



**‘The Political Dimensions of the World Economic Crisis:
An African Perspective’
3 November, 2009, Accra, Ghana**

FINAL DECLARATION

The global economic downturn has hit Africa particularly hard, not only through the direct effects of decreases in trade, foreign direct investment, remittances and aid levels, but also as a result of the response measures put together by the developed world. Ultimately, responsibility for dealing with the crisis rests with Africa’s leaders, who must articulate, implement and assert an appropriate strategy to mitigate the impact of the crisis. This cannot be done in isolation, but must be part of a larger effort to open up the international governance architecture to the equitable and meaningful participation of developing countries.

The crisis has underscored the imperative of economic prudence, sound developmental policies and good governance. It has compounded existing challenges of food security, unemployment, poverty reduction, basic public service delivery, climate change and migration, any of which has the potential to foment civil strife and to undermine achievement of the Millennium Development Goals.

As Members of the Club of Madrid, we met in Accra, Ghana on 3 November 2009 to discuss the political dimensions of the world economic crisis from an African perspective. Together, we arrived at the following conclusions:

1. Good governance is the foundation of sustainable and equitable growth. Leadership in the region must articulate and execute a clear vision for development, including an honest appraisal of the costs involved, especially during economic contraction.
2. Africa’s greatest resource is its people. A much greater investment in human capital, especially women, is needed. The energy of the continent’s large and youthful population must be channeled for the benefit of social, political, and economic progress. Youth must be empowered by widening and deepening educational opportunities, including providing adequate education at all levels as well as vocational training.
3. Agriculture needs to be reprioritized. Investment in technology and research, as well as reconsideration of protection and support measures such as subsidies, are essential to improve food security.
4. Africa’s economic growth strategy has been too oriented to global markets to the neglect of cultivating local and regional markets. African countries need to strengthen their own domestic markets as a first recourse to drive competitiveness. Accordingly, domestic economic assets must be more fully mobilized. African governments should incentivize savings and broaden the tax

- base. The ICT revolution must be put to the service of national and regional development plans, to inform and educate the population as well as key stakeholders such as organized labour.
5. The informal sector comprises the great bulk of economic activity on the continent, and must assume greater prominence in Africa's economic planning. Informal sector assets need to be monetized, including rights to land and other property, as a mechanism for legally empowering the poor and expanding opportunities in the formal sector.
 6. African countries must cultivate a climate conducive to private sector development, particularly for small and medium enterprises. Public sector resources need to be deployed and managed (including, where appropriate, through partnerships with the private sector) to facilitate inclusive growth.
 7. At the same time, Africa needs a more strategic integration into regional and global markets. It needs to make itself an attractive hub for investors by providing a high-opportunity, high-return business environment. This can be achieved through regulatory reform, strengthening of institutional capacity, and the redefining of eligibility criteria for EU and WTO preferences.
 8. Regional fiscal and trade policies need to be made more coherent. Regional and sub-regional bodies such as the African Union and the regional economic communities need to coordinate more effectively to stimulate growth and development. Customs unions, common markets, free trade areas, all supported by joint investments in improved national and regional infrastructure will empower Africa to realize its full potential.
 9. Africa needs partners, not mere donors. It needs greater capacity strategically to negotiate its own best interests with external partners, whether traditional or emerging. African countries need a clear sense of what they can achieve on their own and what can be achieved only in collaboration with regional and global partners. Mutual accountability and respect for democratic principles will be key.
 10. A quantum shift is needed in the nature of Africa's role in the global community. There is a clear call for a new paradigm, consisting of truly democratic multilateral institutions that afford Africa a strong and effective voice and decision-making capacity. Africa as a region should insist on much stronger representation and on being a more central force in international institutions and within bodies like the G20.

In light of the above, we call for a more inclusive, more democratic and ultimately more effective multilateral paradigm that will help us to overcome today's challenges and make the most of tomorrow's opportunities.