



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

COMMISSION FOR AFRICA SEMINAR

Welcoming Remarks
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Pretoria, 02 July 2004

Allow me also to welcome you to the National Treasury.

Many of you would probably know that the Commission for Africa was established by Prime Minister Tony Blair earlier this year as a prelude to the UK being in the rather unusual position of chairing both the G8 and holding the Presidency of the European Union in 2005.

Moreover, some of you may also know that I serve on the Commission as one of three Finance Ministers responsible for issues in economic development.

But I am sure that many of you may also still be wondering what exactly the Commission for Africa is all about, which is why we meet here today. The purpose of this seminar is to share information about the objectives of the Commission as well as to provide you with an opportunity to give your perspective and ideas on what the Commission should do. I am therefore confident that we will leave this seminar a lot wiser than we arrived.

Let me start by saying something about my own expectations of the Commission for Africa.

For the past four years, since the G8 meeting in Genoa, a number of African Heads of States have been invited as special guests to participate at the G8 Summits. This was done in recognition of the pertinent development problems facing the Africa continent but also in light of the unprecedented opportunity to make progress on

common goals of eradicating extreme poverty and achieving sustainable development, following the UN Millennium Declaration, the Monterrey Consensus on Financing for Development, the launch of the Doha Development Round of multilateral trade negotiations, and the Johannesburg Declaration on Sustainable Development.

This culminated in 2002, at the G8 Summit in Kananaskis, Canada, in the G8 endorsement of the Africa Action Plan, which commits the G8 to provide adequate resources so that no African country genuinely committed to poverty reduction and good governance would be restrained from achieving the Millennium Development Goals. More concretely, they committed themselves to increase ODA flows by a total of US\$ 12 billion per year, of which half or more would be allocated to African countries.

In these actions, the G8 has clearly shown their willingness to partner with African countries, recognising Africa's desire to further its own development. We have made great strides in NEPAD and the African Union, based on a progressive Constitutive Act and underpinned by institutions to ensure effectiveness and accountability, such as the Pan-African Parliament and the African Peer Review Mechanism.

This moment of interest, support and conscience should not be lost. The Commission for Africa is an important initiative but it also faces distinct challenges.

NEPAD has shifted the centre of decision-making about African matters from North to South. Our responsibility is to strengthen the

locus of African decision-making. At the national level, the importance for equitable growth, macroeconomic stability and microeconomic policies that facilitate competitiveness and sustainable wealth creation cannot be understated. Capable state institutions are required for African states to balance the distribution of economic burdens and opportunities.

Through the African Peer Review Mechanism, African countries have embarked on an ambitious process to improve our institutional and policy environment, accelerate poverty reduction and install good governance, accountability and best practice on the Continent. The Commission for Africa shall recognise these efforts as a major step along the path to improved governance, and giving it the backing as the standard-setting institution for African countries.

Moreover, the Commission for Africa shall put pressure on the G8 to meet their commitments in the Africa Action Plan with respect to more and better financing of development, opening markets to products from developing countries, debt relief and promotion of private sector investments in productive assets in Africa. The argument in favour of trade distorting measures has long expired. Moreover, the beggar-thy-neighbor economic policies of the world's largest economies is elevating uncertainty in the world, with negative spill-over effects on investment and growth opportunities of developing countries.

The year 2005 presents us with a collective challenge to take stock, reflect and substantially galvanize efforts towards the

Millennium Development Goals. It constitutes the first deadline for meeting some of the MDGs and it is the targeted deadline for the publication of a major UN study done by the UN Millennium Project on the financing of the MDGs. Further discussion is necessary on how we should proceed once developing countries achieve their MDGs. Emphasis should be placed on stimulating the supply side of the economy to achieve sustainable growth.

Despite an increasingly positive economic outlook in Africa, substantially faster growth will be needed to reduce poverty and to meet the Millennium Development Goals in Africa. Over the past twenty-five years, our continent has grown poorer - not richer, and only 4 countries are on track to meet the MDGs in 2015. On present trends, Africa as a whole will only achieve the universal education targets in 2029, halving poverty will require another 100 years, and meeting the child mortality rates will only happen in 2169.

So the Commission for Africa is in my view a welcome addition to the series of meetings and initiatives that center on the challenge of increasing the pace of development and poverty reduction in Africa.

The Commission represents a critical opportunity to work with a key development partner, and member of the G8, to make known Africa's concerns about its own development tasks and to talk about the sort of international economic environment that would be conducive to achieving those tasks.

The Commission has so far identified a range of issues that need more discussion and definition, including the role of multilateral and bilateral trade policies and impediments to domestic and international resource mobilization. Investment policies, the constraints facing women in our economies, infrastructure, and many others clearly need to be addressed by a comprehensive work discussing Africa's challenges.

Nick Stern is here today from the Commission and UK Treasury in large part to begin a process of discussion with us on these issues.

And I trust that in the time we have for discussion you will raise the concerns you have about the concrete development challenges we face, your perspectives on what is needed to be done to overcome them, and any views you would like to share regarding how the Commission can best achieve its objectives.

Thank you