

Global crisis can be an opportunity for Africa

28 June 2009

The global financial crisis can be turned into an opportunity for Africa but will require clear-sighted African leadership and international partnership to contain crisis and pioneer new development model, according to Kofi Annan.

Speaking at the launch of the Africa Progress Panel (APP) Annual Report 2009 at World Economic Forum on Africa in Cape Town, the former Secretary-General of the United Nations called on African leaders to turn the current global economic meltdown into an opportunity for the continent based on shared responsibility with their international partners.

The financial crisis has underscored Africa's vulnerability, notwithstanding a decade of solid progress, the APP said at the launch of its annual report today. The key conclusion of the report is that Africa needs to drive its own development agenda as the basis for partnership and shared responsibility for progress. "The global economic crisis can serve as a wake-up call for both African leaders and their international partners," the panel said.

The report, launched at the World Economic Forum on Africa today by panellists Kofi Annan, Graça Machel and Linah Mohohlo, states that the global economic crisis imported from the North is hitting Africa harder than any other region. Nevertheless, it presents "a unique opportunity" for Africa to pioneer a low-carbon development model. More investment is needed in Africa's real economy, particularly infrastructure, renewable energy, agriculture and communications.

The report notes that "investment in these sectors will not only generate jobs and boost trade in Africa, but also create markets for the world." The panel states: "We believe that, if given the chance, Africa can provide a valuable growth platform for the global economy and pioneer clean development models that contribute to global efforts to manage climate change." Foreign direct investment in Africa illustrates the promising growth potential for the continent to become a reliable business partner for the world.

"Africa has transformed in my lifetime and the progress reached so far is proof that concrete achievements are possible amidst adversity," Annan said at the APP launch. "The economic, climate change and food security crises are all linked. They cannot be tackled separately. We need a new development model that provides security and stability, and addresses people's needs. Everyone needs to contribute. Business has a key role, as do Africa's trading and donor partners. But the primary responsibility to make it happen rests with Africa's political leaders."

Africa now faces the extraordinary task, at a time of economic crisis, of maintaining stability and progress, including growth, poverty reduction and achievement of the millennium development goals, the panel said. Many countries are showing that determined leadership can bring about impressive results even in tough circumstances – for example, Rwanda, Mozambique, Malawi and Ghana. At a time when financial flows such as domestic revenues, investment and remittances are dropping, jobs, food security and health are all directly affected. Livelihoods and lives are at stake.

Calling for clear-sighted African leadership, the report states that the "primary responsibility for Africa's progress rests with her political leaders."

The report also makes clear the following points:

- Priority needs to be on job creation, integrating climate change into development strategies and addressing

food security while noting that national capacities to tackle these challenges are still very limited.

- African leaders must champion a strong common African position on climate change in the run-up to Copenhagen (an international conference in December this year in the Danish capital on climate change and global warming).
- African leaders must “ heed their commitments regarding governance, accountability and transparency, ” adding that “ the trust of their own citizens is the best possible basis for success. ” The report also states that African leaders have succeeded in securing progress on multiple fronts over the past decade, but they cannot tackle the continent ’ s current challenges alone. There is a shared responsibility for the crisis that requires a joint response based on strong partnerships. “ Africa ’ s leaders and her international partners, whether industrialized countries or emerging economies, donors or corporations, each have a role to play, ” according to the panel.

The report also highlights that:

- Africa needs immediate assistance to maintain financial flows and stability. The APP specifically calls on the G8 and OECD (Organisation for Economic Co-operation and Development) countries to extend the cut-off date for the Highly Indebted Poor Countries Programme to the end of 2008 to give Africa ’ s poorest countries more economic leeway. Donors must deliver on their aid commitments to help governments meet urgent needs, leverage financial flows and in the long run reduce aid dependency.
- Emerging partners – such as Brazil, China and India – can become champions of development in Africa. “ Their development experience, particularly with respect to food security and health, uniquely positions partners from the global South to support achievement of the millennium development goals in Africa. ”
- International partners should support a stronger African voice in the international institutional architecture.

The Africa Progress Panel includes Kofi Annan, Secretary-General of the United Nations (1996-2006) and Nobel Laureate; Tony Blair, Prime Minister of the United Kingdom (1997-2007); Michel Camdessus, Managing Director, International Monetary Fund (1987-2000); Peter Eigen, Founder and Chair of the Advisory Council, Transparency International and Chairman of the Extractive Industries Transparency Initiative; Bob Geldof, Musician, Businessman, Founder and Chair of Band Aid, Live Aid and Live8, and Co-Founder of DATA; Graça Machel, Women and Children's Rights Activist, and President, Foundation for Community Development), Linah Kelebogile Mohohlo (Governor, Bank of Botswana), Olusegun Obasanjo, (Former President of Nigeria; Robert E. Rubin, Secretary of the United States Treasury (1995-1999); Tidjane Thiam, Chief Executive Officer (designate), Prudential Plc; and Muhammad Yunus, Economist and Founder, Grameen Bank, and Nobel Laureate.

The 19th World Economic Forum on Africa is being held in Cape Town, Africa, from 10 to 12 June 2009 with the support of the Government of South Africa. Over 700 of the most prominent leaders from Africa and other parts of the world will gather to deliberate under the theme Implications of the Global Economic Crisis for Africa.

The distinguished Co-Chairs of the 2009 World Economic Forum on Africa are Kofi Annan, Secretary-General, United Nations (1997-2006); Member of the Foundation Board of the World Economic Forum; Soud Ba ’ alawy, Executive Chairman, Dubai Group, United Arab Emirates; Jiang Jianqing, Chairman of the Board, Industrial and Commercial Bank of China, People's Republic of China; Graham Mackay, Chief Executive, SABMiller, United Kingdom; and Ngozi Okonjo-Iweala, Managing Director, World Bank, Washington DC.

The World Economic Forum is an international institution committed to improving the state of the world through public-private cooperation in the spirit of global citizenship. It engages with business, political, academic and other leaders of society to shape global, regional and industry agendas.

Incorporated as a not-for-profit foundation in 1971 and headquartered in Geneva, Switzerland, the Forum is independent, impartial and not tied to any interests. It cooperates closely with all leading international organizations (www.weforum.org).



World Economic Forum, 91-93 route de la Capite, CH-1223 Cologny/Geneva
Tel. +41 (0)22 869 1212, Fax +41 (0)22 786 2744, <http://www.weforum.org>