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**STATEMENT BY H.E. DR. MAXWELL M. MKWEZALAMBA
COMMISSIONER FOR ECONOMIC AFFAIRS
AFRICAN UNION**

**AT THE
MEETING OF COMMITTEE OF TEN
FINANCE MINISTERS AND CENTRAL BANK GOVERNORS**

**14 JULY 2009
ABUJA, NIGERIA**

His Excellency Dr Good luck Jonathan, GCON, Vice President of the Federal Republic of Nigeria

Hon. Dr. Mansur Muhtar, Honorable Minister of Finance, Federal Republic of Nigeria

Honorable Ministers

Central Bank Governors

Dr. Donald Kaberuka, President, African Development Bank

Mr. Abdoulie Janneh, United Nations Under Secretary-General and Executive Secretary, Economic Commission for Africa (ECA)

Excellencies

Distinguished Ladies and Gentlemen

It is a delight to address this important Meeting of the Committee of Ten Finance Ministers and Central Bank Governors. On behalf of H.E. Mr. Jean Ping, Chairperson of the African Union Commission, and indeed on my own behalf, I wish to express our profound gratitude to the Government and People of the Federal Republic of Nigeria for hosting this meeting, and for the warm and fraternal welcome accorded since our arrival in this historic city of Abuja. Special mention goes to Hon. Dr Muhtar and staff of the Ministry of Finance and all those who assisted in ensuring the successful holding of this important meeting.

Excellency

Distinguished Ladies and Gentlemen

It is common knowledge that the global financial and economic crisis has changed the international environment in which we design and implement

policies. The drying up of key sources of trade and development finance has exposed our vulnerability to external finance and rekindled interest in scaling up efforts to enhance domestic resource mobilization as a sustainable mechanism for financing trade and development in the long run. For several years, the developed countries have failed to meet their ODA Commitments, including dedicating 0.7 percent of their GNI to Official development Assistance. And over the last few years, ODA figures have been declining or stagnating at best, despite repeated claims that commitments would be met. The failure to fulfill commitments towards Africa is in sharp contrast to the developed countries mobilization of more than US\$ 4 trillion to bail out or nationalize their financial institutions and rescue their companies in order to save jobs and mitigate the impact of the crisis on their population.

This current crisis, therefore, affords our continent the opportunity to look inwards in designing and implementing monetary, fiscal and other policy measures to mitigate the impact of the financial turmoil on our economies. It is in light of this that the recent Second Joint Annual Meeting 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 met under the theme: *Enhancing the Effectiveness of Fiscal Policy in Domestic Resource Mobilization.*”

**Your Excellency
Honourable Ministers and Central Bank Governors
Distinguished Ladies and Gentlemen**

This meeting of the Committee of 10 will, among others, discuss next steps and key messages for the next G20 Summit to be held in Pittsburg in the USA in September this year. Clearly, the London G20 Summit did take on board a number of recommendations from the African side. However, there are concerns regarding the level of resources to be made available to low income countries, including those in Africa. On their part, the World Bank and African Development Bank have frontloaded IDA 15 and ADF11, respectively. The issue that needs to be addressed is one of acceleration of IDA 15 and ADF 12, as well as recapitalization of the AfDB.

On the SDR allocation of US\$250 billion as committed by the G20 Summit, it will be necessary that a mechanism is soon found to ensure that SDR allocations are in favour of African countries. This may entail having the developed countries transfer their SDR allocations in favour of the least developed countries. We hear there might be some resistance regarding this proposal, but it is still important that this matter be pursued. I am glad to learn that in your midst are representatives from the US Treasury as well as the G20 Secretariat. I hope that they can find sometime to share with us what could be done.

The G20 Summit made a number of commitments. However, early implementation of the commitments, particularly those relating to Africa, is

required. This must be one of the key messages to the G20 and other partners we interact with. Coming out of the G8 Summit held in Rome, this was also our message. In addition, it will be necessary that Africa be part of a monitoring mechanism for the implementation of the commitments in addition to having its own monitoring mechanism.

As a follow up to the implementation of the G20 Summit outcome, the African Union Commission and the World Bank will from September 1-3, 2009 hold a working session on the Formulation of a Strategic Framework and Action Plan for enhanced Engagement of Africa with the World Bank Group in Livingstone, Zambia. The Working session is intended to ensure a more effective participation of Africa in the various initiatives launched by the World Bank Group, including the trebling of IBRD lending this fiscal year and the fast tracking of IDA 15 commitments. We hope that you can join us in Zambia.

Of course, the African Union Commission will continue to work with the African Development Bank and the Economic Commission for Africa (ECA) in searching for solutions to the impact of the current global financial and economic crisis on African economies. This is within the African Union Commission's Strategic Plan 2009-2012, which calls for enhanced collaboration and cooperation with strategic partners, among others.

**Excellency,
Honourable Ministers and Central Bank Governors,
Distinguished Ladies and Gentlemen**

The current global financial and economic crisis has demonstrated the need for Africa to promote intra-Africa trade and regional integration in general to bolster economic growth and development by enlarging markets and reducing vulnerability to shocks. Africa, therefore, should call for support for regional integration. There is also the need for Africa to accelerate her integration efforts.

Finally, on behalf of the Chairperson of the AUC, I wish once again, to salute the Government of the Federal Republic of Nigeria for hosting this important meeting. It is my hope that the meeting will also benefit from the experience of Nigeria in developing policy responses to the impact of the global financial and economic crisis on her economy. By hosting this meeting, Nigeria has demonstrated her commitment to working in support of addressing our continental challenges. We commend Nigeria for this!

I wish the meeting of the Committee 10 great success.

I thank you.