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CHECK AGAINST DELIVERY

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**Statement
by
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Chairperson of the African Union Executive Council

Dr. Jean Ping, Chairperson of the African Union Commission

Honourable Ministers

Excellencies

Distinguished Ladies and Gentlemen

I join the Chairperson of the African Union Commission in welcoming you all to Addis Ababa.

The United Nations system, which I am privileged to represent here this morning values this opportunity to share some perspectives with this august gathering. Our partnership with the African Union is due in large part to shared objectives and values but it must be acknowledged that the present level of cooperation is unparalleled and owes a great deal to the commitment of my brother and friend, Dr. Jean Ping, who has shown tireless dynamic leadership.

Honourable Ministers

Africa is now in a situation where the Afro-pessimists of barely ten years ago have become praise singers of its economic prospects. However, the overall picture this time is slightly different as studies undertaken jointly by ECA and the AUC show that the growth in Africa fell to 2.7% in 2011 from nearly 5% in 2010. This was mainly due to a sharp economic downturn in North Africa as a result of the political events which took place in that sub-region last year. Notably, however, growth in the rest of the continent was 4.5% which was at about the same level as 2010. This growth continued to be propelled by better economic management, increased agricultural production, fairly strong commodity exports and increased domestic demand.

Taken at face value, Africa's prospects for 2012 would seem encouraging but given current global economic uncertainty, I would urge continuous vigilance as the signs are ominous and we may face serious threats. Since Europe as a bloc is still Africa's biggest economic partner, we should expect that the crisis in the eurozone will impact on us through the channels of trade, remittances, investment, tourism and official development assistance. Lest we forget, in spite of relative resilience to the global economic and financial crisis, Africa experienced slower growth, reduced revenues, loss of jobs, closure of factories and mines and financial volatility at the height of that crisis.

We were able to deflect some of the impact of the crisis through exports to emerging economies. However, we are seeing a slow-down of growth in countries such as Brazil, China, India and Mexico are therefore unlikely to see any real decoupling in the global economy. The best possible outcome for all of us would be a speedy resolution of the eurozone crisis and for resumed and sustained growth in the United States.

Political developments will also impact on Africa's growth prospects. The uprisings in North Africa were about dignity, freedom, justice and accountability, but were also an expression of discontent arising from sharply rising inequality and lack of economic opportunity. Such socio-economic concerns are present in virtually all our countries where high rates of youth unemployment continue to be of major concern. Previous governance reforms have provided an opportunity for people to protest peacefully against policies to which they are opposed but we cannot take things for granted In the face of continuous and unrelenting economic hardship.

Let me then outline a number of things that can be done. In the short-run, Africa must move speedily to articulate and implement well thought out growth strategies that preserve hard won fiscal space, harness the rents from extraction of natural resources, and provide opportunities for increasing and diversifying production. Core elements of such strategies would include the building of infrastructure and development of modern skills that will encourage private sector investment and open up decent job opportunities particularly for Africa's youth population which continues to bear the brunt of a decade of jobless growth.

It is in this context that ECA and AUC have been working closely to promote required reflections and discourse for Africa to fulfill its potential as a new source of global economic growth. Following on last year's theme of '*Governing Development in Africa*', this year's Economic Report on Africa and annual Conference of your colleagues, the Ministers of Finance, Planning and Economic Development taking place in Addis Ababa at the end of March is devoted to the theme "*Unleashing Africa's Potential as a Pole of Global Growth*". We are also working closely with our partners in Africa and the rest of the UN family to articulate a comprehensive development agenda post-2015 which is the target date set for achieving the MDGs.

Honourable Ministers

There is need for increased urgency in implementation of regional integration policies if our continent is to reap related gains. For instance, there is ample evidence that trade, especially intra-regional trade plays an important role in promoting economic growth and development such as wider markets, economies of scale, increased competitiveness and reduced transactions costs. Given this potential contribution, it is fitting that the theme of the Summit is dedicated to – *Boosting Intra-Africa Trade*.

There is certainly scope for scaling up intra-Africa trade in both the short and medium terms as the last *Assessing Regional Integration in Africa* report showed that its level remains abysmally low at about 11%. Increased trade within the continent will boost consumer demand, stimulate investment and encourage the development of value chains. Intra-Africa trade will also help to promote food security by facilitating the movement of food from surplus countries to those facing deficits in their requirements. The global economy similarly stands to benefit through the opportunities that will arise as a result of backward linkages and multiplier effects, while developed and emerging economies with large reserve holdings and successful sovereign wealth funds can also reap substantial benefits from investing in regional infrastructural projects in Africa.

Regional integration arrangements such as the Tripartite Free Trade Area of the EAC-COMESA-SADC will help to redress the situation through instruments and policies that reduce tariff and non-tariff barriers, improve payments systems, facilitate trade and enable regional infrastructure projects. It will certainly ensure that we do not see a recurrence of restrictions on cross-border movement of critical humanitarian assistance between AU member States. Since the Tripartite FTA involves a substantial number of AU member States, it certainly provides a good starting point for the proposal made by the Ministers of Trade to launch the process of establishing a continental Free Trade Area by 2017, which I wholeheartedly endorse.

ECA and other relevant agencies in the UN system are committed to supporting African efforts to boost intra-Africa trade especially through the generation of technical background papers and backstopping of related negotiations. As we all know, trade is seriously hampered, if not rendered impossible, by the absence of a peaceful and secure environment. It is

therefore important to highlight that the two organizations are working together with added impulse from the newly established UN Office to the AU to prevent, manage and resolve conflicts on the African continent, such as in Darfur and Somalia. We have also worked together to facilitate discussions between North and South Sudan, and in efforts to combat the Lords Resistance Army. The importance to both organizations of their partnership in this area, and their pledges to strengthen this cooperation, were reaffirmed again earlier this month by the Peace and Security organs of both organizations

Indeed, given the scale of Africa's development challenges including financial and capacity constraints that even prevent effective action against HIV and AIDS, partnerships as symbolized by the NEPAD programme of the African Union will continue to be required. It was in such context that the last session of the Regional Coordination Mechanism of UN agencies in Africa dwelt on capacity building and committed to fully implementing the UN Ten Year Capacity Building Programme for the African Union. The UN's collaboration with the African Union was also manifest in its support for the Pledging Conference on Drought and Famine in the Horn of Africa.

Other key areas in which the close collaboration between the UN and the African Union has been manifested include the climate change negotiations and preparations for the Rio+20 Conference. Let me at this juncture congratulate South Africa for successfully hosting the last Conference of Parties on climate change and for ensuring an outcome that kept the process including negotiations for a post-Kyoto treaty alive. The laudable African spirit of speaking with one voice at the climate change negotiations under the impressive leadership of Prime Minister Meles Zenawi which has been replicated within Rio +20 processes should continue to stand our continent in good stead.

As we progress towards Rio +20 Conference, it is imperative for Africa's negotiators to ensure that our positions with regard to the Green Economy, Institutional Framework for Sustainable Development and the transformation of UNEP into a specialized agency on environment are taken on board. These views will quite happily receive further impetus from the commemoration of UNEP's 40th anniversary during the Summit.

Let me in concluding take this opportunity to express sincere appreciation to Deputy Chairperson Erastus Mwencha who has played a leading role in promoting UN-AU partnership through his co-chairing of RCM-Africa and leadership role in the AU-ECA-AfDB strategic partnership which includes our Joint Secretariat and dialogue with bilateral partners. I cannot end without paying special tribute to the outgoing AU Commissioners whose historical and pioneering role as part of the first set of Commissioners helped to establish the Commission on a sound footing. In this regard, I salute Dr. Maxwell Mkwezalamba, Ms. Bience Gawanas and Ms. Dolly Joiner and remain hopeful that they will remain at the service of Africa and the international community. We have regrettably lost Ms. Elizabeth Tankeu forever but the choice of intra-Africa trade as the theme of the Summit serves as a fitting tribute to her memory. May her dear soul rest in perfect peace.

Thank you for your kind attention.