



*Permanent Mission of the Republic of Kenya to the United Nations*

866 U.N. Plaza, Rm 304, New York, NY 10017

**STATEMENT**

**BY**

**H.E. GEORGE O. OWUOR**

**DEPUTY PERMANENT REPRESENTATIVE**

**OF**

**REPUBLIC OF KENYA TO THE UNITED NATIONS**

**ON BEHALF OF THE AFRICAN GROUP**

**ON AGENDA ITEM 47:**

**MACROECONOMIC POLICY QUESTIONS**

**IN THE PLENARY OF THE SECOND COMMITTEE**

**DURING THE 63<sup>RD</sup> SESSION**

**OF THE GENERAL ASSEMBLY**

**ON 13<sup>TH</sup> OCTOBER 2008, NEW YORK**

**Check against delivery**

**Madam Chair**

I have the honour to speak on behalf of the African Group on agenda item 47 regarding macroeconomic policy questions. The Group aligns itself with the statement delivered by Antigua and Barbuda on behalf of Group of 77 and China. Consideration of this item comes against the backdrop of new realities in the global economy that seem to test age-long economic theories and create new challenges to sustainable growth and development, particularly in Africa.

**Madam Chair,**

Macro-economic policy issues are at the center of the development fortunes of Africa. Africa's ability or otherwise to achieve the Millennium Development Goals by the target date of 2015, and to implement the vision of the NEPAD agenda for the comprehensive development of Africa are dependent on a healthy and complementary global socio-economic environment. An environment characterized by inequality in trade practices, unpredictable and ineffective aid delivery and management, external debt burden that largely undermines the policy planning and execution, as well as high volatility in commodity prices can only be disruptive to the continent's development agenda.

Africa has made considerable progress in promoting good governance. The NEPAD strategic developmental framework has been established, with the African Peer Review Mechanism (APRM) that ensures open introspection with a view to promote transparency and accountability in governance. We are however concerned that these reforms are now being challenged by an imminent global economic depression exacerbated by enduring adverse impacts of climate change, unpredictability of capital inflows and the absence of efficient supportive infrastructure. The effects of these are more pronounced in Africa being home to majority of least developed countries in the world.

**Madam Chair,**

Notwithstanding the foregoing challenges, the African group remains confident and encouraged by the commitment of the international community to continue to help address Africa's development needs. In this connection, we commend the UN for

providing the necessary leadership as demonstrated in the recently concluded High-Level Meeting on Africa's Development Needs and, the High-Level event Millennium Development Goals. We renew our call on Africa's development partners to speedily actualize their commitments regarding Africa's development.

The African Group wishes to reinforce the calls made across the board for the early resumption and successful completion of the Doha Round of trade negotiations which the Secretary-General rightly observed stand "at a critical juncture" as progress in this regard would no doubt improve Africa's trade prospects. The negotiations, when resumed should favourably consider Africa's quest for a reduction in agricultural subsidies by the developed countries and improvement in market access for African exports. Furthermore, in order to improve Africa's share of international trade, we call on our development partners to provide adequate resources including foreign direct investment towards the improvement of the infrastructure base of Africa, including roads, railways, ports and power systems that would to connect African markets to the rest of the world.

Addressing the question of inconsistencies in aid delivery to Africa is equally important. Supporting modest growth among the developing countries, including Africa represents a guarantee towards global peace, stability and prosperity that should be a higher objective. We therefore urge development partners to seriously consider full implementation of the Secretary-General's proposal that external financing for development in Africa reaches \$72 billion annually to support achievement of the Millennium Development Goals. We entreat all member States to demonstrate strong commitment and support all efforts that would ensure a coordinated approach to aid effectiveness and management in Africa.

African countries acknowledge the concession so far made by creditors in the form of debt relief by which nineteen African countries have received reductions in their official debt to governments and multilateral institutions as of July 2008. This, according to recent figures, has reduced Africa's total official debt from \$205.7 billion in 1999 to \$144.5 billion in 2007. Unfortunately, the portfolio of Africa's private debt has not been correspondingly reduced but in fact increased from \$92.4 billion to \$110.2 billion over the same period. We therefore call for an enhancement and extension of a comprehensive

debt relief facility to other heavily indebted and low-income African countries, which are not currently benefiting from the Heavily Indebted Poor Countries (HIPC) and Middle-income Debt Reduction Initiative (MDRI).

**Madam Chair,**

Africa is in the main, a commodity-based economy. The international market fortunes of commodity exporters, especially as regards price stability invariably impact on the development capacity of the countries. In recent times, volatile commodity prices have combined with the adverse effects of climate change, the high cost of energy, and the increasing use of agricultural products as sources of renewable energy to compound the development challenges of Africa. In our opinion, these are issues which a resumed WTO negotiation must take into account with a view to ensuring a mutually supportive trade regime.

Recent developments resulting from the deteriorating global economic environment have more than any time before created the imperative for a more inclusive governance mechanism of the international financial system. We are encouraged by the on-going modest efforts aimed at improving governance and transparency of the Breton Woods institutions. We also reiterate the call for a comprehensive overhaul of the system to allow adequate African voice and participation in decision making within the international financial system.

**Madam Chair,**

Lastly, the African Group is encouraged by the momentum that the preparations for the Follow-up Review Conference of the Financing for Development in Doha have generated. We remain confident in the process and therefore urge all stakeholders to take the best advantage that the unique opportunity the conference offers to address all the macroeconomic issues in a balanced and comprehensive manner.

**I thank you.**