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GEGAFRICA
RESPONSIVE AND EQUITABLE ECONOMIC GOVERNANCE
FOR AFRICA AND THE GLOBAL ECONOMY

SPEAKING NOTES

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Session 3: G20 and Africa's Practical Developmental Challenges

If we have to make our judgement based on previous G20 resolutions, and more specifically the 2013 St Petersburg Development Outlook, and even this year's Brisbane Summit outcome there is no doubt that the G20 still considers development concerns of Africa (and Least Development Countries, even its by implications in some areas. It's of course natural that given the slow rate of economic recovery of most of the G20 economies there will be tendency to prioritize domestic social and economic stability to offering support to Africa. However, the Group's commitment as outlined in the 2013 St Petersburg Development Outlook, to support improvements in infrastructure, domestic resource mobilisation, food security and trade offers some comfort that despite the recovery challenges they face there is realisation of the need to support Africa's agenda for a sustained and broad-based economic growth.

The choice of areas of support, specially transport and energy infrastructure, is naturally taken as the key for encouraging private sector investments that will feed into economic diversification, value addition and employment creation. That means a couple of "first things first" on the part of Africa: (a) reciprocal commitments to sustainable development: Africa must stick to plans to rollout infrastructural facilities as part of their medium and long term development. They should also harmonise their infrastructure investments (e.g. energy, roads, railways, pipelines, water, ICT) such that they also boost intra-Africa trade, starting with regional economic blocs. (b) domestic resource mobilisation and revenue management: given the challenges in economic recovery in G20, which has impact on long term ODA perspectives, African countries have no choice but to step up efforts to raise levels of domestic resource mobilisation for own investments in both hard and soft infrastructure. A properly functioning system of infrastructural services is crucial in attracting FDI, which is subject to completion, with Africa getting about 5.4% in 2012; and (c) responsible institutional and political governance: is key to attracting and retaining local as well as foreign investments. Political stability is an important element in ensuring institutions deliver the expected

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outcomes and therefore African countries must continue to work towards building a consensus in responsive and accountable political and governance systems.

It is therefore encouraging that the African Union has in recent years exhibited signs of working together and speaking with one voice in important international matters such as the WTO Doha Development Agenda and in articulating priorities for the Post MDG2015 Strategic Development Agenda. We have also seen efforts by member states of the East African Community (EAC), for example, in rolling out grand infrastructural programmes in railways and ports modernisation. There is also some critical thinking and debates on how best African countries, especially those with recent oil and natural gas discoveries (e.g. Ghana, Uganda, Mozambique and Tanzania), can optimise the utilisation of revenue emanating from the sector, for the best of current and future generations.