

Ministerial Statement

Third Joint Annual Meetings of the African Union Conference of Ministers of Economy and Finance and the United Nations Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development

1. We, the African Ministers of Finance, Planning and Economic Development, met in Lilongwe, Malawi, on 29 and 30 March 2010 for the Third 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 acknowledge that the theme of the Third Joint Conference- *Promoting high-level sustainable growth to reduce unemployment and poverty* - is both timely and pertinent, especially in scaling up efforts to meet the Millennium Development Goals (MDGs) in the aftermath of the global financial crisis.
3. We note that 10 years since the adoption of the Millennium Declaration, progress towards the MDGs in Africa has been mixed. We take note with satisfaction of progress towards meeting some of the targets, especially in the areas of net primary school enrolment, childhood immunization, combating the spread of HIV/AIDS and tuberculosis and gender parity. But we remain concerned about the limited progress made in achieving the health-related MDGs and in reducing poverty and hunger.
4. We recognize that without strong policy responses, including those aimed at achieving food security and reducing unemployment the continent will not achieve most of the MDGs by 2015. We call for the adoption of the African common position as our input into the United Nations High-Level Plenary Meeting on the MDGs scheduled for September 2010. In addition, we recognize the importance of having in place countercyclical and social protection measures to address the impact of global crises, especially on vulnerable groups.

Promoting high-level sustainable growth to reduce unemployment and poverty

5. We note that despite the continent's notable growth performance prior to the recent global financial and economic crises, growth rates in many African countries have remained below the level required to achieve the MDGs. We note also that this growth has not been accompanied by a comparable reduction in poverty, as it has not created enough decent jobs. Therefore, we underscore the need to promote broad-based and sustainable growth that leads to employment generation and poverty eradication.
6. We note the disproportionately high level of unemployment among the young, and the impact of external shocks on vulnerable groups - women, the youth, the elderly and the rural poor – as many of our countries lack effective social safety nets and mechanisms to protect these groups. We stress, therefore, the need for special employment and protection measures for vulnerable

groups. In particular, we emphasize the need to promote youth employment and gender equality in the labour market as a means to enhance long-term growth and promote political stability.

7. We note that the challenge before us now is how to restart, accelerate and sustain growth and ensure that this growth creates decent jobs resulting, ultimately, in poverty eradication on the continent. We therefore recognize that although the global financial and economic crises seriously threaten development in Africa, they also present an opportunity that we must seize to reassess the way we have been doing business in order to create genuine economic diversification and structural transformation in Africa.
8. While we recognize that there are many ways of reducing poverty, and employment is the vehicle through which growth can translate into poverty eradication. Hence we emphasize and call for efforts to strengthen the linkages among growth, employment and the eradication of poverty.
9. We will develop and implement growth strategies tailored to the specific realities of our countries in order to address the paradox of jobless growth and the persistence of poverty, by igniting the engines of high-level, job-creating and sustainable growth to promote diversification; paying attention to the drivers of growth, especially human capital, physical capital and technology, knowledge and innovation; and reinforcing the enablers of growth, particularly good governance, strong institutions, infrastructure development and sound policies. We will promote employment through planning, employment targeting and employment mainstreaming, learning from successful experiences in African and other countries and building strategic partnerships to support our growth strategies.
10. We stress the critical role of private-sector investment and development in promoting high-level sustainable growth and decent employment, and therefore emphasize the need to pursue policies that foster private investment, particularly in agriculture and value-addition agro-industries and agri-business, labour-intensive manufacturing, ICTs and service industries. We also reiterate the need to continue to promote and sustain a conducive business environment for domestic and foreign direct investment.
11. We recognize the need to pay particular attention to development finance, diversify the sources of development finance and intensify our domestic resource mobilization efforts. We commit ourselves to seeking innovative and more effective ways to raise private savings, widen the tax base and increase tax revenue, improve the management of revenue from natural resources and leverage the impact of remittances on development. We affirm our commitment to formulate and enforce an efficient and equitable tax regime effective financial rules and regulations.
12. We note the importance of development planning and the need for our countries to adopt and implement well-articulated and coherent plans to promote economic transformation and foster economic and social development. In this regard, we salute the laudable efforts that have been

made to fully reposition the African Institute of Economic Planning (IDEP) as an apex African capacity development institution for economic management and development planning, and we request the Institute to continue to provide support to African countries in order to strengthen capacity in development planning.

13. We also welcome the on-going efforts to more closely align the capacity development work of IDEP with the programmes of the substantive divisions of the ECA. In this same vein, we call on the Institute to incorporate a closer collaborative relationship with the AU Commission and other organs of the AU in its overall programme development and implementation strategy.
14. We acknowledge the importance of human capital development and labour market reforms in stimulating employment-intensive investment. In this regard, we call for improved coordination and policy coherence across ministries and departments to ensure that educational systems produce a labour force having the skills needed in the labour market.
15. Finally, we recognize that the non-implementation of existing policies and commitments has constrained progress towards meaningful economic transformation, job creation and poverty eradication in many of our economies. Hence we commit to effectively implement agreed plans of action taking into consideration the following contributing factors:
 - a. **Realizing the vision of a food-secure Africa** by recognizing the central role of agriculture in promoting broad-based sustainable growth and the reduction of unemployment. We therefore fully commit ourselves to the vision of a food-secure Africa within five years, especially by means of policies and strategies that provide incentives to farmers (particularly smallholders), agro-industries and agri-business enterprises to enable them to respond to the growing demand for food in regional and global markets. We commit to accelerate the implementation of the Maputo AU Summit decisions. We call on the RECs to harmonize their policies, strategies and investments to facilitate and enhance intraregional trade in food and agriculture
 - b. **Supporting African least developed countries** (LDCs) and African countries emerging from conflict by addressing the special challenges involved in reducing unemployment, building capacity and providing policy support. We endorse the outcome of the regional review meeting on the Brussels Programme of Action for African LDCs, held in Addis Ababa in March 2010, in preparation for the Fourth United Nations Conference on LDCs in Turkey in 2011, and urge African LDCs to remain fully engaged in the preparatory process for the Conference. We call for a renewed and strengthened global partnership for the development of LDCs.
 - c. **Accelerating regional integration** as a strategy for achieving sustainable socio-economic development by mainstreaming regional integration in our national programmes, including scaling up investment in regional infrastructure within the framework of the Programme for Infrastructure Development in Africa (PIDA) and the AU Minimum Integration Programme (MIP). We shall also intensify our efforts to promote intra-

African trade by removing all barriers to trade, and address the special needs of our 15 landlocked countries. We commend the efforts of the RECs and other intergovernmental organizations in advancing the continental integration agenda, particularly the decision of COMESA, SADC and EAC to create a tripartite free-trade area, and call on other RECs to follow suit.

- d. **Addressing the impact of climate change** by integrating climate change in our growth, employment and poverty eradication strategies. We urge our development partners to provide financial, technological and capacity-building assistance to enable African countries to address climate change challenges, in particular by putting in place effective adaptation strategies as a priority, as well as appropriate mitigation actions.
- e. **Paying attention to the development of statistics to** support the formulation, implementation and monitoring of development plans and strategies, as well as in monitoring development outcomes and progress towards the MDGs and the objectives of NEPAD. We call upon the AUC, ECA and AfDB to intensify their efforts in supporting the development of statistical capacity across the continent. We commend the countries that have signed and ratified the African Charter on Statistics, and call on the remaining countries to do so.
- f. **Combating illicit financial flows** by addressing the scale and magnitude of illicit financial flows into and from Africa and their impact on the development process and call upon recipient countries to take effective oversight and regulatory actions to address the problem. We commit ourselves to implement strong economic and governance measures to curtail illicit flows. We also request the AUC, UNECA and AfDB to conduct further analytical work on the subject and prepare a declaration to be considered by the next ministerial conference.
- g. **Establishing pan-African financial institutions**, namely the African Investment Bank, the African Central Bank and the African Monetary Fund. We note that all the legal instruments (the Protocol, the Statutes and the annexes defining the distribution of capital and voting rights) for the launch of the African Investment Bank have been adopted by the AU Heads of State and Government, and recognize the need for our countries to sign and ratify these instruments promptly. We call on member States, RECs, ECA and AfDB to provide the necessary support to the steering committees in charge of the establishment of the other two institutions.
- h. **Leveraging the support of Africa's key partners**, in particular the United Nations system, through its Regional Coordination Mechanism (RCM), in providing support to Africa's development agenda. We call for the strengthening of the RCM and the building of formal linkages between it and the RECs through the establishment of subregional coordination mechanisms.
- i. **Mobilising additional support from African member States, the United Nations system, and international development partners** for a further enhancement of the role of the repositioned IDEP in building and renewing capacities for economic management and

development planning in Africa at a time when long-term development planning has come to occupy a central role in the strategy of our Governments to overcome poverty and achieve accelerated socio-economic development.

Vote of thanks

16. We thank the Government of Malawi for hosting the Conference and for the excellent facilities made available to us, and the people of Malawi for their generosity and warm hospitality. We especially thank His Excellency President Bingu wa Mutharika for gracing the occasion with his presence, and Hon. Ken Kandodo, Minister of Finance of Malawi, for his effective leadership.
17. Finally, we are grateful to AUC and ECA for successfully convening the Third 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.