellencies, Distinguished Ladies and Gentlemen** 

I feel privileged and highly honoured to welcome you to the United Nations Conference Centre for the opening ceremony of the first Joint Ministerial Meeting of the African Union and Economic Commission for Africa which will also start the commemoration of ECA's fiftieth anniversary.

Permit me to begin by thanking you, Prime Minister Meles Zenawi for once again honouring us with your presence. You continue to be a source of inspiration for us because of the clarity of your vision, intellectual leadership and firm belief in African ownership of its own development agenda. The Ethiopian government and people have been gracious and generous to ECA over the past fifty years and I wish to take this opportunity to express through you our most sincere appreciation for the hospitality that we have enjoyed and continue to receive.

My special thanks also go to you, President Jakaya Kikwete for making a special effort to join us today despite your onerous schedule. You embody the virtues of transparency, accountability and support of democratic institutions, which Africa must embrace to succeed in the 21<sup>st</sup> century and I am sure that your tenure as Chairperson of the African Union will be a noteworthy one.

I would like to take this opportunity to thank Minister Sufian Ahmed of Ethiopia, Chairman of the Bureau of the ECA Conference of Ministers and his colleagues for their most competent and sterling discharge of their duties. I also wish to congratulate the Chairman of the African Union Conference of Ministers of Economy and Finance (CAMEF) and the rest of his Bureau on their successful tenure of office.

Our sincere appreciation also goes to you all Ministers, Governors of Central Banks, Heads of pan-African agencies and Regional Economic Communities for being here today. To accompany your debate, and underscore the importance of this meeting we have here with us, several eminent personalities and a strong contingent of Heads of United Nations agencies. I also welcome our development partners, civil society organizations and members of the press to this meeting.

As you know, this Conference is a special one. It is the first time that you are holding a joint meeting under the auspices of the African Union and Economic Commission for Africa, which apart from reducing the number of annual meetings that you have 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 like 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 ECA's case 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 popularizing them is often forgotten.

We have also promoted the establishment of institutions like 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 Communications Technologies; we have fashioned useful policymaking tools like the African Gender Development Index and the MDG Mapper; and we continue to provide technical backstopping to African initiatives like NEPAD and the African Peer Review Mechanism.

As we examine fifty years of development policy in the continent, we are compelled to address issues such as growth and employment, and the building capable states. Moreover we need to confront challenges of a global nature like 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. Thus your theme – Meeting Africa's New Challenges in the 21<sup>st</sup> Century.

As you deliberate on these issues, I would urge you to bear in mind some key messages that have emerged from ECA's work over the years. These include 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 small

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 mobilize 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 day 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.

Let me now say a few things about ECA's ongoing work. We continue to make progress in implementing our new strategic orientation and Business Plan especially in the areas of environment, finance, gender, governance, ICTs, natural resources, regional integration, science and technology, statistics, trade, and the MDGs in general. This meeting is evidence of the strong partnership that we are building up with the Africa Union and both our institutions continue to strengthen our tripartite relationship with the African Development Bank. ECA carries on

providing direct support to the NEPAD Secretariat and APRM processes, while our sub-regional offices are using the additional resources given to them on an exceptional basis by UN General Assembly to deepen their operational activities with their respective Regional Economic Communities.

This gathering will also be pleased to know that ECA is building strong operational capacities in key sectors. The African Trade Policy Centre, which was established with strong support from Canada, has been described as a world-class facility by no less than the Director-General of the World Trade Organization. Another Centre that is doing well is the African Centre for Statistics, which now exists as a full sub-programme of ECA with the support of this Conference. We are also setting-up an African Climate Policy Centre as the policy arm of the Clim-Dev Africa programme in which we are collaborating with the AU Commission, the African Development Bank and other partners. The African Climate Policy Centre is a joint endeavour with The Energy Resources Institute (TERI) of India headed by Dr. Rajendra Pachauri, the 2007 Nobel Peace Prize Laureate who will speak this afternoon. ECA and TERI will also sign a Memorandum of Understanding today.

You will also be pleased to know that ECA's knowledge management initiative is also progressing very well. Our knowledge management platform is up and running and will become integrated into a wider IT network that links ECA and its SROs to the African Union network and to Regional Economic Communities. All these key initiatives are contained in the ECA Business Plan, which continues to need the strong support and encouragement of our member States and partners and I hope that we will receive an indication of your continued support at this meeting.

Ministers will recall that ECA and AfDB were tasked with establishing a replacement mechanism for the Global Coalition for Africa and we hope to do so by forming a "Coalition for Dialogue on Africa" (CoDA) in the next few months.

Meanwhile, the Sixth African Development Forum (ADF VI) taking place later this year will focus on gender issues to enable a review of progress made since ADF I which was on the same topic. We count on your support to ensure the success of these key activities.

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 an 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 put continue to put the building blocks in place to ensure that Africa's story in fifty years time is not one of marginalization 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.

In conclusion, I want to say that we are deeply honoured to have President Jakaya Kikwete of Tanzania, Chairperson of the African Union and Prime Minister Meles Zenawi of Ethiopia, Chairperson of the NEPAD Heads of State and Government Implementation Committee and the APRM Forum here with us today.

The quality of your leadership at national, regional and continental levels, Excellencies, is a strong basis for optimism about Africa's future prospects and we look forward to your continued guidance and support.

Thank you all for joining us today and thank you for your kind attention.