African Review Meeting on the Implementation of the Almaty Programme of Action

Statement

by

Carlos Lopes
UN Under-Secretary-General and
Executive Secretary of ECA

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Excellency Mr. Ahmed Shide, State Minister of Finance and Economic Development
of the Federal Democratic Republic of Ethiopia;
Excellency, Mr. Saleumxay Kommasith, Permanent Representative of the Lao People's Democratic Republic to the UN and Chairman of the Group of Landlocked Developing Countries;
Mr. Gyan Chandra Acharya, UN Under-Secretary-General, and High Representative
for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States;
Distinguished Ladies and Gentlemen.

I am delighted to welcome you all to the headquarters of the Economic Commission for Africa, and to this important African Regional Review Meeting of the Almaty Programme of Action.

Today, more than ever, the desire for structural transformation is manifest across Africa. Most countries on the continent have articulated national development plans with this objective in mind. The same spirit is being championed at the regional level where the African Agenda 2063 is being developed under the auspices of the African Union. Its overall vision is for Africa to become an integrated, prosperous and peaceful continent, driven by its own citizens and representing a dynamic force in the global arena.

This meeting therefore comes at an opportune time by providing a space to review the extent to which the Almaty Programme of Action has been successful in Africa as well as identify the obstacles that still have to be overcome with appropriate policy measures in order to help Africa achieve its vision.

It is symbolic for us to be meeting here in Ethiopia, a country that is transforming itself and advancing in its socio-economic development. Ethiopia's growth is
propelled by factors such as significant public and private investment, improved macroeconomic management and the increasing share of the manufacturing and services sectors in the economy.

Since the last mid-term review of the Almaty Programme, the top 11 growth performers in Africa have included landlocked countries. Just like Ethiopia; Rwanda, Malawi, and Zimbabwe have also reached the 7 per cent growth threshold that is required to double income in a decade. Similarly, last year, Niger recorded a remarkable 9.1 per cent growth expansion, one of the highest levels recorded in Africa.

This performance puts these countries in league with the fastest growing countries in the world, and speaks to the growth potential of landlocked countries, if the right conditions are in place.

Over the last decade, the Almaty Programme has attempted to address the special needs associated with trade and infrastructure facilitation. It is encouraging to observe the progress that has been made.

For example, many countries are implementing the single window concept, underpinned by common electronic platforms that have significantly reduced paper work and transaction delays. At the sub-regional level, customs guarantee schemes and one-stop-border posts have been introduced to reduce transport delays whilst securing customs revenues. The one-stop border post at Chirundu between Zambia and Zimbabwe demonstrates how the cost of trading in Southern Africa can be substantially reduced by streamlining border procedures. The benefits of this particular border post have included reduced supply chain transaction costs; an increased volume of goods traded across the border; an increase in government revenues by 30%; and reduced duplication of efforts. Now it takes a truck 2 hours as opposed to 2-3 days to cross the border.
Key continental frameworks have been adopted that also promote objectives similar to those of the Almaty Programme of Action. These include the NEPAD Short Term Action Plan; the Programme for Infrastructure Development in Africa which identifies 51 programmes and projects to be implemented over 8 years; and the NEPAD Presidential Infrastructure Champions Initiative, which reinforces continental ownership and regional infrastructure programmes at the highest level. African countries are similarly taking advantage of the “Aid for Trade” initiative. Just last week the 4th Global Review of Aid for Trade in Geneva offered us an opportunity to tell the African story and detail the challenges that remain.

Your Excellencies,

Despite the progress made, greater investment in infrastructure is needed. There is still room to improve the quality of infrastructure and trade facilitation along the regional transport corridors, particularly those linking Africa’s landlocked countries to the sea.

Empirical research indicates that Africa’s infrastructure deficit is lowering the continent’s per capita economic growth by 2 percentage points a year and reducing the productivity of firms by as much as 40 per cent. It has been suggested that an investment of $32 billion to upgrade the quality of roads could cause trade to grow by some $250 billion over a 15 year period. The biggest gains would accrue to the most geographically isolated countries. Uganda for example could see an 8-fold trade increase. The dividends to be realized are therefore very significant.

The continent still has some of the highest transport costs in the world; this coupled with a poor transport network terms of timeliness of delivery could deter investors. For example, it takes, on average, 30 days to export or import in Africa, compared to about 22 days in Asia and the Pacific, 18 days in Latin America and Caribbean, and only 10 days in OECD countries. Studies show that the share of
formal intra-African trade is only at about 10 per cent of total trade compared to 20 percent for Latin America and 48 percent for developing Asia. With a growing middle class and demand for consumer goods, Africa’s share could more than double in the next ten years, but it would also be dependent on Continental Free Trade (CFTA) halving the time goods spend at African ports.

It is common knowledge that Africa’s sub-regional and national trade facilitation instruments are not fully implemented; only a few countries on the continent have signed or ratified international conventions; and the level of implementation of programmes and projects is low. It is important therefore, that viable solutions are proposed to the outstanding needs of the continent’s landlocked countries. In so doing, duplication of efforts must be avoided. Instead, emphasis should be placed on how national, sub-regional and regional efforts can be complemented by development partners. Your distinguished gathering has the opportunity to cogitate on other existing trade and transport facilitation initiatives in Africa, such as the World Trade Organization (WTO) negotiations. Identifying complementarities as well as opportunities where the Almaty Programme of Action can add value is key.

The role of finance is also crucial. While still welcoming cooperation and investments from the rest of the world, Africa’s leaders are also determined to raise their own domestic resources needed to finance regional projects. It requires the active role of many, including the private sector. ECA is doing a study on the opportunities for Africans to finance Africa. It will be presented to NEPAD Heads of State and Government.

We have the opportunity before us at this meeting to build on the achievements made so far and strive to sustain them. There are immense opportunities for Africa’s landlocked countries to prosper and transform to be land linked. Let me conclude by wishing you fruitful deliberations and confirm ECA’s continued commitment to help address your special needs.