

Opening Remarks by Mr. Abdoulie Janneh, UN Under-Secretary-General and Executive Secretary of ECA

Addis Ababa, Ethiopia

24 March 2011

Mr. Chairman,
Dr. Maxwell Mkwezalamba, Commissioner for Economic Affairs of the AUC,
Excellencies,
Distinguished Ladies and Gentlemen,

I welcome you all to Addis Ababa, the headquarters of Africa's two premier institutions - the African Union Commission (AUC) and the Economic Commission for Africa (ECA), for the Experts session of the 4th 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.

Please feel at home and our sincere gratitude goes to the Government of Ethiopia for all the support we have received in arranging this Conference.

I also wish to take the opportunity to thank the government and people of Malawi for the superb arrangements made for our meeting in Lilongwe last year. In similar vein, let me also thank the outgoing Chairperson and members of the Bureau for successfully steering the work of the Committee of Experts since the last meeting.

This joint meeting continues to attest to the close partnership which has been forged between the AU and ECA since 2006 to address the development challenges of our continent in a coherent manner. Its importance is further underscored by the resolution of the Kampala Summit of the AU which recognizes the joint meeting as a major forum for dialogue, consultation, policy formulation and consensus building on Africa's economic and social agenda.

Let me proceed in this regard by first reviewing economic and social performance over the past year before touching upon the theme of this Conference and the work that ECA has undertaken in response to the various challenges facing this continent.

The prospects for improved economic performance in Africa during 2011 are quite favourable. Even as the world economy as a whole remains mired in crisis, Africa grew on average by 4.5 percent in 2010 up from 2.3 percent in 2009 and will most likely maintain steady growth of about 5 percent in 2011. This relatively strong performance was helped by a good showing in agriculture and natural resources sectors, the rebound of tourism and the use of countercyclical policies in some countries. Although the projected growth rates for 2011 is higher than those attained in 2009 and 2010, it is generally lower than pre-crisis rates and it remains subject to several risks and uncertainties.

As the Annual MDG Report which is being submitted to you shows, there is some progress on the social front but major challenges still remain. In particular, Africa's relatively strong growth is yet to translate into poverty reduction then it needs meaningful job creation especially for its rapidly expanding youth population, which as the experience of several of our countries has shown can undermine social stability and economic growth. The troubling situation of high unemployment which we

examined at last year's meeting is being further compounded by rising oil and food prices, the dangers of climate change as well as the gloomy outlook in some of Africa's major trading and development partners with negative consequences for export and tourism receipts, foreign direct investment remittances and official development assistance flows.

What these challenges point to is the need for us to pay closer attention to diversification and the long run transformation of our economies.

The imperative of bringing about the transformation of African economies is a pointer to the theme of this year's Conference – Governing Development in Africa. This theme is aimed first and foremost at putting the whole issue of development back on the governance agenda in Africa. Thus far, there has been a vast improvement in the discourse and attitudes to accountability, democracy, human rights and the rule of law in Africa but while there has been some reference to economic governance, this has mainly been in the context of the functioning of firms and corporations. We need similar commitment to restoring economic growth and development as central concerns of politics and policy making in Africa.

Partly as a consequence of the resort to stimulus packages during the global economic and financial crisis, the limitations of structural adjustment programmes as well as clear and unequivocal acceptance in hitherto skeptical quarters about the key role of the state in economic development, it is important to have clarity on how this is to be operationalized in Africa. The governance and management of development in Africa would need to be informed by lessons on successful state intervention from other parts of the world as well as a clear understanding of its limitations given the pitfalls of the past.

Our discussions will also need to address how best to mainstream sectoral and cross cutting issues such as trade and industrial policies, and the gender, social and environmental policies broadly encapsulated in the MDGs into national development plans. How for instance, do our states balance the need to increase domestic savings and investment which are much needed for generating productive activities with the need for expenditure on critical items of human development such as health and education? The Ministers will have further opportunity to address this issue in their panel discussion on health financing to which some Ministers of Health and various health related agencies have been invited to participate.

The governance of development would also need to factor in the regional dimension of development as well as international trends. While paying necessary attention to processes at the national level, African states also need to incorporate regional and transboundary cooperation into their policymaking processes. As I stress at every available opportunity, regional integration including the provision of first rate infrastructure is imperative for Africa to overcome the limitations of small national economies. International trends also impact on the governance of development in Africa noticeably through global negotiations such as those on trade and climate change. Indeed, as the world moves towards the 'green economy', Africa faces the challenge of balancing its desire for fast growth along conventional lines to the need to adapt to climate change and develop along more environmentally sustainable lines. This is another topic that will be addressed at this Conference as we prepare for the next UN Conference on Sustainable Development, Rio +20, which is taking place in Brazil next year.

Our theme therefore calls for a renewed discussion of the nuances of the dynamics of the relationship between an effective, developmental state and other stakeholders, such as the private sector and civil society organizations. It also points to the need for clear visions of development paths and coherent, consistent and coordinated planning frameworks. Several African countries have already embarked on this course of action and ECA has been working with them to build up planning capacities especially through the instrumentality of a repositioned IDEP, which now needs additional resources to deepen its work in this vital area.

As our Annual Report to be submitted to this Conference shows, ECA continued to work across its service lines towards the realisation of Africa's development agenda and vision in various programmatic areas. Working with key partners, we organized the 7th edition of the African Development Forum in full collaboration with AUC and AfDB and provided technical support to African delegations at key multilateral forums including G20 Summits and United Nations Conferences such as the MDG Review Summit. The fostering of strong partnerships was another key aspect of our work and I am particularly pleased to mention in this regard the operationalization of the AU/AfDB/ECA Joint Secretariat Support Office (JSSO) with the resumption of the Coordinator and other core staff.

Closer collaboration within the UN system has come about through the modality of a strengthened Regional Coordination Mechanism for Africa (RCM-Africa) where the African Union Commission now provides the leadership. In similar vein, our partnership with the OECD continues including through the Mutual Review of Development Effectiveness (MRDE) which will now be done annually and has been designated by the NEPAD Heads of State and Government Orientation Committee (HSGOC) as the main mutual accountability mechanism for monitoring and assessing the delivery of commitments made by both African countries and their development partners relative to the African economic development agenda.

Our bilateral partnerships continue apace with the significant signing of a second Joint Framework Agreement with our Pooled Fund Partners as well as deepened dialogue as a whole with development partners. Another opportunity to build on this encouraging trend will occur early next month when ECA, AUC, AfDB and the RECs undertake the 2nd Strategic Dialogue with our partners. This kind of engagement will improve coordination amongst our institutions and bring about more effective relationships with our development partners.

There remains much to be done and this meeting affords us the opportunity to take stock, and renew our efforts. I therefore look forward to your active participation, useful feedback, and ideas on how we can collectively work to assure Africa's bright future.

I welcome you all once more and wish you fruitful deliberations.

