

Tokyo Conference on Development Strategy

Meeting the Development Challenges facing Africa in the 21st Century: The Role of ECA

Statement by

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Mr. Chairman,
Your Excellencies...
Distinguished delegates,
United Nations colleagues,
Ladies and Gentlemen,

It is an honour and a pleasure to be among you, at such a gathering, to consider the vital issue of UN reform and development strategies in Africa. It is appropriate that I, as an African, and head of the Economic Commission for Africa, should be called upon, given that our continent represents the greatest development challenge. But to be speaking to you today on such a critical topic, and in such a setting, is particularly valuable. I thank you most sincerely for the opportunity. I intend to make full use of it, to share with you the development challenges facing Africa, and to consider together the strategies we will adopt to realise that vision in the 21st Century.

And what an inspiring venue this is, in which to script a scenario, about overcoming enormous difficulties to achieve economic success. What a lesson is around us here, in what can be built out of human skill and energy, with strong partnerships, in a climate of peace and stability, and in the right policy environment. Today Japan, this great economic power, has become the strongest of development partners. The world's largest donor of Official Development Assistance, supplier of well over one billion dollars a year in bilateral aid to sub-Saharan Africa. And with even more to offer Africa as a development partner in terms of expertise, experience and relevant strategies, as the original powerhouse of the East Asian economic miracle.

Now it is our continent that is gearing itself to embark on the long journey. I would like to sketch for you the road ahead, to review where Africa is today, and to look at the role of the United Nations, and of the Economic Commission for Africa.

Africa is the biggest challenge for the UN itself. As the Secretary-General, Dr Boutros-Ghali, has warned in launching the Agenda for Development: 'the failure to help improve the human condition of a whole continent would be a moral and political defeat for the UN. Africa remains the great test of an effective agenda for development.'

But as the Secretary General also said, about the launching of the great UN Special Initiative on Africa last week, 'the chances of Africa emerging from its crisis are better now than in many years.' Even in the midst of our critical problems, there are hopeful signs and indicators emerging that African recovery is ahead, if we can gear ourselves to seize the moment. If we can follow a clear vision of absolute poverty eliminated within the next

generation.

And it is a direct attack on poverty, with all the resources that we in Africa and our global partners can muster, that **MUST** be at the heart of our strategy for sustainable development.

What are the hopeful signs and signals that dispel some of the gloom and light our way? Our own research is confirming that no less than half the countries of Africa at the moment are enjoying real economic growth in excess of their population growth rate. More than one third of these countries last year recorded growth of 6 percent and above. And among these, economists are noting a sustained upward trend.

This is in a broader context in which democratic experiments, the opening of markets and the growth of civil society are all continuing trends.

Our African landscape is not one undifferentiated mass. It is a mosaic, a spectrum, within which, as we go towards the 21st century, there is a new Africa emerging. We see the fruits of positive growth beginning to appear in those countries which are applying economic and political reform with stamina and determination.

Poverty reduction, let me stress once more, is the ultimate and overarching objective of all development strategies. I would like to illustrate this in the simplest of ways, out of the African experience, looking at our socio-economic landscape as it is.

Our continent is enormously wealthy in terms of natural resources, so much so that we have no business to be poor -- if we can develop and apply our great HUMAN resources in the right way, and with the right kind of assistance from our partners.

But the vicious circle of reality has to be broken: 2 out of 5 of Africa's people -- and rising -- live in poverty, in absolute poverty. They can only struggle, with hard work and ingenuity, to keep alive. In the rural areas, people scratch the exhausted land to grow food without enough water for crops. They use up forests for their own and for city fuel. In urban settlements, people find a hundred informal ways to do business, so the family can survive, but often without access to schools, to clinics, even to drinkable water. The coping mechanisms of our rapidly growing population contribute to the pressure on the local environment.

A sustainable environment for Africa, occupying one quarter of the earth's landmass, is crucial in stabilising the planetary environment.

Certainly, we cannot meet the challenge posed by the population-food security-environment nexus, unless our economies are on a sound footing. We need policies for robust growth. **BUT** -- we have to adopt a direct poverty reducing strategy, with employment opportunities, to sustain broad-based and labour

intensive growth. We have to empower the poor to take part in this growth, if it is to spin the vicious circle into a virtuous cycle. That is, the women, the children, rural people, those in the informal sector, the struggling private enterprises.

There has to be a division of responsibility between the public and private sector. What are needed are new synergies based on being complementary to each other, rather than adversarial. What a crying need there is in Africa, for this understanding, from both sides. The state has to maintain a

conducive environment to enable the private sector to emerge and grow into a significant employer, wealth creator and engine of the economy.

Japan, post world war Japan, has been one of the great venues, the great models for that enabling dynamic relationship.

I spell out these well-known factors in the great historical equation of modern East Asian development, only because they have so much relevance for us in Africa. What we will need, and will have to work for, is that conducive policy environment and the political climate to encourage sustained structural transformation.

We need liberating market forces, to set prices freely, to create efficient markets. We need -- as I have noted some of our countries are already doing -- to restore and preserve macroeconomic stability.

Of course we cannot strengthen our economies without partners, and this is where we need to build the long-term socio-economic stability, through political and economic liberalisation, to encourage outside investment. As an essential foundation, we need to mobilise domestic resources through savings and internal investment.

An overarching dimension, adding urgency to our strategies, is the need to prepare Africa for the realities of globalisation. How can we seize the opportunities offered by this process. How can we climb aboard and use its momentum, and not be totally sidelined and marginalised by it?

A key element of the strategy for becoming competitive in the world economy is to strengthen regional economic integration in Africa. Global trade liberalisation is proceeding at the same time as regional economic megamarkets are developing, sweeping away internal barriers in regional groupings. But in Africa, for all our decades of dreams and efforts, we still offer minimarkets, often landlocked, with no effective intra-African trade, few if any economies of scale.

Opening up African economic space, and letting trade between countries expand without restriction, may be the single most neglected potential engine for the continent's economic growth, and a prerequisite for its integration into the highly competitive world economy of the future; letting factors of production flow freely across borders.

A new approach is needed. The traditional approach to integration, which relied on interactions among governments, and which mirrored state-led development strategies, clearly has not been effective. Our new approach needs to be based on promoting the growth of African enterprises, opening national markets to create an African market. We need to harmonise policies at the regional level, especially in the promotion of foreign direct investment.

It is in meeting these challenges in Africa that the United Nations is going to be judged. The UN system as a whole is undergoing reforms, to strengthen its development role, to do better in and for Africa. So what are the principles that should guide its work?

There are a range of challenges on its agenda for reform. First of all, the UN agencies as a whole:

- * have to adopt a much more tenacious approach to promoting development than in the past;

- * we need to sharpen our focus on objectives and priorities

* in programme delivery, we must be more cost effective in our use of scarce human and financial resources

* monitoring needs to be strengthened and evaluation sharpened.

There are several principles which will have to be incorporated into its regional programmes as well as its field operations in Africa, to be effective in meeting the challenges.

One which guides UN assistance is the country focus of UN activities. This principle is dear to member states. It calls for a sharper focus on individual countries by all agencies of the UN family, including Bretton Woods institutions working together as a team.

Nor can the UN be fully effective if it works only with governments. In Africa, UN agencies have to embark on stronger cooperation with the Organisation of African Unity, the African Development Bank, and the regional economic organisations.

UN agencies need also to continue developing channels for joint operations with NGOs and other civic organisations in view of their strong involvement with the grass roots, where development challenges cease to be dry statistics and assume real personality.

It is on these principles that the UN Special Initiative on Africa has been based. It is the greatest set of UN projects in Africa ever drawn up. At the heart of this ten-year programme are two major commitments: to promote throughout the continent universal basic education, and primary health care. They account for the bulk of the 25 billion dollars of resources expected to be mobilised and dispersed as a result of the initiative.

We at ECA will be very much playing our part in this UN system We will lead or co-lead with other agencies in a range of projects, from South South cooperation for trade promotion, to strengthening civil society, promoting the Informal sector, and in harnessing Information technology for development -- a field where ECA already leads the electronic networking campaign in Africa.

We at ECA are feeling more motivated and clear in our minds than ever about how we need to address the challenges of the 21st century. We are in the midst of renewing the organisation to serve Africa better.

Since joining ECA last year it has been my task to take the lead in strenuously embarking on a major reform and reconstruction process. It is part of the broader stream of change, to confront the special problems and challenges of the time we are in, within the entire UN system, and in Africa as a whole.

We have consulted widely and intensively about our new directions -- on what ECA's role will be. We have developed a road map, a clear sense of where we are going, in a revised and enriched document on our Strategic Directions. We are having important meetings with our Partners in development around the world, and we are geared for this most important phase of our journey. Some major reorganisation in ECA takes effect next month. Our programme guidelines are set for submission to our Council of Ministers in May.

Many of you here will want to join and support us on our journey. On what pathways will you find ECA in future? What will be different, more effective,

about the way we work?

ECA already has proud achievements in its record since 1958. It played a central role in the creation of several African regional economic institutions, notably the African Development Bank. It was an architect of such initiatives as the Lagos Plan of Action. Now, the renewed ECA is being revitalised as a policy integrator, a networker and disseminator of development ideas and best practices among its African member states. We are reorganising to strengthen our current staff through training and exchanges. We are preparing to bring in fresh blood. We are embarking on new communications strategies and methods.

Above all, we are sharpening our programme focus, using our comparative advantages to be cost effective and relevant, responding precisely to those challenges I have been outlining, such as the nexus, informatics, regional integration, the strengthened synergy between public and private sector in development management.

As I said earlier, we are already taking a lead in networking development information through new technology, and in urgently promoting Africa's membership of the information society, to avoid even greater marginalisation. Gender will be mainstreamed in all our work. This is a particular concern of mine, because empowering women is at the centre of social justice, and of any strategy for Africa's economic takeoff.

Our mandate already puts ECA at stage centre, in the scenario of African development. To network effectively, that is where we have to be. Most of the challenges African countries face have a regional scope and can best be tackled through regional cooperation. This too, is at the heart of our mandate.

I have reviewed development strategies and structures, but in the end it is the human spirit which inspires us to take on the challenges. By that I mean the way so many of our people still stand tall, after two decades of crisis in Africa. Where formal

economic activities and support structures collapse so many battle to survive, through their own ingenuity, in the informal economy, creative and resourceful, their spirit of enterprise alive and well.

What echoes that sets up, of stories from the early post-war years about the peoples of East Asia. Can we in Africa hope to make a few small miracles along our own way? If we are to break through, there are three things we need: a conducive policy environment in the continent, more progress in ending local conflicts, and the understanding and support of partners around the world.

I would like once more to express our appreciation, and to pay tribute to our hosts, in putting Africa first in tackling development strategies. With such partnerships, and if we keep our heads clear and our hearts strong, absolute poverty can be diminished in the span of one generation.

I thank you.

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