

MDG Partnership Side Event

**Launching of two reports: - 2010 Mutual Review of Development Effectiveness in Africa (UNECA/OECD); and - Africa's Cooperation with New and Emerging Development Partners (UN-OSAA)**

20 September 2010, 3:00-6:00 pm  
Millennium UN Plaza Hotel, Riverview Room (28<sup>th</sup> Floor)

**1. Presentation of the report on Africa's cooperation with new and emerging development partners: Options for Africa's development, by the United Nations Office of the Special Adviser on Africa (OSAA)**

Mr. Cheick Sidi Diarra, Under-Secretary-General and Special Adviser on Africa, highlighted the role of South-South Cooperation as a practical framework that could contribute to the achievement of the internationally agreed development goals, including the Millennium Development Goals (MDGs). While there is no reliable or consistent set of data on aid, trade and FDI flows from emerging economies to Africa, it has become clear that increased interaction among the countries of the South can bring immense economic and social benefits. According to the report, the emerging partnerships in Africa have led to a decrease in the prices of consumer goods, provision of generic medicines, and enhanced infrastructure and telecommunications.

Mr. Diarra emphasized that Africa clearly has an enormous opportunity to restructure its external relations by benefiting from the entrance of these new economies. The problem however is that Africa lacks a strategy for the emerging economies. African countries should therefore exercise "ownership" over these strategic partnerships to ensure complementary win-win outcomes, whereby meeting the trade needs of the emerging economies should be conditional upon meeting Africa's complementary developmental and infrastructural needs. To facilitate this, African countries through the African Union should adopt a common strategic position on their partnerships with emerging development partners.

During the ensuing discussion session, speakers highlighted the fact that South-South Cooperation should not be pursued for its own sake, but rather, as a mechanism for ensuring a better quality of life for the world's poor by making progress on the MDGs. Participants suggested that this new engagement with development partners should complement North-South Cooperation through tripartite arrangements.

Speakers also stressed the need to strengthen human capacity in Africa through education and training for effective engagement with the new emerging development partners. The need to ensure transparency and accountability in the new partnerships was also highlighted.

As for trade, discussions centred on the need for regional integration across the African continent and the need to foster intra-regional trade among African countries. In this regard, infrastructure development particularly in communications, technology and ICT were stressed. Moreover, the need for an African knowledge base was highlighted. Research and development, lessons learnt and best practices from other emerging development partners was therefore encouraged. Furthermore, Mr. Diarra called for measures to enhance the access of developing country products to the markets of developed countries, such as more flexible rules of origin.

Emphasis was placed on the need for African governments to ensure that partnerships with emerging economies had a win-win outcome. Speakers also called on the African Union and other continental and regional organizations to develop a common strategic position for their engagement with the new emerging partners. Finally, speakers called for multilateral organizations such as the United Nations to continue providing support for individual African Governments in the monitoring of trade, aid and FDI interactions with emerging countries and to help build capabilities in recipient countries in order to develop an adequate strategic response to relations with emerging economies.

## **2. Presentation of the Mutual Review of Development Effectiveness in Africa: Promise and Performance Report, by the United Nations Economic Commission for Africa (ECA) and the Organisation of Economic Co-operation and Development (OECD)**

Mr. Abdoulie Janneh, Under-Secretary-General and Executive Secretary of UNECA emphasized that the future of Africa is in the hands of Africa, and that NEPAD, an entirely African initiative, can and will lead to sustainable development in the continent. The recent crisis had increased the challenges facing the continent, so monitoring of commitments by development partners becomes even more important. The MRDE provides a platform of mutual accountability and surveys actions by both African countries and the development partners since the last review in January 2009.

Mr. Janneh then described the main findings of the report. The impact of the crisis was severe, but recovery was more rapid than expected. Important progress was made in governance, which can be seen in the number of elections held, and the number of countries that have acceded to the APRM. However, challenges remain; most notably low intra-regional trade, corruption, illicit financial flows, and climate change.

Accordingly, the MRDE recommends increased regional integration and increased domestic revenue generation for Africa, and the opening of markets, increased ODA,

more resources for climate change mitigation and adaptation, and the agreement to binding targets on CO2 emissions for development partners.

Mr. Angel Gurría, Secretary-General of the Organisation for Economic Co-operation and Development, emphasized the importance of accountability which is a precondition of further aid flows. He highlighted three issues that deserve special attention. Firstly, good governance is indispensable to increase domestic resource mobilization and prevent capital flight which represents a major drain on scarce funds. Secondly, the Doha round has to be completed as 70% of benefits of trade liberalization would go to developing countries. Thirdly, a climate change agreement has to be reached in Cancun.

In the discussion following the two presentations, USG Diarra referred to the mandate for OSAA to prepare a report on Monitoring Mechanisms to review commitments to Africa's development, which prominently takes into account the MRDE. The illicit outflow of capital generated a number of comments, and all speakers agreed on the importance of addressing this issue urgently. Mr. David Batt, Director of the OECD's Africa Partnership Forum Support Unit, explained that the political atmosphere with regard to capital flight is changing as a result of the financial turmoil witnessed in 2008 and 2009. However, the recovery of stolen assets is too low compared to the actual amounts embezzled.

On the issue of Foreign Direct Investment (FDI), participants noted that African countries have improved their enabling environment to attract larger amounts of FDI. Unfortunately, reform measures are yet to yield the expected results. Another aspect highlighted in the discussion was the enormous potential of the African Diaspora. Remittances already exceed aid flows to Africa, but more has to be done to harness their development potential and to facilitate productive investment of the Diaspora in their home countries.