



UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL
ECONOMIC COMMISSION FOR AFRICA

Forty-first session of the Economic Commission for Africa



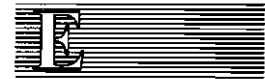
AFRICAN UNION
COMMISSION

Third session of CAMEF

31 March – 2 April 2008

**First Joint Annual Meetings of the African Union
Conference of Ministers of Economy and Finance
and the Economic Commission for Africa
Conference of African Ministers of Finance, Planning
and Economic Development**

Addis Ababa, Ethiopia



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MINISTERIAL STATEMENT



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MINISTERIAL STATEMENT

We, African Ministers in charge of Finance, Planning and Economic Development held the first Joint Annual Meeting of the African Union Conference of Ministers of Economy and Finance and the United Nations Economic Commission for Africa (UNECA) Conference of African Ministers of Finance, Planning and Economic Development in Addis Ababa from 31 March to 2 April 2008.

1. We congratulate the Federal Democratic Republic of Ethiopia on its 2000 Millennium Celebration as part of our African heritage, consistent with the General Assembly Resolution A/RES/270, and the Declaration of the January 2007 African Union Heads of State and Government.

2. We also congratulate the United Nations Economic Commission for Africa on its fiftieth anniversary and commend its dedication and many contributions to the social and economic development of Africa.

3. We recall the outcomes of the 2000 United Nations Millennium Summit; the 2002 United Nations Conference on Financing for Development; the New Partnership for Africa's Development (NEPAD); 2005 World Summit; the 2005 United Nations High-Level Dialogue on Financing for Development, the African Union Conference of Ministers of Economy and Finance II (CAMEF II) and our Statement at the conclusion of the 40th session of the ECA Conference of Ministers of Finance, Planning and Economic Development as important guideposts for our efforts to improve the human conditions of our people.

4. We reaffirm our commitment to the Internationally Agreed Development Goals (IADGs), including the Millennium Development Goals (MDGs), and the African Union's NEPAD programme as the shared framework for development and global partnership.

5. Recalling the theme of the Joint Annual Meeting, "*Meeting Africa's new development challenges in the 21st Century*", we note with subdued satisfaction that Africa's recent growth performance has been encouraging, even though its impact on poverty reduction and employment creation has been limited. There is therefore need to implement strategies to achieve sustained, shared and broad-based growth in order to accelerate progress towards the MDGs and effectively confront the challenges of the 21st century.

Growth and employment

6. We reiterate our commitment to make employment creation an explicit and central objective of our economic and social policies at the national, regional and continental levels, for sustainable growth and poverty alleviation.

7. We recognize that scientific knowledge is a critical factor for growth, employment and poverty reduction and for the competitiveness of our economies in the 21st century and are therefore concerned by the weaknesses of our higher education, science and technology sectors. We will work closely with other sector Ministers to mobilize adequate resources to improve the quality and relevance of education, and to disseminate knowledge, science and technology, in order to develop and create new skills and capacities while building on existing capacities to prepare our economies for successful engagement with the 21st century. We also recognize the important role the private sector could play in that regard and will continue to explore and adopt measures to elicit and enhance the contribution of the private sector to growth and employment.

8. We also recognize the importance of improved natural resources management for growth and development in Africa. In this regard, we will encourage the adoption of good governance principles in the extractive sector. Further, we support the adoption and implementation of the recommendations of the review of the African natural resources sector undertaken at the last Big Table meeting, co-organized by ECA and the African Development Bank (AfDB) in February 2007, including the mainstreaming of natural resources governance into the APRM process.

9. Further, we reiterate our recognition of the importance of statistics for growth and employment creation policies. We applaud the efforts of the AU Commission on the drafting of an African Charter on Statistics. We commend the efforts of the majority of our countries in participating in the 2010 Round Population Censuses and will promote the increased use of statistics for planning. In this regard, we commit to collaborate with ECA, the African Union Commission and the African Development Bank in all facets, including in the provision on a timely and regular basis, of national data to harmonize and promote statistics and statistics capacity-building in Africa.

10. We are aware of the constraints of weak infrastructure on growth and employment. Accordingly, we recall the decisions of the 2007 second African Ministerial Conference on Financing for Development in Accra, Ghana, on the theme of energy and infrastructure and commit to scaling-up investments in infrastructure, including the multiple modes of transport, to facilitate rapid growth and employment expansion.

11. We recognize the deep interdependence of our countries with the rest of the world and are aware that events in other parts of the world could present opportunities as well as challenges for growth and employment in our region. In this connection, we request ECA and AU Commission to undertake a study on the implications for Africa of a possible slowdown in the United States economy and the global sub-prime mortgage crisis and to present the outcomes of this study at our next Conference.

12. We welcome the new opportunities for accelerating economic growth and employment creation resulting from the rapid expansion of South-South cooperation. We welcome the lessons on policy and fiscal space that are being provided by the successes of a number of countries in the South. We, therefore, commit to take full advantage of opportunities provided by South-South cooperation.

Rising oil and food prices

13. Rising oil prices present challenges to both oil-exporting and oil-importing countries. We underscore the need for countries to pursue alternative sources of energy, in light of the finite nature of gas and oil resources. We recall the decision by our Heads of State and Government to explore the creation of an African Oil Fund to provide assistance to low-income and African oil-importing countries.

14. The recent rapid increase in international food prices, which is possibly cyclical, could represent a structural shift with long-term implications, poses significant threats to Africa's growth, peace and security. At the same time we note that the rise in food prices presents opportunities for increased food production in some of our countries. We will explore

appropriate policies and measures to mitigate the effects of rising food prices on living standards, especially for vulnerable groups, while harnessing opportunities for increased food production presented by this phenomenon.

15. In response to the increase in oil prices, we urge the AU Commission and the AfDB to finalize as soon as possible, the feasibility study on the African Oil Fund and further call upon continental institutions, like the AU Commission, ECA and AfDB, to provide our countries with platforms and networks for the sharing of experiences on natural resources management.

16. To address the escalating food prices, we commit to take vigorous measures to implement all the pillars of the Comprehensive African Agricultural Development Programme (CAADP), with a view to achieving the structural transformation of the agricultural sector as well as promoting intra-African trade and regional integration.

Governance and the capable State

17. We commend H.E. Mr. Jakaya Mrisho Kikwete, the President of the United Republic of Tanzania and the Chairperson of African Union, for his very inspiring address and presentation on the imperative of good governance and the capable state as a prerequisite of an effective response to the challenges confronting our continent as we strive to achieve sustainable social and economic development.

18. We acknowledge the progress made on the continent in recent years on good governance. We note with appreciation the commitment of our leaders to good governance as clearly demonstrated by the increasing number of countries acceding to the African Peer Review Mechanism (APRM). We underscore the need to consolidate and reinforce achievements made so far. In this regard, we will explore ways to allocate sufficient resources to support the APRM process, including providing for the implementation of the resulting National Programme of Action and its mainstreaming into budgetary processes and medium-term frameworks.

19. We recognize the importance of decentralization for promoting good governance and economic growth. We also recognize the challenges to capacity-building posed by the decentralization of administrative structures. In this connection, we will undertake measures, including enhancing public sector financial management in decentralized structures, to minimize the risks to good governance and growth that could result from decentralization.

Legal empowerment of the poor

20. We commend H.E. Benjamin Mkapa, former President of the United Republic of Tanzania, for his presentation on the legal empowerment of the poor and take note of the recommendations of the Commission on the Legal Empowerment of the Poor. We recognize that empowering the poor is central to economic development and achieving the MDGs. In this regard, we take note with appreciation of the recent work of the Commission, including the development of a regional social compact for empowering the poor in Africa. We look forward to the final report of the Commission to be submitted to the Assembly of African Heads of State and Government.

Millennium Development Goals

21. We commend progress made so far by some of our countries towards achieving the MDGs. We acknowledge that a majority of our countries have put in place and are implementing MDG-consistent national development plans or poverty reduction strategies. While applauding this progress, we note with concern that the majority of our countries are still not on track to meeting all the MDGs by the target date. We therefore commit to intensify the implementation of our national development plans or poverty reduction strategies, optimize the use of available resources and mobilize additional resources to scale-up public sector investments, in order to reach the MDGs by the target date.

22. We commend the United Nations Secretary-General for setting up the Africa MDGs Steering Group and Working Group. We applaud the decision of our Heads of State and Government at the January 2008 African Union Assembly to endorse this initiative and commit to support it.

23. We further commend the United Nations Secretary-General's decisions to convene a High-Level Event on the MDGs alongside the Africa's Development High-Level Meeting in September 2008 to marshal additional support for achieving the MDGs in Africa and for promoting Africa's overall development. We commit to be active stakeholders in these two high-level events.

24. We hail and endorse the new initiative of the United Nations to promote peer learning and experience sharing among Member States through the United Nations Economic and Social Council's Annual Ministerial Review (AMR). We also welcome and endorse the efforts of the United Nations to advance the role of international cooperation for development through the newly established UN-ECOSOC Development Cooperation Forum (DCF). We commit to take full advantage of the opportunities provided by these two initiatives and call on ECA to support the convening of regional AMRs and the active participation of Member States in both the regional and the ECOSOC global AMRs.

Long-term financing of health

25. We commend the expansion of access to treatment for people living with HIV and AIDS from 100,000 in 2003 to 1.3 million in 2006. We note with concern the necessity for long-term sustainable financing of and investment in health created by this epidemic and other diseases including tuberculosis and malaria. In this regard, we undertake, in concert with sector colleagues, to explore mechanisms to expand treatment access for people with HIV and AIDS and intensify efforts to stem the further spread of the HIV and AIDS epidemic, other related infectious diseases and malaria.

Financing for development

26. We take note of the forthcoming global review of the Monterrey Consensus on Financing for Development in Doha, Qatar, in November 2008. We appreciate the importance of this review for our efforts to mobilize additional resources to scale-up public and private sector investments and accelerate progress towards our growth and development objectives. In this regard, we underscore the need for our region to prepare for and participate actively in the forthcoming review and pledge to do so.

- ***Mobilizing domestic financial resources***

27. We recognize the critical role of domestic resource mobilization for sustainable growth and development. In this regard, we commit to scale-up efforts to mobilize domestic savings, strengthen our financial systems, stem capital flight, promote Pan-African stock exchange and reduce the transaction costs of remittances. In this connection, we will explore appropriate measures to ensure that domestic resources are channeled into productive investments.

- ***Promoting international trade***

28. Trade capacity-building is critical to enhancing Africa's ability to take advantage of potential opportunities created in the multilateral trading system. We have reviewed progress in the implementation of the Aid-for-Trade initiative and are concerned by the slow rate of progress. In this context, we will undertake measures to ensure that we benefit fully from this initiative.

- ***Increasing international financial and technical cooperation***

29. We commend the increase in Official Development Assistance (ODA) flows to our continent from our traditional and as well as new/emerging development partners. We note, however, that the recent increase in ODA is due to debt relief and humanitarian assistance and hence does not reflect additional resources for development financing. We call on our development partners to fulfill their commitments to improving aid effectiveness as expressed in the 2005 Paris Declaration. We also call on AUC and ECA to continue to assist our countries in preparing for the forthcoming Global Review of the Monterrey Consensus in Doha, Qatar, November 2008.

- ***External debt***

30. While acknowledging the positive impact of debt relief on Africa's debt burden, we remain concerned that debt levels are still too high and continue to pose a challenge to our continent's ability to finance its development agenda. We note the difficulties faced by non-HIPC countries in meeting their debt obligations, and mobilizing resources to finance their development programmes and meeting the MDGs, and call for more flexibility in the eligibility criteria for debt relief. Furthermore, worried by the wide interval between HIPC decision and completion points in recent times, we call on our creditors to review downwards the conditions for accessing debt relief in order to shorten the time-to completion point.

31. For many of our countries, debt remains a dominant mechanism for financing public sector investments, promoting diversification of production structures and ensuring broad-based growth. But in order to maximize the contribution of debt, we will improve our debt and public-sector financial management capacities and systems. We will also examine ways to improve prudence in the management of the full set of our resources, reduce the importance of debt in our fiscal profile by improving and strengthening our Inland Revenue systems, and broaden and deepen the tax base of our economies. We therefore request ECA, AUC and other relevant international organizations to facilitate peer learning and sharing of experiences on debt management among our countries.

- *Systemic issues*

32. We recognize the importance of enhancing coherence, governance and consistency in international monetary, financial and trading systems. We call upon the international community to increase Africa's voice in the governance of international institutions that make decisions that affect our economies.

Climate change

33. Climate change presents both opportunities and challenges to sustainable development on our continent. Regarding the challenges, we are particularly concerned with the phenomena of desertification and deforestation. We reaffirm our commitment to effectively integrate and implement climate change adaptation and mitigation strategies into our national and regional development frameworks. We also stress the need to support efforts to build capacities in our countries in this area, including the capacity to access such funding mechanisms as the Clean Development Mechanism and Adaptation Fund and to take advantage of new trading opportunities, including carbon trading.

34. We call on the AU Commission, in collaboration with ECA and AfDB, to support a consultative process of Africa's preparation for effective participation in the implementation of the *Bali Roadmap* of multilateral negotiations for a post-2012 global climate agreement.

35. We welcome and endorse ECA's initiative to establish the African Climate Policy Centre to serve as the policy arm of the Clim-Dev Africa programme and urge the AU Commission, ECA and AfDB to take necessary action for the effective implementation of this programme.

36. In line with the decision of our Heads of State and Government at their summit meeting in reference to drought, we call on ECA to strengthen its support to and partnership with the African Centre of Meteorological Applications to Development (ACMAD).

Imperative of regional integration

37. We reaffirm the importance of regional integration for advancing Africa's development agenda and will undertake measures to accelerate progress through the AU's NEPAD programme and other initiatives, including the rationalization of the RECs. We will also scale-up efforts to promote regional infrastructure development and intra-African trade. To this end, we will intensify efforts to speed-up the necessary additional regional institutions in order to mobilize the necessary resources for financing of regional integration projects and programmes. We further undertake to promote macroeconomic convergence in the Regional Economic Communities.

Vote of thanks

38. We thank H.E. Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia and Chairperson of the NEPAD Heads of State Implementation Committee and the African Peer Review Forum of Heads of State and Government, for his inspiring opening address. Our thanks also go to the people and Government of Ethiopia for the generosity and warm hospitality they accorded to us during our stay in Addis Ababa.

39. We thank H.E. Mr. Jakaya Mrisho Kikwete, President of the United Republic of Tanzania, and Chairperson of the African Union for his very motivating statement, which established the tone for the very rich and wide-ranging deliberations of our Conference.

40. We also thank our Special Guests and eminent persons who through their participation in our meeting enriched our debate:

- H.E. Mr. Benjamin Mkapa, Former President of the United Republic of Tanzania for his statement on the “Legal Empowerment of the Poor”, which was on the agenda of our Conference.
- H.E. Ambassador Léo Mérorès, President of the United Nations Economic and Social Council (ECOSOC), for his presentation on the ECOSOC Annual Ministerial Review.
- Professor Adebayo Adedeji, former Executive Secretary of ECA and current Chairman, APRM Panel of Eminent Persons for his presentation on “Growth, Employment and Poverty”.
- Dr. Rajendra K. Pachauri, Chairperson of the United Nations Intergovernmental Panel on Climate Change (IPCC) and Director-General of the Energy and Resources Institute (TERI) of India for their valuable and insightful presentations at the Conference.

41. We commend H.E. Mr. Alpha Oumar Konaré, out-going Chairperson of the AU Commission, and H.E. Mr. Abdoulaye Janneh, United Nations Under-Secretary-General and Executive Secretary of the ECA for their vision and leadership.

42. Finally, we express our heartfelt gratitude to ECA and the AU Commission for successfully convening the first Joint Annual Meeting of the African Union Conference of Ministers of Economy and Finance and the United Nations Economic Commission for Africa (UNECA) Conference of African Ministers of Finance, Planning and Economic Development.