

**Statement by Mr. Adballa Hamdok, Deputy Executive Secretary of the ECA,
presented at the Meeting of the Committee of Experts of the Sixth Joint Annual
Meetings of the ECA Conference of African Ministers of Finance, Planning and
Economic Development of the AU Conference of Ministers of Economy and Finance**

It is indeed a great pleasure for me to welcome you to Abidjan, the historic economic capital of Cote d'Ivoire for the Sixth Meeting of the Committee of Experts of the African Union Conference of Ministers of Economy and Finance and the ECA Conference of Ministers of Finance Planning and Economic Development. Converging in this beautiful city in our numbers as we have done on this occasion is a remarkable way of joining our Ivorian brothers and sisters in celebrating the return of peace and prosperity to their beloved country, which went through particularly trying years of conflict.

This meeting is one of the most important statutory events in the annual calendar of activities of ECA. It serves as an important platform for the articulation of expert views and perspectives on themes that are pertinent to Africa's development agenda. It also gives direction and guidance to our strategic priorities before approval by Ministers.

Distinguished Delegates,
Ladies and Gentlemen

This statement provides me the opportunity to share our reading of economic, social and governance trends in the continent over the past one year. I will also report on key ECA activities and identify some emerging issues that require the attention of this vital constituency.

Permit me therefore to start by giving you a brief overview of the economic conditions of our continent as a prelude to a discussion of its socio-economic development agenda. It is gratifying to know that despite the global economic down turn, accompanied by heightened tension and uncertainty; Africa was able to record a robust 5.0 per cent growth rate in 2012, well above the world average. The upscaling of this growth must

remain an uppermost consideration in our minds. We accordingly need to identify contributory factors and policies so that we can maintain or, indeed, improve on them.

Overall, the impulse for economic recovery in many African countries came from high commodity demand in the international market, rising domestic demand associated with rising incomes and urbanization, improved macroeconomic management and prudential macroeconomic policies. Interestingly, although GDP growth rates varied across countries and country groupings within Africa, they remained relatively strong in both oil-exporting and oil-importing countries, partly because of strong demand and high prices for non-oil commodities and improved performance in agriculture, services and other sectors. The ability of non-oil producing African countries to register remarkable economic growth strengthens the case for economic diversification on the continent.

As we welcome Africa's commendable growth performance, even against the backdrop of global economic turbulence, we cannot lose sight of the disturbing disjuncture between this growth and prevailing social conditions in many of our countries. As a matter of fact, the reasonably good growth across the continent has not been translated into the broad-based economic and social development needed to lift millions of Africans out of poverty. Moreover, it has not been equitable. Africa continues to suffer from high levels of unemployment, particularly among the youth and women partly as a result of heavy dependence on primary commodities, as a sector which by itself cannot create enough jobs and inclusive growth.

Distinguished guests,
Ladies and gentlemen,

These are the reasons why ECA is calling for accelerated industrialization as one of the surest ways of ensuring the sustainability of Africa's recent economic growth. In addition to contributing to sustained wealth creation, related value addition will enable Africa's products to enter global markets on a more competitive basis. Industry particularly manufacturing has been shown to be fundamentally linked to sustained

growth and transformation. It has historically provided a good foundation for the acquisition of skills, a major source of jobs and basis for innovation and learning by doing. The evidence from other parts of the world also show that industrialization is a very important means of bringing more and more of our women into the workplace.

This explains the choice of the theme of this meeting: “**Industrialization for an emerging Africa,**” which actually builds on the recommendations of previous conferences, particularly one of the outcomes of the 2012 Conference on renewed vigor for “**unleashing Africa’s potential as a pole of global economic growth.**” For Africa to emerge as a pole for global economic growth, through accelerated industrialization, it must begin by first devising policy responses and actions to the range of regional and global challenges that confront it.

Chairperson,

As the MDG target year 2015 draws near, it is important for our member states to review progress made thus far for the purposes of appreciating what remains to be done. "As ECA research shows, progress is uneven across countries and across social sectors. Indeed, while there is progress, there remains a lot to be done with regard to women's empowerment, gender equality and maternal mortality." . However, this is not for want of effort but rather the fact that our starting point was lower than that of many other parts of the world. As we continue our efforts in this direction, it is also practical to realize that 2015 is less than two years away and we need to begin to reflect on the limitations of the MDG process, with a view to making necessary improvements. Accordingly, Africa needs to have a strong voice and position on what a post-2015 development agenda that reflects its interests should look like. It is in this regard that the ECA, in partnership with the AUC, the AfDB and the UNDP’s Regional Bureau for Africa (UNDP/RBA) facilitated a series of regional and sub-regional consultations aimed at articulating an African common position on the post-2015 development agenda. Importantly also, the ECA provided technical backstopping to the UN Secretary General’s High Level Panel (HLP) on the post-2015 development agenda.

Given the potential contribution of natural resources to the transformation of Africa, the 8th African Development Forum (ADF VIII) was dedicated to this subject. Accordingly, ADF VIII which attracted over 800 participants took place in Addis Ababa with the theme *‘Governing and Harnessing Natural Resources for Africa’s Development’*. Deliberations at ADF VIII covered sectors such as land, minerals, fisheries and forests. The outcome document of the Forum called for member States to implement pan-African frameworks relating to natural resources management including the African Mining Vision. It also called for policies that would promote wider access to the benefits of natural resources, while also contributing to long-term transformation. A cross-cutting recommendation was for increased capacity in African countries to manage natural resources including better negotiation of contracts. In this context, ECA is working closely with the AUC and other partners to establish an African Minerals Development Centre to support the efforts of member States in this vital area.

In light of the centrality of considerations of sustainability in the choice of Africa’s development path, the ECA has continued to work very closely with member States to promote food security and sustainable development, while also addressing the challenges of climate change. On this score, the ECA collaboratively with the AUC, AfDB and other partner institutions, spearheaded a bottom-up and multi-stakeholder regional preparatory process, which culminated in an effective African participation in the Rio+20 processes. The ECA also provided technical support to the African group of negotiators, ensuring that Africa was adequately represented at both the political and technical levels.

In recognition of the strong nexus between governance and development, the ECA continued its efforts to contribute to the promotion of good governance practices, policies and standards in support of Africa’s development. In particular, the AGR-III significantly enriched and up-scaled ECA’s work on policy dialogue and reforms on governance in Africa, particularly in relation to elections and issues of diversity, and charted the way for other institutions to take a cue on these issues. More significantly, based on the ECA’s lead work on elections and diversity management, the report of the UN Secretary General on Africa for 2012 was themed around “Diversity management.”

In recognition of the APRM as one of the most innovative governance frameworks on the continent, the ECA continued its support to the APRM process, in the course of which, it significantly influenced the systematic improvements in the capacity of the APRM Secretariat as well as stakeholders in member states. Chairperson, as we prepare to celebrate the 10th anniversary of the APRM, I wish, on behalf of the Executive Secretary of the ECA, to pledge the firm commitment of our organization to scale up our support to the APRM process.

Following the resolution of the Ministers mandating the establishment of a high level panel on illicit financial flows from Africa, I am pleased to inform that the Panel chaired by former President Thabo Mbeki of South Africa, continues to work apace. The High Level Panel has framed issues and determined the scope of the illicit financial flows from the continent through an initial background study. It is now in the process of undertaking country case studies to deepen our understanding of the nature and processes of illicit financial outflows. The Panel has therefore specifically requested the assistance of this distinguished group of officials for its works, particularly with regard to sharing data, information and insights to enrich its work.

Regional integration, infrastructure development and trade remain central to Africa's development agenda, explaining why the ECA expended considerable time and resources to facilitate work in this area. We are all aware that partly because of the poor state of infrastructure connectivity between African countries, the continent has continued to trade less with itself and more with the outside world. We at the ECA believe that this trend is neither healthy, nor sustainable and that is why we strongly applaud the African Union Summit's timely decision in January 2012 to fast-track the establishment of a Continental Free Trade Area by the indicative date of 2017 and implement a comprehensive action plan for boosting intra-African trade. It is our conviction that the proposed African CFTA is a good opportunity for accelerating the achievement of the continental vision of an African Common Market and helping strengthen the continent's resilience to current global downturns. The enlarged African market space of about one billion people can also spur investments motivated by economies of scale, taking

advantage of commodity based industrialization supporting policies in the investment, industrial, financial, and trade spheres.

Chairperson,

Distinguished Delegates,

It will be remiss of me if I fail to underscore the importance of South-South cooperation in Africa's development agenda, particularly in light of the growing role of emerging economies such as China, India and Brazil in Africa's trade and investment landscape. It is imperative in this regard that Africa should begin to frame the pillars and strategic context of its engagement with emerging economies. This could include channeling Foreign Direct Investment (FDI) from the global South towards enhancing productive capabilities, upgrading infrastructure and magnifying cooperation in agriculture to boost the production of higher value-added agricultural products is vital. This can help deepen the opportunities for mutually-beneficial South-South cooperation, furthering Africa's market diversification aims as well as filling trade and investment gaps. I am pleased to mention in this regard that ECA has recently concluded a study on Africa and the BRICS which is now available.

I wish to conclude by asserting that Africa's development prospects are brighter today than they have ever been in the continent's recent history. The ECA subscribes to the thesis that suggests that Africa's time has come and that we are living the African moment. To maximize the opportunities provided by this defining moment in Africa's history, there is urgent need to devise well thought out strategies, policies and plans that would herald a genuine and inclusive African structural transformation. I have no doubt in my mind that this gathering of Africa's leading finance, economy and development experts has the ability and resolve to chart the course that will lead to Africa's effective economic transformation and take off.

I thank you for your kind attention and wish you very fruitful and successful deliberations.