



Remarks

by

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President of the 68th Session of the United Nations

General Assembly

Thematic debate of the General Assembly on

**“Promotion of investment in Africa and its catalytic role in achieving
Africa’s development objectives, including those of the New Partnership,
particularly the eradication of poverty and the achievement of inclusive
and sustained economic growth and development”**

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Excellencies,
Secretary General,
Distinguished Guests,
Ladies and Gentlemen,

One of the most promising trends in global development is the rise of a new Africa. The quest to unite the Continent, unlock its potential, and transform it into a region of economic prosperity and social justice, has never been closer to fulfillment. The first decade of the new Millennium has brought accelerated growth, expanded trade and investment, improved macro-economic indicators, poverty reduction, higher GDP per capita, better health outcomes and soaring school enrollment rates. In addition, Africa has made significant strides with regards to political governance, reduction in the incidence of corruption and conflict, and increased peace and security. By any measure, progress in Africa has been remarkable and unprecedented.

Today our General Assembly has the opportunity to acknowledge this progress, assess what now needs to be done, and determine the measures necessary to give effect to the development objectives of the region and the legitimate aspirations of its people. It is my pleasure therefore to welcome you to this Thematic Debate that will focus on the role of investment in Africa.

Excellencies,

Today's Africa offers the most promising growth opportunities in the world. In recent years, many African countries have experienced positive economic performances, a trend that is expected to continue, with economic growth projected to be at least 5.3% in 2014. This positive economic growth has been driven by high commodity prices, as well as steady efforts by African leaders to apply prudent macroeconomic policies and reforms; improve the business climate; create the enabling environment for foreign direct investment; reduce conflicts; and implement various national, regional and continental programmes and initiatives. At the same time, we know that many African countries will not be able to meet the Millennium Development Goals (MDGs) and are still struggling with hunger, poverty, inequality, poor human development outcomes and difficulty building their social capital.

Over the past decade, there has been considerable investment in many African countries, including those with the highest growth rates. Foreign direct investment (FDI) towards the continent has steadily increased since 2000, reaching the magnitude of Official Development Assistance (ODA). However, much of this investment has been related to resource extraction and exports, and has not led to the enhancement of productive capacity and/or much-needed job creation. Similarly, despite considerable natural resource endowments, there has not been equitable distribution of the benefits of the revenues earned from their extraction, nor have such revenues been used to boost industrialization and development strategies.

As a consequence, critical financing gaps remain, particularly with regard to agriculture, industrialization and infrastructure development. In order to sustain current economic growth, meet global development goals and to support Agenda 2063, the continent's forthcoming 50-year transformative development vision, Africa needs to bridge a huge financing gap. Innovative financing must come from within the continent and from greater private sector investment, as well as public-private collaborations.

Distinguished Delegates,

Investing in agriculture offers great promise for the Continent. The World Bank estimates that expanding Africa's agriculture from low-yield subsistence to higher levels of the agribusiness value chain, including processing and export, could generate an agricultural market worth one (1) trillion dollars by 2030. To increase their agricultural yields and move up the related value chain, African smallholder farmers require greater access to agricultural inputs, technology, energy, irrigation and fertilizer, as well as access to adequate sources financing. Given the high percentage of Africa's labour market employed in the agricultural sector, greater investment towards Africa's agricultural sector, particularly through the Comprehensive Africa Agriculture Development Programme (CAADP), will be key for alleviating poverty, food insecurity, and unemployment on the continent. This is particularly important for women since in many African countries, women are the ones engaging in subsistence farming and in that context, they and their families can be both the beneficiaries and drivers of change in agriculture-based development.

African leaders have identified investment in industrialization as a priority, noting the importance of increased industrialization and industrial policies for leveraging the revenues

from Africa's considerable natural and human capital resources. It is widely accepted that infrastructure can contribute to economic activity and growth. It is estimated that Africa will need to mobilize approximately ninety-three (93) billion dollars per year to overcome its infrastructure deficit.

Excellencies,

Recognizing the importance of private sector investment to help fill this gap, African Heads of State and Government convened the Dakar Financing Summit for Africa's Infrastructure this past June, where they adopted the Dakar Agenda for Action, a plan to move financing for infrastructure forward. Ensuring its implementation, particularly mobilizing investment for infrastructure, will be key for industrialization of the continent, by both galvanizing technological advancements for new industries, fostering continued growth in intra-African trade, and generally maximising the enormous potential of the continent.

Productive and increased investment in agriculture, industrialization and infrastructure all depend on successful engagement with the private sector. With the adoption of NEPAD in 2001, African leaders underscored the central role of investment in Africa's economic revival and committed their countries to establish an enabling environment for private sector growth. Since then, Africa has continued to emphasize the importance of private sector engagement for its short- and long-term development vision.

Our United Nations remains committed to supporting Africa's transformative development agenda and to promoting positive private sector engagement. For example, the UN Global Compact has placed a special focus on a long-term strategy for growth and engagement in Africa. Just last month, the Compact released *Partners in Change: UN Global Compact Advancing Corporate Sustainability in Africa*, known as the Africa Strategy. The Africa Strategy focuses on: infrastructure needs and enabling factors for private sector engagement; local networks and strategic partnerships; and engaging companies and Governments through strategic integration into key sustainability platforms and partnerships.

Ladies and Gentlemen,

The adoption of the post 2015 development in a little over a year from now will provide an important opportunity to ensure that investment in Africa benefits the poorest and most vulnerable. Therefore, its financing framework must be as ambitious as the goals that will define it. Harnessing all sources of finance, namely, public and private, domestic and external, and ensuring complementarity will be crucial for eradicating poverty and putting the world, including African countries, on the right path to sustainable and inclusive development.

As reflected in General Assembly resolution A/67/294, I hope today's thematic debate provides a unique opportunity to contribute innovative and constructive ideas on the promotion of investment in Africa. It is also essential that we listen to our fellow African Member States on what the continent needs, as well as hear ideas from other stakeholders, such as business and academia.

Let us join together to take Africa's recent progress to the next level; to focus our efforts on reaching our development goals, sustaining growth and eradicating poverty; and let us harness the necessary resources and political will so that Africa may flourish in prosperity and opportunity.

Thank you.
