Ministerial statement

We, African ministers of finance, planning, economic development and integration, meeting in Addis Ababa on 30 and 31 March 2015 for the eighth Joint Annual Meetings of the African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration and the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development,

Welcoming the presence of the Prime Minister of Ethiopia, Mr. Hailemariam Dessalegn, the President of Rwanda, Mr. Paul Kagame, former Heads of State and Government, the governors of our national and regional central banks, and other high-level dignitaries and special guests,

Having deliberated on the theme “Implementing Agenda 2063: planning, mobilizing and financing for development” and having saluted the fact that Agenda 2063 emerged from consultative processes and will help African economies to overcome their continued vulnerabilities, including their dependence on the extraction and export of raw materials,

Therefore declare:

1. Agenda 2063, the long-term vision for the continent, encapsulates the hopes, aspirations and expectations of Africans for an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena. Agenda 2063 should serve as the vision for the structural transformation of the continent.

* The Specialized Technical Committee replaces the Conference of African Ministers of Economy and Finance (CAMEF) and the Conference of African Ministers of Integration (COMAI). The Specialized Technical Committee brings together ministers of finance, monetary affairs, economic planning and integration.
2. The foundation for Agenda 2063 lies in present conditions. We note that economic growth in Africa rose from 3.7 per cent in 2013 to 3.9 per cent in 2014, which is relatively good in global terms, albeit still far below the double-digit growth needed for structural transformation. Although the medium-term economic outlook for the continent remains favourable, there are downside risks that could adversely affect its growth prospects, such as the fall in the price of oil and other commodities, the slow economic recovery in developed countries, tighter global monetary policies, weather-related shocks, and political instability in some of our countries.

3. While our countries have made appreciable efforts to attain the Millennium Development Goals, much remains to be done to achieve inclusive and equitable development in Africa. We remain committed to tackling poverty and inequality, providing productive employment and decent jobs for young Africans, empowering our women, and prioritizing the welfare of African children to ensure a robust and vibrant 2063 generation. These noble objectives require us to implement policies to stimulate productive activities for men and women so as to enable Africa to reap the benefits of its demographic dividend, including scaling up investments in the areas of education and health. We also commit ourselves to prioritizing investments in the well-being of young people through access to high-quality education. We therefore reiterate our full support for a post-2015 development agenda that should take into account the key goals set out in the common African position on the post-2015 development agenda and Agenda 2063.

4. The fragile foundations of social services in several of our countries were revealed during the Ebola outbreak, which had a devastating impact on Guinea, Liberia and Sierra Leone. We note with appreciation the material and financial support provided to those countries by other African countries and the African private sector. We renew our unequivocal support for the Governments and peoples of the three countries and welcome the pledges made thus far by the international community to support them. We appeal for immediate steps to be taken to restore growth and enable recovery in those countries, including debt cancellation.

5. The successful implementation of Agenda 2063 will depend to a great extent on strong linkages between the planning, mobilizing and financing of the processes of structural transformation. We welcome the intention to split Agenda 2063 into separate ten-year development plans to facilitate its implementation. We are aware that African countries have had varying experiences with development planning, but successes in other regions show that inclusive, well-articulated and well-resourced development plans play a critical role in spurring structural transformation. We therefore commit ourselves to improving planning processes in our countries by strengthening institutional and human capacities at various levels.

6. High-quality statistical information and data are essential for the proper planning and measurement of development outcomes. Africa should generate its own data to enable it to better monitor and track economic and social targets, including the goals and objectives of Agenda 2063. A data revolution in Africa would afford our continent the opportunity to interact with diverse data communities and to embrace a wide range of data sources, tools and innovative technologies, which would enable the continent to produce disaggregated data, including gender-disaggregated data, for decision-making, service delivery and citizen engagement. An African data revolution should be built on the principles of openness across the data value chain and a vibrant data ecosystem driven by national priorities and inclusive
national statistical systems. In this regard, we underscore the importance of strengthening existing pan-African statistical institutions, as well as other similar institutions agreed to by Heads of State and Government, to support the implementation of the first ten-year plan of Agenda 2063.

7. It is important to harmonize national, subregional and continental development plans in the context of Agenda 2063. We take note of the commonalities existing between certain national plans and Agenda 2063. It will also be important to leverage continental frameworks articulated under the New Partnership for Africa’s Development Planning and Coordinating Agency, such as the Comprehensive Africa Agriculture Development Programme, the Accelerated Industrial Development in Africa action plan, the Africa Mining Vision, the Boosting Intra-African Trade initiative, the Programme for Infrastructure Development in Africa and the Social Policy Framework for Africa. The coordinated implementation of these frameworks will be instrumental in achieving Africa’s structural transformation objectives.

8. African people must be mobilized in support of Agenda 2063, as their participation is essential for its successful implementation. This requires the building of political coalitions in support of structural transformation, with the public and private sectors, parliamentarians, civil society organizations, the media, the academic sector and others all taking ownership of the process. We also call upon our countries and pan-African institutions to popularize Agenda 2063, especially among young Africans, through advocacy, education and communication strategies, and the provision of appropriate skills to underpin structural transformation.

9. Adequate and predictable financing is indispensable for the successful implementation of development plans and strategies. While official development assistance has been helpful, it is a fragile platform on which to base a structural transformation agenda. Agenda 2063 needs to be anchored on domestic resource mobilization, through effective tax policies, savings mobilization, and the use of other financing mechanisms such as pension funds, sovereign wealth funds, diaspora bonds and remittances. We urge African central banks and pan-African institutions to increase their support for efforts to boost the continent’s socioeconomic transformation and its financing.

10. We are gratified that the final report of the High-level Panel on Illicit Financial Flows from Africa, the establishment of which we had advocated, was the subject of a special declaration by the Assembly of Heads of State and Government of the African Union. Apart from reducing the resources available on the continent for development, illicit financial flows have a negative impact on governance and undermine efforts to add value to Africa’s natural resources before they are exported. We endorse the recommendations set out in the report and call upon the international community to complement Africa’s efforts to track, stop and repatriate illicit financial flows.

11. Financing is also vital for the implementation of global agreements relating to sustainable development, such as the post-2015 development agenda and the sustainable development goals. Accordingly, we endorse the draft document entitled “Financing for development: Africa’s perspectives” as a living document that takes into account the outcomes of the regional consultations held in preparation for the third International Conference on Financing for Development, which is to take place in Addis Ababa in July 2015. We urge Africa to continue to speak with one voice throughout the International Conference on Financing for Development process. We also urge African negotiators to do
their utmost to ensure that Africa’s interests and concerns are reflected in the final outcome document, including in the areas of domestic resource mobilization, international resources for development, international financial and technical cooperation, external debt, the international monetary and trading system, international trade, technology innovation, capacity-building and strong follow-up mechanisms.

12. We acknowledge that in addition to planning, mobilization and financing, other key issues will affect the implementation of Agenda 2063. African countries will need to articulate credible macroeconomic frameworks that can underpin the planning process. Infrastructure development initiatives can help to boost production capacity, reduce transaction costs and promote structural transformation. We identify with the priority infrastructure projects contained in Agenda 2063, as well as those being overseen directly through the Presidential Infrastructure Champion Initiative. We call for policies to be drawn up for the harmonization of laws, rules and regulations at the national, subregional and continental levels.

13. We remain cognizant of the key role of industrialization in the process of structural transformation. It is important to scale up ongoing efforts made in this regard by African countries, such as improving the policy environment in order to promote investment in manufacturing, taking steps to increase the domestic processing of commodities and raw materials, promoting backward and forward linkages, fostering national and regional value chains and improving the competitiveness of national economies. These efforts must, however, be complemented by actions to enhance the role and use of science, technology and innovation, as well as the mobilization of aid for trade at the international level. We also recognize the critical role of the private sector in industrialization and urge African countries to ensure that the concerns of domestic entrepreneurs are integrated into industrialization and trade policies.

14. We recognize that the export of primary products has contributed to growth in Africa. We are also aware, however, that the continent’s continued dependence on exports of raw commodities deepens the fragility of its economies. We are of the view that Africa can change this trajectory through a process of commodity-based industrialization that makes systemic use of regional integration, especially intra-African trade. Particularly important in this regard are regional value chains, better negotiation of international trade agreements and trade finance. We believe that Africa should invest more resources into the production of higher-value-added goods, which are globally more competitive and also capable of boosting the volumes of intra-African trade.

15. We are witness to a growing segmentation and decentralization of global processes of production. The increasing cost of labour in Asia and improvements in the business environment in African countries are factors that make Africa attractive for the relocation of manufacturing activities. Africa needs to develop industrialization and trade policies that leverage these trends, and we need to allow our countries to tap into evolving global and regional value chains as part of a strategic entry into industrial development and technological upgrading. Accordingly, we reaffirm that there is a strategic link between industrialization and trade, and that, under the right conditions, they can reinforce each other and place Africa on the path to structural transformation. Properly utilized, this link can help to solve the paradox of high unemployment and extreme poverty coexisting with robust growth.
16. We recognize the need for the appropriate sequencing of trade policy at the bilateral, regional and multilateral levels, in line with industrial policy needs and development objectives. We urge African countries, when negotiating trade and investment agreements, to assess the impact of those agreements on industrialization and economic transformation. Given that regional integration is Africa’s priority, emphasis should be placed on plans and policies that promote that objective. We recognize the imperative of fast-tracking the establishment of the continental free trade area, in view of its potential impact on industrial development.

17. We are aware of the potential of the continental free trade area to bring about an enlarged market that facilitates economies of scale and promotes harmonization and coordination of trade instruments. The continental free trade area will also help to resolve the challenge of multiple and overlapping memberships of regional economic communities and to improve regional infrastructure and interconnectivity. Accordingly, we agree to support the negotiations for the establishment of a continental free trade area, which will cover trade in goods and services. We urge the African Union Commission, the African Development Bank and the Economic Commission for Africa to accelerate the development of the planned Africa Regional Integration Index, which can be used as a tool to assist in the continental free trade area negotiations.

18. We are aware that Africa is the region in the world most affected by greenhouse gas emissions, even though it generates the fewest of such emissions and has the weakest capacity to adapt to their effects. Africa should adopt a progressive and ambitious stance in the climate change negotiations to be held in Paris in 2015, with a view to securing a binding agreement. We insist that an agreement in Paris must fulfil the recommendations contained in the fifth assessment report of the Intergovernmental Panel on Climate Change and address the key pillars of the Regional Cooperation Framework of the Bali Process, based on the principle of common but differentiated responsibilities. We urge the adoption of science-informed and evidence-based policy, planning and practices to make African development sustainable, more resilient and less vulnerable to the negative impacts of climate variability and change. Low-carbon development pathways to a green economy or a blue economy can also unlock new economic opportunities.

19. We recognize the importance of partnerships to support the implementation of Africa’s development vision. We are also aware of the need for Africa to enter into new forms of partnership that are anchored on greater equality and mutual respect and that are truly beneficial for the continent, especially for its transformative agenda. In this regard, we strongly encourage our countries to explore South–South and triangular cooperation in order to leverage the opportunities offered by emerging economic powers. We urge our traditional partners, however, to continue to support our development efforts.

20. We endorse the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024 and call for its full and effective implementation. In this connection, we urge African landlocked countries to mainstream the Vienna Programme of Action into their national and sectoral development strategies, in order to ensure its effective implementation. We also call upon the Economic Commission for Africa, the African Union Commission, the African Development Bank, regional economic communities and all other regional and subregional organizations to provide the necessary support to African landlocked countries through their respective work programmes and in accordance with their respective mandates.
21. We note that the progress made by African least developed countries towards achieving the goals and targets of the Programme of Action for the Least Developed Countries for the Decade 2011–2020 (Istanbul Programme of Action) has been uneven, and call upon development partners to provide enhanced and preferential official development assistance to African least developed countries. We reiterate the need to institutionalize the review of the implementation of the Istanbul Programme of Action and to ensure that African least developed countries are adequately represented in that review. We welcome the offer of the Government of Italy to host a ministerial meeting on structural transformation and graduation for African least developed countries, in June 2015. We request the Economic Commission for Africa, in collaboration with the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and other partners, to organize an African regional meeting in preparation for the proposed ministerial meeting in Italy.

22. We welcome the continued strengthening of the Regional Coordination Mechanism for Africa as a means of ensuring coherence in the partnership between the United Nations and the African Union. We therefore appreciate the decision to convene a session of the Regional Coordination Mechanism for Africa during our meeting. We note that the United Nations Ten-Year Capacity-Building Programme for the African Union will expire in 2016 and we salute the initiative taken by the United Nations and the African Union Commission to formulate a new framework as a successor to the Ten-Year Capacity-Building Programme, for a renewed United Nations–African Union partnership on Africa’s integration and development agenda.

23. We thank the Government and people of Ethiopia for their continued hospitality to the African Union Commission and the Economic Commission for Africa and for the courtesies afforded to us to ensure the success of our meetings.