

Mutual Accountability, Policy Coherence and Development Effectiveness for Achieving the Millennium Development Goals in Africa.

Organized by the United Nations Development Programme (UNDP)

Statement

**by K.Y. Amoako,
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at the Millennium Project Task Force Meeting organized by UNDP
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(Statement delivered by Mr. Patrick Asea, Director of the Economic and Social Policy Division (ESPD/ECA), on behalf of the Executive Secretary)

Your Excellency Prime Minister Meles Zenawi
Distinguished participants
Ladies and Gentlemen.

The work of the Millennium Project and especially Task Force 1 on Poverty and Economic Development (that is meeting this week in Addis Ababa) comes at an incredibly important time for Africa. It comes at a time when the best estimates indicate that at current trends the number of people living in absolute poverty will increase in Africa from 380 to 450 million by 2015. It comes at a time when diseases that accentuate poverty such as HIV/AIDS, TB and Malaria are posing the greatest humanitarian and development crisis on the continent in centuries.

Mr Chairman

It has become increasingly clear that reducing poverty by half by 2015, beating back diseases that accentuate poverty and dealing with the many other development challenges facing Africa that are captured by the other MDG targets will require the joint efforts of Africans and of the international Community. The operative word here is "joint"

That is why we are particularly pleased that the United States President recently signed into law a \$15 billion bill aimed at slowing the AIDS pandemic that is ravaging many of Africa's poorest countries. The bill will make anti-retroviral treatment available to about 2 million HIV infected people in Africa who cannot afford the drugs needed to prolong and improve their lives. It will also provide hospice care for the dying, assist some 13 million children who have lost one or both parents and intensify prevention programs through strategies like education on sexual abstinence and promotion of condom use.

The strong commitment and leadership by the United States to reduce the pain and suffering and the unnecessary deaths caused by this terrible disease should serve as a beacon to other development partners.

We in Africa welcome this unilateral commitment, but are deeply concerned that this and other promises made by the wealthiest countries will be broken ----as sadly many such promises and

commitments have been broken in the past.

This concern about broken promises and failed commitments is reflected in an emerging consensus both in and outside Africa of the importance of mutual accountability. The stark reality is that for Africa achieving the MDGs will require making swift progress on mutual accountability.

Why is that? It is because mutual accountability means holding both sides-----development partners on the one hand and Africans on the other----to their promises and commitments. Mutual accountability is important not as end in itself; rather, it is a means to end-improved development effectiveness and ultimately the achievement of the MDGs.

Mr. Chairman---

Over the years, African leaders have made many promises----to spur regional integration, to cease conflicts and civil strife, to open-up the democratic space, to fight corruption. Many of these promises have not been kept. Sometimes because of factors beyond our control----many times because of our own limitations and weaknesses.

Over the past two years, within the context of NEPAD, African leaders have asked for the slate to be wiped clean and have promised to implement sound economic policies, tackle corruption, put in place measures for good governance, invest in their people, adopt the MDGs as the common reference point for development programming, and establish an investment climate to attract private capital.

Mr. Chairman--

The wealthiest countries have also made numerous promises and grand declarations. Most recently in the Monterrey Consensus, the G8 Africa Action Plan, UNCTAD X, LDC III, promises surrounding the Doha Development Round and ACP-Cotonu Agreement.

The sad fact is that despite all these grand declarations; what has really transpired is a litany of broken promises on both sides. I will highlight just a few of the broken promises of our development partners.

On trade-----

The Agreement on Agriculture in the World Trade Organization (WTO) commits rich countries to reduce agricultural subsidies and tariffs on imports by one-third. But support to agriculture has increased in rich countries since the agreement was signed in 1995. The EU now spends over US\$100 billion supporting its farmers. Last year, the US congress passed a farm bill which will increase support to US farmers by US\$180 billion over three years.

The WTO Agreement on Textiles and Clothing commits rich countries to phasing out restrictions on imports of textiles and garments by 2005. However, at the current rate of phasing out, 80 per cent of exports from poor countries will still face major barriers by 2005.

On debt relief to finance poverty reduction-----

At the G8 summit in Cologne, 1999, the Jubilee 2000 Campaign won a commitment from rich nations to cancel \$100 billion of debt for 42 of the world's poorest nations. To date only 6 countries have reached their completion points under the Heavily Indebted Poor Countries (HIPC) initiative. In the meantime, the economic assumptions on which debt relief was based have considerably worsened. Indeed, Uganda one of the first country to reach the completion point is exiting HIPC with

unsustainable debt levels.

On HIV/AIDS-----

Secretary General Kofi Annan said 'The War on AIDS will not be won without a war chest; at a minimum we need to spend an additional US\$7-10 billion per year on the struggle against HIV/AIDS. ' However, in 2000 only US\$1.8 billion was spent on HIV/AIDS in all poor countries-far below what is needed.

At the G8 summit in Genoa, G8 leaders pledged US\$1.3 billion to the Global Fund to fight HIV/AIDS, tuberculosis and malaria. Three years later, only a further US\$200 million has been pledged and the total 'war chest' stands at mere US\$1.5 billion. This is spread over five years and so amounts to a mere US\$0.3 billion a year.

On conflict-----

Over the past five years the G8 has frequently restated its commitment to helping prevent and end conflict. In 2000, for instance, the G8 Foreign Ministers' Communiqué pledges its 'determination to make prevention of armed conflict a high priority issue in coming years'. However, with the exception of Sierra Leone, G8 leaders have often been reluctant to use their influence to help end conflict in Africa.

On aid-----

Thirty-three years after many wealthy, aid-giving countries agreed that 0.7 per cent of their gross national product (GNP) should be directed to international development, none of the G8 have reached anywhere near that level. Rich OECD countries on average give only one-third of what they promised.

Even the highest contributors in the G8, France (0.33 per cent) and the UK (0.32 per cent), contribute less than half of that target.

The United States is the least generous - it would need to increase its aid five-fold even after promises to increase aid made in Monterrey.

A less well-known UN target commits wealthy countries to spending 0.2 per cent of GNP on the least developed countries - the world's poorest nations - many of which are in Africa. This is also not being met by G8 donors, because for most donors political needs continue to influence their choice of recipients.

But there is a cruel paradox-----

The cruel paradox is that the failure by our development partners to fulfill their own promises has rendered ineffective the vast amounts of resources that have come to Africa in the form of development assistance.

The cruel paradox is that despite the good intentions of our development partners their own development policies tend not to be coherent with their own stated goals.

The cruel paradox is that policies pursued by the development partners are not aligned with our own national policies causing huge administrative pressures on our economies.

Mr. Chairman---

Development policies that are coherent reinforce each other and do not clash or cancel each other out. It is not coherent for a development partner to provide billions in official development assistance yet impose subsidies on agricultural commodities for which many African countries rely for their very existence.

Coherence applies equally to Africans as it does to our development partners. For example, it is not coherent for an African country to try and increase the proportion of GDP spent on investing in its people and at the same time try and increase defense spending.

How can we get out of this dilemma-----

At ECA we have reached the conclusion that ---to reach the MDGs and to implement the Millennium Compact---what is needed is a new framework to be agreed both by us Africans as well as by our development partners to make sure that any new commitments to Africa will be honored. The important thing is that promises are accompanied with a process to back them up. The NEPAD has established an African Peer Review Mechanism to ensure that African leaders keep to their commitments. But what of our development partners? How can they be held to their promises and how can we ensure them that we are keeping to our promises?

We at ECA have been working with the NEPAD secretariat and OECD/DAC to craft a mechanism for such mutual reviews. Mutual reviews of development effectiveness would entail a systematic, open and constructive dialogue, informed by the application of performance indicators with respect to reviewing the commitments made by those on both sides of the

Distinguished participants---- Our Ministers of Finance, Planning and Economic Development at their most recent Conference in Addis Ababa endorsed a wide range of possible indicators for joint reviews of mutual accountability.

On the external partner side the indicators include

- The extent to which donors are providing medium-term aid flows and support within medium-term budgeting and planning frameworks
- Whether donor practices in a wide range of areas such as aid, debt, trade and subsidies are consistent with their own best practices.
- The extent to which donors are supportive of capacity building in Africa.

On the African side the indicators include:

- Methods for tracking progress towards peace, security and political governance
- The extent to which countries are complying with best practices in economic and corporate governance
- The extent to which African countries are supportive of local capacity building and training.

We are continuing to work with our development partners to identify the best possible for a in which to bring together OECD and African policymakers together to give these mutual reviews teeth.

There is also progress in other quarters. For instance, In May this year, the Center for Global Development---a non governmental organization----has released a ranking of the "Development friendliness" of 22 OECD countries. The rankings are sobering. The spotlight is now firmly on the development partners as it has been on African countries for so many years.

Let me end on a sobering note. It is my belief that had wealthy countries kept their past promises to Africa, and had African countries themselves kept their past promises perhaps fewer than eight million people would have been killed in conflict, there would not be as many as 12 million children orphaned because of AIDS and an additional 30 million people would not have fallen into poverty over the past 20 years.

I Thank you,
