

**THE 10TH AFRICAN PARTNERSHIP
FORUM
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THIRD SESSION:

**BOOSTING ECONOMIC GROWTH AND
POVERTY REDUCTION**

LEAD PRESENTATION

**H.E. Ambassador Adjei-Barwuah,
Embassy of Ghana in Japan**

Co-Chairman

Distinguished participants,

NEPAD was initiated to address the twin issues of poverty reduction and economic growth. Hence, the topic of Boosting Economic Growth and Poverty Reduction in Africa for this meeting is very appropriate and timely.

What I intend to do is share some preliminary thoughts in the expectation that your interventions will help chart some course regarding what needs to be considered, what needs to be prioritized and what actions need to be taken. In this regard, I post the following observations;

- 1. Over the past four years growth rates in Africa have been in excess of 5%, the highest since the 1980's and the trend seems to be continuing. Two sets of factors account for this;**
 - a) external factors-**
 - a strong demand for African export commodities**
 - increases in FDI**
 - b) internal factors –**
 - strong performances in key sectors like agriculture**
 - increase value-addition through agriculture-related activities**
 - overall improvement in governance in African countries**
- 2. The gains in growth rates do not show any significant impact on grand-scale poverty reduction. Indeed poverty rates have remained unchanged in most African countries; the number of poor people on the continent has actually risen since 1990s by over 90 million, and the average income of the poor has declined. The recent strong growth rates have not been accompanied by meaningful gains in job creation. This is an increasingly alarming trend in light of the attainment of the MDGs by 2015, especially with regard to MDG 1 that aims to halve the people living under extreme poverty and malnutrition.**

Excellencies,

There is a need now to shift the focus to engendering pro-poor growth, especially in sectors where the poor are and are able to use the factors of production available to them.

To achieve pro-poor growth in African countries, more attention should be given the prioritization of and support for productive sectors such as Agriculture, infrastructure, ICT, as well as developing an enabling environment for women empowerment. And there has to be a renewed emphasis on achieving rapid private-sector led growth, creating employment and encouraging entrepreneurship.

The agriculture sector, which seems to have a strong impact on poverty reduction, has shown some growth in recent years. This growth in the sector has been due to increased commitment to agricultural investment by African countries, better overall sector governance and policy improvements. We should consider in our discussions possible strategies for boosting growth in the agriculture sector to the intended 6% annual growth target in order to realize the MDGs.

Increased investments in infrastructural development can contribute significantly to increasing growth and reducing poverty. Africa has the potential to achieve higher levels of growth provided the resource gap in infrastructure financing is bridged and we should be able to identify means for doing this. We should also look into how we can increase private sector participation in infrastructure development along side the mobilization of African domestic resources for the implementation of infrastructure projects.

The ICT sector has the potential to provide a solid base for and linkages to major developmental sectors that could support economic growth and poverty reduction in Africa.

ICT can help enhance productivity and increase job opportunities and African countries are seeking to strengthen their ICT industry and ICT-enabled business sector (including SMEs) that can compete in the Knowledge Economy. We need to consider ways of providing accessible and affordable ICT infrastructure in Africa to facilitate economic growth through development of ICT skills on the continent and improvement of the competitiveness of African economies.

On Gender empowerment, there is clearly a growing recognition of the gender-related dimensions of poverty. African governments have made important commitments to gender equality, starting from Beijing Platform for Action, Beijing+ 5, and the AU Solemn Declaration on Gender Equality. We need to look into measures to develop capacity to support the empowerment of women with the knowledge and funds needed to enhance their current capacities, as well as their entrepreneurial development.

With your permission, I would like to underscore once again that Poverty reduction is a top priority for all African countries. That we need to promote pro-poor growth strategies in sectors such as Agriculture, Infrastructure and ICT; That we need to facilitate an enabling environment for women empowerment. I hope our discussions will reflect these.

Thank you for the gift of your attention.