

Editorial

One clear message has emerged from recent high level meetings, including the Tunis meeting of African Ministers and Central Bank Governors and the G20 meeting in Washington. Honouring official aid commitments by rich countries is critical, and the global economic crisis is not the time to relax or scale them back. But sometimes, the logic behind this message gets lost.

Aid is not the answer to Africa's problems, but it can make a huge difference. As the chart in this Bulletin shows, aid represents a relatively small share of development finance to sub-Saharan Africa. As the global economy slows down, commodity prices, trade volumes, foreign direct investment and remittance flows, and access to credit will be reduced. ODA assumes more importance for recipient governments: first, at a time of great volatility and uncertainty, it can be or should be predictable; and second, because it can help strengthen their capacity to attract investors and mobilise domestic revenues, upon which sustainable development depends. To that end, the big challenge is to make aid more effective.

The Doha meeting on Financing for Development is upon us. Either the timing is perfect or unfortunate, coming after the G20 but before the new US Administration is in place. There will be a strong Africa focus, notably at the side event on Monday 1st December on the global crisis and Africa being chaired by Trevor Manuel and co-sponsored by the Africa Development Bank, African Union, Economic Commission for Africa and APP.



Featured in [International Herald Tribune](#), 14 Nov 2008

News Overview

The G20 summit, which focused on trade, financial stability, and economic expansion, concluded in Washington, DC. The meeting illustrated good intentions, but little specifics on how to either tackle the global financial crisis or reform the global financial system. Jean Ping, Chairman of the Africa Union Commission has said that consultation with the AU is necessary if the global financial institutions are to be reformed.

On 16 November, a unilateral cease-fire was declared by Laurent Nkunda, leader of CNDP, following meetings with UN Special Envoy for Eastern Congo, Former Nigerian President Obasanjo. A few days later a humanitarian corridor was created to provide assistance in the Kivus. On 20 November, the UN Security Council unanimously agreed to temporarily deploy an additional 3,100 troops to the eastern region. Nonetheless, it was acknowledged that a political solution was needed to end the conflict.

The UN has appealed for \$7 billion for humanitarian assistance in 31 countries for 2009, most of them in Africa.

On 22 November, Zimbabwean authorities denied entry to a team of Elders, composed of Kofi Annan, Jimmy Carter, and Graca Machel, who had planned a humanitarian fact-finding mission to assess the situation in the country. Despite being unable to enter Zimbabwe, the Elders met with opposition leader Morgan Tsvangirai and South African leaders in Johannesburg to discuss the humanitarian situation.

President Joao Vieira of Guinea-Bissau survived a failed military *coup d'etat* attempt on 23 November.

The Sirius Star, a Saudi super-oil tanker carrying 2m barrels of oil (worth \$100m) and 25 crew members, was hijacked by Somali pirates off the Kenyan coast and was brought inside Somali waters in the Gulf of Aden.

APP Calendar of Events

1.12.2008 Side Event on **Global Financial and Economic Crisis: African Perspectives and the Way Forward**, 'co-sponsored by the ADB, ECA, AU & APP at the UN Financing for Development Review Conference: Doha, Qatar

Featured Quote

"It would be incredibly short-sighted - as well as immoral - for wealthy countries to use this financial crisis to drop promises to help the poorest."
[Kofi Annan, Forum for New Diplomacy, 17 November 2008](#)

On the blogs

[World Bank Chief Economists Blog - The impact of the financial crisis on the African financial system may be worse than we thought](#)

Blogger Samuel Muzele Maimbo writes that "the conventional wisdom that African financial systems have little to worry about in the wake of the global financial crisis needs to be challenged".

[ONE - Highlights from the G20](#)

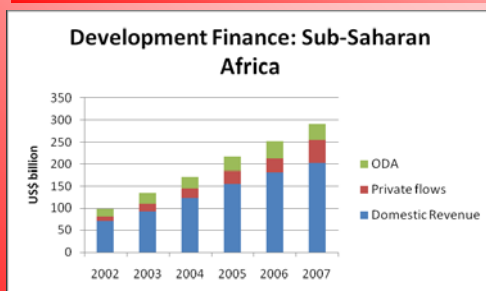
Beth Adler of ONE writes that "the G20 statement reaffirmed the importance of the Millennium Development Goals (MDGs) and development assistance; however, it did not go so far as to re-pledge to meet their respective aid commitments. In addition, the elimination of existing barriers to trade remains unaddressed".

APP Activities

Kofi Annan spoke at the Forum for New Diplomacy in Paris on 17 November, where he urged rich nations not to drop aid to Africa

- ◊ **Linah Mohohlo** represented the APP Chair at the Tunis meeting of Ministers of Finance and Central Bank Governors on 12 November, timed to prepare a common African position on the global economic crisis before the G20 and Doha meetings
- ◊ **Olesegun Obasanjo** was appointed UN Special Envoy for Eastern Congo.
- ◊ **Robert Rubin** is serving as an economic adviser to US President-elect Barack Obama's economic advisers. Timothy Giethner, who has been a follower of the economic formula that came to be called 'Rubinomics', is being appointed as US Treasury Secretary
- ◊ **Michel Camdessus** supported President Sarkozy and his team on preparations for the G20 meeting in Washington
- ◊ **Tony Blair** has volunteered to advise President Paul Kagame of Rwanda on rebuilding the country, its economy and to encourage private investment
- ◊ **Bob Geldof** has been lobbying for an EU Food Facility, which may mean €760m of new money for emergency agricultural inputs in developing countries. This was decided at the ECOFIN meeting on the 21 November 2008
- ◊ APP Director **Michael Keating** attended the Tunis meeting on 12 November of Finance Ministers and Central Bank Governors, and the Africa Partnership Forum meeting in Addis Ababa on 17 November.

Levels of Development Finance in Sub-Saharan Africa, 2002-07



Source: IMF, World Bank & OECD as published in "Development Finance in Africa" prepared by the Africa Partnership Forum,

G8 Update

Social sectors

[JAPAN - The Japanese government and the UN have extended US\\$2.5 million to the "Inter-agency Programme for Improving the Situation of Children at Risk in Senegal"](#)

Economic growth

[CANADA – Canada in Africa: The mining superpower](#)

Governance and accountability

[EU - EU welcomes announcement by the Sudanese President of a unilateral ceasefire in Darfur](#)

[EU - EU seeks dialogue with Sudan on death penalty](#)

[EU - European Commissioner Louis Michel reaffirms commitment to people of Zimbabwe](#)

Financial flows

[ITALY - Lecture by Minister for Foreign Affairs, Franco Frattini, at the European Studies Centre of University of Oxford: Europe and global governance in a world of multiple transformations](#)

[UK – House of Commons debate led by Secretary of State for International Development, Rt. Hon Douglas Alexander MP, on International Aid Transparency](#)

[FRANCE & US - Millennium Challenge Corporation and Agence Française de Développement sign Memorandum of Understanding](#)

Opinions

The G20 Summit in Washington, addressing the economic crisis, has stimulated widespread comment and debate. The relative merits of the G8 and G20 have been debated, as well as calls for new powers to be invited to participate in the G8's discussions as Italy assumes presidency. The conflict in DRC has continued to attract coverage.

[Business Day \(South Africa\) - Policy must prepare continent to face the storm, 19 November 2008](#)

Antoinette Monsio Sayeh, director of the IMF's African department, wrote that although sub-Saharan Africa has been surprisingly resilient to the latest shocks to the global economy "sustaining and even accelerating the high growth momentum, and extending it to low-growth countries, is critical".

[International Herald Tribune - The way forward, 17 November 2008](#)

In the wake of the Washington G20 Summit, APP Chair Kofi Annan wrote in the IHT that the significance of G20's communiqué "should not be underestimated". He welcomed the inclusive approach of the meeting, stating that it "potentially represents the beginning of an era of unprecedented cooperation for concerted action on other equally pressing issues".

[Financial Times \(UK\) - Remember the bottom billion in our brave new world, 13 November 2008](#)

On the eve of the Washington G20 Summit, APP Panellist Bob Geldof warned in the FT that "this effort will fail unless the bottom billion are invited from the shadows and allowed to work with us in forging our brave new model".

[The Guardian \(UK\): Ambulance chasing in Africa, 24 November 2008](#)

Simon Tisdall comments that the west's already short attention span on African matters is being exacerbated by the financial crisis. He notes that US and European governments have committed \$4.1trillion to bail out financial institutions – 45 times the sums spent on development aid last year.

[Mail and Guardian \(South Africa\) - DRC: Warring parties must find long-term political solution, 13 November 2008](#)

Oxfam's Juliette Proshan called for Europe to take action in DRC. She said "Europe has a proven history and expertise in peacekeeping. What more needs to happen for Europe to provide DRC with the help it so urgently needs?"

[Financial Times: Europe must act as one on the world stage, 20 November 2008](#)

Marta Dassu, director-general of international programmes at the Aspen Institute Italia, writes that "when Italy takes up the chair of the Group of Eight leading nations... near the top of the agenda will be the enlargement of the club to new powers, starting with China and India".

Multilateral & Policy

World Bank

- [World Bank Group boosts support for developing countries](#)
- [Statement by World Bank Group President Robert B. Zoellick on the Summit of G20 Leaders](#)
- [Action Plan for middle income countries in Africa yields early successes](#)

United Nations

- [UN launches its largest ever annual humanitarian appeal seeking \\$7 billion for urgent aid to 30 million people in 31 countries](#)
- [Secretary-General Ban Ki-moon warns that the humanitarian situation in Somalia is in serious decline as security worsens](#)
- [Report: Africa faces 'enormous difficulties' on macroeconomic convergence](#)

IMF

- [IMF Managing Director calls G-20 Action Plan a significant step toward stronger international cooperation](#)
- [Speech: Global Financial Turmoil—How Does it Affect Sub-Saharan Africa? by Antoinette M. Sayeh, Director, African Department, IMF](#)

African Development Bank

- [Communiqué of the meeting of African Ministers of Finance in Tunis](#)

ECOWAS

- [ECOWAS Protests Exclusion From G20](#)

Calendar

- 29.11-02.12.08** UN Financing for Development Review Conference: Doha, Qatar
- 30.11.08** Côte d'Ivoire: Presidential Elections **POSTPONED**
- 01.12.08** World Aids Day
- 1-12.12.2008** United Nations Framework Convention on Climate Change Conference of Parties: Poznan, Poland
- 3-7.12.2008** International Conference on AIDS and STIs in Africa: Dakar, Senegal
- 7.12.2008** Ghana Presidential and Parliamentary Elections
- 8.12.2008** Global Fund Partnership Forum: Dakar, Senegal

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