CHALLENGES AND PROSPECTS IN THE IMPLEMENTATION OF NEPAD: A DRAFT REPORT

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<tbody>
<tr>
<td>ACBF</td>
<td>African Capacity Building Foundation</td>
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<tr>
<td>ACGS</td>
<td>African Centre for Gender and Social Development</td>
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<td>ACS</td>
<td>African Center for Statistics</td>
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<td>AfDB</td>
<td>African Development Bank</td>
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<td>AGDI</td>
<td>African Gender and Development Index</td>
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<td>AGOA</td>
<td>African Growth and Opportunities Act</td>
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<td>APCI</td>
<td>Africa Productive Capacity Initiative</td>
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<td>APRM</td>
<td>African Peer Review Mechanism</td>
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<td>ARIA</td>
<td>Assessing Regional Integration in Africa</td>
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<td>AU</td>
<td>African Union</td>
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<td>AWPS</td>
<td>African Women’s Progress Scorecard</td>
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<td>CA</td>
<td>Commission for Africa</td>
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<td>CAADP</td>
<td>Comprehensive African Agricultural Programmeme</td>
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<td>CDC</td>
<td>Centres for Disease Control</td>
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<td>CEDAW</td>
<td>Convention on the Elimination of Discrimination Against Women</td>
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<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>DfID</td>
<td>Department for International Development (United Nations)</td>
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<td>EAC</td>
<td>East African Community</td>
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<td>EASSy</td>
<td>East African Submarine System</td>
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<tr>
<td>ECA</td>
<td>Economic Commission for Africa</td>
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<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAO</td>
<td>United Nations Food and Agricultural Organization</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>G8</td>
<td>Group of Eight Industrialized Nations</td>
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<td>GAIN</td>
<td>Global Alliance for Improved Nutrition</td>
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<td>GAO</td>
<td>Government Accountability Office</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GSI</td>
<td>Gender Status Index</td>
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<td>HIPCs</td>
<td>Highly Indebted Poor Countries</td>
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<td>HIV/AIDS</td>
<td>Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome</td>
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<td>HSGIC</td>
<td>Heads of States and Government Implementation Committee</td>
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<td>ICF</td>
<td>Investment Climate Facility</td>
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<td>ICT</td>
<td>Information and Telecommunications Technology</td>
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<td>IDA</td>
<td>International Development Association</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development (United Kingdom)</td>
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<td>JIU</td>
<td>Joint Investigation Unit</td>
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<td>MAPP</td>
<td>Multi-Country Agricultural Productivity Programme</td>
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<td>Millennium Challenge Account</td>
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<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
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<td>NGOs</td>
<td>Non-Governmental Organizations</td>
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<td>OAU</td>
<td>Organization of African Unity</td>
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<td>Acronym</td>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<td>POA</td>
<td>Programme of Action</td>
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<td>PRC</td>
<td>Permanent Representative Council</td>
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<td>RECs</td>
<td>Regional Economic Communities</td>
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<td>SADC</td>
<td>Southern African Development Community</td>
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<tr>
<td>STAP</td>
<td>Short-Term Action Plan</td>
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<td>SSTAP</td>
<td>Sub-Saharan African Transportation Programme</td>
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<td>UEMOA</td>
<td>West African Economic and Monetary Union</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNAIDS</td>
<td>United Nations Joint Programme on HIV/AIDS</td>
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<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<td>UNWTO</td>
<td>United Nations World Tourism Organization</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>WDI</td>
<td>World Development Indicators</td>
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<td>WDR</td>
<td>World Development Report</td>
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<td>WFP</td>
<td>World Food Programme</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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EXECUTIVE SUMMARY

0.1.0 The New Partnership for Africa’s Development (NEPAD) was ratified by the African Union in 2002 to address the development problems of Africa using a new paradigm developed by Africans that uses African resources. NEPAD is a development philosophy, a development programme, and a set of development projects scattered across Africa. NEPAD’s objectives are to: (i) eradicate poverty, (ii) put Africa on a sustainable development path, (iii) halt Africa’s marginalization, and (iv) empower African women. These objectives are to be achieved through specific programmes and projects.

0.1.1 Five years after the ratification of NEPAD, there have been some successes in publicizing the new development vision and getting buy-in from African leaders. Progress in implementation, however, has been slow. It is time to take stock by looking at what has been achieved, identifying obstacles to progress and what remains to be done, and offering possible suggestions for effective implementation.

0.1.2 This report aims to initiate a broader dialogue on the particular form and structure that NEPAD should take. It reviews progress in implementing NEPAD, the challenges and constraints, and recommends measures to address these challenges. As this report is intended to spark discussions among various stakeholders, it does not offer specific and detailed recommendations; it asks more questions than it answers.

0.2.0 Since ratification in 2002, NEPAD has developed many programmes to achieve its core objectives. Programmes to achieve peace and security, improve economic governance and public administration, invest in priority areas, including infrastructure and human development, have been developed. NEPAD has also been successful in bringing African development problems to world attention, generated international support for Africa’s development, and galvanized African leaders to change their thinking about governance, and about development generally.

0.3.0 In spite of these positive developments, several challenges remain in the implementation of NEPAD. Among these is the structure of NEPAD itself, lack of African ownership, political factors, and economic and capacity constraints. These challenges, if not seriously addressed, could stall or reverse the progress made so far.

0.3.1 The less-than-strong relationships among the various components of NEPAD, member countries and the RECs make it difficult to implement NEPAD. This is the case when there is no mechanism to mediate conflicting interests among the parties. The problem is further exacerbated by the lack of incentive mechanisms to get the RECs and member countries to implement NEPAD programmes. Coordination of the many activities and participants in NEPAD poses a challenge for effective implementation.

0.3.2 The political difficulties African governments face in making current sacrifices in exchange for possible future benefits pose an obstacle to the effective implementation of NEPAD. This lack of political will is further complicated by the possible existence of prior commitments that may conflict with NEPAD principles as well as weak institutions to carry on the available tasks.

0.3.3 Economic factors, including financial and capacity constraints, lack of ownership by the average African, and lack of both economic and social infrastructure make it difficult to effectively implement a comprehensive programmes like NEPAD.
0.4.0 Ultimately, progress towards implementing NEPAD goals is brought about by strengthening and clarifying NEPAD structures and support institutions. This can be achieved through:

- Clarifying the relationships among NEPAD, the RECs, and member African countries;
- Narrowing the scope of NEPAD activities and streamlining procedures;
- Strengthening the capabilities of the RECs and member countries;
- Setting up standardized and common evaluation procedures with specific benchmarks;
- Better explaining NEPAD to Africans and increasing African ownership of NEPAD; and
- Increasing private sector and other stakeholder participation in decision-making at the highest level and developing public-private partnership for project implementation.

0.4.1 Poverty reduction in Africa will involve a judicious combination of fast employment-generating growth (pro-poor growth) and redistribution of the benefits of growth. Particular attention should be paid to productivity growth and employment growth in small-scale enterprises: the traditional-agricultural and the urban informal sectors will be very important to poverty reduction. Special emphasis should be placed on reducing poverty among women and children.

0.4.2 Sustainable development in Africa will necessarily entail putting in place support structures which include building institutions (including reducing corruption), building capacity, linking education to reform of the labour market needs of Africa, and refocusing health care from curative emphasis to one that emphasizes prevention. Besides training and attracting more skilled personnel, Africa should offer appropriate incentives and encourage free mobility within the continent to retain its scarce human capital more effectively.

While external financial resources may be necessary for the short-term success of African development, member countries under the NEPAD framework should make serious efforts to mobilize domestic resources to support African development. NEPAD could also attract resources from the African Diaspora through appropriate incentives.

0.4.3 Accelerating economic and social development, participating in the world economy on an equal footing, and decreasing its dependence on the rest of the world is the best way to halt Africa’s marginalization in the world. In addition to faster socioeconomic development, NEPAD should craft an effective public relations campaign to promote the positive side of Africa by highlighting success stories and telling the world about the many good things the continent has to offer.
0.4.4 Progress towards gender equity in Africa can be achieved by:

- Vigorous enforcement of existing gender equity and women empowerment laws;
- Developing and vigorously implementing strong equal-opportunity programmes for women;
- Educating both men and women on the desirability of gender equity for sustainable development.
CHALLENGES AND PROSPECTS IN THE IMPLEMENTATION OF NEPAD

1. INTRODUCTION

The New Partnership for Africa’s Development (NEPAD) was adopted by African Heads of States and Governments of the Organization of African Unity (OAU) in 2001 and ratified by the African Union (AU) in 2002 to address Africa’s development problems within a new paradigm. NEPAD’s objectives are to: reduce poverty, put Africa on a sustainable development path, halt the marginalization of Africa, and empower women. Five years after the adoption of NEPAD, it is time to take stock and evaluate how far it has come to achieving its objectives, the obstacles to progress, and to suggest ways to improve implementation. The review should be as broad-based as possible.

The purpose of this report, titled Challenges and Prospects in the Implementation of NEPAD is to review the progress of implementation, challenges to implementation, and recommend measures to address these challenges. This assessment addresses the question of whether NEPAD is achieving its goals of poverty reduction, putting Africa on a sustainable development path, halting Africa’s marginalization and empowering women, while focusing on the principles to achieve these objectives. As an input into a more comprehensive review, this report only serves to highlight issues rather than provide a comprehensive and exhaustive assessment.

The report draws on several United Nations publications, especially the Secretary General’s reports to the General Assembly on the implementation of NEPAD, and in particular, New Partnership for Africa’s Development: Third Consolidated Report on Progress in Implementation and International Support; reports from ECA; Regional Economic Communities (RECs); Africa’s; development partners; other UN publications; NEPAD Secretariat; reports from African governments; and from the academic community.

This report differs from earlier reviews\(^1\) of progress of NEPAD’s implementation in two major ways: first, in addition to reviewing the achievements, the report also discusses structural, political, and economic obstacles to successful implementation of NEPAD principles. Second, it also suggests specific ways to improve implementation. In particular, the unique aspect of this report is its emphasis on domestic resource mobilization.

1.1 NEPAD objectives

NEPAD is a vision and a development philosophy hatched by African political leaders for the holistic development of Africa. It is also a long-term, integrated and comprehensive programme that is intended to improve political, economic and social conditions on the continent.

The NEPAD objectives are to be achieved through several principles:

- Good governance: African leaders recognize that there cannot be sustainable development without the rule of law, legitimate power, predictable administration and responsive regulation;
- African ownership and leadership of development: if development is to be sustainable and serve the needs of Africans, then Africans must own it, initiate it, and lead the process;
- Anchoring development in the resources and resourcefulness of Africans: sustainable development is only possible if it is based on the resources of the region. The framers of
NEPAD were aware of this and insisted that the process be anchored on African resources;

- Partnership among African peoples: Africans recognize that they can develop faster with increased cooperation, forming partnerships amongst themselves and pooling their resources;

- Accelerated integration of the continent: given the small size of individual African economies, NEPAD recognizes the need for economic integration among African countries to take advantage of scale and scope economies and to share resources;

- International partnerships to change the unequal relationship between developed and developing countries. The architects of NEPAD recognized that Africa cannot develop alone in an increasingly globalizing and inter-dependent world, and

- Ensuring that all NEPAD partnerships are linked to the Millennium Development Goals (MDGs): this ensures that outcomes of the NEPAD process are linked to improved living standards and well-being of the majority of citizens in Africa. The MDGs also provide specific quantifiable benchmarks against which the success of NEPAD can be measured.

NEPAD priority areas are:

- Establishing the conditions for sustainable development by ensuring;
  - Peace and security
  - Democracy and good governance (political, economic and corporate, including the African Peer Review Mechanism (APRM))
  - Regional co-operation and integration
  - Capacity building

- Policy reform and investment in priority sectors:
  - Agriculture
  - Human development
  - Infrastructure
  - Diversification and increased promotion of manufactured exports
  - Acceleration of intra-African trade
  - Environmental protection and stewardship

- Increased mobilization of resources through
  - Increased domestic savings and investment
  - Improved management of public finances
  - Increasing Africa’s share in global trade
  - Attracting more foreign direct investment (FDI)
  - Increasing capital flows to Africa through further debt reduction and increased official development assistance (ODA) inflows.
NEPAD is currently recognized by developing partners, such as the World Bank, the Group of Eight Industrialized Nations (G8), the European Union (EU), the US Agency for International Development (USAID), the UK's Department of International Development (DfID), and by the United Nations and its specialized agencies, as the mechanism through which to support Africa’s development efforts. Thus, the NEPAD process has come to be accepted not only by African countries and the RECS but also by Africa’s development partners as the focal point and mechanism of Africa’s development effort.

Although there has been some notable progress, implementation of NEPAD and achievement of its objectives have been slow. The NEPAD Secretariat Report to the fourteenth Summit of the HSGIC on January 22, 2006 in Khartoum, Sudan suggests that the implementation of the NEPAD’s programme of action has been modest, at best. Obviously, policymakers and stakeholders are concerned with the slow pace of progress in achieving the NEPAD’s objectives.

This report is organized as follows: the first part reviews the progress achieved so far in the core areas of poverty eradication, placing African countries on a path to sustainable development, halting the marginalization of Africa and integrating it into the global economy, and accelerating the empowerment of women. The second part focuses on the constraints and challenges to the implementation of the NEPAD principles as envisioned by its framers, and the third part offers some ideas for improving the implementation of NEPAD.

A thorough review of the progress of NEPAD implementation should be undertaken at three levels--continental, sub-regional (REC), and national (country)--with appropriate case studies of success and challenges at each level. However, due to the nature of this report--i.e. to serve as a discussion forum for a more comprehensive review of NEPAD (and the short-time frame required for completion)--such a three-tiered review is outside its scope. A broader and much more detailed review of NEPAD should incorporate those components.

Box 1: History of NEPAD

NEPAD is the result of three parallel initiatives by three groups (individuals) in the early 21st century. The first is the Millennium Africa Recovery Plan (MAP), led by South African President Thabo Mbeki and unveiled at the World Economic Forum in Davos in January 2001. The second initiative is the Omega Plan, crafted by the President of Senegal, Abdoulaye Wade, and presented to the Summit of Francophone African leaders in Cameroon in January 2001, and the third of these, The Compact for African Recovery initiated by the then Executive Secretary of the UNECA, K.Y. Amoako, in response to a mandate provided by African Ministers of Finance in late 2000.

All three initiatives share a common interest in reducing Africa’s underdevelopment. While these initiatives share common characteristics, there were also differences reflecting regional and other biases of their originators. Compromises had to be made in order to merge the three proposals into one initiative. NEPAD thus reflects the compromises involved in arriving at a single initiative.
2. KEY ACHIEVEMENTS IN IMPLEMENTATION OF NEPAD

Transforming an organization, a nation, or a continent is a gradual, complicated, and uncertain process. It took the European Union 50 years to be fully integrated. NEPAD is not expected to completely transform Africa within five years. Nevertheless, in the five years since ratification, some progress has been made in implementing NEPAD principles. While some projects and initiatives may predate NEPAD, there is evidence that the NEPAD framework has given added impetus to these projects. In reviewing the progress made, the report follows NEPAD’s priority areas.

2.1 Peace, security, conflict resolution and democracy

In the areas of conflict resolution and conflict prevention, the AU has made progress in African countries such as the Democratic Republic of Congo (DRC), Liberia, Rwanda, Somalia and Sudan. The AU has put structures in place to achieve these objectives. The Peace and Security Council of the AU has a strong mandate with resources to support this mandate. There is the Continental Early Warning System designed to prevent conflicts, the Panel of the Wise designed to mediate conflicts, and the African Standby Force conducts peacekeeping missions. AU peacekeepers are currently in DRC, Somalia, and Darfur (Sudan), among other places. According to UCDP/PRIO data, the number of major civil conflicts in Africa decreased from 12 in 2001 to 3 in 2006. Although NEPAD is not directly involved in these activities, it mobilizes resources for the AU Peace Fund and it is charged with reconstruction in post-conflict countries.

In the areas of democracy and good governance, there is strong evidence that the NEPAD framework is yielding dividends. Democratic transitions and competitive politics are gradually taking root in Africa. Already, a number of countries, such as Ghana, Kenya, Mali, and Zambia have had democratic changes in government in free, fair and competitive elections. The AU and NEPAD principles played a leading role in the restoration of peace in DRC, Liberia, and other African countries. It is instructive to note the pivotal role the AU has played in preventing unconstitutional changes of government in African countries, such as in Togo. In general, NEPAD has been a positive catalyst for peace and security as well as movement towards democracy in African countries. These achievements, however, are extremely fragile.

2.2 Economic governance and public administration

The NEPAD Principles have led to the launch of a series of activities to increase the quality and efficiency of economic and public management. These activities include the African Management Development Institute Network in August 2005, funded by the EU; Governance and Public Administration supported by Nordic development partners, and Senior Budget Officers’ Workshops in support of NEPAD. In addition, the German government has funded a series of conferences on State capacity-development in post-conflict areas.

NEPAD has an important role to play in identifying bottlenecks in the regulatory and legal environments in African countries. Perhaps the most important aspect of NEPAD that could improve economic governance and public management is African Peer Review Mechanism (APRM), which is able to highlight, on a country-by-country basis, the government structures, laws and capacities that need to be changed, reformed and developed. This process encompasses all aspects of economic governance, public management, democratic governance, as well as institutional structures to encourage efficient economic and public management. By creating a better investment climate for
local and foreign companies, governments will then be able to forge partnerships that combine the best of the private and public sectors. The APRM is intended to encourage the adoption of best practices in these areas. Already, 26 countries have signed MOUs to participate in the APRM process. Several countries are in various stages of the review and three--Ghana, Kenya and Rwanda--have completed the process with Ghana submitting a completed programme of action (PoA) that includes the full cost of implementation.

There are indications that reforms in this area are beginning to have positive impacts on economic performance in African countries. The Economic Report of Africa (ERA), 2006 and 2007 indicate that, on average, GDP in Africa grew at about 5.7 per cent and 5.4 per cent in 2006 and 2005 respectively compared to 5.1 per cent in 2003, government budget recorded an average surplus of 0.6 per cent of GDP in 2005 and 0.1 per cent in 2006 compared to a deficit of 1 per cent of GDP in 2003, inflation remained in single digits at an average of 9.9 per cent in 2006 compared to an average of 10.6 per cent in 2003; the stock of external debt decreased to $US 282 billion in 2005; official development assistance (ODA) increased to $US 35.6 billion compared to $US 21 billion in 2002; and foreign direct investment (FDI) increased to $US 30 billion or 2 per cent of the world’s FDI in 2006. The current-account balance improved from a deficit in 2002 to a surplus of about 5 per cent of GDP in 2006, although this may be the result of high prices for crude oil. While this may not indicate extraordinary progress, it may be argued that Africa may be moving in the right direction. Of course, these positive trends are not only associated with NEPAD; no causal relationship is inferred here.

Despite these successes, several challenges remain. First, the average growth rate is far less than the 7 per cent required to achieve the MDG of halving poverty by 2015. Second, unemployment rates in African countries remain extremely high and employment is not growing fast enough. Third, as the 2007 ERA indicates, investment rates in Africa (as a per cent of GDP) are relatively low even though the average investment/GDP ratio has increased to 18 per cent from the lows of 15 per cent in the 1970s, but lower than the 21.8 per cent recorded for 2000. Unless there is a rapid increase in productivity of capital, investment needs to increase dramatically if the MDGs are to be achieved in Africa. Finally, the proportion of the population living in poverty in Africa has actually increased slightly, from 37.2 per cent in 2002 to 38 per cent of the population in 2007.

2.3 NEPAD and RECs

Many African countries are too small to be cost-efficient and competitive in an increasingly globalized world. Economic integration is therefore necessary to foster rapid economic growth and halt the marginalization of Africa. NEPAD’s designers foresaw continental integration with existing regional economic communities (RECs) as the building blocks. A recent UNECA study identifies 14 RECs with overlapping membership in Africa. Most of these RECs have protocols to increase intra-regional trade, free movement of people and goods, improved international transportation, pooling of energy resources, improved connectivity in communications, harmonization economic
policy and a movement towards monetary union. In some RECs, there has been real progress in some of these areas. For example, in the field of energy supplies, the Southern African energy pool has been a model of success. Similarly, the West African Economic and Monetary Union (UEMOA) is a full monetary union.

There has been substantial tariff reduction to encourage intra-regional trade as well as substantial efforts to encourage the free movement of people across borders. For example, within ECOWAS, there is free movement of people in addition to the introduction of the ECOWAS passport although residency in another country is limited to 90 days. There are serious attempts at the formation of monetary unions in the RECs. For example, UEMOA is a monetary union and non-UEMOA members of ECOWAS are working towards the formation of the West African Monetary Union (UMOA) with the objective of merging with UEMOA to form a single monetary union for the ECOWAS region. Towards this end, countries in the region are harmonizing their economic policies to achieve this monetary union; these efforts seem to be paying dividends. While intra-African trade averaged slightly under 10 per cent between 2002 and 2006, it increased to 28.8 per cent in the UEMOA region in 2006. Other RECs are moving in similar directions.

Appropriate physical infrastructure is necessary to achieving regional integration. Most RECs have emphasized the development of regional infrastructure with a major focus on transport, water, power and telecommunications. Countries have agreed to complete the national portions of the Trans-African Highway System, and African countries are implementing the Yamoussoukro Decision to liberalize and improve air transportation. A lot of efforts have been made to improve the links between ports and land-locked countries in EAC, ECOWAS, and COMESA. African countries have improved and expanded their telephone networks (both land lines and cellular) and have improved connectivity across countries, sometimes through joint regional projects and concomitantly through individual country efforts. Efficiency has improved partly because of economies of scale, privatization and competition. In some regions, such as ECOWAS, telephone authorities are working towards a common regulatory system.

2.4 Investment and development of priority sectors

In the areas of policy reform and investment in priority sectors, NEPAD, individual African countries, and RECs have initiated several projects that are likely to contribute to the long-term development of Africa, if completed successfully and efficiently. The priority sectors include infrastructure, agriculture, human development, science and technology, and the environment and tourism. Achievements under NEPAD in these areas are summarized below.

2.4.1 Infrastructure

One of the major constraints to Africa’s development as cited by the 2006 Economic Report of Africa\(^6\) is inadequate infrastructure and services. Poor infrastructure and services increases transaction cost, decreases access to markets, and hampers regional
integration. This serious infrastructural gap has to be addressed. Through NEPAD, African countries have developed the Short-Term Action Plan (STAP) on infrastructural development and mobilized resources through the African Development Bank (AfDB) and other development partners to fund these projects. The projects include power, road, rail and water transport as well as telecommunications and the East African Submarine System (EASSy). Examples of projects include the Southern African Power pool, Integrated Development of the Eastern Nile project, and the Enugu-Abaluкеke-Mamfe road project. There is a greater emphasis on road transportation as evidenced by the attention being paid to the Trans-African Highway System. In the areas of water supply, NEPAD now has 22 water projects under way in seven river basins. STAP is to be rolled into the Medium-to-Long-Term Infrastructure Plan currently in the final preparatory stages and being submitted for funding.

**Box 2. Telecommunication Infrastructure in COMESA: COMTEL**

RECs and member countries are implementing several infrastructure projects within the NEPAD framework. One such project in the telecommunications sector is the COMESA COMTEL project. This project is intended to improve service delivery, interconnectivity of telecommunications services across countries, and lower cost to customers in COMESA countries (Angola, Burundi, Democratic Republic of Congo, Comoros, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Malawi, Madagascar, Mauritius, Namibia, Rwanda, Seychelles, Swaziland, Tanzania, Zambia, and Zimbabwe). COMTEL is a backbone network that is configured to include fiber optic, microwave, and satellite connectivity. It is a joint public (COMESA) and private (national telephone operators) venture that builds on existing networks but will use modern technology. Traffic verification, business plans, shareholders’ agreements, co-operation and connectivity agreements, have been signed and analyses of regulatory issues have been completed. COMTEL Communication, has been registered as a limited-liability company. NEPAD is promoting the project and will facilitate funding.

Source: NEPAD, List of STAP Projects

Two major information and communications technology (ICT) projects on NEPAD’s agenda are the e-schools project and the EASSy. The e-schools demonstration projects have been launched in 20 African countries. There are plans to improve internet access and solve the technical and operational problems of the demonstration project. Feasibility analysis of the EASSy project was completed in 2005 with the participation of five African countries and the AfDB has agreed to fund the project.

Completion of these projects will ease some of the infrastructural problems constraining Africa’s socioeconomic development. It will reduce transaction costs, increase the pace of regional integration, enlarge markets, and increase intra-African trade. Besides the economic benefits, the completion of these projects will reduce the social and cultural distances between African peoples. It must be stressed, however, that these projects represent a modest beginning given Africa’s infrastructural needs. Perhaps there should be more efforts to attract private sector participation in infrastructural development. Besides the construction of physical infrastructure, there should be more efforts at coordinating policies on the use of infrastructure.
2.4.2 Agriculture

Within the NEPAD Framework, African countries and RECs have developed and adopted the Comprehensive African Agricultural Development Programme (CAADP) with support from their development partners. The NEPAD Secretariat conducted a series of regional workshops in 2005 to help in the implementation of the CAADP. African governments have agreed to increase agriculture’s share in national budgets to at least 10 per cent by 2008. CAADP has also received significant support from development partners such as the Food and Agricultural Organization (FAO), International Fund for Agricultural Development (IFAD), World Bank, USAID, World Food Programme (WFP) and the leadership of Africa’s RECs. In addition to CAADP, the World Bank has launched the Multi-country Agricultural Productivity Programme (MAPP) as well as established a fisheries seed programme. NEPAD, in conjunction with the Global Alliance for Improved Nutrition (GAIN) has established the National Food Fortification program in several African countries.

These efforts should lead to improved food security. However, the per capita food production index decreased by about 0.5 per cent between 2000 and 2006 while the number of people classified as hungry in Africa increased from 176 million to 210 million between 2004 and 2006. Several possible reasons could account for this. The first is that these efforts take time before they affect food production and consumption. Another possibility is that NEPAD’s agricultural efforts may have focused on the production of export crops at the expense of food crops. In that case, although agricultural production may have increased it is possible for hunger to also increase. It could also be that despite all this increased effort, agricultural output did not increase.

2.4.3 Human development

Human development involves investments in health, education and training, and gender equality. African countries have developed several human-capital initiatives within the NEPAD framework.

2.4.3.1 Education

NEPAD principles emphasize education for all with its “Basic Education and Education for All” Project. This project will ensure access to primary and high school for all school-age children. An important aspect of this strategy is the primacy of science in primary and secondary schools. To this end, plans for the “Building Capacity in Education Research and Development for Africa”, emphasizing scientific research in high-school education have been developed and adopted by African countries under the NEPAD Principles. This is a welcome change in the delivery of instruction in Africa as it may emphasize problem-solving rather than memorization. NEPAD has identified the ECOWAS region as an area where governments should make special efforts to accelerate gender equity in education. NEPAD school feeding programmes have been implemented in pilot stages in many countries, including Ghana and Nigeria.

To increase the supply of qualified teachers, the Distance Education and Teacher Training Development Project has been introduced in four Central and Southern African countries and contracts have been signed with four African universities to deliver instructions. As part of the implementation of NEPAD principles, projects in Mathematics and Science education in post-conflict environments in the five NEPAD regions of Africa have been established. These pilot projects should be extended to all parts of Africa if they prove successful. However, it is necessary that these efforts be linked to labour market needs and labour market reforms if Africa is to reap the benefits of these reforms.
In spite of these investments, a large proportion of school-age children are not enrolled, there are serious shortages of qualified teachers and achieving quality in science education remains elusive. However, there are indications that enrolment rates of girl students in primary and high schools are growing faster than the rates for boys. For example the gender-parity ratio for primary and secondary school enrolment increased from 80 in 1991 to 83 in 2004 (WDR: 2007). It must be noted that girl enrolments start from a very small base so a lot remains to be done on this score. There is anecdotal evidence (e.g. in Ghana), that the school-feeding programme is allowing school children to get nutritious meals, with the result that enrolment has increased and absenteeism has been reduced. The school-feeding programme seems to be achieving the dual objective of improving nutrition and increasing school enrolment. This is an example of programmes that emphasize small steps but yields big dividends.

**Box 3: School Feeding Program in Ghana: A NEPAD Success Story**

The NEPAD School Feeding Programme provides at least one nutritious meal a day for poor rural primary school children in Ghana. The Feeding Programme started in January 2006 after a pilot programme in one school in each of the 10 regions from September to December 2005. Currently, the programme covers at least one school in each of the 110 districts. The programme is carried out by a local implementation committee in collaboration with the Ghana Education Service and coordinated by a National Task Force. The menu is based on food crops grown in the local area, thus providing markets for local farmers.

Initial reports suggest that the program has been a resounding success. School enrolment has dramatically increased (it has doubled in some rural schools), absenteeism has dramatically decreased, and the number of hungry and malnourished school children has decreased.


**2.4.3.2 Health**

Sustainable development is not possible without improvements in human health. The NEPAD framework focuses on resource mobilization for the health sector in African countries. For example, both development partners and African countries agree with the recommendation of the Economic Commission on Africa (ECA) that a third of all additional aid to Africa should be devoted to the health sector. In addition, African countries are working within the NEPAD framework to improve the capacity of health care systems, especially ensuring adequate supplies of health care professionals. NEPAD principles advocate the mainstreaming of HIV/AIDS and the NEPAD Secretariat is working with African governments to provide antiretroviral therapies for HIV/AIDS patients through programmes such as the “Fight Against Aids”. The NEPAD Secretariat is working with the AU Commission and development partners such as the Gates Foundation, UNAIDS, and the US Centres for Disease Control (CDC) regional offices in Africa to develop a strategy to reduce the rate of HIV/AIDS infection as well as reduce the mortality rate of those infected.

In spite of the efforts to reduce HIV/AIDS in Africa, the disease seems to continue to spread in Africa. It is estimated that 75 per cent of all HIV infections worldwide are in Africa with prevalence of the diseases among women aged between 15-49 years being estimated at 6.2 per cent of that cohort (WDR: 2007). The mortality rate of infected people in Africa is so high that life expectancy in several African countries has dropped dramatically after decades of consistent improvement. For example, life expectancy in Botswana and Zambia were 38 and 37 in 2004 compared to 61 and 50 respectively in 1987. In such countries, the epidemic is not only
overwhelming the health care system, it is also having a negative impact on economic growth as the labour force declines and the dependency ratio increases. African countries will need to be vigilant and increase their efforts in order to reverse the trend in HIV infection. The experience of Uganda suggests that infection rates can be slowed if policymakers treat it as a public health issue and candidly and publicly discuss it based on the most recently available scientific evidence.

In addition to the negative effects of HIV/AIDS, the effects of other endemic diseases such as malaria and tuberculoses are on the rise. The emphasis on health resources (public and private) means that there is not much left to take care of other public health practices such as child immunization and environmental health. The probability that a 15-year-old youth will die before she is 60 years old is 0.28 in Africa compared to 0.08 in OECD countries (WDR: 2007). Part of the reason for the state of affairs besetting health care in Africa is the lack of capacity, especially of health care professionals and support staff. The above suggests that it will be very difficult for Africa to achieve MDGs 4 to 6.

2.4.4 Environment and tourism

To ensure the maintenance of a quality environment, African countries, within the NEPAD Framework, have developed and adopted Subregional Environmental Action Plans, including stocktaking and a technical support team, for the four regions of Africa. Funding for these projects was obtained from the Global Environment Facility. The NEPAD/AU Tourism Action Plan has been adopted both by the AU and by the World Tourism Organization Commission for Africa in 2004. Institutional capacity training for the implementation of the NEPAD/AU Tourism Action Plan has been provided through seminars at various sites in Africa. Despite this effort, Africa’s potential to draw tourists worldwide is low; international tourist arrivals to Africa in 2005 was 36.72 million out of world total arrivals of 806 million. In the same year, Africa received tourism revenues of US $ 21.5 billion, the smallest among all regions in the world and represents only 3.1 per cent of world tourism revenues. This seems to suggest that tourism has not been vigorously promoted in Africa. This combined with a lack of infrastructure may explain the low development of tourism in Africa.

2.5 Science and technology

Science and technology is one of NEPAD’s priority areas. Within the NEPAD framework, several programmes have been initiated. These include a design of science, technology, and innovation indicators, establishment of the African Biosciences initiative consisting of four regional science networks, the African Water Sciences Technology Networks, and the African High-Level Panel on Modern Biotechnology. In addition, African leaders adopted Africa’s Science and Technology Consolidated Action Plan with an initial budget of US$ 160 million with plans to increase it to US$ 1.5 billion. Moreover, NEPAD is emphasizing science and technology in high schools as an essential part of its education programme. The goal is to increase the supply of scientists engaged in addressing African problems.

These programmes represent serious efforts on the part of African leaders to tackle the technology gap between Africa and the rest of the world. If these efforts pay off, the benefits could be huge for Africa. However, it is one thing to establish centres and quite another to fund and get research done by these bodies. It is not clear how much additional research will be funded in these centres, how much intellectual capital will be attracted to them, and what role universities will play in them. In short, the sustainability of the centres is not clear. Given that
African universities have research facilities, it will be cheaper to do most of the research in current university facilities using university personnel.

2.6 Industrialization

The AU General Assembly endorsed the Africa Productive Capacity Initiative (APCI) as NEPAD’s industrial strategy in July 2004. Implementation began with an Action Plan for the West African region later the same year (2004). The Action Plan consists of identification of priority sectors, harmonization of industrial policy at the sub-regional level, financial contribution for setting up an APCI support facility, creating competitiveness observatories, support for the centres of excellence, and establishment of a follow-up mechanism. So far, there has been little follow-up on this initiative and industrialization in Africa continues to be among the lowest and least efficient in the world.

Lack of knowledge about the existence of the follow-up and lack of resource are the main reasons for its ineffectiveness. The financing of this initiative is supposed to come from African countries themselves. Owing to competing demands on the scarce resources of African countries, the funding has not been forthcoming. The result is that African countries, with a few exceptions, continue to export raw materials and virtually import all the manufactured goods they consume. For example in 2004, Africa accounted for only 1.8 per cent of the world’s exports of manufactures (UNIDO: 2004).

2.7 African Peer Review Mechanism (APRM)

One of the most innovative aspects of the NEPAD process is the APRM in which African countries voluntarily subject themselves to a comprehensive and critical review by their peers. It has, however, been difficult to implement. This process not only requires a lot of resources but also takes political courage for governments as it might expose them to criticism. The acceptance of the APRM process demonstrates the degree to which African leaders are determined to be open up to transparency and accountability in governance, learn from each other, and adopt best practices. The APRM process also demonstrates to development partners that African governments can be trusted with resources.

So far 26 African countries, representing 74 per cent of Africa’s population, have signed Memoranda of Understanding (MOUs) to participate in the APRM process. Of these, 12 have initiated the process and are in various stages of implementation and three of them—Ghana, Kenya and Rwanda—have completed the review process with another three (Algeria, Nigeria and South Africa,) nearing completion. The former three have started the implementation phase. The African Peer Review Forum (APRF) has met frequently to review progress, to discuss implementation and provide feedback to member countries as well as exploring ways to improve the process.

The APRM process is producing some results. The process is making it possible for countries to benchmark good governance on the continent vis-à-vis shared African and international norms and standards. Capacity for review and evaluation is being developed as the process moves forward. Moreover, the process showcases Africa’s innovative thinking on governance to the rest of the world. Annual progress reports on implementation of National Programmes of Action seem to suggest that countries are beginning to enjoy the benefits of the APRM.

Implementation of the APRM has been slow, partly because of the complexity and comprehensiveness of the review process and the short time-frame envisioned for countries.
This, combined with severe resource constraints, means that progress towards full implementation will necessarily be slow. The Sixth Africa Governance Forum (AGF-VI) has made recommendations, which the APRM Secretariat has adopted, to improve the process. Political will on the part of government to openly subject itself to the process is another reason for slow implementation.

2.8 Private-sector participation

If NEPAD Principles are to be successfully implemented, the private sector in Africa will have to play a pivotal role. After all, most jobs, output, and other issues relating to human welfare are provided by the private sector in market economies. It is therefore necessary that the private sector not only buys into the NEPAD vision, but is also a leading partner in the process. As a leading partner, the private sector should not only be involved in the implementation of NEPAD; it should be at the table when policies are being conceived.

NEPAD has engaged the private sector in a number of ways. There are NEPAD Business Groups under the umbrella of the African Business Roundtable, and there are NEPAD Business Chapters in several African countries including Kenya, Nigeria and South Africa. Under the aegis of the African Business Roundtable, several chapters of NEPAD Business Groups are being formed in many African countries, such as Cote d’Ivoire and Ghana. These business groups make representations to NEPAD and are adopting NEPAD principles in their business practices. They also have interactions with NEPAD focal persons/groups in countries. These business groups should be encouraged and developed and be given a greater voice in the NEPAD process. In addition, NEPAD has forged relationships with the private-sector in the developed world. Private-sector organizations, such as the World Economic Forum, the Commonwealth Business Council, and the Corporate Council on Africa, hold annual meetings to promote investments in Africa.

2.9 Gender equity

One of NEPAD’s major objectives is to achieve gender equity and to empower women. African governments have adopted several protocols to promote gender equity. Gender equity is important for sustainable development because societies cannot develop when 50 per cent of their populations are not empowered to fully contribute to the development process. Gender equity could therefore lead to faster economic growth and benefit all. Second, women are the ones who raise children and if these children are to grow up to contribute ideas and initiatives to development, it may be important for them to grow up in environments that give them the freedom to pursue their dreams. Gender equity is likely to lead to increased human capital formation. A very large proportion of the poor in Africa are women and children. Without gender equity in opportunities, it will be difficult to eliminate poverty. Gender equity should be treated as a development issue, not necessarily a moral issue.

Fifty-one African countries have signed the Convention on the Elimination of Discrimination Against Women (CEDAW) and African Heads of States adopted the Solemn Declaration on Gender Equity in 2004. Several African countries have passed laws outlawing discrimination against women and making domestic violence a felony. The AU Commission was founded on the principle of 50/50 gender parity and the Pan-African Parliament is to have at least one woman among each country’s five representatives. Many African countries have Ministries for Gender Affairs while in some countries (e.g. Rwanda and South Africa), almost half the cabinet ministers and their deputies are women. Some African countries (e.g. Botswana and Uganda) have adopted
gender-sensitive budgeting. In addition, the ECA and UNDP have established the Enterprise Development Facility to help African women finance enterprises.

In education, the gender gap in enrolment appears to be narrowing. NEPAD has targeted the Economic Community of West African States (ECOWAS) as an area where governments need to pay special attention to gender equity in school enrolments. There have many pronouncements about gender equity at public forums and this has brought the issue to the attention of many African governments.

Although there has been progress in highlighting gender equity, progress towards gender equity has generally been lagging. The 2005 ECA Study, *Promoting Gender Equity and Women Empowerment in Africa: Questioning the Achievements and Confronting the Challenges Ten Years After Beijing* suggests that in some areas, African women are nowhere near achieving gender equity. Although women have made some gains in political power, they are less represented at high levels of decision-making than their male counterparts; poverty amongst women remains very high; and women still face discrimination in employment and control of productive resources. The problem is not lack of legislation that ensures the equality of women in African countries; the problem is the effective enforcement of these laws.

### 2.10 International community and resource mobilization

#### 2.10.1 Response of the international community

The international community has responded favourably to the NEPAD initiative in several ways. It has strengthened its partnership with Africa, made commitments to increase official development assistance (ODA), offered debt relief, increased trade with Africa, and increased foreign direct investment (FDI) to Africa. In general, all development partners recognize NEPAD as the framework within which to support Africa’s development efforts. This subsection summarizes the response of the international community to NEPAD.

The international community has voiced a strong support for Africa’s development through the NEPAD process. The case has been made in two publications---the United Nations Millennium Project’s *Investing in Development: A Practical Plan to Achieving the Millennium Development Goals* and the Commission for Africa’s *Our Common Interest*. Both reports argue that: (i) it is in the interest of both Africa and its development partners for Africa to develop, (ii) development partners will have to substantially increase their support for Africa if Africa’s development is to be sustained, and (iii) increased support should be well targeted and supported by good policies and institutions to ensure aid effectiveness. In addition to these reports, civil society groups and NGOs have organized activities to support and publicize the NEPAD initiative. This publicity led the G8 industrialized countries at their summit in Gleneagles to commit to large increases in ODA, substantial debt relief, and increased trade as a means of supporting African development.

#### 2.10.2 Resource mobilization

**Increased ODA**: The NEPAD framework has enabled African countries to successfully mobilize a substantial amount of resources to support development. ODA to Africa increased from US$ 22.2 billion in 2002 to US$ 26.3 in 2003 to US$ 35.2 billion in 2005. Development partners have committed to substantially increase their development assistance to Africa. For example, members of the EU agreed to double their assistance to Africa between 2004 and 2010. Under these pledges, 15 members of the EU pledged to increase their ODA/GDP ratio to at least 0.56 per cent by 2010 and to reach the 0.7 per cent goal as enshrined in the Monterrey Declaration by
2015. Some African countries (e.g. Ghana) have also benefited from the United States Millennium Challenge Account (MCA) grants. These commitments were preceded by the 14th replenishment of the World Bank’s IDA and the 10th replenishment of the African Development Fund. There are also efforts to increase the efficiency of aid through the adoption of the Paris Declaration on Aid Effectiveness. The Paris Declaration on Aid Effectiveness is complemented by the ECA and OECD’s mutual review of development effectiveness in Africa.

These are unprecedented commitments to Africa. However, as both the Millennium Project and the Commission for Africa Reports indicate, the increased commitments of ODA to Africa are only a fraction of what Africa needs if the MDGs are to be achieved\textsuperscript{12}. Second, commitment is one thing; timely delivery is another. If ODA is not delivered in appropriate amounts at the right time, recipient countries cannot implement projects and programmes in a timely manner. Aid may therefore lose its effectiveness. Currently, less than 10 per cent of additional aid commitments made by the G8 at the Gleneagles summit has been delivered (Kofi Annan, quoted in Africa Progress Panel Press reports on June 21, 2007)\textsuperscript{13}. Development partners should therefore heed the United Nations Secretary-General’s 2006 fourth Consolidated Report to the General Assembly, The New Partnership for Africa’s Development: Progress in Implementation and International Support, which asks them to increase and honour their commitment to NEPAD.

Although ODA commitment to Africa has increased, most of this has been in the form of debt relief. There has been, therefore, very little in the way of net flows of financial resources to Africa in real terms. Granted that debt relief means fewer outflows of financial resources, the current situation does not allow for increased financing of development as anticipated. Assuming that ODA flows to Africa are enough, the issue of Africa’s capacity to absorb this increased ODA should also be addressed. There is the need to increase the capacity of African countries to receive and manage increased ODA. This will call for improved accountability and development performance.

Even if NEPAD is successful in generating increased ODA for African countries, there is the danger, as some critics charge, that Africa is becoming increasingly aid-dependent. Already, there are some African countries that rely on ODA for budgetary support and for whom ODA is as high as 10 per cent of GDP\textsuperscript{14}. Critics argue that such large amounts of ODA make African countries unwilling or incapable of making the necessary policy reforms that will lead to sustainable development\textsuperscript{15}.

**Debt relief:** The NEPAD process has led to substantial debt relief. The HIPC debt cancellation programme resulted in the cancellation of all the debts 14 African countries owed to the World Bank and IMF. Another nine African countries are eligible for a total of $US 11 billion in debt relief when they reach the HIPC completion point. The Paris Club of creditors has made a special debt relief deal for Nigeria estimated at about $US 18 billion. Africa’s average debt/GDP ratio fell from about 52 per cent in 2002 to about 26 per cent in 2006.\textsuperscript{16}

Debt relief will have positive benefits on Africa’s development. It means that African countries can use the resources that would have been used to service debt for the provision of services or investments that will lead to long-term development. It also implies that African countries will not have to commit the capacity of skilled policy makers to debt-rescheduling negotiations. Finally, debt forgiveness will allow African countries to undertake long-term planning and implementation of policies. However, even after debt relief, a lot of African countries still carry heavy debt-service burdens. For example, Zambia spends more on debt-service than it spends on health care annually\textsuperscript{14}. Besides, a large number of African countries are not eligible to receive debt relief.
**Increased FDI:** The flow of FDI to Africa increased substantially from $US 15 billion in 2003 to $US 31 billion in 2005 (*World Investment Report, 2006*). This, however, only represents 3.5 per cent of the inflows of FDI to the developing world. Second, this increased FDI inflow is narrowly confined to the natural-resource extraction sector in a few countries. For example, only five African countries accounted for 66 per cent of the inward FDI in 2005. With the exception of South Africa, African countries received very little non-natural resource-related investment. The inflows of FDI to Africa do not suffice to increase economic growth on the continent in such a way as to substantially reduce poverty and achieve the MDGs. Failure to attract large inflows of FDI to Africa may be partly attributable to the investment climate in Africa. The 2006 McKensy *Global Survey of Business Executive Confidence* does not mention Africa as one of the regions in which executives have confidence. Given that Africa needs large infusions of FDI to increase economic growth and employment; African governments should pursue the appropriate policies in order to increase FDI inflows.

Improving infrastructure, the efficiency and transparency of economic and legal institutions and the creation of the Investment-Climate Facility (ICF) with large capitalization will help. To encourage increased FDI inflows, NEPAD is in the discussion stage towards establishing an African investment climate facility (ICF) with an initial capitalization of US $ 0.5 billion and development partners will also implement investment facilities. For example, Japan has agreed to establish the Enhanced Private Sector Assistance Programme to provide up to $US 4.12 billion over five years to support small-to-medium-sector enterprises. Similarly, France is spending Euro 70.0 million to develop a legal framework for promoting business in Africa. More importantly, Africa needs to effectively encourage and foster a business-friendly environment, reduce corruption, vigorously and promptly enforce contracts, and seriously reduce bureaucratic red tape if it is ever going to attract increased non-resource-related FDI.

**Trade:** While increased ODA or debt forgiveness may temporarily stimulate the pace and level of development, the major catalyst to sustainable development is trade. One of NEPAD’s objectives is to increase Africa’s share of world trade, especially the exports of manufactured goods. Within the NEPAD framework, African countries have been aggressive in the Doha Round of WTO negotiations to give Africa a voice in designing world trade rules. Most African countries have reformed their trade policies to increase their chances of increasing exports. Unfortunately, African countries have not fared well in increasing exports. According to WTO data for 2006, Africa’s share of global merchandise exports in 2005 was less than 3 per cent of the world total, a substantial reduction from the 6 per cent share Africa had in 1980. Indeed it is feared that the phasing-out of the multi-fiber agreement may dampen the export prospects of African countries. On the other hand, reducing agricultural subsidies in industrialized countries under the Doha Round of WTO negotiations should boost the export prospects of Africa.

For many African countries, however, it appears that the barrier to increased international trade is not access to export markets but supply bottlenecks. Although NEPAD envisages that Africa increases its share of manufactured exports to 17 per cent of its total exports, many African countries continue to export a narrow band of primary commodities. Africa is not able to take advantage of available opportunities under such preferences as Act the African Growth Opportunity, (AGOA), and Everything-but-Arms (EBA), despite the many efforts at macroeconomic reforms and trade liberalization. In addition, therefore, to fighting for market access, NEPAD should also focus on improving Africa’s ability to increase the supply of a diversified-market basket of exports through appropriate supply-side policies. The service sector with its relatively low wages and liberal education would seem to give Africa a comparative
advantage. Unfortunately, African countries seem to be chasing what China has already captured—low-level manufacturing exports. Policies designed to diversify exports away from the traditional ones are in order.

2.11 Support of the United Nations system

The United Nations and its specialized agencies have been champions of the NEPAD process. Details of the support the United Nations has given NEPAD are provided in the Secretary-General’s 2005 report to the General Assembly entitled *United Nations System Support for the New Partnership for Africa’s Development* (E/AC.51/2005/6). The elements of this support consist in institutional support, developing codes and standards, providing technical assistance, advocacy on behalf of NEPAD, and financial support.

In providing support in various areas of NEPAD activities, coordination problems that are inherent in dealing with multiple organizations have developed, often putting a serious strain on the small staff of the NEPAD secretariat. For example, in cases where several United Nations agencies are involved in joint implementation of a project, failure to sufficiently consult in the design of such projects puts a heavy administrative burden on the secretariat. Fortunately, the Secretary-General has directed that all United Nations agencies working in Africa should use the NEPAD framework as the relevant frame of reference to work with African countries. The United Nations system is to work together and provide focused and coordinated support to NEPAD and in order to help African countries mobilize resources to support African development. In all, the United Nations system has probably been the most stable and important pillar of support for the NEPAD process.

2.12 Summary

The above review suggests that although NEPAD has achieved some successes, a lot remains to be done if the goals of poverty eradication, placing Africa on a sustained development path, integrating Africa into the world and halting its marginalization, and accelerating the empowerment of women, are to be achieved. Poverty in Africa continues to be unacceptably high with rates over 40 per cent of the population, most of them women and children. HIV/AIDS and other endemic diseases continue to ravage the population at alarming rates; Africa is not moving towards a path of sustained development and; it is still marginalized in world economic relations and is as dependent on its donors as ever. Gender equity is far from being achieved. Indeed the 2007 *Economic Report of Africa* suggests that Africa is not likely to meet the MDGs; and a new strategy of economic development that stresses diversification is crucial.
3. CHALLENGES FOR IMPLEMENTATION

In a relatively short period of time, NEPAD has made some gains. It has successfully called attention to Africa’s underdevelopment, evolved a uniquely African framework for development that puts Africans in charge of their destiny, and engaged the commitment of the international community. The unique aspect of NEPAD is the recognition that development should be holistic and Africans should be held accountable in order to ensure success. This has generated excitement and support among development partners, who in turn, have made large commitments to support Africa’s development (see section 2.10).

Despite the successes, challenges to NEPAD’s implementation remain. If not addressed, these challenges could stall the process. This section discusses some challenges to NEPAD’s implementation. The section is organized around three themes: structural/institutional, political, and economic constraints. The division may not fit neatly under the three themes, as some challenges may be relevant to two or more of the themes. Note that these challenges are not intended to be exhaustive or comprehensive.

3.1 Structural constraints

The structural constraints to implementation of NEPAD centre around the structure of NEPAD itself, its ambitious programme, the relationships between NEPAD, RECs and member countries, and the lack of African ownership.

3.1.1 NEPAD structure

The unclear and undefined responsibilities among various levels of NEPAD pose a challenge to the implementation of NEPAD. NEPAD is a vision, a development process, and a development organization with a large portfolio of programmes and projects. The combination of a vision, development organization and projects makes implementation of NEPAD very unwieldy. For example, a vision may imply setting broad outlines while project implementation requires detailed involvement on the ground in specific areas. It is impossible for an organization to effectively do both.

Without an implementation organ, NEPAD relies on member countries and RECs to implement its programmes. However, its relationship with member countries and RECs, responsibilities of each, and communication channels among them, are not well defined. For example, it is not clear whether authority and responsibility for setting programmes and projects rests with the Heads of State and Government Implementation Committee (HSGIC), the Steering Committee, the Secretariat, RECs, or member countries. The lack of clarity of roles sometimes leads to confusion, especially at the project development and implementation level. It may be effective for NEPAD to confine itself to the vision and setting broad continental goals, while leaving RECs and member countries to develop specific projects to achieve those goals.

As a creation of the AU, NEPAD is supposed to function within the AU system. However, as designed, NEPAD is not a part of AU and is effectively functioning as an autonomous organization. Plans are afoot to fully bring NEPAD under the AU umbrella but given the various missions of NEPAD, it is not clear how it will be integrated into the AU. Is it the vision part, programme and policy formulation, the coordination, or resource mobilization component or all of these functions that will be integrated? It may be important for NEPAD to narrow its focus during the integration process. Even if all responsibilities are cleared and channels of communication delineated, NEPAD has to clear up and expand its decision-making process.
NEPAD is supposed to herald openness and participatory decision-making process. However, most of NEPAD’s business is done between the Secretariat, the HSGIC, and the Steering Committee; all member countries do not get the opportunity to effectively participate in the formulation of policies and programmes at their inception. Moreover, the HSGIC is composed of the five permanent members and 15 other AU members. There are ongoing efforts to increase the membership of the HSGIC to 25 and to elect the non-permanent members on a rotating basis. Whatever the composition of the HSGIC, there is the need for decision-making at the highest level of NEPAD to be more inclusive.

### 3.1.2 RECs and NEPAD

The success or failure of the implementation of NEPAD programmes depends on the buy-in of member countries and RECs and the ability of these units to implement NEPAD principles. However, it appears that member countries and RECs are not treated as integral parts of NEPAD, at least in terms of organization and decision-making. It is instructive that the NEPAD website does not show RECs and member countries to be integral parts of the organizational structure even though they are the pillars upon which the successful implementation of NEPAD programmes rest. Given the importance of RECs and member countries in implementing NEPAD programmes, it is not only important to include them in decision making, but all efforts must be made to improve their capacities to formulate and implement programmes and projects.

NEPAD’s dependence on countries and RECS to implement policies and programmes means that these entities have to align their policies, budgets, and development plans with those of NEPAD. However, countries may have plans that are inconsistent with NEPAD principles and with no mechanisms to provide incentives for countries and RECs to change their plans, this creates an incentive problem for the implementation of NEPAD. This problem is further complicated by the fact that some programmes in RECs and member countries are financed by external donors whose priorities differ from NEPAD’s. In such circumstances, NEPAD priorities are likely to take a back seat to those of the sponsors. This, together with capacity constraints, weakens the ability of countries and RECs to implement NEPAD programmes.

### 3.1.3 Coordination

NEPAD is a huge, complex and a far-reaching undertaking with many parts, several layers, programmes, projects, and participants. It involves the AU General Assembly, the HSGIC, the Steering Committee, the Secretariat, RECs, member countries, development partners, the United Nations system, the private sector, and other stakeholders. It involves a vision and a set of programmes and projects at the continental, regional, subregional, and national levels and in different sectors of the economy, and the generation of resources to bring this vision to fruition. Such a complex undertaking requires coordination among the various actors and programmes and success or failure depends, to a large extent, on the effectiveness of coordination. Coordination problems have already surfaced between United Nations agencies working in Africa and NEPAD as the Joint Investigation Unit (JIU) report indicates. There is also evidence that there is a coordination problem between the RECs and NEPAD and among the RECs. It may be necessary for the NEPAD secretariat to play an increasing role in coordinating the various NEPAD activities and efforts.
3.1.4 African ownership and information gaps

Despite the international recognition NEPAD has garnered, it remains little understood within Africa itself; the average African does not understand what it stands for. The ordinary African citizen thinks that NEPAD is another form of conditionality imposed indirectly by foreigners. Even bureaucrats who are charged with its implementation do not generally understand what NEPAD is and what processes are involved. Because NEPAD is a high-powered, politically-initiated process by African Heads of State, it has created the impression among ordinary Africans that it is a government-owned and imposed process. Without proper understanding and participation from the general public, it is difficult to generate popular support for the process.

The perception that NEPAD is another form of conditionality imposed from outside underscores the need to aggressively publicize NEPAD. Effective implementation of NEPAD may require an all-out effort to better explain what it is, its benefits, and its relevance to the general public. After all, the centerpiece of NEPAD is transparency, accountability, and citizen-ownership. One cannot own something that one does not understand and is imposed from above. Incidentally, a strong, independent, and viable press is not one of the benchmarks in the APRM process.

3.1.5 Monitoring and evaluation

Effective implementation of any programme or project requires monitoring and evaluation with appropriate adjustment when necessary during the implementation process. This monitoring and evaluation should be guided by clearly defined, objective, and quantifiable criteria. For NEPAD, these are: eradication of poverty, placing Africa on a sustainable development path, reducing the marginalization of Africa, and empowering women. Since these objectives are linked to the MDGs, the criteria and benchmarks should be set as close to the MDG benchmarks as possible. The monitoring process should also set a specific time-frame to the achievement of these benchmarks.

This will entail setting quantifiable benchmarks and a timetable towards achieving them. For example, there is no objective criteria and timetable towards achieving gender equity. Countries are admonished to relate their plans and programmes to the achievement of the MDGs. Although the MDGs set clear and quantifiable benchmarks, NEPAD does not provide any guidelines and time-frames of its own for African countries towards achieving these objectives. Without quantifiable objectives and specific time lines, there are no incentives for countries to quickly implement the NEPAD programmes.

3.2 Political constraints

Political constraints to effective implementation of NEPAD may stem from the lack of political will to adopt and implement NEPAD programmes because of unwillingness to bear the implementation cost or opening-up to scrutiny without immediate benefits; inability to implement programmes even when there is a will to do so, because of institutional weaknesses, and unwillingness to disturb prior relationships. Another political constraint to NEPAD’s implementation is whether there will be political leaders to champion the process once the founders exit the political scene.

3.2.1 Political will

The success or failure of NEPAD depends on the political will to implement NEPAD programmes. NEPAD requires African leaders to conduct their affairs in a democratic, honest,
efficient, and transparent way and to voluntarily submit themselves to review by their peers, as well implementing policies that could possibly be unpopular. This process is likely to meet political resistance from those who stand to lose without countervailing support from those who might gain from the programme. For example, attaining gender equity will require political leaders to challenge existing traditional practices and entrenched interests. This requires political courage and risk-taking.

As another example, achievement of regional and possibly continental integration may require regional/continental decisions or programmes to supersede national policies. African governments may not have the political will to subsume their national policies under the regional/continental policies, if national policies (priorities) conflict with regional ones. For example, regional integration may require lowering trade barriers among member countries. This may mean job losses in protected industries. Governments may not be able to stand up to the predictable labour strife from those affected. Some of these problems could partly be solved through compensating schemes. However, the NEPAD process may not have the financial resources to support such schemes.

An issue that is often ignored in debates is whether there will be continued donor support as political fortunes change in donor countries. As governments of these countries face fiscal crises and economic downturns, their citizens will correctly or incorrectly question the wisdom in supporting foreigners when there is greater need at home and agitate for changes. A possible solution is to help citizens of developed countries understand how development assistance mutually benefits the citizens of Africa and those of the developed world. It may be necessary for African countries to intensify their efforts at educating citizens of developed countries on this issue. Of course, the best way to show the benefits of development assistance is for Africa to effectively use the assistance to develop and trade with the developed world on equal footing. The possibility of decreased donor support is another reason why resource mobilization in Africa should be taken seriously if NEPAD is to be successfully implemented.

### 3.2.2 Prior relationships

Member countries, RECs, development partners and NGOS may have long-established relationships that predate NEPAD. These relationships serve the interests of the parties involved. It is possible that NEPAD priorities or policies may conflict with these relationships. For example, increasing regional trade may conflict with an agreement to protect the domestic market for a firm from a particular developed country. Given the direct benefits of such arrangements, a member country may be unwilling to break the arrangement in order to implement NEPAD programme. While these existing arrangements may help individual member countries or RECs, they may pose impediments to the implementation of NEPAD and, possibly, the long-term development of Africa. Several of these prior relations, such as those between some European countries and their former colonies, or those based on common language or cultural affinity, abound in Africa and are likely to complicate the effective implementation of NEPAD.

### 3.2.3 Incentive mechanism

NEPAD is a voluntary process of African countries without an effective mechanism to enforce its policies. The choice to implement NEPAD programmes is left to member countries and RECs. There are costs and benefits to implementing NEPAD programmes so there are incentives for governments in democracies, whose time-frame is short-run in nature, to implement policies that yield short-run and immediate benefits but not to implement policies with short-run costs that have long-run benefits. Most of the benefits from NEPAD programmes may be long-term and
diffused while the costs are immediate and may be concentrated. Countries and RECs may have incentives to “cherry-pick” the NEPAD process, thus making it less effective than it can be. For example, governments may implement policies and programmes that will lead to an increased inflow of resources but not those that may impose short-run unemployment.

3.2.4 Institutionalizing NEPAD

NEPAD as a vision and programme was conceived by a group of African political leaders who are dedicated to see the vision and programmes through. These are the leaders who are at the forefront the implementation process and as long as they remain in power, implementation of NEPAD is likely to be carried forward. There is, however no, guarantee that the NEPAD principles will be accepted and implemented when these political leaders eventually exit the political scene. A challenge for the successful implementation of NEPAD is how to institutionalize NEPAD so that success does not depend on the willingness of a particular political leadership to carry the “burden” of implementation.

3.2.5 Weak institutions

The centrepiece of NEPAD is accountability of leadership. It is almost impossible to achieve this with weak institutions. In most African countries, processes, rules, and regulations are complex, the judicial and law enforcement systems are weak, and government’s capacity to deliver public service is poor, such that people resort to illegal means of providing services, like enforcing a contract or obtaining a licence, for example. Institutional weaknesses can be seen at all levels of implementation--continental, regional, and country.

NEPAD is focused on improving and building institutions in four areas: institutions to promote political stability and manage conflicts; institutions for sound economic management; institutions for the rule of law and property rights; and institutions for social insurance. Through the continent-wide Peace and Security Council and other conflict-resolution institutions, NEPAD has done a good job in reducing political tensions that might lead to armed conflict. However, institutions designed to resolve other forms of conflict that inevitably result from human interaction (e.g. conflicts over property rights) have not been successfully developed.

3.3 Economic constraints

There are several economic constraints that may hinder the successful implementation of NEPAD. Among these are capacity and resource constraints, lack of participation by interested parties, and lack of appropriate infrastructure.

3.3.1 Capacity and resource constraints

One of the major reasons for the slow progress of implementation of NEPAD may be capacity constraints, including institutional, human resources, and financial. Institutional capacity constraints and financial resource constraints are intricately interwoven. Countries that have financial resources can purchase the capacity to formulate, implement and evaluate programmes. On the other hand, countries with the capacity to formulate, implement, and evaluate programmes find ways to finance these programmes. In Africa, capacity constraints and financial constraints mutually reinforce each other. These resource constraints plague the implementation of NEPAD at all levels---continental, regional, subregional, and national.
At the continental level, there are both capacity as well as financial-resource constraints. The small secretariat is overwhelmed with the day-to-day coordination of the many activities of NEPAD. Financial-resource constraints prevent the Secretariat from expanding its staff and capacity. Several African countries have not adequately supported the Secretariat, leaving it to be supported by international organizations including the United Nations.

The situation is no better at the level of the RECs. Besides financial constraints, a major problem with the RECs is the capacity to conceive of, design, implement, and evaluate projects because of the lack of the requisite skills as well as the political authority to move projects. As discussed above, there are many RECs operating in the same policy and geographical space and thus competing for resources from the same sources. In addition to capacity constraints, it appears that there is little coordination among the various experts in the RECs, as indicated in the United Nations Joint Inspection Unit (JIU) report, entitled Further Measures to Strengthen UN Support to the New Partnership for Africa’s Development (NEPAD). The African Capacity Building Foundation (ACBF) has completed a study of capacity needs of the RECs and action is being taken to rectify these problems. The hope is that implementation will be accelerated and scaled up.

A major challenge to the implementation of NEPAD emanates from capacity constraints at the national level. In almost all African countries, the capacities to conceptualize, develop and implement policies, and to deliver public services, remains weak. Institutions of governance are generally ineffective. The general perception of pervasive corruption in African countries is a manifestation of weak judicial systems in particular and weak institutions generally. In addition to weak institutions, there is a dearth of skills to implement NEPAD principles. Although there are capacity constraints in all RECs, the degree to which these constraints are immanent differs across RECs. For example, with the help of development partners and the United Nations, ECOWAS has developed capacity in the areas of conflict resolution and peace-keeping.

NEPAD seems to be concerned with capacity of the public sector to formulate and implement policies. However, capacity deficits in the private sector in African countries are just as serious, if not more so, as in the public sector. A discussion of capacity constraints in Africa therefore should be broadened to include capacity constraints in the private sector. Although capacity constraints are a major bottleneck to Africa’s development, Africa could better utilize its existing human capital. Africa exports the little human capital it has to developed countries while it imports the same human capital from the developed world at higher a cost. This may suggest that internal labour markets are not functioning efficiently.

### 3.3.2 Financial resource constraints

NEPAD has been successful in getting its development partners to increase support to Africa. The World Bank, G8, the EU and bilateral donors have all increased their commitment of development assistance, including debt cancellation and ODA, to Africa. Under NEPAD, African countries have been successful in soliciting and receiving pledges of assistance from new sources, such as Brazil, China and India. However, this may not be enough to meet the needs of Africa, as both the Millennium Project and African Commission reports indicate.

As the United Nations Secretary General’s 2006 “Second Report to the General Assembly on International Support to the NEPAD” suggests, it will be important for donors to honour their increased commitment to Africa. It is equally important that this increased commitment lead to net financial flows to Africa, as a disproportionately large share of this new commitment is in the
form of debt cancellation. Donors will need to ensure that there are increased net inflows of
development assistance to the continent to ensure the success of NEPAD.

A way to increase net flows of capital to Africa is through increased FDI and/or portfolio
investment. Africa attracts a very small proportion of the world’s FDI. According to the World
Investment Report, 2006, Africa’s share of the world’s FDI to developing countries in 2005 was
3.5 per cent. Of this, well over 55 per cent went to five countries for resource extraction, which,
at best, generates very little employment and very few spillovers to the host economies. Africa
needs to take steps to attract non-extractive high-quality FDI.

Although NEPAD has done a good job in mobilizing external resources to support development,
it has done remarkably little to mobilize domestic resources. While NEPAD envisions the
development of Africa to be based on African resources and the resourcefulness of Africans, it
appears that there is currently too much reliance on donor support for NEPAD to succeed; if the
support is not forthcoming, programmes do not get implemented. All statements and actions of
the AU, member countries, RECs, and the HSGIC seem to suggest that not much attention is
being paid to domestic resource mobilization. While donor support is crucial for the success of
NEPAD, sustainable development is only possible if domestic resource mobilization is taken
seriously.

Besides the possibility that external resources will not always be available to support African
development, there is a basic contradiction in insisting that NEPAD be African-owned and
African-led, and insisting on a reliance on external resources to implement NEPAD. The
NEPAD process should ensure that development in Africa is indeed based on African resources
and the resourcefulness of Africans, instead of being propped up by development assistance.

3.3.3 The role of the private sector

Sustained development of Africa will depend on the provision of an enabling environment for the
expansion of the private sector. However, all policies and programmes seem to be developed
with only macro level actors in mind, without much attention being paid to the operations of
enterprises or sectors of the economy, especially those in the informal sector. There seem to be
very little effort to blend the needs of enterprises in an economy into the macroeconomic
framework. For example, when policymakers focus exclusively on achieving fiscal balance, they
often ignore the consequences of increased taxation or public-expenditure cutbacks on
employment and output in various sectors of the economy. Implementation of NEPAD policies
and practices seems to be geared towards the formal sector to the detriment of informal-sector
operators. Such an approach ignores a very large share of African economies, a sector that is
likely to generate most of the employment growth in Africa in the foreseeable future.

Even when attention is paid to sectors such as agriculture and the informal private sector,
producers are not involved in the decision-making. Businesses see NEPAD as a government-
imposed mandate rather than a process that can benefit them. The over-emphasis on
macroeconomic stability at the expense of microeconomic focus is one of the reasons businesses
know very little about the NEPAD process and one that has impeded the translation of NEPAD
principles into practice. Private businesses, rather than governments, will be the pivotal to the
successful implementation of NEPAD. It will therefore be imperative to pay particular attention
to the input of the private sector in decision-making. This issue has been emphasized by the
United Nations in its report on the role the private sector can play in the implementation of
NEPAD. The NEPAD framework should therefore provide a large operating space for the
private sector and encourage its occupation.
3.3.4 Lack of infrastructure

One of the roadblocks to effective implementation of NEPAD is the lack of infrastructure of all kinds in Africa. Without an adequate road network, port facilities, electricity, telecommunications, water, and other infrastructural networks, investors are not likely to come to Africa. Most lacking are transport and telecommunications. For example as much as 47 per cent of the road networks of the Trans-African Highway System in West Africa is not connected and Africa accounted for less than 5 per cent of the world’s internet traffic in 2005 (ITU: 2006). Without adequate infrastructure, the costs of doing business, of human interaction, and of governance dramatically increases; lack of infrastructure also decreases the quality of life. For example as ARIA II (ECA: 2006a) and Limao and Venables (2001) indicate that a lack of adequate infrastructure substantially increases the cost of trade; it costs four times as much to ship goods from East Africa to West Africa as it costs to ship the same goods from Japan to West Africa. Similarly, it costs three to four times as much to make a phone call from the United States of America to Africa, with poor-quality connection, as it costs to make such a call to Europe with high-quality connection.

Because of difficulties in human interaction and governance as a result of lack of infrastructure, it is easier for agents to engage in rent-seeking activities without risk of exposure, thus further slowing progress towards development. As the 2007 Economic Report of Africa and the message in Box 3 indicate, infrastructure not only aids in development but also increases international, regional and intraregional, and international trade (also see Francois, Kepler, and Manchin: 2007). In addition, without infrastructure, people cannot take advantage of services such as education and health when they are available, thus making it difficult to reduce poverty.

African countries, under the NEPAD and the (AfDB), with the help of development partners, are making major efforts to rectify this situation. Examples of infrastructure projects include power plants, road transport, water projects, railways and ports mentioned above, as well as the Sub-Saharan African Transport Programme (SSATP)’ a programme that includes the construction of transport infrastructure, harmonization of policies, and effective use of such infrastructure. It is hoped that the implementation of the SSTAP Long-Term Development Plan will help ease some of these problems.

Box 4: Road Infrastructure and Trade in Eastern Europe and Central Asia

What effect does road infrastructure have on development? Shepherd and Wilson (2006) investigate the effects of road transport improvements on trade in Eastern Europe and Central Asia. Using a gravity model and data from 27 countries, they find that improving the quality of the road network will increase intra-regional trade by 50 per cent. This far exceeds the trade-creation effects of eliminating all tariffs or the effects of any trade facilitation programme even after costs are factored out. They also find strong cross-country spill-over effects in road transportation: upgrading road quality in three countries--Albania, Hungary, and Romania--alone will increase intra-regional trade by 30 per cent in the entire region.

4 THE WAY FORWARD

This section introduces ideas, to be further explored in a more comprehensive report, that will move NEPAD towards achieving the four objectives of poverty eradication, sustained development, halting Africa’s marginalization, and empowering of women. This section is organized around these four interrelated objectives. For example, poverty reduction will imply economic growth and sustained socio-economic development, which in turn will partly reduce the marginalization of Africa. Concomitantly, there cannot be sustained development in Africa without gender equity and the empowerment of women.

A suggestion to achieve one objective may be equally applicable to achieving other objectives, so the division provided here may be artificial. The suggestions are broad and neither exhaustive nor detailed prescriptions; they only highlight a few ideas. The points raised are meant for further discussions in a comprehensive report, and each country or REC will have to craft specific policies that will be relevant to its specific environment. Before introducing the proposals, the section discusses a few ideas on the structure of NEPAD itself.

4.0 NEPAD structures

4.0.1 Clarifying responsibilities and relationships

NEPAD is a development philosophy, a plan, a policymaking and coordinating body, and a series of projects spread over Africa. Its relationship with the AU, the RECs and countries are not well defined. In addition, NEPAD, although an AU product, operates as a separate and parallel organization, which often leads to confusion. It is important to clarify the relationships and responsibilities, and to delineate communication channels among the various entities. Current efforts to integrate NEPAD into the AU are a welcome development but it must be made clear which part of NEPAD will be integrated into AU and how this will affect the functioning and effectiveness of NEPAD.

It makes sense to integrate the vision, goal setting, external resource mobilization, and coordination roles of NEPAD into the AU while leaving the other roles to the RECs and individual countries. The philosophy and agenda-setting functions will be more effective under the AU because it provides a common framework for member countries and RECs, allowing common goals and continent-wide standards to be set. The handling of resource mobilization by the AU could lead to scale and scope economies and better coordination with and among development partners.

4.0.2 Narrowing the scope of activities and streamlining processes

It is argued that NEPAD attempts to do too many things at the same time requiring large inputs of resources, especially capacity---resources that Africa seriously lacks. Moreover, this effort on all fronts requires Africa to spread its limited capacity too thinly. Given the imbalance between the desire and the ability to deliver, it is suggested that NEPAD pares down to a few priority areas that can be effectively and efficiently implemented. Focusing on taking small steps that pays big dividends should probably be the guiding principles of NEPAD in crafting policies and programmes.

A natural starting-point may include peace and security, good governance (including the APRM process), regional infrastructure, and resource mobilization. Other aspects could initially be left
to member countries and RECs. This strategy ensures that a few priority areas are successfully
implemented and allows for capacity and confidence-building to tackle more complex processes.

Although flexibility in tailoring policies and programmes to suit member-country needs is
important and desirable, NEPAD processes should be streamlined so that all countries similarly
interpret programmes and processes. For example, the national governing structures of the
APRM process are left to the individual countries to determine, with some countries choosing to
use political control structures while others use non-governmental bodies to oversee the process.
Lack of uniformity in such situations could weaken the implementation as well as outcomes of
the process. There should be standardized guidelines for all NEPAD processes that will be
applicable to all countries.

4.0.3 Relationship between NEPAD and the organizations

The relationship between NEPAD, AU, member countries and the RECs, and the responsibility of
each, must be clearly spelt out. Fortunately, efforts to clarify the relationship between NEPAD,
the NEPAD Secretariat and the AU are under way as the AU attempts to bring NEPAD under the
AU. This process should include how to resolve conflicts among RECs, countries, and NEPAD
objectives, should they arise. In the same way, it is necessary to completely implement the
recommendations of the JIU report on how the United Nations system, especially United Nations
agencies working in Africa, work with NEPAD.

4.0.4 More inclusive and transparent decision-making process

If NEPAD is to be effective and successfully implemented, its decision-making process needs to
be more inclusive and transparent. Currently, NEPAD business is mostly done within the
Secretariat, the HSGIC, and the Steering Committee. The General Assembly, RECs, member
countries and the public have little input in the initial stages of decision-making. NEPAD should
expand its decision-making process to include inputs from, at least, the Permanent
Representatives’ Council (PRC), the Executive Council, Representatives from the RECs, member
countries, and the private sector. Major policy issues should be debated in the General Assembly
before final decisions are made. Additionally, the HSGIC must be expanded and made more
representative. The proposal to expand its size to 25 that will include more non-permanent
members is therefore a move in the right direction.

4.0.5 Strengthening the RECs and secretariat

The NEPAD Secretariat is spread too thin to be able to effectively do what it is supposed to do. It
is therefore important to substantially increase the managerial, technical and support staff of the
secretariat. In the same way, the technical and support staff, and indeed the general capacity of
the RECs, should be increased since they are at the centre of the implementation of NEPAD. A
suggestion is to set up technical project implementation teams that could be called upon by any of
the RECs when needed. The political power of the RECs may need to be increased by
strengthening the technical capacity of the regional parliaments. For example, technical support
for the budget and finance committees may be strengthened with professional staff. NEPAD may
consider asking development partners and African countries for special support for the RECs.
Alternatively, a small “administrative fee” could be added to regional projects to support capacity
development of the RECs. In addition, RECs should be included in decision-making at the
highest level. Representation of RECs on, at least, the Steering Committee may be necessary.
4.0.6 Strengthening the capabilities of RECs

As discussed in section 3.1.2, regional integration has been slow for a number of reasons. Among these are: (i) overlapping integration arrangements competing for the same geographical and functional space; (ii) lack of physical and infrastructural integration; (iii) high non-tariff barriers (NTBs); (iv) different external ties with competing priorities that may be different from those of NEPAD or the RECs; (v) lack of political will and support, and (vi) resource and capacity constraints. These factors limit the effectiveness of some RECs and hence slow the process of integration.

As Assessing Regional Integration in Africa II: Rationalizing Regional Economic Communities (ARIA II) makes clear, regional integration could be speeded up and made more efficient through the rationalization of the current system so that only one REC serves each NEPAD region. It would appear that the most efficient and relatively painless way of rationalizing the current patchwork of RECs is through mergers and absorption; a process in which current RECs in a region may voluntarily merge to form one REC. This process allows the merger of the most efficient parts of existing RECs without starting all over. It also allows the resulting REC to benefit from the experiences of the RECs being merged. Where mergers are not politically feasible, RECs operating in a region should cooperate and harmonize their activities in order to improve efficiency and reduce duplication.

A second area of concern that needs to be tackled is for donors to harmonize their support for the RECs so they do not work at cross-purposes. Since there will be one REC in each of the five regions, competition among RECs for resources from the same donor is not likely to arise but competition among donors to support their interests will not necessarily end. NEPAD as an organization should therefore convince donors that it is more efficient to support the priorities of the streamlined and rationalized RECs than to compete among themselves in a bid to promote, their individual priorities.

If integration is to be successful, Africa has to be physically integrated. At the minimum, each country should complete its part of the Trans-African Highway System and make sure there is IT connectivity to all African countries. One of the reasons for low intra- and inter-regional trade in Africa is the prevalence of high NTBs, especially the length of time it takes to clear customs at borders, and rent-seeking activities. RECs should harmonize custom procedures among member countries and reduce rent-seeking activities on highways and customs offices. For example, countries could ban the erection of police barriers that are regular features on African highways as a way of reducing the cost of transportation. Countries could be paid a bonus if port transit is less than a minimum time, and the size of the bonus should be inversely related to the turnaround time, as incentives to improve integration.

To minimize political opposition to integration from possible losers, the RECs should set up a Common Fund from which they can compensate the losers (UEMOA could serve as an example). The Fund can be financed from sales tax, import duties, or income tax from increased economic activities. These same sources could also be used to finance other costs of integration.

Integration is not likely to be effective without resource-mobility. To increase factor mobility, RECs should adopt and implement protocols to allow the right to work, in addition to the free movement of people. Perhaps a common work permit or a common ID card could be issued for work purposes. In addition, there should also be free mobility of capital and other resources. A possible area where countries could start is funding joint scientific research by research teams from two or more countries in a REC. This is structurally easy to implement since the researchers
are bound by a common research interest. Such collaboration will serve as an example of what can be achieved with regional cooperation.

4.0.7 Coordination

Whether NEPAD succeeds or fails will partly depend on the ability to effectively coordinate the various components and activities of NEPAD and participants in the process, including development partners. The coordination problem is magnified if one considers all NEPAD activities at the continental, subregional and country levels. The coordinating activities, capacity, and staff at the secretariat should be adequately expanded. The Secretariat’s role should probably be strictly limited to that of coordination with support staff at the RECs.

4.0.8 Benchmark-setting

An important part of any implementation strategy is monitoring and evaluation. This should be based on specific benchmarks tied to desired outcomes. For example, the goal of universal primary education should be measured by the proportion of children of primary-school age attending school or having attended school, rather than by the number of schools built. NEPAD should design an evaluation instrument based on measurable outcomes with benchmarks related to the objectives of NEPAD. It is important to set timelines to achieve specific benchmarks; such timelines could coincide with those of the MDGs but the guidepost could be at shorter intervals. Outcome-based standards will force governments to strive for efficiency since they will not be judged on how many inputs they bring in but on the outputs of the process. To ensure accountability, publishing the results of each country’s outcomes will be a good idea.

4.0.9 Performance incentives

Member countries should be given incentives for good performance in implementing NEPAD without cherry-picking programmes. NEPAD could reward governments/countries (e.g. through awards and public proclamation) for outstanding performance in implementing NEPAD principles and punish systematic violators. A way to reward good performance is to help mobilize external financial and technical assistance for the implementation of programmes and to withhold such assistance from those who systematically violate NEPAD principles. This could also be a partial solution to the problem of political will to implement NEPAD programmes. The funds for such rewards could be financed with taxes generated from increased economic activity. If such a scheme is to be implemented, it may imply that NEPAD may have to limit itself to policy-setting and resource mobilization rather than drawing up specific programmes and projects.

4.0.10 African ownership

African ownership of NEPAD will only be possible if Africans feel that they are a part of it. NEPAD should therefore do a better job selling itself to Africans and involving the average African in the process. This can partly be done through public consultations and broader participation in and transparency of decision-making. It is not sufficient for the architects of NEPAD to ask Africans to support NEPAD; Africans must feel that they are part of the decision-making process.
4.0.10.1 The role of the press

The press is critical in selling NEPAD to Africans and engaging their participation in it. Part of the reason Africans do not understand NEPAD is that the NEPAD has not effectively engaged the African press. A way to rectify this situation is for the NEPAD secretariat to hold regular seminars for the African press to explain to them objectives, structure, and processes, and how the African public can participate in the process. The Chairperson of the HSGIC should hold at least one press conference annually to highlight the activities of NEPAD and highlight new developments. NEPAD focal point persons in countries and RECs should similarly have interactions with the press in their areas of operation. Of course, holding a press conference for the sake of a press conference is not enough; substantive issues must be discussed at these press conferences. In addition, NEPAD regional officers could hold seminars for the general public in order to explain the process to them. It is important that these interactions with the press highlight NEPAD’s achievements. Member countries should also introduce NEPAD in their school curricula.

4.0.10.2 Private-sector and other stakeholder participation

NEPAD has made some progress in forging relations with the private sector but a great deal remains to be done if the private-sector is to play a leading role in implanting NEPAD principles in Africa. It appears that NEPAD is focusing on large foreign-owned formal private-sector enterprises in Africa. Very few African countries have the large number of the formal-sector corporate entities that NEPAD seems to be courting. Domestic private enterprise and other stakeholders, such as civil society and NGOs are more likely to implement and sustain NEPAD. Given that private-sector enterprises in Africa are made of small- and medium-size informal-sector enterprises that are largely unorganized, the “Chamber of Commerce” approach to dealing with the private sector will not be successful. A more innovative way to bring in small- and medium-sized enterprises and the informal-sector enterprises would be appropriate. This may involve creating space for the private sector in decision-making at all levels as well as providing an environment that is friendly to business.

The quality of interaction between NEPAD and domestically-owned private-sector African enterprises is in need of modification. At the continental level, the interaction comes at the end of the decision-making process instead of at the beginning. The private sector is invited to adopt NEPAD after the principles and processes have been developed, without their input. It will be more effective if the private-sector representatives were involved in the formulation of policies and ideas from the beginning. This way the private sector not only has a sense of ownership, but will also be able to bring practical ideas to the table as well as advising on issues that are likely to arise in the implementation of such policies. These issues could then be addressed at the policy-formulation stage rather than at the implementation stage. There are hopeful signs that at the national level, the private sector is being engaged in the decision-making process in countries such as Ghana, Nigeria and South Africa.

Private-sector and other stakeholder representation on highest policy-making bodies such as the NEPAD Steering Committee and similar bodies in the RECs should be considered an important priority. This will allow them to bring their concerns to the decision-making stage and make inputs into what may or may not work. NEPAD, as currently set up, is too politically-driven by--and reflects the priorities of -- political leadership rather than reflecting the interests of the private sector.
An important area that needs to be explored and expanded is public-private partnership to jointly develop, fund, and run development projects, especially large infrastructural projects such as power, ports, railways and communications. The COMTEL ICT project in COMESA is a good example. More of such partnerships should be explored.

4.1 POVERTY ERADICATION

The first objective of NEPAD is to reduce poverty in Africa by half by 2015. There is no magic bullet that will lead to achieving the first MDG; several strategies have to be combined to achieve that objective. Any poverty reduction strategy in Africa must involve:

- Rapid economic growth with high employment-creation than has so far been achieved;
- Equitable distribution of income and the benefits of growth;
- Serious attention to employment-generation and increased productivity in the traditional agricultural and informal sectors; and
- Special attention to the eradication of poverty among women.

NEPAD recognizes the critical role economic growth plays in poverty eradication; more people can benefit from a growing pie. For this reason, it set a 7 per cent target growth rate as necessary to meet the first MDG. Even if most African countries meet the 7 per cent growth target, it may not be sufficient to decrease poverty; it is how economic growth is achieved that determines the poverty-reduction effect of growth. To reduce poverty, economic growth must be pro-poor. Any pro-poor growth strategy must create employment with “living wages” for the majority of poor people and must supply the goods consumed by the poor at reasonable cost.

To create employment and increase income for a large number of the poor, NEPAD should, in addition to other strategies, focus on increasing productivity in the small-scale traditional agricultural sector as well as the informal sector. For the traditional agricultural sector, increasing productivity will involve the provision of improved seedlings, extension services, supply of other inputs, micro-credit, effective storage and marketing of agricultural products, and improvement of rural infrastructure. For the informal sector, increasing employment and productivity will involve skills training; and the provision of microfinancing in combination with entrepreneurial skills. Special efforts should be made to target women in these efforts since they constitute the majority of the poor. These activities should be combined with the provision of public services, such as health and education, to the poor.

Box 5: Reducing Poverty with Redistribution and Growth

In an attempt to answer the question whether Africa can cut poverty in half by 2015, Bigsten and Shemeles conducted simulations of different scenarios to achieve the first MDG by the 2015 target date. Under the first scenario, income distribution remains as currently distributed and they calculate the growth in per capita consumption necessary to achieve MDG1 while the alternative scenario holds growth constant and asks what distributional changes are needed to meet MDG1. Their simulations suggest that if economic growth is combined with equitable distribution of income, the required growth rate to achieve MDG1 is not as high as when growth is distribution-neutral. The simulations show that redistribution with growth is one of the best strategies towards achieving MDG1 in African countries.

4.2.0 PUTTING AFRICA ON A SUSTAINED DEVELOPMENT PATH

Putting Africa on a path to sustained development will involve several things including capacity development for policy formulation and implementation, economic and social management, increased international trade, and increased provision of productive resources.

4.2.1 Capacity and institutions

A major problem facing the successful implementation of NEPAD is severe institutional and capacity constraints. NEPAD has to seriously address these constraints to be successful. Although the capacity constraints faced cannot be solved in the short run, several actions may help reduce this problem.

4.2.1.1 Institution-building

Perhaps the most important institutional weakness in Africa is the inability to deliver public services, and particularly law and order, property rights protection, and contract enforcement. One manifestation of this weakness is pervasive corruption.

Reducing corruption: To reduce corruption, African countries may try a few options:

- Simplify and standardize processes and procedures and reduce the discretion of agents. Find ways to provide incentives for countries and organizations to espouse “good” behaviour.
- As far as possible, increase transparency by publishing budgets, rules and regulations and the rights of the citizen-consumer. Outside of national security, publish all public (government) information, including revenues and expenditures, or make it available on-line.
- Pass and rigorously enforce freedom-of-information legislation in all countries.
- Increase the use of the jury system to reduce the caseload of judges, and to get citizens to better understand legal processes.
- Empower ordinary citizens to take action by introducing effective “whistle-blower” laws with appropriate incentives.
- Hold executive and legislative leaders accountable with the establishment and funding of independent investigative agencies with prosecutorial powers similar to the United States General Accountability Office (GAO)

Strengthen regional parliaments: Regional parliaments are critical for the success of NEPAD programmes and projects that cut across countries, such as regional infrastructural projects. It is therefore necessary to strengthen these parliaments by strengthening the technical competencies with skilled technical personnel of these bodies. The quality of the work flowing from these regional parliaments may partly allow them to overcome the objections of individual governments to regional programmes. Finally, NEPAD and the RECs should clearly define the mandates of these legislative bodies relative to those of the countries in the region.
4.2.1.2 Capacity-building

**Skilled personnel:** Together with ACBF, NEPAD should find a way to fill the capacity gap in Africa. One way is for NEPAD to work out a technical-assistance framework with development partners. This will consist of teams with specific skills who will be assigned to NEPAD, which will, in turn, allocate the teams either to RECs or to individual countries, depending on the needs and types of skills-sets available. These teams should include Africans, thus increasing the supply of experienced Africans who can conceive, formulate, and implement policies.

**Employment opportunities and competitive wages:** NEPAD should find a way to gainfully employ skilled Africans in Africa in order to prevent them from emigrating. Perhaps an agreement with donors to fund this domestic “technical-assistance” programme should be part of any development assistance Africa receives from its development partners. An alternative way to increase the supply of skills is to include Africans on any technical advisory team that donors send to Africa.

**Labor market reform:** African countries may have to pay skilled labour (whether African or expatriate) the market wage in order to attract and retain them. The NEPAD framework should incorporate labour market reforms to allow differential wage payments for scarce and much-needed skills. It is important to recognize that African countries compete in a global market for skills, no matter the source of these skills. A shortage of skilled labour in Africa may suggest that the wages being offered by African employers are far from competitive.

**Free mobility of skilled workers:** African countries should allow free migration of skilled Africans across all African countries. That way, the skills pool is not lost to Africa even though it may be lost to a particular African country. This will also reduce the emigration of Africans to the developed world. A similar arrangement is in place in the Caribbean and this has stemmed the flow of skilled workers from that part of the world to the United States of America. This policy in support of skilled workers will imply re-examining the immigration policies of individual member countries.

**Skills pools:** Another way to deal with capacity limitations is to pool skilled personnel across countries in a region or on the continent. For example, a pool of engineers from Burkina Faso, Cote d’Ivoire, Ghana and Nigeria could be formed to work on projects in any of the ECOWAS countries. In the same way, a team of economists from SADC countries could evaluate development projects (programmes) in Botswana, Lesotho, Namibia or South Africa. That way, Africa shares its skilled personnel among all countries.

**Diaspora skills:** In addition to retaining skilled personnel, African countries should make concerted efforts to attract skilled Africans in the Diaspora to come back to Africa through appropriate incentives. These emigrants are not only some of the most productive and ambitious, they may have also learnt some valuable skills and worked under different structures and may bring new ideas to the African work environment.

**Training skilled personnel:** The long-run solution to the capacity problem includes training skilled people and giving them the chance to learn on the job. Policymaking and implementation are learnt on the job; not in the classroom. It is therefore necessary that Africans be given the opportunity to make decisions and take responsibilities for those decisions. Even though inexperienced policymakers may make mistakes, it is the only way to develop *capacity* to
formulate and implement policies. NEPAD should be true to its words that African development should be based on African resources and the resourcefulness of Africans.

4.2.2 Human development

4.2.2.1 Educational reforms

NEPAD understands the need to improve education in Africa by increasing access and increasing the quality of instruction, especially in the sciences. This will require, among other things, qualified teachers at all levels of education. The Distance Education and Teacher Training Programme is a very welcome development and should be expanded to train more teachers. In addition to training teachers, it is extremely important that NEPAD makes sure that African schools have complementary inputs such as books, libraries, and laboratories in order to improve the quality of learning. There is evidence to show that small investments in such complementary inputs result in large gains in educational achievements. Education should centre on problem-solving, hence there should be a serious emphasis on developing research skills in African schools.

Box 6. Textbooks and Test Scores in Kenya

A World Bank Project in Kenya was intended to see the impact of textbooks availability on student performance. One hundred schools were selected to receive official government textbooks published by the Kenya Institute of Education. In February 1996, English textbooks were delivered to students in grades 3-7, mathematics textbooks were provided for students in grades 3, 5, and 7, and science textbooks were provided for students in grade 8. In January 1997, maths textbooks were provided for grades 4 and 6 students and agriculture textbooks were given to grade 8 students.

Evaluation of the programme showed that this project:

▪ Reduced absenteeism by 27 per cent;
▪ Increased test scores by 0.2 standard deviations for students in the top quintile of test performance, and by 0.14 standard deviations for students in the second quintile;
▪ Improved grade eight maths and science scores by 0.35 and 0.29 standard deviations respectively; and
▪ Raised the likelihood that an eight-grader would continue to secondary school by 14 per cent.


Linking education curricula to the labour market: The educational system in most African countries is characterized by a mismatch between labour needs and the educational output; the educational system produces graduates that the economy does not need, while employers look for skills (e.g. technical and engineering) that the educational system does not produce. The private sector should be able to indicate what skills set it needs in the labour force and the educational institutions should train people in those skills-sets. Addressing the capacity needs of Africa requires co-operation among governments, educational institutions and employers.
Training and use of researchers: it is significant that NEPAD has set up African centres of excellence in the four regions of Africa. This illustrates that NEPAD is interested in finding African solutions to African problems. In addition to these centres of excellence, it may be necessary to encourage institutions of higher learning in Africa, in possible collaboration with other researchers elsewhere, to conduct research on African problems. NEPAD should be serious about funding scientific and technical research in African universities. Two outcomes of this change in emphasis is that African intellectuals help in finding African solutions to African problems and secondly, this research emphasis will train a new generation of researchers that may help wean Africa off its reliance on expatriates to solve its scientific and technical problems. Finally, NEPAD should seriously consider setting up and funding an African Science Foundation to encourage research into basic science and to increase the supply of scientists.

4.2.2.2 Health

Health is both a product of and an input into the development process. Africa should therefore develop a health policy that improves the overall health care of the population. It appears that Africa’s health care policies focus on curing diseases rather than preventing diseases and keeping people healthy. New and better health care programmes should be designed and implemented for African countries.

Health care policy: Elements of a new and better health care policy for Africa should at least have the following elements:

- Health care policy, especially HIV/AIDS policy, should be based on the latest scientific knowledge rather than on politics, such as an African President’s claim of being able to cure AIDS;

- Emphasize preventive medicine rather than curative medicine with particular emphasis on childhood immunization;

- Environmental health and pollution control. There should be a serious effort at controlling emissions from automobiles, underground and surface water pollution, and effluence. This means attention should be paid to protecting the sources of drinking water; and

- Physical fitness and nutrition.

Health care professionals: The developed world recruits health care professionals away from Africa. For example, the United Kingdom recruits nurses from African countries in spite of the dire shortages of such personnel in African countries. NEPAD should find a way to pay competitive wages for these health care professionals, in order to encourage them to stay in Africa. Perhaps, NEPAD and member countries should work out some arrangements with the developed world for the latter to help pay for increased compensation for health care workers who choose to stay in Africa. Additionally, the developed world should pay a tax to African countries for every African health care professional it recruits from Africa. The revenue would be partly used to train and/or recruit more health care professionals for Africa.
4.2.3 Resource mobilization

4.2.3.1 The role of the United Nations

The United Nations system should also increase its support and cooperation with NEPAD to make it a success. Probably the most important role the United Nations can play in terms of resource mobilization in support of NEPAD is to continue to champion the cause of NEPAD and Africa. African countries should continue to seek increased support from countries that have traditionally not provided development assistance, such as Brazil, China, India, and Korea. Besides providing financial resources, these countries could also provide Africa with access to appropriate technology and skills as well as export markets.

4.2.3.2 External resources

**Official development assistance:** It is in the interests of Africa and the developed world that the latter increases its support to develop Africa. NEPAD has received increased pledges of support from its development partners in recent years. However, both the *African Commission Report* and the *Millennium Project Report* indicate that the increased ODA commitments are substantially less than what is needed to meet the MDGs. Africa’s development partners need to further increase their commitments up to the 0.7 per cent of their GDPs as envisaged in the Monterey Declaration. Development partners should honour their commitments and deliver this support in a timely manner so that Africa can effectively plan and implement policies and that are apt to improve the living standards of its citizens.

**Aid effectiveness:** Besides increased aid, Africa needs to increase the *effectiveness* of aid. Increased aid harmonization among donors and African countries, monitoring the implementation of projects, allowing flexibility in aid use, and increasing the capacity-building component of aid will be needed. Effectiveness of aid will be enhanced if the continued inflow of aid is conditioned on the achievement of measurable outcomes. Simply put, more aid should be given to countries that show that they can *effectively use* aid. In addition, NEPAD member countries, and donors, should work together to better target ODA.

NEPAD should ensure increased transparency of resource use and outcomes, and increase accountability of the use of aid. Both recipients and donors should publish the allocation of development assistance to countries, projects, and the outcomes flowing from such support. Perhaps NEPAD should develop and implement criteria for monitoring and evaluation of aid effectiveness for African countries and RECs. Aid effectiveness monitoring should then be implemented and the results published annually. A ranking system could also be put in place to encourage a ‘race to the top’.

The effectiveness of aid to Africa needs to be demonstrated to the world in order to bolster the case for continued aid to the continent. There is currently a disagreement in the development community as to the effectiveness of aid reducing poverty. Perhaps the NEPAD process could positively contribute to the debate through case studies of successful programmes, better panel and longitudinal studies of aid effectiveness using African data, and publishing success stories. It may also be helpful for member countries and RECs to share good practices of programme implementation as a way to improve aid effectiveness.
**Foreign direct investment:**

Increasing FDI inflows will involve improving infrastructure, implementing and enforcing business-friendly policies, improving the quality of the labour force, and reducing corruption and bureaucratic red tape in business dealings. In a worldwide competition for FDI where capital has so many geographical options, foreign capital inflows will be constrained by poor infrastructure. This is one of the reasons why development of regional infrastructure such as EASSy and a system of regional road and rail networks are so important for the success of NEPAD. NEPAD should endeavour to attract private-sector participation in the provision of infrastructure, and especially in the power, transport, and telecommunications sectors.

Member countries need to implement business-friendly policies, including private-property protection laws, *effectively and quickly enforce* contracts and avoid political interference in business decisions and practices. It is not sufficient to pass business-friendly laws; these laws must be effectively enforced in a transparent and impartial way. Every part of the world is improving its investment climate in order to attract FDI. Improving the investment climate in Africa is therefore not enough to attract increased FDI; Africa must provide a better investment climate than other parts of the world in order to be able to attract increased FDI.

Finally member countries under the NEPAD structure must reduce corruption and bureaucratic red tape in order to attract significant amounts of non-mineral FDI. There is anecdotal evidence that some progress is being made in this regard under the APRM. Member countries should aim to dramatically cut the time it takes to start a business to no more than 30 days.\(^{20}\) One way to reduce this process is to establish “one-stop centres” that involve inter-agency staff. Furthermore, the process of securing business permits should be made public and transparent with mechanisms put in place to address grievances.

**4.2.3.3 Domestic resource mobilization**

No matter how much ODA African countries receive, African development is not likely to be sustained without mobilizing resources in Africa. There is no guarantee that external resources will always flow to Africa in the quantities and forms needed at the appropriate time. Even if foreign resources will continue to flow to Africa, domestic resource mobilization will complement external resources to speed up the development process.

There is no evidence that private-sector savings in Africa are low because of low incomes. What is clear is that savings in African households are in the forms of--jewelry, gold dust, small animals, cash, and expensive clothing--which are not easily available to finance development. A way to increase domestic resource mobilization for African development is to re-organize the financial sector so as to provide incentives for households to transform their savings into *forms* that will be useful for development purposes. Another strategy may be to revamp post office savings banks and/or rural mobile banks to mobilize savings among the rural people and to bring banking services to these people in order to allow them to have access to bank financing for business projects.

NEPAD and member countries may develop and enforce better and stronger sector rules as well as better enforcement of existing banking laws in order to encourage Africans to save in their own countries rather than abroad. For example, there are a lot of cases in which confidentiality laws are breached with impunity by banking officials. African countries should also find ways to channel institutional savings, such as pension and insurance trust funds, to finance development.
NEPAD and African countries should pay particular attention to the development of micro financing. The amounts required to start such schemes are small, institutional arrangements and overhead costs are low, and micro financing schemes have the potential to reach a large number of participants. Already, there are informal credit and savings associations, such as the ‘susu’ system in Ghana and the ‘mzunguko’ in Kenya that could form the basis of micro financing schemes in African countries. Micro financing schemes would allow poor people in the informal sector, mostly women, to have access financing. Thus, micro financing has the potential to decrease poverty as well as empower women, helping to achieve two of the prime objectives of NEPAD. This is an example of small steps that pay big dividends.

4.2.3.4 Remittances and Diaspora savings

The World Bank reports that total remittances from people in the Diasporas to their home countries exceeded $US 121 billion in 2006, more than all the ODA combined. Most of these remittances are spent on conspicuous consumption---expensive automobiles, expensive funeral celebrations, and mansions that are never inhabited. African countries could offer incentives with appropriate financial instruments to divert this inflow of remittances finance towards financing development. Similarly, African countries can provide incentives to attract savings from their Diaspora for development purposes.

4.3 HALTING THE MARGINALIZATION OF AFRICA

To a large extent, halting Africa’s marginalization in the world depends on how successful NEPAD turns out to be in achieving the other three goals. Halting the marginalization of Africa will be achieved if Africa can substantially reduce poverty, increase economic growth and employment for Africans, prevent conflicts, espouse democratic and clean governance while protecting the human and civil rights of its citizens, and be integrated into the world economy as an important participant. While these are things that should be done in individual African countries, there are a few things that should be done within the NEPAD framework to bolster a positive image of Africa in the world.

Besides improving Africa’s socio-economic development, NEPAD has to engage in a public-relations campaign on behalf of Africa. Only catastrophes, civil wars, poverty and hunger are reported about Africa in the developed world. NEPAD has to cultivate the world press and feed it positive news about Africa. What happened to Africa’s legendary hospitality? The stories about economic performances of Botswana and Mauritius and successful democratic transitions in Ghana, Kenya and Mali need to be told to the world. The multi-racial democracy that is developing in South Africa is an outstanding development, and Africa has natural beauty. These are all stories that need to be told and unless Africans constantly feed these stories to the world press, they will not be told. A few well-placed positive stories about Africa in the world press will begin to change perceptions about Africa.

In addition to public relations, some lobbying efforts in the major capitals of the world will also be helpful. NEPAD has done a good job of lobbying for Africa at the United Nations, but a few lobbying efforts in Washington, London, Paris, Berlin, and Moscow may be very useful, not only for resources but also to put in a good word in those countries for Africa. Africa can use the visit of big celebrities, such as Presidents and former Presidents, as backdrops to publicize Africa. NEPAD should establish a very effective public-relations department in the secretariat to tell the positive African story to the world. If Africa allows others to tell its story, they will tell it from their particular lens; African needs to tell its story and not let others define Africa.
Another way to minimize the negative stories about Africa is to work, within the NEPAD framework, towards reducing some negative occurrences, such as international drug trafficking and child slavery. Africans may not be able to solve these problems by themselves but member countries under the NEPAD umbrella could cooperate with the international community to curb such practices.

4.4 GENDER EQUITY AND THE EMPOWERMENT OF WOMEN

All African governments have, on paper, committed themselves to gender equity and women’s empowerment. There has been progress in highlighting gender equity in Africa, resulting in laws to empower women and ensure gender equity. However, these laws are rarely enforced.

4.4.1 Gender-sensitive evaluation

To ensure gender equity, member countries must aggressively enforce laws that protect the rights of women. There should be a ranking of member countries on their performance on gender equity and the results of this ranking published at regular intervals. In this regard, NEPAD should fund the African Gender and Development Index (AGDI) so that it can cover all African countries. In addition, all government programmes should use gender equity impact as an evaluation criterion. Finally, member countries should broaden the scope of gender equity in education to embrace opportunities for women in all walks of life. Young African women need role models just as much as their male counterparts do.

Box 7. African Gender and Development Index (AGDI)

To help monitor progress towards gender equity in Africa, the African Centre for Gender and Social Development (ACGS) of ECA has developed the African Gender and Development Index (AGDI). The AGDI is designed to measure the gap between the status of men and those of women in order to assess the progress made towards gender equity. The AGDI is a composite index constructed from two indices—the quantitative Gender Status Index (GSI) and the qualitative African Women’s Progress Scorecard (AWPS). The quantitative GSI has 42 components while the AWPS is a simple scorecard of how far African countries have achieved what they agreed to do in order to achieve gender equality.

AGDI has been piloted in 12 African countries—Benin, Burkina Faso, Cameroon, Egypt, Ethiopia, Ghana, Madagascar, Mozambique, South Africa, Tanzania, Tunisia, and Uganda. There are plans to extend the compilation of the index to all African countries and the results published regularly. The ACGS is working with the African Centre for Statistics (ACS) for the latter to develop appropriate sectoral data in various African countries to aid in the compilation of the AGDI. The AGDI will be a powerful tool for monitoring progress towards gender equality in Africa.


4.4.2 Gender-equality education

Some of the obstacles to achieving gender equity in Africa have to do with traditional practices that, in some cases, accept lesser roles for women in society. These practices have to be eliminated or decreased through education. The African press should be aggressively used to educate people (both men and women) to realize that gender equity is necessary for sustainable
development. Sustained development in a society is not possible when 50 per cent of the population are deprived of the opportunity to fully participate in the process. Education of men should focus on the idea that gender equity is not a “zero-sum game” but a process that increases the pie, so that both sides benefit from this change.

4.4.3 Enforcement of gender-equity laws

To accelerate the progress towards achieving gender equity, NEPAD should include an aggressive programme of equal opportunities for females in all its programmes and set specific benchmarks to be achieved by specific dates. For example, NEPAD could establish a minimum percentage of women in a cabinet or in higher administration by specific dates. Countries and organizations will then be evaluated on this gender dimension (among others) in their progress towards the NEPAD goals. Establishing effective and credible departments of gender equity in all countries and continental bodies may be a good idea.

2. Details of NEPAD’s achievements contained in United Nations (2006a). I only provide a brief summary of the progress here.

3. Countries that have acceded to the APRM by signing MOUs are: Algeria, Angola, Benin, Burkina Faso, Cameroon, Congo Republic, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, Sudan, Uganda, Tanzania, and Zambia. Djibouti has requested accession to the APRM.


5. See ARIA II. The RECs are: the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union (UEMOA), the Manu River Union (MRU) and the Community of Sahel-Saharan States (CE-N-SAD) in West Africa; the Economic Community of Central African States (ECCAS), the Central African Monetary and Economic Community (CEMAC), and the Economic Community of the Great Lakes Countries (CEPGL) in Central Africa; the Southern African Development Community (SADC); the Southern African Customs Union (SACU); the Common Market for Eastern and Southern Africa (COMESA); and the Indian Ocean Commission (IOC) in Southern Africa; the East African Community (EAC) and Intergovernmental Authority on Development (IGAD) in East Africa; and the Arab Maghreb Union (UMA) in North Africa.


7. See UNDP, Human Development Index, 2007, New York, NY, UN Publications

8. See World Development Indicators, 2006, World Bank, Washington DC.


10. If university professors in Africa are not required to conduct research and publish as a condition for keeping their jobs, their contracts should be renegotiated to include this requirement. Universities are not only the disseminators of knowledge; they are also the creators of knowledge.

11. Both reports suggest that additional ODA must increase by at least 50 per cent compared to current levels if the challenge of development in Africa is to be seriously addressed.


17. These figures were calculated from the Development Assistance Committee (DAC), Development Assistance Statistics, 2006, On-Line version at [http://www.oecd.org/dac/stats/online](http://www.oecd.org/dac/stats/online).

18. The five countries are: Egypt, Morocco, Nigeria, South Africa and Sudan.


20. The Conservative Movement in the United Stated of America has reducing foreign aid as one of its main agenda.


23. A World Bank study suggests that it takes a longer time to establish a business in Africa than in any region of the world. Of course, this increases the cost of doing business in Africa. This long time is the result of too many controls which in turn provide opportunities for bureaucratic corruption, thus further increasing the cost of doing business in Africa.
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