

**Opening remarks by the Outgoing Chairman of the Bureau of 28th Meeting of
Committee of Experts of the ECA Conference of African Ministers of Finance,
Planning and Economic Development**

Your Excellency, Mr. Abdoulie Janneh, UN Under-Secretary-General and
Executive Secretary of ECA,
Your Excellency, Mr. Maxwell, Mkwezalamba, Commissioner for Economic
Affairs, African Union Commission
Honourable Heads of Delegations,
Distinguished Colleagues,
Ladies and Gentlemen,

It is my pleasure to welcome you all to Cairo for the Meeting of the
Committee of Experts of the 2nd 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. On behalf of all participants, I
wish to express my deepest appreciation to the Government and people of Egypt
offering to host this important meeting and for their hospitality since our arrival in
this magnificent city. I would particularly like to thank his Excellency Mr.
Damien, Deputy Minister of Finance of Egypt for taking time from his busy
schedule to be with us this morning.

As I look back at our meetings over the past three years, I am struck by the
important role this Committee plays in shaping the policy agenda on key
development issues. Our themes have been timely and our agendas have often been
packed. But time and again, this Committee has deliberated on critical matters with
focus and energy and thus significantly helped to inform the dialogue at Ministerial
level.

It has been a great pleasure for Ethiopia to chair this important event over
the past two years. I would therefore like to thank all of you for this privilege and
opportunity.

Distinguished ladies and gentlemen,

Our meeting this year is taking place at a time of significant global uncertainty as the world is in the midst of the worst financial and economic crisis since the Great Depression. The crisis could not have come at a worse time for Africa, as it undermines the significant progress made in recent years and worsens the impact of the food and fuel crises suffered by most African countries last year. As the crisis deepens, the impact on African countries is rapidly worsening, particularly in terms of rising unemployment and a widening external financing gap.

Similarly the theme of our conference this year, “*Enhancing the effectiveness of fiscal policy for domestic resources mobilization*” could not have been more timely and relevant as most sources of external development finance – remittances, export and commodity earnings, aid and capital flows – are being adversely affected by the current global financial crisis. The Conference will, therefore, provide an opportunity for us to examine alternative sources of development finance and the role of fiscal policies in harnessing resources from these sources, including improving macroeconomic policies, strengthening tax systems, and improving public expenditure management.

External resources - aid, debt, trade, FDI and other capital flows – are an absolutely essential complement to domestic resources and need to be scaled up in the medium term to offset the effects of the financial crisis and sustain the recent positive trends in Africa’s development. We will also pay considerable attention at this Conference to the actions that policy makers can take to promote domestic resource mobilization, reverse capital flight and attract foreign direct investment.

Distinguished ladies and gentlemen,

It is, however, vital that we avoid learning the wrong lessons from the current crisis. We cannot abandon the market reforms which have acted as key drivers of growth in recent years in Africa. Good governance, open markets and strong institutions also remain intrinsically important for Africa's development. The crisis and its impact have convinced many that a new international financial architecture is needed to guide national and international decisions and actions for successful development. The crisis has also revealed, by the huge financial stimulus packages that have been put together to bail out major financial

institutions in the rich countries, that where there is political will, the donor community is prepared to provide substantial support to enable countries to weather the economic and financial storms.

It is against this background that the theme of the Conference has been framed to provide us with an opportunity to discuss and make concrete recommendations for action in effectively confronting these challenges.

This is an ambitious set of goals for our meeting. But these are important issues and worthy of our collective efforts.

Distinguished ladies and gentlemen,

Where have we come since our last meeting in moving forward with the implementation of what we agreed at our last conference? As the outgoing Chair of this distinguished Bureau, I have a traditional obligation to give you to report on some of the most important accomplishments of the Commission over the past one year.

I am glad to report that in the intervening period, we have made significant gains in some critical areas, with support from the secretariat. Let me quickly highlight a few of them.

- To address the impact of the financial crisis on African countries, a number of activities were undertaken by the ECA Secretariat working closely with the AU Commission. For example, the two institutions in collaboration with the African Development Bank (AfDB) organized a Ministerial Conference on the impact of the crisis on Africa and the policy responses to cushion these impacts. In addition, ECA continues to play a key role in providing analytical and technical support to the Committee of 10 Ministers of Finance and Central Bank Governors in their meetings, and also provided technical inputs to Africa's position for the April G-20 Summit in London.
- The convening of the ninth annual meeting of the Regional Coordination Mechanism of United Nations agencies working in Africa, chaired by the Deputy Secretary-General. The meeting focused on two themes, namely climate change and the food crisis. Significant progress was made by all the

nine clusters of the Mechanism over the past year, ranging from identifying areas of common concern in their work to drawing up plans of action, mobilizing resources, aligning of clusters with the priorities of the AU and actual implementation of projects and activities;

- The continued progress in the Commission's work on climate change with the establishment of the African Climate Policy Centre which will serve as the policy arm of the AU/AfDB/ECA Climate for Development in Africa programme and provide capacity building support to member States in climate change mitigation and adaptation; and
- During the year, the Third African Ministerial Meeting on Financing for Development was held in Kigali, Rwanda. The meeting brought together African finance and environment ministers to address the impact of climate change on growth and the MDGs in Africa, and identify the additional investment and financial flows needed to address climate change mitigation and adaptation challenges in Africa. The outcome of the conference will contribute to Africa's common position in the negotiation of a new climate change regime in Copenhagen in December 2009.

Regarding implementation of recommendations relevant to the AUC, a number of milestones were also achieved. I will highlight a few of these achievements:

- Progress was made towards the establishment of the African Investment Bank with the adoption, by the AU Summit in February 2009, of the Protocol and Statutes for the establishment of the Bank;
- The African Charter on Statistics has also been adopted by the February 2009 AU Summit, and work is currently underway to carry out the studies requested by the last Conference of Ministers on the implementation mechanisms and the establishment of the African Fund for statistics; and
- In the area of regional integration, the adoption of the Minimum Integration Programme by the African ministers responsible for integration in Yaounde, Cameroon in May 2009.

Dear colleagues, distinguished ladies and gentlemen,

I would like to end by thanking my colleagues on the Bureau and all of you for the excellent cooperation I received during my tenure as Chairman of this important body during the past year. It has indeed been a pleasure to chair a Bureau of such extraordinarily dedicated members who have been instrumental in steering the affairs of this Committee during the past two years.

As you can see from the agenda, we have a lot of ground to cover over the course of the next 3 days and this is by no means an exhaustive presentation. But I have tried to set out a broad framework for our discussion and I am sure that I will have more opportunities to share my thoughts and ideas with you in the course of our deliberations. I look forward to a successful outcome of our meeting and also look forward to working with the new Bureau and all members of the Committee.

Thank you for your attention.