



**MINISTRY OF FINANCE**  
REPUBLIC OF SOUTH AFRICA

## **AFRICA INVESTMENT FORUM**

### **Speaking notes**

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### **CHALLENGES FOR THE COMMISSION FOR AFRICA: ACTION FOR A STRONG AND PROSPEROUS AFRICA**

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- The Commission for Africa (CfA) seeks to take advantage of the unique opportunity that will emerge when the UK Government hosts the G8 Summit in 2005 at the same time that as it takes the EU Presidency.
- Established by the UK Prime Minister, Tony Blair, in early 2004 – and starting its work in earnest in May, the CfA has a tight mandate. It will produce its report within the next 6 months.
- In many ways, the CfA reflects recognition by development partners in the UK and elsewhere of the progress made in Africa by Africans themselves to address economic challenges on the continent.

- With the development of NEPAD, the transformation of the OAU to the AU and the commencement of the first peer reviews of the APRM, progress is real and it places pressure on the international partners to live up to their commitments made at Monterrey, Johannesburg, Doha and Kananaskis.
- An estimated US\$ 389 billion will be needed in Sub-Saharan Africa (excluding South Africa) over the next decade if the region is to meet the Millennium Development Goals (MDGs).
- Given the current low level of domestic savings, four out of every 10 dollar will have to come from external sources (private and official flows, from international partners and from partners on the continent).
- Three initiatives are presently being advocated: (1) the UK-led International Finance Facility (IFF); (2) the US-led proposal to use IDA resources to increase the provision of grants and debt relief to African countries; and (3) the French-Brazilian initiative on taxation of certain international financial flows.
- These initiatives are not new nor are they mutually exclusive. The international community must consider each of them – or a combination – without allowing the differences between them undermining the urgency of finding a suitable, practical and workable solution.
- Experiences from the HIPC initiative have underscored the importance of finding a solution that also supports and promotes transparency and fairness in the implementation.
- So in short, the CfA must come up with a plan of action whose centerpiece is leveraging resources for Africa's development.
- The CfA report will differ from the Brandt report in an important way: It is not going to be a report by donors telling Africa what to do. NEPAD has moved the nexus of decision-making from the BWIs and donor capitals to Africa, and the role of the CfA is therefore to identify concrete actions that can lead to a Big Push for economic development in Africa.
- To achieve a Big Push we need fruitful partnerships between private and public investors. The outcome of this **Africa Investment Forum** is

therefore of direct relevance to the work of the CfA. Its emphasis on finding practical and pragmatic solutions to leveraging resources for economic development in Africa is important.

- It would be particularly important that the conference deliberates on measures:
  - To generate a more equitable distribution of benefits of investments across countries and regions in Africa;
  - To integrate and link African economies to growth centers in the continent; and
  - To attract investments to smaller (non-oil producing) countries in Africa.
- Also, the conference could identify concrete actions to stimulate economic opportunities – also for women and marginalized groups – through measures such as infrastructure provision, access to finance and public service delivery.