
African development needs a suitable finance system

Addis Ababa, 24 March 2015 (ECA-AUC) - Speaking at the opening of the Regional Consultation towards the Third International Conference of Financing for Development held in Addis Ababa on 23 March 2015, Mr Abraham Tekeste, Ethiopia's State Minister of Finance and Economic Development stated that for Africa "it's possible to grow sustainably with the right financial system".

The race is on to define policies, priorities and strategies for development and its financing before the September 2015 summit on Sustainable Development Goals (SDGs). In devising strategies for financing development, Mr Tekeste highlighted the "importance of domestic resource mobilisation" of people and financial resources. The continent has large financial needs and fortunately the resources are available but are not allocated where needed, according to Mr Tekeste.

Mr Tekeste believes recipients should define priorities for aid and development and he urged African countries to take advantage of the spirit of discussion to find a suitable financial system to ensure sustainable development

Delegates at the consultation raised issues on financing development including youth and development; role of development banks; donations and the health system; and data accessibility and data use. Using experience gathered since the adoption of the Millenium Development Goals (MDGs), presenters and delegates, including the African Union Commission's Commissioner for Economic Affairs, Mr. Anthony Maruping and the Deputy Executive Secretary of the Economic Commission for Africa, Mr. Abdalla Hamdok, discussed focusing on both domestic policies and the international financial environment to ensure that the SDGs once adopted can be fully implemented.

Praising Africa as the only region to come with a common position on development, Mr Tekeste stated that one of the biggest challenges relating to financing development is the mobilisation of various sources of funding. Mr. Tekeste proposed promoting a global private and public financial system that incentivizes a re-allocation of a percentage of savings to global needs.

The results of the discussions from this consultation will be forwarded to ministers who will then decide on common positions on priorities, funding sources and funding strategies for development.

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