



2012 TOKYO
ANNUAL MEETINGS
INTERNATIONAL MONETARY FUND
WORLD BANK GROUP

Governor's Statement No. 12, Rev.

October 12, 2012

Statement by the Hon. **PATRICE KITEBI KIBOL MVUL**,
Governor of the Bank for the **DEMOCRATIC REPUBLIC OF THE CONGO**,
on behalf of the African Governors

Annual Meetings
Tokyo, Japan, October 12, 2012

WE ARE A NEW AFRICA

**Statement of the African Governors of
The World Bank Group and the International Monetary Fund**

By

**The President of the African Caucus
His Excellency Mr. PATRICE KITEBI
Deputy Minister to the Prime Minister in charge of Finance
of the Democratic Republic of the Congo**

In its statement last year, Africa said that it resists, although exposed and vulnerable; it advances, although at different speeds; and that it transforms at varying degrees. We are a new Africa!

Today, Africa is one of the first continents to show solid growth prospects compared to the level before the crisis. The school enrolment rate is progressing. Social conditions are improving. Maternal mortality is decreasing. Infant mortality of less-than-five-years old children is regressing. The fight against HIV/AIDS and malaria is intensifying. Social protection is improving. Progress is made in technologies. Equality and gender parity are evolving. Regional integration is advancing. Africa is increasingly recognized as a destination of choice for public and private foreign direct investments. However, these positive developments expose, at the same time, enormous challenges.

For many African countries, achieving the Millennium Development Goals (MDGs) by 2015 is a challenge that can be overcome. But, this is closely related to the achievement of Goal number 8, which is the "global partnership for development". The current economic crisis facing much of the developed world should not slow down or reverse the progress that has been made. Let's consolidate the success achieved so far, and not rest or give up before having completed all agreed objectives.

The challenge of jobs has never been as more pressing than today. Africa's Governments are invariably asking for practical solutions to deal with growing unemployment, particularly among women and the youth. Therefore, we urge our development partners to support Africa in the search for practical and customized ways and means to stimulate entrepreneurship and create productive and well-paying jobs.

To do this, we need to review current blueprints and reconnect the education to job by aligning our educational policies to the needs of labor market and link our system of education to career. In addition to the redesign of the educational system, we need to create a youth employment strategy in order to channel the energy and creativity it shows as a pillar of the economy of the continent.

Also, if one really wants that Africans have access to improved health care, it is urgent to invest in the development of effective health systems, technologies and drugs that may save lives, but also in infrastructures, logistics, and health care policies, the absence or insufficiency of which prevents the poorest from benefiting from vital resources.

In addition, while Africa concentrates 68% of new cases of people infected with HIV/AIDS and half of all deaths caused by AIDS in the world, countries' and donors' budgets for prevention and treatment do not follow, remain insufficient and little predictable. International aid has fallen from 7.6 to 6.9 billion U.S. dollars between 2009 and 2010. Also, without adequate funding for effective prevention and treatment available and affordable, the number of individuals in need of treatment in Africa will reach unbearable proportions.

Furthermore, Africa needs a growing amount of energy to support its economic growth, increase living standards and reduce poverty of its people. We are convinced that such transformation also passes through the development and implementation of priority regional transformative energy generation and distribution projects, which carry less expensive and environmentally-friendly energy solutions. These projects are well known, their costs have been estimated, their economic benefits have been well documented, but their development and realization have been very slow. Therefore, we remain confident that the creation of a Single Energy Projects Preparation Fund is essential to ensure the availability of sufficient funds to undertake the preparation of these projects and advance their realization.

Also, for many countries in Africa, the infrastructure is a top priority. A recent diagnostic study on sub-Saharan Africa assesses the annual requirement of US \$ 90 billion (or 15% of GDP) to meet the demand for infrastructure services. In contrast, the financing of infrastructure stumps in a scheme where, in many cases, the public sector budgetary resources are limited and the private sector stays away from engaging in certain sectors or in certain countries. We need bold and sustainable national, regional and international response to infrastructure needs in order to sustainably transform Africa.

In the same vein of transformation, it is particularly important to achieve an effective regional integration, a much needed source of diversification of markets and products, engine of competitiveness and job creation, and factor of industrialization and resilience to external shocks. The fragmentation of the African regions and their markets is not only detrimental to efficiency. It also harms equity.

In addition, Africa has many assets essential to industry. However, despite favorable trade agreements, the industry share of Africa in the world market is low and declining. We believe that the industry in general, and manufacturing in particular, including agro-industry, can be the engine of a structural transformation of Africa as it provides an attractive solution to optimize the use of abundant natural resources to create better-paying jobs quickly enough.

Finally, there is agriculture, the main source of income and one of the key drivers of the economy of most African countries. But, agricultural productivity in Africa is too low to stimulate growth, create jobs, reduce famine and, thus, fight poverty on our continent. We do need more investments and know-how in order to develop new agricultural enterprises, water

supply and irrigation infrastructures, regional agricultural research centers and large-scale regional projects with high potential of transformation.

If not, then food insecurity will persist, as is the case in the Horn of Africa and in the Sahel region of West Africa where about 17 million people are threatened by famine and the countries are experiencing a situation of stress and food insecurity caused by a combination of factors such as drought, food shortages, high prices of cereals, the environmental damage and the presence of a large number of internal refugees. These movements of displaced populations, in some cases, as a result of conflict exercise pressures on food markets and aggravate an already-tense situation, with lasting consequences for food security in the region. We need to make the prevention of conflicts and reconstruction the pillars of poverty reduction in Africa.

But, the famine in the Horn of Africa and droughts in the Sahel region of West Africa are also cruel reminders that Africa, the continent that contributes the least to greenhouse gas emissions is likely to be the most hurt by climate change. The estimates show that the African continent is faced with an annual loss of 1-2% of GDP due to climate variability. Meanwhile, despite numerous initiatives to fight climate change, however action to reduce emissions, limit the increase in global temperatures and strengthen resilience to climate shocks remains more or less limited. Therefore, we urge the international community to engage in an unprecedented effort of cooperation for a global solution adapted to the specific needs of our countries.

In this context, the disaster risk management becomes critically important. If one ignores the costs of adaptation to climate change, then the growth of population in the cities, when combined with rapid economic development, will increase the extent of the damage caused by major disasters. Therefore, to save lives and reduce costs, Africa needs more than ever innovative information and communication technologies to alert and prepare citizens against natural disasters.

Africa also needs to have affordable and sustainable social safety nets. In this regard, we call on our development partners to review their current crisis response instruments to find ways and means to better accompany and support affected and most vulnerable countries. We also urge them to adopt a systemic approach to social protection and the management of risk through the establishment of a permanent crisis response mechanism and the development of ambitious social protection programs, and the strengthening of national systems to enable countries to be better prepared against future crises.

We cannot conclude this statement without appealing to all parties concerned to accelerate access to, and implementation of, HIPC and MDRI initiatives for the rest of African countries that are eligible; and to explore all options for debt relief for non-HIPC countries in debt distress. We ask that policies allowing deductions from IDA allocations of exceptional financing granted to post-HIPC countries under this initiative be reviewed and that our low-income countries be granted access IBRD resources. Finally, we call especially on our development partners to support us in the search for solutions more flexible, more complete and better adapted to the needs of each category of our countries.

In conclusion, we count on the historical generosity of all to meeting pledges of development assistance for the 16th, and prepare for the 17th, IDA replenishments.

Thank you.