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**Delivered by Mr Trevor A Manuel, MP Minister of Finance,  
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Interim Chairperson, Commission of the African Union

Honourable Ministers

Excellencies

Distinguished Experts

Ladies and Gentlemen

It is my privilege today to open the Ministerial Segment of the 2002  
Annual Meetings of the Economic Commission for Africa here in  
Johannesburg

Since the last meeting in May 2001 in Algiers, a number of positive developments have taken place both on the African continent and internationally. In Africa we have succeeded in merging the Omega Plan and the Millennium Partnership for the African Recovery Programme (MAP) into the New Partnership for Africa's Development (NEPAD). The adoption of NEPAD by African Heads of State as Africa's development strategy for the 21<sup>st</sup> century has ushered in a renewed level of optimism. In July this year, the African Union was successfully launched.

Together, these initiatives have laid the foundation for a new age of peace, security, economic growth, sustainable development and prosperity. Despite international economic turmoil during 2001, it is estimated that GDP growth in Africa has increased from 3.5 percent in 2000 to 4.5 percent in 2001. Across the African continent, cessation of conflict has occurred in a number of countries (DRC, Burundi, Angola, Ethiopia-Eritrea, Guinea, and Sierra Leone).

At the international level, a number of significant Conferences have been held impacting directly on relations between developed and developing countries. These include

- the World Trade Organisation meeting in Doha, which launched a new round of negotiations;
- the United Nations Conference on Financing for Development, in Monterrey
- the Annual G-8 meeting in Kananaskis which produced a G8 Action Plan to assist Africa; and
- only last month, the World Summit on Sustainable Development was held here in Johannesburg

At these conferences Africans - representing governments, society and the business sectors - engaged with enthusiasm to put the African cause at the centre of the discussion, emphasizing the special challenges facing Africa and the importance of ending the marginalisation of our continent in the international arena. Significant results are beginning to emerge. The new round of trade negotiations has been entitled a "Development Round", paying particular attention to the situation faced by Least Developed Countries, and the need for

capacity building amongst the WTO members The Monterrey Consensus launched a new partnership for development.

We have welcomed this notion of a new partnership, which recognizes national leadership and ownership of development paths. Also recognised within this context are sound policies and good governance at all levels to ensure the effectiveness of aid The Monterrey Consensus clearly spells out obligations responsibilities on behalf of both developing and developed countries.

Distinguished colleagues,

Forums - such as this meeting today - have an important role to play in defining our responsibilities, deciding on actions to be taken, finding effective implementation mechanisms to take charge of our own destiny. The time has arrived to put our deeds into action and the focus must be on implementation.

For us, as developing countries, the key tasks are very clear

Firstly, there should be an unwavering commitment to domestic resource mobilisation on the part of African countries. A concerted effort must be made to reverse the declining trends in the levels of savings and investment in the majority of African countries. For instance, in 2000 the average savings rate in the region was 12 percent of GDP. There are, however, countries in the regions that have registered higher levels of savings such as Algeria (32 percent), Gabon (35 percent) and Mauritius (23 percent). What we need to do is to share best practices amongst ourselves that would be geared towards extricating the masses that are living in abject poverty. Poverty is rife in Africa and a large section of our population lives on less than a dollar a day. We should be committed to instituting prudent fiscal and monetary policies. This will include proper revenue collection, through the adoption of efficient tax systems, identification of expenditure priorities and ensuring prudent resource management.

Secondly, we need to create an enabling domestic environment that would be conducive to private sector participation. Capital will only go

where it feels safe and where it is able to maximise returns on investment. We also need to create the enabling environment for our private sector that will take us to a competitive regional market and ensure our deserved stake of the global market. In the past, African countries have repeatedly raised the issue of unfair trade practices on the part of our developed countries, particularly in the form of tariff and non-tariff barriers. At the launch of the new trade round in Doha, developed countries have undertaken to reduce these tariff and non-tariff barriers. This will result in greater market access opportunities for African products. The onus rests on us to take advantage of these opportunities by diversifying our economies and reducing supply-side constraints. We value the support that the ECA provides to many African countries in this regard.

We also need to enhance intra-regional trade, and to develop the regional economic communities into competitive markets capable of laying the foundation for Africa to claim its share in the global trade markets. In order to achieve this objective, we must position our regional institutions appropriately. They have an important role to play in this regard and they are the principal driving forces for achieving

integration on the continent as a whole. We are committed to regional integration and we should not allow this commitment to be undermined by the institutional complexity and overlapping configurations of the current regional institutions.

Thirdly good governance is essential if we are to capacitate our governments our civil societies and our private sectors to work together towards creating a better livelihood for the people of the continent. We cannot do this as governments only. We need other sectors of society to be involved. What we can do is to ensure that our work is undertaken effectively and efficiently given the scarce resources at our disposal. To this end, the NEPAD Africa Peer Review Mechanism (APRM) is an innovative instrument that will foster the adoption of sound policies, standards and practices through sharing of experiences and reinforcement of successful and best practices.

Let me stress that the APRM does **not** represent just another set of conditionalities. It will be owned and driven by Africans themselves. In other words, it will be a **RELEVANT** instrument focusing on capacity-

building through participation in peer learning. In operationalising the APR it will be imperative that African countries take a lead in resourcing this mechanism in order to ensure true ownership.

Distinguished colleagues

Allow me to turn to our interaction with the international development partners. At Monterrey, we emphasised that domestic resource mobilization needs to be complemented by increasing ODA flows, provision of greater market access and continuous debt relief. Regarding ODA, developed countries must ensure that flows supportive of the development strategies of the recipient countries, are predictable and untied. Furthermore, greater utilisation needs to be made of domestic technical expertise. In the area of market access, tariff and non-tariff barriers have to be eliminated. We urge that more rapid progress be achieved on the implementation of the HIPC Initiatives, especially in getting more African countries to reach the completion point.



In moving forward I firmly believe that this new partnership is dynamic. This means that responsibilities will change as we progress towards implementing NEPAD. In the medium term this will surely require that our development partners augment the current resources earmarked for Africa as we make progress on the promotion of economic growth and development of the African continent. These actions will be consistent with the new partnership that was forged in Monterrey namely that of mutual accountability and responsibility.

To achieve the far reaching commitments to which our Heads of State have committed themselves to will require substantial capacity building and institutional enhancement. In this regard, we welcome the fact that the ECA has undertaken to realign its activities to ensure consistency with the goals and objectives of the NEPAD Initiative

Ministers, I believe you have a substantial agenda before you and trust that your deliberations will be fruitful and lead us towards implementation

**Thank you ....**