Statement by the Hon. MAPON MATATA PONYO,
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THE DEMOCRATIC REPUBLIC OF THE CONGO,
on Behalf of the African Governors
AFRICA IS COPING, MOVING FORWARD AND TRANSFORMING ITSELF

Statement by the President of the African Caucus

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on behalf of the African Governors
to the World Bank and the International Monetary Fund

AFRICA IS COPING...

Until the global economic crisis in 2008, economic growth on the African continent had been averaging 5 percent over the course of a decade. Some 22 non-oil exporting countries had posted growth of 4 percent or more during the period 1998-2008. Those efforts were slowed by the crisis.

Yet, despite a slow global economic recovery and an increasingly difficult international environment, African countries continue to show solid growth, projected at more than 5 percent in 2012 and 2013. Nearly 40 percent of African countries are likely to record growth rates of 6 percent or more. This growth in Africa, however, remains closely linked to the trend of international prices for commodities, such as oil, metals and nonfood agricultural products, which are generally volatile. Consequently, investment projects are needed in sectors susceptible to stimulate rapid and sustained growth, such as energy and agriculture, which have a strong potential for transformation and regional integration that are critical to the development of the continent.

While Africa was affected by the global crisis, it was able to withstand it. Africa succeeded in avoiding an even deeper recession in 2009, thanks to prudent macroeconomic policies and financial support from its partners. In 2010, it began a recovery. Civil society is making its voice heard more effectively and in many countries nongovernmental stakeholders are demanding accountability on the part of leaders as to the way national resources are being used. Countries are asserting ownership over development efforts, with more emphasis on results, on building capacities and national systems, on the choice of policies, on reforms, on aid coordination and effectiveness. In other words, Africa is not just coping, it is moving forward.

AFRICA IS MOVING FORWARD...

Indeed the majority of African countries are still far from achieving most of the Millennium Development Goals by 2015. Yet, progress toward the MDGs has been such that many countries – including Cape Verde, Malawi, Ghana and Ethiopia – are now well-placed to achieve the majority of the MDGs, if not by 2015, then shortly afterwards. Moreover, development indicators reveal steady improvements. Some indices show that child mortality is beginning to fall in Ethiopia, in The Gambia, in Malawi and in Rwanda; and primary school enrollment rates are rising in most cases, faster in Africa than anywhere else.
Our continent has enjoyed significant support from the International Monetary Fund and from the World Bank. With technical assistance and advice from the IMF, many African countries have achieved macroeconomic stability essential to development efforts. Inflation is generally under control despite pressures from abroad; budget deficits are better contained than in the past; indebtedness levels are lower, in part because of debt relief but also because of the efforts that our countries have made to manage their debt; and the external current accounts have seen an appreciable strengthening, helped by an improvement in the terms of trade.

Financing from the World Bank made it possible, during 2010, for example, to expand agricultural yields and output in Ethiopia, Ghana, Kenya, Nigeria, Rwanda, Somalia and Tanzania. Tens of thousands of people in the Democratic Republic of the Congo have gained access to drinking water, as have one and a half million city dwellers in Senegal, while Ghana and Rwanda have been able to boost rural people's access to clean water considerably. Meanwhile, more than 16,000 Kenyan schoolchildren and 15,000 vulnerable people in Liberia have received social protection. Thousands of lives have been saved from malaria in Nigeria and the DRC, from the HIV/AIDS pandemic in Malawi, in Chad and Lesotho. Africa also welcomes the fact that the World Bank has reinforced its presence in its Africa offices, in the context of internal reforms designed to increase the impact of the development projects it finances. In other words, Africa is more than ever determined not just to cope and move forward, but also to transform itself.

AFRICA IS TRANSFORMING ITSELF...

The business climate in Africa is improving. The private sector is attracting more and more investments, with much of the funding coming from national banks and investors. Private capital flows outweigh the amounts of official development assistance. According to the Doing Business 2010 report, an African country – Rwanda – ranks as the top reformer in the world. A middle-class is emerging, with hundreds of millions of consumers. Returns on investment in Africa are among the highest in the world. The success of information and communication technologies, in particular the penetration rate of mobile telephone service, illustrates the speed with which the sector can develop. It also shows how the public sector can lay the conditions for exponential growth of a vital industry that could transform the continent.

We ask for a much more solid support in implementing the Accra Agenda for Action adopted at the high-level forum in September 2008 following the evaluation of the 2005 Paris Declaration. These texts recognize that it is up to governments to design and carry out their own development programs. But at the same time, they call on development partners to provide additional financing at the least cost and put more emphasis on results. They remind us that aid levels should correspond to at least 0.7 percent of GDP, the target set at the Monterrey Summit. The Paris Declaration and the Accra Agenda for Action also demand closer collaboration among donors to reduce competition and to ensure aid effectiveness, while avoiding wastage and overlap.
Lastly, I cannot end this statement without speaking of the human tragedy that is unfolding in the Horn of Africa. The drought is affecting more than 11 million people in the arid and semi-arid zones of Somalia, Sudan, South Sudan, Ethiopia, Kenya, Tanzania, Burundi, Uganda, Eritrea, Rwanda and Djibouti. Even more people, crops and livestock will be affected in the months to come because of cumulative delays in harvests. The situation reminds us that the continent, despite the progress made, remains highly vulnerable to exogenous shocks.

We are grateful for all the contributions received and we are expecting more. However, while we are devoting our energies –appropriately – to emergency responses to the famine in the Horn of Africa, we must also adopt the same sense of urgency in seeking longer-term solutions, especially if droughts are going to become more frequent with climate change. We therefore call for a proactive approach to risk disaster management, in addition to emergency responses. We urge multilateral institutions, like the IMF and World Bank, to maintain significant concessional resources to efficiently respond to the needs of our countries.

Thank you for your attention.