

## **AFRICA, G8 AND OECD IDENTIFY ACTIONS NEEDED TO KEEP AFRICA ON GROWTH TRACK DESPITE GLOBAL DOWNTURN**

*Addis Ababa, 18 November 2008* – More than 150 high-level representatives from Africa, G8 and OECD countries met in Addis Ababa this week to discuss priority actions needed to keep Africa on a strong growth track despite an increasingly unstable international environment, weakened by the recent global financial crisis as well as severe food and fuel price shocks. Discussion centered around two key themes: governance issues in the context of the Africa Peer Review Mechanism (APRM) and development finance in Africa.

“With the current global financial crisis, we anticipate that many developed countries will perhaps be tempted to cut back on aid to developing countries, including Africa,” H.E. Erastus Mwencha, Deputy Chairperson of the African Union Commission told participants of the 11<sup>th</sup> meeting of the Africa Partnership Forum, held on 17-18 November at AUC headquarters in Addis Ababa, Ethiopia. “If these were to happen, then it will exacerbate the already precarious situation especially in the attainment of the MDGs.”

“To meet the challenge of the turmoil, the entire world – the rich and poor, the highly industrialised and the emerging markets – must work together collectively and inclusively,” Professor Adebayo Adedeji, Chair of the APR Panel of Eminent Persons added. “Good political governance and first class economic governance and management are indeed a must for our world now,” he said.

German Federal Minister of Economic Cooperation and Development Heidemarie Wieczorek-Zeul told the assembly, “In this situation, it is more important than ever for us to forge a functioning, global and equitable partnership. We need Africa as a strong player in that partnership.” She also underlined the importance of the success of the upcoming Doha Conference on Financing for Development, saying: “If it is possible to mobilise hundreds of billions to save the banking sector; then the international community must surely be in a position to find the billions of dollars needed to save the world from poverty, hunger and climate change.”

Key messages from the meeting – which will now feed into international processes, including the Doha conference – were:

### **Emerging Governance Issues in the Africa Peer Review Mechanism (APRM) Process:**

- The efforts made by African countries to achieve good governance were commended. The APRM is recognised as a genuinely Africa owned process that has already produced considerable results. It was felt that its voluntary nature was central to its success and relevance. Development partners declared their readiness to carry on supporting the APRM, while fully acknowledging the importance of African ownership. It was recognised that governance issues call for a long term perspective and permanent tenacious efforts.
- It was generally felt that great care should be taken to maintain the momentum of this important ongoing process. Particular attention is to be given to efforts at the country level, towards the implementation of APRM recommendations through national programmes of action. In this regard, it was acknowledged that more means and financial support from partners may be needed.

### **Development Finance in Africa:**

- Underlined that the achievement of the MDGs by African countries is the basic premise of our partnership, and that a strong and functioning partnership with Africa is paramount in this regard through continued support for the AU/NEPAD development agenda and process;
- Emphasized that the ODA commitments should be respected, if need be with innovative financing, even more so now that the world is faced with financial crisis and economic recession;
- Welcomed the reiteration of the need by Development Partners to deliver and maintain their commitments to Africa in provision of ODA, in spite of the expected negative impact of the current global financial crisis on G8/OECD countries. Political will is necessary to achieve this;
- Stressed the need for both sides in the partnership to implement the Paris Declaration and the Accra Agenda for Action on Aid Effectiveness;
- Recommended that the APF in 2009, should explore the possibility of further studies/analysis of tax revenue in Africa, illicit financial flows, relationship between Trade and Development in Africa, and the possible impact on economic recession on growth in Africa, at subsequent meetings, as part of the monitoring function of the Forum; and
- Welcomed the Tunis Communiqué, emanating from the recent Meeting of African Ministers of Finance, Planning and Governors of Central Bank, convened by the AU Commission, UNECA and the ADB, on 12 November 2008 in Tunisia, and the positive outcomes in the Declaration of the G-20 Summit held in Washington DC in November 2008.

### **Information-Sharing Issues (Follow-up to 10<sup>th</sup> APF):**

- The review process of the AU/NEPAD Africa Action Plan aims to assess the viability, implementation status and costing criteria of the projects and programmes. The review will be completed by end March 2009.
- The APF welcomed further work in Carbon Finance in Africa following its last meeting in Tokyo in April. It underlined the importance of further follow-up of this issue, looking ahead both to the next UNFCCC meeting in Poznan and the meeting in Copenhagen in 2009. It was pointed out that steps should be taken to increase Africa's share of transactions in the Carbon Market, and to pursue current wider proposals involving the development of new funding schemes in order to help generate finance to help meet the costs of adaptation to climate change.

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