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Ministers of Economy and Finance*

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African Ministers of Finance, Planning and Economic
Development and AU Conference of Ministers of
Economy and Finance

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MINISTERIAL STATEMENT

1. We, African Ministers of Finance, Planning and Economic Development, met in Abidjan, Côte d'Ivoire, on 25 and 26 March 2013 for the Sixth 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 of the Ministers of Industry and Trade and, as has become customary, the Governors of the Central Banks of many of our countries and regions.

Industrialization for an Emerging Africa

3. We deliberated on the theme, “*Industrialization for an Emerging Africa*”, a subject that we consider to be crucial to the capacity of our countries to reap the full benefits of growth. In today’s global economic context and in view of the continent’s own need for structural transformation, industrialization has become an imperative for Africa’s development and its concerted pursuit cannot be postponed any longer.

4. We noted that the average growth rate of African countries rebounded to 5.0 per cent in 2012 after a slowdown in 2011 occasioned by a combination of adverse internal and external conditions. Besides high commodity prices, it is encouraging to note that a variety of other factors contributed to this economic performance, including improved macroeconomic management and business environment, strengthened domestic demand associated with rising incomes, a growing middle class and rapid urbanization, increased public spending, enhanced trade and investment ties with emerging economies, and post-conflict economic recovery in several of our countries.

5. We note, however, that despite Africa's return to a positive growth trajectory, the pattern of development on the continent has remained mixed. Africa’s growth has not translated into commensurate job creation and poverty rates remain high in most of our countries, in part because our economies continue to rely heavily on primary commodity production and exports. This dependence, and the associated vulnerability to price fluctuations, entails huge forgone income through lack of value addition and lost opportunities to create additional and decent jobs that the processing of commodities would bring. Progress in promoting value addition, linkage development and diversification of exports remains limited to a few countries, sectors and commodities.

6. We understand that for Africa to translate growth into an all encompassing structural transformation, it must actively pursue a strategy of commodity-based industrialization which we are convinced is both possible and beneficial. In addition to its predominantly young and urbanizing population, Africa can boast of significant natural resources, including plentiful land and fertile soils, as well as oil and minerals. Adding value to commodities creates employment and revenue, contributes to the diversification of the local technological skill base and industrial capabilities, results in efficiency gains of cluster development, and generates positive spill-over effects in terms of knowledge and information. It also helps countries to reduce exposure to the high risks that characterize primary commodity markets due to speculation and price fluctuation.

7. We acknowledge that making the most of Africa's commodities requires dynamic and visionary leadership, as well as effective and coordinated actions to adopt and implement a coherent industrial policy. It also calls for the introduction of accompanying and enabling macroeconomic and trade policies; strategic interventions to insert indigenous firms in regional and global value and supply chains; boosting of local skills and technological capabilities lifting of infrastructure constraints and bottlenecks; improved policy implementation through better coordination among ministries; and the negotiation of regional trade and investment arrangements that foster intra-African trade. We particularly underscore that the development of infrastructure and energy constitute major drivers for a successful programme of industrialization and we commit ourselves to working with all stakeholders in our various countries to mobilize the requisite financing.

8. We also recognize that the private sector has a critical role to play in the industrialization of Africa. While continuing to welcome all the foreign direct investments (FDI) we can attract, we particularly encourage African private sector investors to engage actively in the industrial sector. To this end, we commit to working in partnership with the private sector over the long haul in order to ensure the fruitful gestation and expansion of initiatives undertaken to stimulate industrial production, including in the agro-industrial sector, and enhance industrial productivity on the continent. By the same token, we invite the private sector to partake in public programmes aimed at accelerating the structural transformation of Africa.

9. We note the opportunities for individual and coordinated action provided by regional frameworks such as the Accelerated Industrial Development of Africa (AIDA) Action Plan, the Minimum Integration Programme (MIP), the Comprehensive Africa Agriculture Development Programme (CAADP), the Programme for Infrastructure Development in Africa (PIDA) the Africa Mining Vision (AMV) and the Continental Free Trade Area (CFTA). We understand that regional markets offer tremendous opportunities waiting to be tapped. In addition to facilitating local production linkages between and within countries, regional markets also provide learning opportunities and allow domestic firms to build their production capabilities step by step.

10. We further recognize that trade agreements with industrialized and emerging countries are important for entering new markets. However, these agreements need to be designed, negotiated and sequenced in a manner that creates and preserves the policy space required for industrialization and the effective implementation of regional integration initiatives. Opportunities abound in the multi-polar and post-structural adjustment global environment for the creative development and application of policies and strategies for the rapid industrialization of Africa.

11. In encouraging resource-rich African countries to better leverage their natural wealth to achieve industrial development, we also encourage non-resource-rich countries to make the necessary investments in their human, physical and institutional capabilities to achieve the transformation of their economies. We note that whether resource-rich or not, all African countries must sooner rather than later venture into sophisticated, innovative, non-resource-based activities through which they can build domestic value in an incremental manner, underpinned by transition towards knowledge-driven growth and development.

MDGs and the Post-2015 Development Agenda

12. We welcome the progress made by African countries towards the achievement of the Millennium Development Goals (MDGs). However, concerned about the slow advances in achieving them and cognizant of the enduring spatial, gender-based, income-based, and demographic inequalities in access to social services, we commit to invest in improving the availability and quality of social services particularly in the areas of environment, health, education, and water and sanitation, as part of a new, transformative social policy and development compact.

13. Looking ahead to the Post-2015 Development Agenda, we underscore the central importance of context, self-effort, ownership, resource availability and other enablers to the prospects for more robust outcomes in the achievement of set targets. In this regard, we commend the African Union Commission (AUC), the Economic Commission for Africa, and the African Development Bank (AfDB) for their efforts in conducting regional and continent-wide consultations on the Post-2015 Development Agenda and request the institutions to ensure that the African priorities are effectively reflected in the Sustainable Development Goals (SDGs) and Agenda that are in the making. To this end, we call on the three collaborating institutions to translate the African common position into concrete goals, indicators and targets, doing so by mobilizing all the energies and partnerships necessary to ensure success.

Follow-up to Rio+20

14. We note the Africa Regional Implementation Meeting (Africa-RIM) outcome document as a key African input to the Rio+20 follow-up processes and request AUC, ECA, AfDB, and other relevant partners to expedite the development of a Regional Action Plan for coordinated implementation of the Rio+20 outcomes in Africa. Such a plan should include strategies for the integration of the Rio+20 outcomes into national development policies, strategies and plans, taking into account the need for balancing economic, social and environmental development imperatives. We also urge that necessary steps be taken to achieve an early convergence between the Post-2015 Development Agenda and the Rio+20 follow-up processes, particularly the SDGs, towards ensuring a “Delivery as One” United Nations development agenda.

Africa's Demographic Dividend

15. We note the importance for Africa to introduce immediate measures to capitalize on its demographic dividend, through increased and sustained investments in health and education, particularly for women, the girl-child, the youth and disadvantaged social groups, with a view to enhancing the continent's competitive advantages. These investments should be further enhanced by the adoption of appropriate social, urban planning, and macroeconomic policies. We encourage AUC and ECA, in collaboration with AfDB and other institutional partners, to continue and extend their ongoing work in these areas.

ECA Strategic Reorientation

16. We warmly welcome and fully endorse the new ECA strategic orientation and the refocusing of its programme priorities and methods of delivery, designed to enable the Commission to better serve the African transformation agenda in a changing world. We also note the support expressed by African leaders for the ECA reorientation and their call to the United Nations Secretary-General “*to provide required support to ECA to enhance its work in accordance with Africa's priorities*”. We request the Secretary-General to take necessary steps to translate this call by African leaders into concrete support measures for the ECA.

17. We welcome the outcomes of the refocusing exercise at ECA that places statistics for evidence-based policymaking and effective planning at the core of generation of research, policy, knowledge and consensus. We also endorse the new strategy for delivery of capacity development and advisory services in different thematic areas that are germane to the development agenda of African countries. In support of ongoing efforts towards the transformation of African economies, we commit to strengthening national statistical systems with particular emphasis on the production and use of detailed economic statistics and related aggregates. We further commit to provide African statistical institutions, including ECA, with the data needed in support of their work. We note the progress made in implementation of the African Charter on Statistics and the Strategy for the Harmonization of Statistics in Africa (SHaSA), as well as the institutional arrangements for implementing these frameworks.

18. We also welcome the aspects of the ECA refocusing and restructuring exercise that confer full responsibility for all the Commission’s training activities and related workshops to the African Institute for Economic Development and Planning (IDEP), and the deeper programmatic integration of the Institute into the ECA that this implies. We note the significant progress which the Institute has made over the last few years in retooling itself to serve the training needs of member States. Furthermore, we salute the partnership which the Institute is building with African universities and think-tanks for decentralized delivery of its training programmes. We also encourage its expanding and closer collaboration with AUC. We once again salute the increase in the United Nations regular budget allocation to the Institute and welcome expansion of ECA extra budgetary support to the Institute. We call on member States to continue to support IDEP programmes and activities by meeting their obligations to it in a regular and timely manner. We also urge the Executive Secretary of ECA to take the appropriate administrative steps to complete processing of the Institute’s updated statutes with the relevant bodies of the United Nations, including the Economic and Social Council (ECOSOC).

Global Partnership for Effective Development Cooperation

19. We took note of the actions taken by AUC and the NEPAD Planning and Coordinating Agency (NPCA) in line with the Decision of the 19th AU Assembly on the participation of Africa in the Global Partnership (GP) for Effective Development Cooperation, which was launched in June 2012, replacing the Working Party on Aid Effectiveness (WP-EFF). We reiterate calls for Africa to be allocated a second seat on the steering committee as a major constituency for development cooperation. We welcome the inclusion of the GP as a standing agenda item of the

AU Conference of Ministers of Economy and Finance and ECA Conference of Ministers of Finance, Planning and Economic Development. We call for African countries to actively engage in the GP and propose that an African consultative reference group be created, on a rotational basis, comprising two representatives per region, with AUC/NPCA as the secretariat, for the purpose of consulting regularly on the activities of the GP, preparing necessary African common positions and supporting the African representatives on the steering committee.

Africa 2063

20. We welcome the Africa 2063 project and encourage AUC, ECA, and AfDB to continue working on the initiative so that the continent can attain its vision of becoming an integrated, competitive, prosperous and peaceful continent that represents a dynamic force in the global economy. To this end, we commit ourselves to exerting the necessary efforts to consolidate Africa's position as a new growth pole and emerging market in the next 50 years. We also commit to work together to develop a united vision to influence the global economic agenda and shape the outcomes of globalization for the benefit of our people.

Vote of Thanks

21. We thank the Government of Côte d'Ivoire for hosting the Conference and for the excellent facilities made available to us. We also thank the people of Côte d'Ivoire for their generosity and warm hospitality.

22. We are also grateful too to AUC and ECA for successfully convening the Sixth 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.