

71st Ordinary Session of the Council of Ministers of the Organization of African Unity

Address by

K. Y. Amoako

UN Under-Secretary-General and Executive Secretary

Economic Commission for Africa

Addis Ababa,

6 March 2000

Honourable Chairman of the Council of Ministers;

Your Excellency the Prime Minister of the Federal Democratic Republic of Ethiopia;

Your Excellencies, the Council of Ministers of the Organization of African Unity;

Excellency and colleague, Dr. Salim Ahmed Salim, Secretary-General of the Organization of African Unity;

Your Excellencies, members of the diplomatic corps;

Ladies and Gentlemen;

I am honoured to be here today. This semi-annual gathering of African foreign ministers is a cherished opportunity to share with member governments my thoughts on key economic issues confronting the continent. I am most grateful to my respected colleague, Dr. Salim Ahmed Salim, for affording me this opportunity.

When we met in Algiers in July last year, I pointed to several positive political and economic trends on the continent. But I warned that growth needed to be much stronger, and that unrelenting conflict threatened to pull us back.

Where do we stand in 2000? ECA will shortly be publishing its annual economic report, this year entitled "*Initial Conditions for Africa's Development in the 21st Century*". Last year, we introduced a measure for economic sustainability, that is, a country's medium to long term potential to produce outcomes consistent with poverty reduction. In this year's report we deepen this analysis by comparing the performance of African countries over the last twelve years.

Overall, the analysis shows that there has been an improvement in Africa's economic sustainability. Our analysis covered 33 countries. Among them, 26 countries registered positive changes, while seven experienced substantial decline. It is notable that, among the countries that showed improvement, examples can be found of countries of all sizes, regions, and levels of development, showing that the potential exists for *all* countries to make progress towards a more sustainable future.

Another key finding is that most of the best performers benefited from the cessation of civil wars, greater stability, economic and political reforms. Conversely, almost all the bad performers suffered from serious civil conflict and unrest during the period under consideration. This suggests that peace, stability and deepening political and economic reforms are necessary conditions for Africa's development during the 21st century- a finding that reinforces the conclusions that I shared with you from our initial analysis when we last met.

Mr. Chairman,
Excellencies,

Preventing war and building peace remains one of the key challenges for Africa as we enter the new millennium. Since 1970, more than thirty wars have been fought in Africa. Eleven major conflicts affecting one fifth of Africa's peoples currently ravage the continent. Most of these are intra-state conflicts with high levels of civilian casualties.

As Africa's highest diplomatic corps, your Excellencies have a crucial role to play in turning back the destructive tide of war and conflict. An encouraging development over the last decade is the more proactive approach being taken by African leaders and regional organizations to resolving conflict. Speaking at the recent Burundi peace summit in Arusha, Mozambique's President Chissano aptly summed up the effect of war on neighbouring countries as follows: *"When you have a sore or ulcer it is the flesh around it that hurts the most. We are the flesh around Burundi. But the sore may also cause fever to the whole body, and that body is the rest of the world."*

I informed you last July of an ECA- led initiative to forge a consensus between UN agencies, multilateral institutions, governments and civil society on the need to develop regional, as well as more holistic and long term approaches to post-conflict reconstruction. I am pleased to report that as part of that initiative ECA is currently actively engaged with the OAU, ECOWAS, ADB, UNDP and World Bank, in assisting the countries of the Mano River Basin to rebuild their shattered economies. We hope that the lessons from this comprehensive programme can be applied to other regions of the continent emerging from conflict.

In April this year, I will be convening an African expert group meeting on the development implications of civil conflicts in Africa. This initiative aims to contribute to an understanding of the economics of conflict, with a view to informing policy making on post conflict management, as well as creating institutions for conflict resolutions and management.

Apart from the economic consequences of war, the other major threat to economic sustainability- already eloquently elaborated on by my colleague the Secretary-General of the OAU- is the scourge of AIDS. As the ECA's *Economic Report 2000* will point out, even the most conservative estimates project a substantial reduction in economic growth and life expectancy as a result of this pandemic. Tragically, it is in the countries of Southern Africa, which have recently shown substantial improvements in economic performance and quality of life, that the increase in the spread of the disease is also highest.

Clearly, AIDS is the greatest challenge facing the continent as we enter the new millenium, and one in which African leaders are called upon to do much more. ECA stands ready to support the OAU and member countries in fighting this scourge. We are currently working with the entire United Nations system, bilateral and multilateral partners, the private sector and major foundations on an initiative that will culminate in October in the second African Development Forum, with the theme *AIDS: The Greatest Challenge to Leadership in Africa*. We look forward to the emergence of concrete country and regional action plans that will help to turn back the tide. The concerted campaigns in Senegal and Uganda, where the rate of new AIDS infections is now declining, are a shining example that even this challenge is not beyond our capability.

In addition to AIDS and conflict, this year's report will highlight Africa's continued vulnerability to exogenous factors: shifts in terms of trade; the debt overhang and natural calamities.

The swing from drought to floods in Southern Africa is but one sign that something is amiss in our once predictable climate patterns. We have watched in horror "the sea engulf the land" as one Mozambican described the swirling floods in his country. Here is a country that had become a model of post conflict reconstruction for Africa- emerging from one of the most brutal civil wars in history; uniting its peoples; holding regular elections; undertaking bold economic reforms and enjoying one of the highest growth rates in Africa, if not the world. Reduced, in less than a month, to untold human misery and incalculable economic damage.

We applaud all those, and especially SADC member states, that have responded to the immediate crisis. We welcome news that a few donor countries have already responded to President Chissano's plea for debt cancellation and urge others to follow this lead. But this catastrophe should also prompt the international community to take a deeper look at the debt issue. Much as ECA supports the debt relief measures now in place for highly indebted countries, of which Mozambique is one such case, we have warned that the eligibility criteria for debt relief are restrictive and that the conditions for awarding relief are too demanding for many poor countries. The international community should not need to wait for calamities to take the bold and radical measures needed to free the poorest African countries of the debt overhang that continues to frustrate sustainable recovery.

In the medium term, Mozambique will require a kind of Marshall Plan to boost its reconstruction programme to ensure that the gains of peace are not eroded by the floodwaters. Those UN agencies that are equipped to do so are assisting in alleviating the immediate humanitarian crisis. We in ECA are exploring, in consultation with the government, how we might be able to help in the analysis required for a concrete programme of rehabilitation to minimize the long- term economic consequences of this disaster.

Reports of similar flooding in Madagascar and other parts of Southern Africa are a stark reminder, if ever one was needed, that the challenge of natural disasters is far from over. I cannot agree more with Dr. Salim and the Organization of African Unity that Africa needs to strengthen its internal capacity to respond to such disasters, so that we are not constantly dependent on nations and institutions from afar to come to our rescue when they strike.

Mr. Chairman,
Excellencies,

The multiple challenges before African governments including war, AIDS, debt, changing terms of trade and natural calamities underscore the key role of the state in the critical years ahead. As his Excellency Prime Minister Zenawi so eloquently pointed out when he opened the first African Development Forum at this very venue last October, a weak state cannot provide the political stability, rule of law, and policies conducive to "meaningful economic activity." What we are advocating is a capable state- one in which the public service, the legislature, the judiciary, and statutory bodies are empowered to provide an enabling environment for the private sector and civil society to make their contribution. These institutions of governance, coupled with visionary political leadership, are critical to economic sustainability and poverty reduction.

Finally, never before has Kwame Nkrumah's call for Africa to unite been more relevant than it is today. All around us, in Europe, Asia, North America and Latin America we see the emergence of strong regional blocs that have been able to negotiate with one voice in the World Trade Organization and in other global fora. Clearly, no nation state in Africa can live in isolation and hope to survive. We applaud the efforts of our leaders to hasten the pace of regional economic integration towards an African Economic Community.

I can think of no better way to end than with the words of one of our greatest statesmen, the late Mwalimu Julius Nyerere, when he said, at the 40th anniversary of Ghana's independence in Accra in 1997:

" Of all the sins Africa can commit, the sin of despair would be the most unforgivable....Unity will not make us rich, but it can make it difficult for Africa and the African peoples to be disregarded and humiliated.... My generation led Africa to political freedom. The current generation of leaders and peoples of Africa must pick up the flickering torch of African freedom, refuel it with their enthusiasm and determination, and carry it forward."

Thank you.