

Conference of African Ministers of Finance, Planning and Economic Development/Fortieth session of the Commission

Addis Ababa, Ethiopia
2-3 April 2007

MINISTERIAL STATEMENT

1. We, African Ministers of Finance, Planning and Economic Development, meeting in Addis Ababa 2-3 April 2007, under the auspices of the United Nations Economic Commission for Africa (ECA), reaffirm our commitment to the Millennium Development Goals (MDGs), which together with other internationally agreed goals, have become our shared framework for development and global partnership. We reiterate that the MDGs constitute the minimum targets for sustainable economic growth and development, as well as for reducing poverty and inequality.
2. We recall our statement following our conference on the theme “ *Achieving the MDGs in Africa* ”, held in Abuja in 2005, which critically reviewed progress and obstacles encountered towards meeting the MDGs. We further recall the 2000 Millennium Declaration; the 2002 United Nations Conference on Financing for Development in Monterrey; the 2005 World Summit; the 2005 United Nations High-Level Dialogue on Financing for Development; the 2005 G8 Summit in Gleneagles; the 2006 African Ministers of Finance meeting in Nigeria; the 2006 African Plenary on Poverty Reduction Strategies held in Cairo; and the 2005 African Union (AU) Summit of Heads of State and Government in Sirte, Libya. In this context, we acknowledge that some progress has been made in implementing these commitments and urge that implementation be accelerated.
3. We reaffirm the importance of the New Partnership for Africa's Development (NEPAD) as the framework for Africa's development and support the decision made by the Summit of the NEPAD Heads of State and Government Implementation Committee in Algiers, Algeria, in March 2007 to establish a NEPAD Planning and Coordinating Authority and further support its subsequent integration into the AU structure. We commend the role of the Economic Commission for Africa (ECA) in coordinating the efforts of United Nations agencies in support of the implementation of NEPAD and the revitalization of the cluster system.
4. We welcome ECA's support to African countries to track the progress in implementing the commitments emanating from regional and global conferences and summits, including the World Summit on Sustainable Development (WSSD), the World Summit on the Information Society (WSIS) and the Brussels Programme of Action on the Least Developed Countries (LDCs). On the basis of the reports prepared by ECA, we note with concern that many African countries are not on track towards meeting the agreed goals and targets.

Sustaining high economic growth and achieving the MDGs

5. We note with satisfaction the strong overall growth performance in Africa, but remain concerned about the high within-region variation, the low impact on employment creation, and the fact that the majority of African countries are off-track to meeting the MDGs by 2015. As we approach the mid-point for the MDGs in 2007, our governments must act urgently to scale up public sector investments in infrastructure, agriculture, health and education, which are the foundation for private-sector-led growth. We urge our countries, in keeping with the commitment made in the Abuja Declaration on HIV/AIDS, Tuberculosis and other related infectious diseases to allocate 15 per cent of their budgets to health. We note the efforts of our countries to increase domestic resource mobilization but recognize that closing the substantial funding gaps will necessitate external resources.
6. We reaffirm that efforts to end conflicts are necessary to accelerate progress towards achieving development across Africa. In this regard, we urge our governments to sustain and enhance security and stability across the continent in order to enable effective scaling-up of investments to achieve the MDGs. We commend the efforts of the AU in the promotion of peace, security and stability and call upon it to enhance its role in the exercise, particularly through its Peace and Security Council.
7. Recalling the solemn commitment made at the Millennium Summit to respect human rights and promote the rule of law, we consider that juridical safeguards, respect for human rights and enhancement of the foundations of the rule of law and democracy constitute a necessary and even obligatory environment for achieving the MDGs.

8. We further note with concern the effects of climate change across the continent. They increase our countries' vulnerability to natural disasters, threaten future economic growth and development, and pose a major challenge to reducing poverty in Africa. We note with appreciation the outcomes of the 12th Conference of Parties of the United Nations Framework Convention on Climate Change (UNFCCC COP12), held in November 2006 and the January 2007, AU Summit on the theme of science and technology and climate change.

9. We applaud the remarkable progress that some of our countries have made in raising agricultural productivity, increasing primary school enrolment, increasing access to water supply, controlling malaria, and other quick-impact initiatives. We also take note of the results achieved by the Millennium Villages to show how the MDGs can be achieved in poor communities. These successes demonstrate the feasibility of achieving the MDGs. They underscore that the Goals can be met if sound policies and practical strategies for scaling-up investments in agriculture, infrastructure, science and technology, gender equality, education, health, and other vital areas are backed-up with adequate financing.

Planning and framework for action

10. We reiterate our strong commitment to align our comprehensive national development strategies including the Poverty Reduction Strategy Papers (PRSPs) with the MDGs and other internationally agreed goals. We commend the strong partnership between ECA, the African Development Bank (AfDB), and the United Nations Development Programme (UNDP) in supporting the preparation and implementation of strategies to achieve the MDGs across Africa and their effective support for capacity building around MDG-based planning and scaling-up of investments. We also support the collaboration among ECA, AUC, AfDB and UNDP in monitoring and evaluating the attainment of the MDGs.

11. We also commend ECA, AUC, and the regional economic communities (RECs) for their support to Africa's regional integration and economic development. However, we note with concern the slow pace of implementing existing regional integration programmes in Africa and underscore the importance of scaling-up investments in Africa's regional infrastructure and other regional public goods to increase intra-African trade as an essential component for achieving higher growth, meeting the MDGs, and long-term development.

12. We are concerned by the wide disparity between the growing demand for high-quality statistics on the one hand and the weakness of statistical systems on the other. In particular, inadequate human and financial capacity, coupled with poor compliance with international standards, contribute to unsatisfactory data on the MDGs and other key socio-economic variables in most countries. In this context, we commend ECA for strengthening its focus on statistics and statistical capacity by setting-up the African Centre for Statistics (ACS) and note with satisfaction the tremendous progress made by member States in assembling data under the International Comparison Programme (ICP).

Partnership for development

13. We note with grave concern that, despite promises to double aid by 2010, Official Development Assistance (ODA) to Africa, excluding one-off debt relief, actually fell during 2005. Moreover development partners are yet to provide time frames as to how they will increase ODA in each African country. We emphasize that in the absence of predictable commitments to scale-up aid, African countries are seriously constrained in planning the necessary increases in public investments and drawing-up Medium-Term Expenditure Frameworks (MTEFs) to achieve the MDGs.

14. We welcome the Aid for Trade (AfT) initiative and applaud its focus on strengthening African countries' supply capacities, building trade-related infrastructure, and dealing with adjustment costs related to trade liberalization. We underscore the complementarity of AfT with other sources of development assistance, and note that public private partnerships should play a key role as an implementation vehicle of the AfT initiative at both national and regional levels.

15. Recognizing the role that the diaspora can play in financing the development of African countries, we commit ourselves to use all necessary strategies to mobilize the saving of this diaspora within the framework of public-private partnership.

A call for action to scale-up for success

16. **The need to act now:** With time running out to achieve the MDGs by 2015, we resolve to shift the emphasis from discussing principles to working out the practicalities for enhanced action. We

underscore the urgency for us to follow through, in collaboration with the international community, on commitments. The year 2007 must be the year of redoubled effort at national, regional, and global levels.

17. Ownership and self-belief: We are determined to ensure that comprehensive national development strategies are country owned with a strong sense of belief in ourselves that the task can be achieved. In particular, we require sufficient policy space to design strategies adapted to the specific needs of our countries with a view to ending aid dependency over time and use that space effectively. We commit to redouble our efforts to share experiences among member States, to promote peer learning, and to build strong African leadership to guide the process.

18. MDG-based comprehensive national development strategies: We commit, by the end of 2007, to align our comprehensive national development strategies and medium-term expenditure frameworks with the MDGs and other internationally agreed goals. In particular, these include sound economic policies and clear accountability frameworks in support of sustaining high economic growth. Moreover, we will prepare practical strategies for implementing the Quick Impact Initiatives as agreed at the 2005 World Summit and reaffirmed at the 2006 Conference on Financing for Development held in Nigeria. These immediate steps, which can save and improve millions of lives within the span of only a few years, include the free distribution of mosquito nets and effective antimalarial treatments, the expansion of school meal programmes using home-grown foods, and the elimination of user fees for primary education and health-care services, all of which are made possible by timely and predictable increases in ODA.

19. Monitoring and evaluation : We undertake to put in place, by the end of 2008, a mechanism in our member States for monitoring, tracking, and evaluating progress towards the MDGs. In this regard, we commit to promote peer learning and knowledge sharing as one such mechanism and commend ECA for setting-up the Learning Group on PRSs and MDGs. Within the context of peer learning, we recommend that the conference of ministers in 2010 should focus on the progress in the scaling-up effort.

20. Domestic resource mobilization: As part of national strategies to achieve the MDGs and other internationally agreed goals, we resolve to increase domestic spending on the MDGs, ensuring that resources from debt relief, revenues from natural resources and other sources are channelled towards meeting the Goals. In addition, we resolve to strengthen and deepen our financial sector, promote microfinancing in order to facilitate access to credit for the most vulnerable groups, harness remittances for development, and further improve the business and investment environment to attract increasing flows of FDI.

21. Investment in gender equality: We recognize that improving the position and condition of women in our countries is central to achieving the MDGs. We resolve to increase investments in gender equality and women's empowerment that improve the status of women, including the provision of water, energy, education and health; improve income-generating opportunities; and strengthen policies to reduce violence against women.

22. Generating employment: We recognize the central role of employment in the fight against poverty and the attainment of the MDGs and pledge to integrate employment-creating policies in our national development programmes and to increase investments towards employment creation.

23. Revitalizing African agriculture: We take note of recent commitments, in particular the AU Summit on Food Security and the Summit on Fertilizer, and will do our utmost to launch by end 2008 the African Green Revolution to raise agricultural productivity by ensuring the access of smallholder farmers to fertiliser and improved seeds, with the help of targeted subsidies as necessary; investing in water management; strengthening agricultural extension services; expanding rural infrastructure, especially roads and energy services; and promoting regional cooperation in intra-African trade and investment in agriculture. We reiterate our commitment to the implementation of the NEPAD Comprehensive Africa Agriculture Development Plan (CAADP) and to allocate 10 per cent of our budgets to agriculture as per the Maputo Decision of 2003.

24. Climate change and development: We request ECA in collaboration with AUC, AfDB and other international institutions to develop and implement the Climate Information for Development in Africa (ClimDev-Africa) Programme and to report on progress at each Conference of this Commission. We also request our governments to integrate climate adaptation and mitigation measures into their national development strategies with support from our development partners and the RECs.

25. Statistics and statistical capacity: We resolve to improve availability, timeliness and quality of data in conformity with international standards. We further commit to harmonize statistics across the continent and endorse the Reference Regional Strategic Framework for statistical capacity building in Africa (RRSF). We call on ECA, AUC and AfDB to continue their coordination and leadership role in statistical development in Africa, and to further strengthen the collaboration with regional bodies and subregional organizations, including the RECs. In this regard we call on the Friends of the ECA to continue their valuable support for this endeavour. Moreover, we resolve to lend our full support to the Africa Symposia on Statistical Development (ASSD) and its recommendations as well as its focus on the 2010 Round of the Population and Housing Censuses. In addition, we recommend that the ICP Africa be continued in order to facilitate intra-country and international comparisons and call upon ECA, AUC, AfDB and other partners to support its sustainability.

26. Regional Integration: We commend ECA, AUC, AfDB, and the RECs for preparing detailed infrastructure action plans, which now need to be implemented. In particular, we call on our governments and development partners to finance the implementation of the NEPAD Infrastructure Programme. We also support current efforts by the AUC in collaboration with ECA and AfDB in rationalizing the RECs and developing a minimum integration programme. To that end, AUC will collaborate with civil society organizations in order to engage the support of the African people.

27. Financing for development: We request ECA, in collaboration with the AUC, to organize an assessment of the status of implementation of the Monterrey Consensus in Africa and to propose practical ways in which all African countries can effectively access financing for development in preparation for the Global Mid-Term Review of the Monterrey Consensus to be held in Qatar in early 2008. We commit to strengthen south-south cooperation as a complementary source of development finance.

28. Aid for Trade: We strongly support the AfT initiative and urge development partners to expedite the ongoing work on AfT to make it operational and ensure adequate funding on a predictable basis. We ask ECA to work with the AUC and the AfDB to support African governments in implementing this initiative. This includes defining new mechanisms through national and regional AfT programmes in addressing Africa's trade-related challenges. Moreover, it will be necessary to identify the contributions of the three institutions to the follow-up and evaluation mechanisms for these programmes in the countries concerned. Finally, we underscore that funding for the AfT needs to be adequate and predictable.

29. Economic Partnership Agreements (EPAs): We acknowledge the challenges that the Economic Partnership Agreements (EPAs) between EU and African countries and the related trade liberalization could present to our member States. In this regard, we request the EU to make available additional resources to meet the adjustment and other associated costs and urge that a new EPAs framework be adopted before the expiration of the current one in December 2007.

30. Implementation of ODA commitments: We call on the G-8 Leaders, at their 2008 Summit in Heiligendamm, Germany, to make explicit a clear action plan for the implementation of their Gleneagles commitment to double aid to Africa in order to ensure effective and predictable delivery of aid. We acknowledge the progress made by the European Union (EU) towards meeting their commitments in raising ODA to Africa. We further call on the EU and other development partners to implement the Paris Declaration commitments on aid effectiveness. We request development partners in our countries to share their plans for scaling-up aid with our governments during 2007 and beyond.

31. Enhanced support from international organizations: We request the United Nations and international financial institutions to assist our governments in preparing and implementing MDG-based comprehensive national development strategies and quick impact initiatives. In particular, we call on them to support opportunities for scaling-up investments to meet the MDGs and the mobilization of necessary domestic and external resources. We call on them to prepare, in consultation with member States, their plans of support in this regard by end 2007.

Positioning ECA to effectively meet Africa's challenges

32. We recognize ECA's key role in promoting economic and social development in Africa. We note with satisfaction the strengthened collaboration among ECA, AUC, and AfDB. Further, we have taken note of the *ECA Business Plan 2007 – 2009*, which articulates the strategic direction of the Commission and lays out a bold and enhanced programme in support to member States, and commend the Executive Secretary for his vision and leadership. In this regard, we urge our member States and development partners to support the Plan with adequate resources.

33. In conclusion, we thank ECA for successfully convening the Fortieth session of the Conference of African Ministers of Finance, Planning and Economic Development. We are grateful to the Federal Democratic Republic of Ethiopia for the excellent leadership during our deliberations. We wish also to thank the Government and the people of Ethiopia for their generosity and warm hospitality accorded to us during our stay in Addis Ababa.

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