



**MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA**

***Annual Meetings 2004
African Development Bank***

***Kampala, Uganda
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Statement by the Governor of South Africa

Honourable Minister of Finance

Mr. Trevor A. Manuel

President of the African Development Bank

Honourable Governors

Distinguished Guests

Ladies and Gentlemen

Allow me on behalf of the South African delegation to express our sincerest gratitude to the Government and the people of Uganda for the warm hospitality extended to us during our stay in Uganda.

I would also like to express my appreciation to the management of the ECA and the ADB for their efforts in organising their Annual Meetings back-to-back for the second consecutive year.

Honourable Governors,

As we congratulate the ADB on the occasion of its 40th anniversary, we also celebrate Africa Day and the revolution that has taken place in our collective determination to act together to accelerate and take ownership of our destiny.

I would also like to echo President Museveni's words, where he concluded that today is a fitting celebration of Africa's strength and tenacity. The African Union, with its progressive Constitutive Act, and underpinned by effective and accountable institutions, such as the Pan-African Parliament and the African Peer Review Mechanism is testimony to that.

This observation has been made by Governments elsewhere in the world, who have also found it appropriate to partner with Africa for development. For the fifth time, this year, some African Heads of State have been invited to the G8 Summit to discuss taking NEPAD forward. This moment of interest, support and conscience should not be lost.

NEPAD has shifted the centre of decision-making about Africa from North to South. Our responsibility is to strengthen the locus of African decision-making. At the national level, the importance for equitable growth, macroeconomic stability and microeconomic policies that facilitate competitiveness and sustainable wealth creation cannot be overstated. Capable state institutions are required for African states to balance the distribution of economic burdens and opportunities.

The difficulty is that such reforms can themselves be further weakened by large-scale financial assistance with tight conditionality. Poverty in Africa is of such scale that efforts to address it require far more than reform in individual countries - it requires concerted activism, reform to our multilateral institutions, their instruments and their attitudes.

We need additional, better-harmonized, untied and more predictable development assistance. While substantial progress has been made in strengthening the national ownership of poverty reduction strategies, this needs to be matched by similar efforts at the global level. The lack of progress on issues of voice, participation and voting power of developing countries in the IMF and the World Bank is disappointing and is holding back the creation of productive global partnerships.

Further to that, we cannot talk about productive global partnerships for development without seeing significant and rapid progress in market access for products from

developing countries to the OECD countries. The argument in favour of trade distorting measures is passé.

Honourable Governors,

Despite an increasingly positive economic outlook in Africa, substantially faster growth will be needed to reduce poverty and to meet the Millennium Development Goals in Africa. Over the past twenty-five years, our continent has grown poorer – not richer, and only 4 countries are on track to meet the MDG in 2015. On present trends, Africa as a whole will only achieve the universal education targets in 2029, halving poverty will require another 100 years, and meeting the child mortality rates will only happen in 2169. Unfortunately, these targets seem only to be tangible at the multilateral level, but not at the national level, where accountability really matters.

The year 2005 presents us with a collective challenge to take stock, reflect and substantially galvanise efforts towards the Millennium Development Goals. It may well allow us a last opportunity to come together in scaling up efforts towards the MDGs. Let us celebrate the start of the work of the African Peer Review Mechanism later this month. This is testimony to our collective determination to shift the locus of decision-making towards Africa. The obligations to match this effort now rest with our development partners.

In the South African spirit, I would say “Halala Africa, halala”.

Thank you