



Economic Commission for Africa

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Despite setbacks, Africa seen as key player in future

As the international community commemorated Africa Industrialization Day, United Nations officials expressed mixed emotions about a beleaguered continent plagued by a rash of political, economic and military crises.

Secretary-General Ban Ki-moon, warned that a continuing global economic crisis has not only reduced the demand for African exports but also constricted foreign aid and hindered the flow of remittances to the cash-strapped continent.

As a result, Africa's share of the weakened global economy remains "disproportionately low", he said.

The U.N. Industrial Development Organisation (UNIDO) pointed out last week that Africa has been hit by major supply-side constraints primarily

because of the global food, fuel and financial crises.

"The continent has suffered from low productivity, a lack of appropriate skills, a lack of infrastructure, a high cost of doing business and a lag in agricultural production - all of which contributed to a flagging economy," said George Assaf, UNIDO's director and representative to the United Nations.

"Africa needs to integrate more efficiently into international markets, and achieve market niches internationally," he added.

But despite the gloomy scenario, there is still hope, says Eckhard Deutscher, chair of the Development Assistance Committee at the Paris-based Organisation for Economic Cooperation and Development (OECD).

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Mitigation as a policy instrument is less relevant for Africa, says ECA's Food Security Chief

The Director of Food Security and Sustainable Development Division of the United Nations Economic Commission for Africa (ECA), Josue Dione, said on Tuesday that while mitigation of climate change impacts remains a challenge for Africa, its scope as a policy instrument in Africa is very limited since the level of the continent's green house gas emissions is very minimal.

Speaking at a side event at the margins of the ongoing COP16 on a day that has been declared "Agriculture and Rural Development Day", Dione said a better option for Africa is "an adaptation/mitigation nexus where adaptation measures invariably contribute to mitigation".

Quoting the Prime Minister of Ethiopia, Meles Zenawi, who is also the chief spokesperson for Africa at the negotiations, Dione said although Africa lacks the capacity to pollute, the technology to acquire that capacity is fairly easy and cheap to get. Africa must be encouraged with appropriate incentives not to go that route, he said.

Dione said climate change had impacted agriculture in Africa in diverse ways, including high water stress, increasing aridity, extreme weather events, and constrained crop and livestock productivity. Yet, the continent is overly dependent on rain-fed agriculture and has low access to the technology

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Despite setbacks . . .

He said foreign direct investment in Africa last year amounted to 88 billion dollars - twice the level of official development assistance. At the same time, remittances to Africa grew from 11 billion dollars in 2000 to 40 billion dollars in 2008.

"Africa will be an important player in the future without any doubt," Deutscher told reporters last month.

Ibrahim Assane Mayaki, CEO of the NEPAD, claims Africa's per capita income was higher than that of India. But he warns that the most challenging issue for Africa's leaders in the next 50 years will be youth employment. This lingering issue is "a political bomb" on which African leaders are sitting, he told reporters.

He said NEPAD's two priorities were agriculture and infrastructure building. And NEPAD's strategic focus was on two key issues: the promotion of closer cooperation with the regional economic communities in Africa and the promotion of better cooperation and harmonisation between NEPAD's activities and those of the AUC.

"Although resources were important, the question of political leadership and managerial capacity to implement objectives was much more important," Mayaki added. He said African leaders believed the best way to reduce poverty was to increase economic growth. If economic growth was not increased, poverty could not be reduced significantly, he declared.

A new report titled "Economic Diversification of Africa: A Review of Selected Countries" presents new development strategies highlighting diversification and also transport corridors between countries and hubs related to telecommunications and science and technology.

The study, jointly produced by the U.N. Office of the Special Adviser on Africa (OSAA), NEPAD Agency and OECD, provide case studies of five countries from different subregions with different development processes: South Africa, Kenya, Tunisia, Angola and Benin.

Source: *Africa News*, November 22, 2010 Monday

Mitigation as . . .

He said agriculture is critical to the climate change agenda because it is both part of the problem and solution to climate change challenges. Explaining, Dione said agriculture was part of the problem because the livelihood of about 70 percent of Africa's population comes from agriculture-related activities while 70 percent of the world's poor depend on agriculture.

In Africa, he said, although 60 percent of the labour force, (constituting one-third of the GDP) and 40 percent of export earnings can be traced to agriculture, the sector is grossly undercapitalized, productivity is low and hunger still affects a great proportion of Africa.

The Director said about 6 percent of African agriculture is irrigated, compared to 40 percent in Asia; Africa uses 22 percent of world fertilizer, (9 percent of this number is used in sub Saharan Africa) while agricultural education and research are grossly underfunded. All of these have caused agriculture to underperform in Africa over the last 40 years, keeping labour productivity to no more than 50 percent of that of Asia, rice production to 40 percent and maize production at 30 percent, he said. The underperformance has led Africa to spend about \$33 billion on food imports. "Despite this, one-third of Africa is still chronically hungry".

But Africa has responded with many policies, he said, including prioritization of investment in agriculture, climate-proofing African economies, regional cooperation and incentives for the private sector, focus on strategic food and agricultural commodities.

Dione identified some knowledge gaps, especially regarding climate-related information for planning and policy decision making. These gaps relate to diverse areas including mapping of strategic commodity belts, impacts of climate change, policy options and documenting best practices.

He said ECA's initiative, African Climate Policy Centre, established in collaboration with the African Union and African Development Bank, would serve Africa by responding to the gaps through analytical work, knowledge sharing and policy advocacy.

Source: *Original story from ECA*

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