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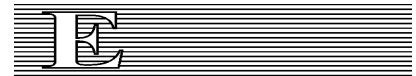


**AFRICAN UNION  
COMMISSION**

*Seventh session of CAMEF*

5<sup>th</sup> 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

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## **MINISTERIAL STATEMENT**



1. We, African Ministers of Finance, Planning and Economic Development, met in Addis Ababa, Ethiopia, on 26 and 27 March 2012 for the Fifth Joint Annual Meetings of the African Union (AU) Conference of Ministers of Economy and Finance and the United Nations Economic Commission for Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development.

2. We welcomed in our midst the presence and participation for the first time of the delegation of South Sudan, Africa's newest State. We also welcomed, as has become customary, the presence and participation of the Governors of the Central Banks of many of our countries and subregions.

3. We deliberated on the theme of "Unleashing Africa's potential as a pole of global growth". It is a theme that we consider to be both timely and pertinent. After a long period of decline and slow growth that spanned the 1980s and 1990s, it is refreshing to note that our continent has re-emerged in the twenty-first century as a region that is alive with opportunities and prospects. Factors such as improved governance, a better and stable macroeconomic environment, an improved business climate, high rates of return on investment, abundant natural resources and more favourable commodity prices, increasing urbanization, an enlarged middle class and promising market potential have all combined to propel Africa into an era of sustained growth. Indeed, the continent has transited from its recent slow-growth trajectory to become one of the fastest growing regions in the world, achieving an average annual growth rate of above 5 per cent over the last decade.

4. We noted that across the continent, fundamental changes are taking place; these are likely to steer our countries towards domestic structural transformation and position the region to become a new source of global economic growth. The individual and collective dynamism of our countries contrasts with the sluggishness which characterizes major swathes of the world economy. It is an historic moment which, working with all stakeholders, we are determined to grasp for the betterment of our peoples.

5. We noted further that in order for Africa to sustain the positive growth trends it has been registering and translate these into developmental gains that will benefit its peoples and the world, it is crucial for Governments and other development actors to pay attention to various challenges that have acted in the past to stymie our efforts at structural transformation. Addressing these challenges will require urgent and determined action in many areas, particularly strengthening leadership, governance and institutions; reinforcing self-belief in our peoples, ideas, and institutions; better packaging and communicating Africa's development prospects and perspectives; articulating well-resourced long-term visions and plans to which we remain faithful; building strong development financing and investment systems; modernizing agriculture; significantly scaling up and improving infrastructure networks; nurturing technology, innovation and development clusters; promoting coherent and coordinated industrial and trade policies; investing in human and physical capital; enhancing opportunities for small and medium-sized enterprise development; harnessing Africa's demographic dividend; promoting, diversifying and improving the quality of exports; accelerating regional integration; addressing the threat of climate change; and mobilizing the required domestic and external resources, including diaspora remittances.

6. We took note of the increasing contribution of remittances to economic and social development in Africa, as noted in AU Executive Council decision EX.CL/Dec. 683(XX) on the establishment of an African Institute for Remittances, and urged the AU Commission to expedite work on the establishment of the institute, in collaboration with its partners. In this regard, we also took note of the offer of Mauritius to host the institute, and the interest of Djibouti, Egypt and Kenya in doing so.

7. We noted that in our renewed quest for structural transformation, spurred by our new growth successes, we will have to ensure the mobilization of the citizenry around a common development vision. Such a vision will, inter alia, have to be complemented by an institutional framework that is able to effectively harness the potential of the State, the private sector and civil society as key drivers of transformational change, and harmonize their actions. It will also benefit from appropriate national planning mechanisms and instruments, including more effective networking by planning officials with a view, among others, to building a resilient community of peers that is appropriately equipped to share knowledge and best practices.

8. We are aware that global trends and developments are refracted into the economies of African countries in direct and indirect ways. In this regard, we are concerned that the escalation of the recent euro zone sovereign debt crisis, as a continuation of the global financial and economic crisis, has raised the risk of another global recession that may negatively affect African economies. We note further that a significant deceleration of growth in emerging markets could also adversely affect Africa's growth prospects. Still, we are encouraged by the fact that in 2011, Africa's growth rate remained positive in the face of global shocks and the prospects for 2012 and beyond are relatively bright. We reiterate the need for our Governments to remain committed to the pursuit of the broad range of policies and strategies that enabled us to weather the global crisis of 2007-2008 and that have helped us to maintain our overall resilience. Central to these policies and strategies is the development and consolidation of our internal markets, as well as ongoing efforts at achieving monetary and financial integration.

9. We recognize that to be sustainable, growth must be broad-based and inclusive, as amply demonstrated by the democratic transitions unfolding in North Africa, with reverberations in other parts of the continent. In this connection, the importance of employment generation, targeted particularly at young people, cannot be overemphasized. The need to sustain and expand measures designed to tackle poverty and improve social welfare is also crucial. We welcome the progress made by African countries towards the achievement of the Millennium Development Goals (MDGs), as manifested in such indicators as net primary school enrolment, child immunization, gender parity and containment of the spread of malaria and HIV/AIDS. However, the uneven pace at which progress is being achieved; the persistent hunger and poverty in many parts of the continent; the continuing high rates of child and maternal mortality and the inequities that persist in accessing basic services are all core elements of a development agenda beyond 2015 which we should keep within our focus.

10. In order to overcome the gaps and lags in our progress towards the MDGs, we reiterate the continued need for strong Government policy responses that are focused on economic diversification and structural transformation in ways that will accelerate poverty reduction, generate domestic value addition and intersectoral linkages, tackle unemployment, ensure food

security, accelerate progress towards reducing child and maternal mortality, improve gender equality and provide increased access to better basic services to the populace.

11. We also endorse the calls that have already gone out for the adoption of an African common position on a development agenda beyond 2015. We propose that the persistent development challenges that we continue to face should constitute the kernel of the continent's input into the United Nations debate on this agenda. To this end, we call on the AU Commission, ECA and the African Development Bank to take coordinated action to support the process of identifying Africa's priority concerns towards forging a harmonized continental position.

12. We call for wider use of gender-disaggregated data, including time-use data, in the analysis, planning and management of gender-aware economic and social policies. We salute progress made by our countries in increasing the representation of women in our parliaments and other areas of national and regional decision-making. We are confident that this progress will continue to be enhanced in the years ahead so that our continent can achieve the full gender parity to which our Governments have committed themselves.

13. We welcome the decision of the Second African Union Conference of Ministers Responsible for Mineral Resources Development to establish the African Mineral Development Centre as a platform to implement the Africa Mining Vision Action Plan. In the same vein, we endorse the decision to focus the theme of the Eighth African Development Forum on "Governing and harnessing natural resources for Africa's development" as much for the opportunity to build partnerships as for the occasion to further deepen discussions on the implementation of the Africa Mining Vision. We note that coherent and effective policies on the development of Africa's mineral sector will go a long way in, among other benefits, boosting domestic resource mobilization, facilitating balanced intersectoral linkages, scaling up skilled human resource growth, boosting infrastructure development and promoting local value addition.

14. We commend the regional economic communities (RECs) for their efforts to keep pace with the Abuja Treaty and for working in close collaboration with AU and ECA on the implementation of key regional integration and development initiatives. We recognize that regional integration is a key driver for unleashing Africa's potential as a pole of growth and a dynamic force in the global economy. We will therefore continue to work at different levels to address all constraints faced by the regional integration process in Africa so as to accelerate the tempo of the integration agenda and enable our continent to become more resilient to external shocks. In this regard, we welcome the Tripartite Arrangement between the Common Market for Eastern and Southern Africa, the East African Community and the Southern African Development Community and encourage other RECs to emulate its success so as to speed up African integration. We also urge member States to extend their full support for the implementation of the Minimum Integration Programme Action Plan adopted by the Eighteenth Ordinary Session of the African Union Assembly of Heads of State and Government held in January 2012.

15. We also applaud the landmark decision of the Eighteenth Assembly to fast-track the establishment of a pan-African/continental free trade area by 2017 and implement a comprehensive action plan for boosting intra-African trade in the short, medium and long terms.

We are persuaded that the decision will help unleash Africa's potential as a pole of growth, in addition to reinforcing our regional integration agenda.

16. We recognize that our continent's aspiration to emerge as a pole of global growth cannot be fully achieved without further investment in skilled human capital for the strategic purpose of the acquisition, generation and diffusion of new knowledge and technologies. We will continue to improve and expand African tertiary education in general, and science, engineering and technology training in particular, in order to ensure that the skills pool needed is available for fostering Africa's rapid economic and social development. Such a skills pool will also be indispensable for nurturing and expanding industrial design and manufacturing, which a carefully managed policy of technology acquisition should enable us to develop. To this end, we welcome the recent establishment of the Pan-African University and its constituent centres of excellence.

17. We acknowledge the need to promote domestic and foreign private research and development projects and manufacturing investments, as well as to establish incentives and other mechanisms to eliminate barriers to innovation, including unfair taxation and unfavourable intellectual property regimes. We recognize the need to promote national investment so that it plays its role as an engine of growth, to promote research and development in investment projects, and to take measures to eliminate obstacles to innovations. We also recognize the importance for Africa of promoting innovation in academia, industry and government, through incentives such as innovation and technology leadership awards, profiling successful innovators and entrepreneurs and offering fiscal incentives.

18. Pursuing structural transformation and assuming the role of a pole of global growth will entail continuing to strengthen public policy capacity and institutions across Africa. In this connection, we recall that our Fourth Conference issued a call to the United Nations to substantially increase the financial support to the African Institute for Economic Development and Planning (IDEP) against the backdrop of the revival of long-term and development planning in our countries and the consequent increase in the demand for the services of the Institute.

19. We acknowledge with satisfaction and appreciation the laudable decision of the United Nations to increase the budgetary allocation to IDEP by almost 300 per cent, as from January 2012. We also acknowledge the increased support from member States to the Institute, while encouraging those with arrears to take steps to clear them at the earliest opportunity. We call on the Governing Council of the Institute, comprising 10 African Ministers and the Executive Secretary of ECA, to continue to closely oversee the commendable process of institutional renewal and expansion that has been under way over the last few years, in order to ensure that it remains closely aligned with the priorities and needs of African countries.

20. We note that our enhanced domestic resource mobilization efforts are undermined by the growing problem of illicit financial transfers. We also note that Africa's efforts to retain as much value as it can within the continent for development and implementation of its prospects of becoming a pole of global growth will not be fully accomplished if illicit transfers are not seriously tackled. In this connection, we welcome the implementation of the resolution of the Fourth Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and the ECA Conference of African Ministers of Finance, Planning and Economic Development on

the establishment of the High-Level Panel on Illicit Financial Flows from Africa, with the inauguration of the Panel chaired by former President Thabo Mbeki of South Africa. We look forward to the country-level engagements which the Panel will undertake in an effort to build greater policy and political awareness about the problem of illicit transfers and involve local actors in the search for solutions. We also welcome the forthcoming African conference on strategies for resource mobilization to be organized by the Government of Guinea on 5 and 6 September 2012.

21. We reiterate our conviction that the fight against corruption and corrupt practices is crucial to the prospects of our countries overcoming underdevelopment and improving the welfare of the citizenry. We commend the formulation of the five-year Regional Anti-Corruption Programme for Africa (2011-2015) by ECA and the AU Advisory Board on Corruption and urge the two bodies to vigorously implement the Programme, along with partner institutions, with a view to scaling up the fight against corruption in Africa.

22. Africa's growth pole potentialities will, without doubt, benefit from partnerships from around the world. In this respect, commitments made by Africa and its partners will have to be closely monitored and evaluated. We welcome the continued production of the annual report on the Mutual Review of Development Effectiveness by ECA and the Organization for Economic Cooperation and Development and reaffirm our support for it. We encourage the two institutions to intensify efforts to distribute the report to a broad range of development actors involved in strengthening development dialogues between Africa and its partners.

23. All aspects of our quest for development will benefit from improved statistics. We reiterate the need for quality statistical information to support Africa's development effort and integration agenda. The African Charter on Statistics and the Strategy for the Harmonization of Statistics in Africa which encompass the political, economic, social and cultural priorities underpinning our integration agenda are key instruments which we will continue to nurture to redress deficits in our statistical systems and resources. We commend work that has already been accomplished in the area of statistics on food security, agriculture and rural livelihoods, labour markets, the International Comparison Programme and national accounts. We call on member States to expedite ratification of the Charter.

24. Cognizant of the opportunities, potentialities and challenges involved in efforts to ensure that our continent becomes a pole of global growth, we commit ourselves to:

(a) Promoting and implementing holistic, coordinated and integrated policy approaches and mixes to help unleash balanced and sustainable growth and the development potential of our countries at the local, national and regional levels;

(b) Strengthening our individual and collective leadership and capacities to grasp evolving local and global opportunities in order to speed up the attainment of development transformation;

(c) Scaling up implementation of various regional and global commitments and initiatives that are compatible with our vision of a transformed continent that is able to serve as a pillar of global growth;

(d) Promoting mutually beneficial intra-African and South-South cooperation, including ongoing regional integration programmes across Africa;

(e) Facilitating efforts towards mainstreaming the Action Plan for Boosting Intra-African Trade and the Road Map and Architecture for fast-tracking the Continental Free Trade Area, as well as various ancillary initiatives, such as the Minimum Integration Programme and the Programme for Infrastructure Development in Africa, in national plans, strategies and budgetary allocations and effectively contributing to advancing the implementation of integration programmes and activities;

(f) Supporting a range of measures to strengthen participation by young people and women in wage employment and widening their access and opportunities in the labour market;

(g) Contributing to accelerating measures designed to radically curb child and maternal mortality in Africa;

(h) Addressing the gap in financing Africa's development by refocusing efforts on domestic resource mobilization;

(i) Playing a robust role in the shaping of the development agenda beyond 2015, in line with Africa's aspiration to achieve structural transformation.

### **Vote of Thanks**

25. We thank the Government of the Federal Democratic Republic of Ethiopia for hosting the Conference and for the excellent facilities made available to us. We also thank the people of Ethiopia for their generosity and warm hospitality.

26. We are grateful too to the AUC and ECA for successfully convening the Fifth Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and the ECA Conference of African Ministers of Finance, Planning and Economic Development.