

FOREWORD

The *Southern Africa Development Bulletin* is a publication of the United Nations Economic Commission for Africa Sub-Regional Development Centre for Southern Africa. Initiated in 1997 as a bi-annual publication, it is designed as a forum for dissemination of information on key development issues in Southern Africa. The intended audience includes policy makers in public and private sector, development institutions and agencies, and the civil society at large. A total of ten issues were produced between 1997 and 2001. This issue marks the transformation of the *Bulletin* into an annual publication.

This issue of the *Bulletin* focuses on the New Partnership for Africa's Development (NEPAD), a framework that has been developed by African leaders for Africa's Development in the 21st century. NEPAD aims to reduce poverty in Africa by transforming the continent's development strategy by placing African countries, individually and collectively, on a path of self-sustaining development. It aims to turn Africa into a major actor in the new world economy, and halt its marginalization in the globalization process.

NEPAD's distinctive feature is that it is predicated on the commitment of African leaders to achieving the goals they have established and to promoting and ensuring good political and economic governance. A novel feature of NEPAD is the preeminence given to mutual accountability with regard to good political and economic governance, and this to a level of intensity that has never before been seen in Africa. Equally important, NEPAD is underpinned by a new approach to partnership. It emphasizes the complementary and important role of partners in mobilizing resources for its implementation, on basis of common objectives, shared interests and mutual accountability.

All African countries have endorsed NEPAD as a landmark initiative for the development of the continent. It has brought great hope to all stakeholders and has been accepted as unifying framework for all engagement with Africa. Since its inception, African leaders have themselves worked relentlessly to marshal support at both continental and international levels.

Doubtlessly, NEPAD has generated great debate among a cross-section of the African society. Some see it as the best, and probably last chance, for Africa to attain the elusive path to sustainable development. Others see it as nothing new – just another initiative, likely to be replaced by yet another, five years down the road.

True to its aim of providing a forum for sharing ideas on Africa's development imperative, SRDC-SA dedicates the current issue of the *Bulletin* to NEPAD. We bring you diverse views from supporters and critics, as well as from neutral observers. The articles are intended to provide an overview of this very important regional initiative. We hope the information in this issue will contribute to a better understanding of NEPAD, especially among those of our readers who have not been closely involved in its development. You will probably discover that some of the views expressed in the articles are summaries from public debates on

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NEPAD, while others are the product of individual contributions. We are most grateful to them all.

We invite feedback from our readers regarding the relevance and usefulness, as well as areas for improvement of the Bulletin.

Needless to emphasize, the views expressed in the articles on NEPAD are those of the individual contributors and do not represent the official views of ECA or the United Nations.

Our mission remains: *Serving Africa Better.*



I. INTRODUCTION

The New Partnership for Africa's Development, NEPAD, is an initiative adopted by the African countries as the economic heart for the transformation of African development and marks the transition from the political orientation of the Organization of African Unity (OAU) to the economic focus of the African Union (AU). Adopted at the final summit meeting of the Heads of State and Government of the OAU in July 2001 at Lusaka, NEPAD has been received with both enthusiasm and skepticism by stakeholders in Africa and outside Africa. While some are optimistic and feel encouraged by this new initiative, others remain cynical and pessimistic.

At the highest political levels in Africa and among the Group of Eight Developed Countries (G-8), NEPAD has been hailed as the best, and perhaps last, hope for Africa. The G8 at its Summit in Kananaskis, Canada, in June 2002 welcomed the plan of the African leaders as "a bold and clear sighted vision of Africa's development." In response, the G8 undertook to "establish enhanced partnerships with African countries whose performance reflects the NEPAD commitments" and to "match Africa's commitments with their own efforts". On the other hand, particularly, at the level of the common peoples of the continent, some Africans have tended to perceive NEPAD with skepticism.

But between these two poles should lay the truth about NEPAD, hopefully nearer to the top end than to

the bottom. NEPAD does indeed present to the African people an excellent regional framework for concerted action since the Lagos Plan of Action for the Economic Development of Africa, 1980-2000, and the Final Act of Lagos (LPA/FAL) of 1980. Granted, it was initiated by the top political leadership, without adequate consultation with society at large. But then, what is leadership? Aren't leaders expected to act on behalf of the people for their best interest?

Nevertheless, whatever the differences of opinion on the development status of Africa, the consensus seems to be that the current level of development on the continent is unacceptable by Africans and by friends of Africa. Furthermore, it is obvious that there are no quick fixes to Africa's development challenges. What is certain, however, is that the difference between success and failure of NEPAD lies squarely on the shoulder of each and every African, within Africa as well as in the Diaspora. If all Africans were to decide to support NEPAD, there is little doubt that it would succeed. On the other hand, if Africans themselves do not believe in the visions of NEPAD, it will definitely fail.

As Prime Minister Meles Zenawi of Ethiopia said in an address at the ADB Symposium: "We cannot shirk our responsibility in this regard, and NEPAD clearly states that the primary

responsibility for Africa's development lies with Africans."¹

The implications for the challenges faced by NEPAD leaders and its advocates are obvious. They must now begin to work on a campaign to convince their fellow Africans that NEPAD is truly an African embryo, which must be nurtured and nourished by the Africans themselves. Africans must begin to feel that NEPAD is their own baby, and not a foster child. Indeed, this view has been expressed at many fora: at the Third African Development Forum (ADF III, March 2002) in Addis Ababa, Ethiopia, in March 2002; the OAU Symposium on the African Union, 3 March, 2002; the ADB Symposium on the African Union (May 2002); and the Eighth Meeting of the Intergovernmental Committee of Experts of ECA Southern Africa (April 2002). Similar views have been voiced in the media as well as in meetings of

civil society organizations. The leadership of NEPAD, therefore, must open up the process for involvement of the African people in this very visionary initiative.

This issue of the Bulletin focuses on the New Partnership for Africa's Development (NEPAD), a framework that has been developed and by African leaders for Africa's Development in the 21st century. NEPAD aims to reduce poverty in Africa and to transform Africa's development and put African countries, individually and collectively on a path of self-sustaining development. It aims to make Africa a major actor in the new world economy and halt its marginalization in the globalization process.

VISIT THE ECA WEBSITE AT:

www.uneca.org

¹ Meles Zenawi, Prime Minister of Ethiopia, at the symposium organized by the African Development Bank, Addis Ababa, Ethiopia, 27 May 2002.

II. AN OVERVIEW OF NEPAD

Genesis

Africa's socio-economic and political experience over the last three decades, its failure to attain sustainable economic growth and development, rampant corruption and the civil strife in many of the countries provided the backdrop against which NEPAD was conceived. Africa's poverty stood in stark contrast to the rest of the world. Compared to the rest of the world, the continent had the highest proportion of people living under extreme poverty, with high under-five mortality rates. The crisis was aggravated by falling commodity prices, compounded by stagnating growth in trade and trade shares (see charts in Annex C), mounting debt, frequent droughts and famines, wide-scale and unquestioned adoption and implementation of structural adjustment programmes.

Table 1. Poverty, proportion of population below US\$1 parity purchasing power (PPP) per day consumption (WB), 1998².

Region	1990	2000
All low income and middle-income countries	29	23
East Asia and the Pacific	28	14
Europe and Central Asia	2	4
Latin America and the Caribbean	17	15
Middle East and North Africa	2	2
South Asia	44	37
Sub-Saharan Africa	48	47

² United Nations, Report of the Secretary Report of the Secretary-General on the Implementation of the United Nations Millennium Declaration (A/57/270).

Table 2. Under-five mortality rate (deaths per live births)

Region	1990	2000
World	93	83
Developed regions	14	9
Europe	16	11
Developing regions	103	91
Africa	164	156
Sub-Saharan Africa	176	171
Latin America and the Caribbean	54	37
Asia	90	73

Attempts to resolve the situation, the formulation and adoption of Programmes and Action Plans such as the Lagos Plan of Action, etc were generally ineffective.

A notable development during the 1990s was the liberation of South Africa from apartheid. That factor and the emergence of a new generation of African leaders and the pervasive role of Information and Communication Technologies - the instantaneous nature of global television and the internet - as well as the emergence of Civil Society as a critical balancing force, contributed to promoting the importance of good governance. Furthermore, the spirit of Pan-Africanism and its idealism promoted by (then) Deputy-President Thabo Mbeki of South Africa, in his African Renaissance statement "The new African world which the African Renaissance seeks to build is one of democracy, peace and stability, sustainable development and a better

life for the people, non-racism, and non sexism, equality among the nations and a just and democratic system of international governance”³ fast-tracked the pace towards African unity and the search for an African development agenda.



**VISIT THE ECA SUB-REGIONAL OFFICE
FOR SOUTHERN AFRICA WEBSITE AT:**

www.uneca.org.zm

³ Thabo Mbeki, African Renaissance conference, Johannesburg, 28 September 1998.

Box 1

Over the past two decades, there have been a number of comprehensive programmes for Africa's development that were adopted by African Governments⁴ and two that were agreed jointly by African Governments and their international development partners.⁵ The modest results of these past programmes and initiatives have been attributed to factors related to both sides, notably the lack of political commitment at the highest levels of government in African countries; the absence of African leadership and ownership of the programmes; the poor governance environment in some countries and its negative consequences for implementation; the failure of African Governments and donors to use the programmes as frameworks for, respectively, economic policy and assistance to Africa; the absence of credible monitoring of the commitments of both African and donor countries; the lack of a forum for sustained dialogue between African countries and the donor community; and the limited efforts by donors to honour key commitments.

Source: United Nations, World Economic and Social Survey, 2002.

In 1999 the Organization of African Unity Summit meeting at Sirte, Libya, invited African leaders to draw a plan that would address Africa's economic problems and its marginalization in a globalizing world. The Millennium Partnership for the African Recovery Programme was prepared in response by South African President Thabo Mbeki, Nigerian President Olusegun Obasanjo and Algerian President Abdelaziz Bouteflika. At the same time a second initiative called the OMEGA Plan was being drafted by Senegal under President Abdoulaye Wade. The United Nations Economic Commission for Africa had also during the same period prepared the "Compact for African Renewal", later renamed "Compact for African Recovery: Operationalizing the Millennium Partnership for the African Recovery Programme" in response to a resolution of the ECA Ministers of Finance of November 2000. In that resolution the Ministers requested that the Compact should be considered by the next meeting of the Commission in May 2001 along with a proposal on how best to operationalize it.

⁴ These included the Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa (see A/S-11/14, annex I) (1980); Africa's Priority Programme for Economic Recovery, 1986 – 1990 (A/40/556, annex I, declaration AHG/Decl. 1 (XXI) annex (1985); the Abuja Treaty Establishing the African Economic Community (A/46/651, annex) (1991); and the Cairo Agenda for Action (A/50/647, annex II, resolution AHG/Res. 236 (XXXI) annex) (1995).

⁵ The United Nations Programme for Action for African Economic Recovery and Development

The ECA document was timely and provided the glue for the merging of the two plans, the MAP and OMEGA, which were merged on 3 July 2001 into the New African Initiative and approved by the OAU Summit Heads of State and Government on 11 July 2001. The Summit also established the Heads of State Implementation Committee, which subsequently finalized the NAI policy framework on 23 October 2001, renaming it the New Partnership for Africa's Development (NEPAD). The leaders of G8 countries eventually endorsed the NAI on 20 July 2001.

A Vision, a Programme of Action and a Commitment

A Vision

According to the African leaders, NEPAD is a "vision and a programme"⁶ of action for the development of the African continent. In NEPAD the leaders pledge, on the basis of "a common vision and a firm shared conviction", that they have the pressing duty to eradicate poverty and to place their countries, both individually and collectively on a path of sustainable growth and

1986 – 1990 (General Assembly resolution S-13/2, annex) (1986) and the United Nations New Agenda for the Development of Africa in the 1990s (Assembly resolution 46/151, annex, sect. II) (1991), which were adopted by the Assembly as compacts between Africa and the international community.

⁶ African Union (AU)/ New Partnership for Africa's Development, 23 October 2001

development"⁷. The leaders wish to see Africans "extricate themselves and the continent" from "the malaise of underdevelopment"⁸ and move away from the "current marginalization to active participation in global affairs"⁹. It is an all-embracing vision of a future state of the African continent and the African person, born out of a new hope, a vision of the African Renaissance.

A Commitment

As a commitment, NEPAD's distinctive feature is that it is a plan that has been conceived and developed by African leaders themselves and is founded on the principles of African ownership and leadership. It is "an agenda set by African peoples through their own initiatives and of their own volition, to set their own destiny" (para 48). Much more, as a pledge and a commitment, the African leaders express their determination to hold each other accountable for the development of the continent.

A Programme of Action

NEPAD is, in effect, a comprehensive integrated development framework and a plan of action. It comprehensively addresses key social, economic and political problems of the African region, admitting in the process that the problems addressed in this new initiative remain the same as those

⁷ AU, opcit

⁸ AU, opcit

⁹ AU, opcit

addressed by previous strategies. It then sets out the long-term objectives, targets, including specific actions, responsibilities and, in some cases, an agenda for their implementation.

The main purpose of NEPAD is “to give impetus to Africa’s development by bridging existing gaps in priority sectors in order to enable the continent to catch up with the developed parts of the world” (para 65). This is the genesis of NEPAD’s long-term objectives, which are drawn from and bear a strong symbiotic relationship with the United Nations Millennium Development Goals. The two key objectives of NEPAD are:

- To eradicate poverty and put African countries, individually and collectively, on a path to sustainable growth and development so that they can participate actively in the world economy and body politic, and halt Africa’s marginalization in the globalization process.
- To promote the role of women in all activities.

These objectives are also the core elements of the United Nations Millennium Declaration, in which the International Community states: “We will support the consolidation of democracy in Africa and assist Africans in their struggle for lasting peace, poverty eradication and sustainable development, thereby bringing Africa

into the mainstream of the world economy”¹⁰.

Specific and time limited goals towards attainment of the long-term objectives are elaborated in the NEPAD framework document (para 68). First, the countries must attain an annual gross domestic product (GDP) growth rate of 7 per cent over the next 15 years – a requirement that would have to be met if poverty in Africa is to be reduced by half by 2015. Second, the countries are expected to attain the eight goals known as the United Nations Millennium Development Goals (MDGs), each of which has its own targets. The goals are: (i) eradicate extreme poverty, (ii) achieve universal primary education, (iii) promote gender equality and empowerment, (iv) reduce child mortality by two thirds, (v) improve maternal health, (vi) combat HIV/AIDS, malaria and other diseases, (vii) ensure environmental sustainability, and (viii) develop a global partnership for development. Each of the goals has measurable targets that must be achieved by 2015 (Annex A).

A Framework for a New Partnership

A prominent feature of NEPAD, as its title indicates, is the framework for a new partnership with the rest of the world, in particular the industrialized countries. NEPAD appeals to them to partner with Africa in

¹⁰ United Nations, *Millennium Declaration* (para 27), New York, USA.

her development on the basis of Africa's own agenda and programme of action. Importantly, NEPAD emphasizes the mutuality of the partnership thus: "the new relationship should be set on mutually agreed performance targets and standards for both donor and recipient" so as to avoid past failures where the experience has shown that failures were not only caused by poor performance on the part of the recipients, but also on bad advice given by donors.¹¹

NEPAD spells out the responsibilities of both donor and recipient in this new relationship. On the part of the African countries the prime obligations are good economic, political and corporate governance. To that end, in July 2001, in Lusaka, the OAU endorsed the establishment of an African Peer Review Mechanism (APRM) that will assess the extent to which each of the participating countries adheres to accepted and established governance codes and standards. As signatories to the Constitutive Act of the African Union, all member States have accepted and agreed to implement the objectives and principles of the AU (Articles 3 and 4) relating to good political, economic and corporate governance. It is to be emphasized in this context that NEPAD

is a programme of the AU and derives its mandate from the AU.

Obligations on the part of donors include support for the mechanisms for and processes of conflict resolution, acceleration of debt reduction, improvement of debt relief strategies, reversing of the decline in ODA and the admission of goods into their markets through bilateral initiatives. The other obligation is to work with African leaders.

Three Strategies for Implementation.

Three critical strategies for achieving NEPAD objectives are specified and discussed in detail. The first is the conditions for the successful implementation of NEPAD; the second is sectoral priorities and the third mobilization of resources. It is expected in the NEPAD Framework document (para 69) that successful implementation of the strategies will lead to the following outcomes:

- Economic growth and development and increased employment
- Reduction in poverty and inequality
- Diversification of productive activities, enhanced international competitiveness and increased exports
- Increased African integration.

¹¹ Prime Minister Meles Zenawi explains that "the old partnership was in substance based on the concept of donor-recipient relationship. The recipients as supplicants solicit aid and support, and the donors in their generosity and spirit of philanthropy, provide the aid. There was no clearly defined common interest and common objective. There was no basis for mutual accountability and mutual obligation". (27 May 2002).

(i) Conditions for Successful Implementation of NEPAD

Certain conditions must obtain for sustainable growth and development to take place. These are (a) peace and security, democracy and political governance and (b) economic and corporate governance. As further explained by Prime Minister Meles Zenawi of Ethiopia, "Both economic good governance and political good governance are central to Africa's economic regeneration" and NEPAD "requires each African country to design its policies and structures accordingly".

¹²

In citing these conditions NEPAD acknowledges that development is impossible without peace and security, democracy and political governance and economic and corporate governance. The development of the various aspects and instruments for putting these conditions were developed during the course of 2002, and an African Peer Review Mechanism (Annex B), which is to be the basis of the pledge and commitment, by the leaders, was adopted in Durban, South Africa, in July 2002.

(ii) Sectoral Priorities

Six major priority sectors are identified in NEPAD. The highest priority is given to the development of infrastructure: that is, roads, highways

and railways; air and sea transport facilities (airports and seaports); telecommunications; bridging the digital divide; energy, water and sanitation. Other sectors, in order of priority are:

- Human Resources Development, and will include:
 - i. Poverty reduction
 - ii. Bridging the education gap
 - iii. Reversing the brain drain
 - iv. Health
- Agriculture
- Environment
- Culture
- Science and Technology

The overall objective will be "to bridge the existing gaps", with a focus on developing sub-regional and continental infrastructure as well as the special needs of island and landlocked countries. The underlying objective is to lower cost, improve reliability of services and promote economic growth and regional integration. Table 3 below, which has been built from the text of NEPAD, provides a summary of the sectoral objectives and their focus. It will be noted that the focus is predominantly regional for all the infrastructural sectors.

¹² Prime Minister Meles Zenawi, 27 May 2002.

Table 3. Infrastructure sector objectives grouped by sector focus and whether national, regional or both
(Based on NEPAD paragraphs 96 to 114)

Focus	Sector and objectives				
	Infrastructure (General)	Information and communication technology	Energy	Transport	Water and sanitation
National	To improve access to, affordability, and reliability for households and firms	To double teledensity to 2 lines per 100 people by 2005 with an adequate level of access for households	To improve reliability and lower the cost of energy supply to productive activities in order to enable economic growth by 6% per annum		To ensure sustainable access to safe and clean water supply and sanitation especially for the poor
					To ensure enhanced irrigation and rainfed agriculture to improve agricultural production and food security
	To enhance regional cooperation and trade			To reduce delays in movement of people, goods and services	
Regional		To achieve e-readiness for all countries in Africa	To integrate transmission grids and gas pipelines so as to facilitate cross border energy flows	To reduce waiting time in ports	To cooperate on shared rivers among member states
		To develop and produce a pool of ICT-proficient youth and students from which Africa can draw ICT engineers, programmers and software developers	To exploit and develop the hydropower potential of the river basins of Africa	To increase air passenger and freight linkages across Africa's sub-regions	To effectively address the threat of climate change
			To reform and harmonize petroleum regulations and legislation on the continent		
Both national and regional	To increase financial investment in infrastructure by lowering risk faced by private investors	To develop local-content software, based especially on Africa's cultural legacy	To increase Africans access to affordable and commercial energy supply by 10 to 35 % in 20 years	To promote economic activity and cross border trade through improved land transport linkages	To plan and manage water resources to become a basis for national and regional cooperation and development
	To build adequate knowledge and skills in technology	To lower cost and improve reliability	To reverse environmental degradation that is associated with the use of traditional fuels in rural areas		To systematically address and sustain ecosystems, biodiversity and wildlife

(iii) Mobilization of Resources

NEPAD estimates that US\$64 billion will be required annually to fill a resource gap estimated at 12 percent of GDP if Africa is to attain the annual GDP growth rate of 7 per cent required to reduce poverty by half by 2015. The US\$64 billion would have to be mobilized from domestic savings and supplemented by external resources. Two resource mobilization initiatives are proposed to meet that need: (a) Capital Flows Initiative, and (b) Market Access Initiative.

The Capital Flows Initiative has domestic and external resource mobilization components. Appropriate policies and actions would have to be introduced to ensure that domestic savings of firms and households are mobilized and are not subject to capital flight as has so often been the case in Africa. Further, effective tax collection systems would have to be put in place along with measures for rationalization of government expenditure.

External resources comprising of debt relief, ODA and private capital inflows are identified as the second source for resources. Measures for reform of the ODA resources are proposed and will include more engagement with donors and a mechanism for assessing donor and recipient performance.

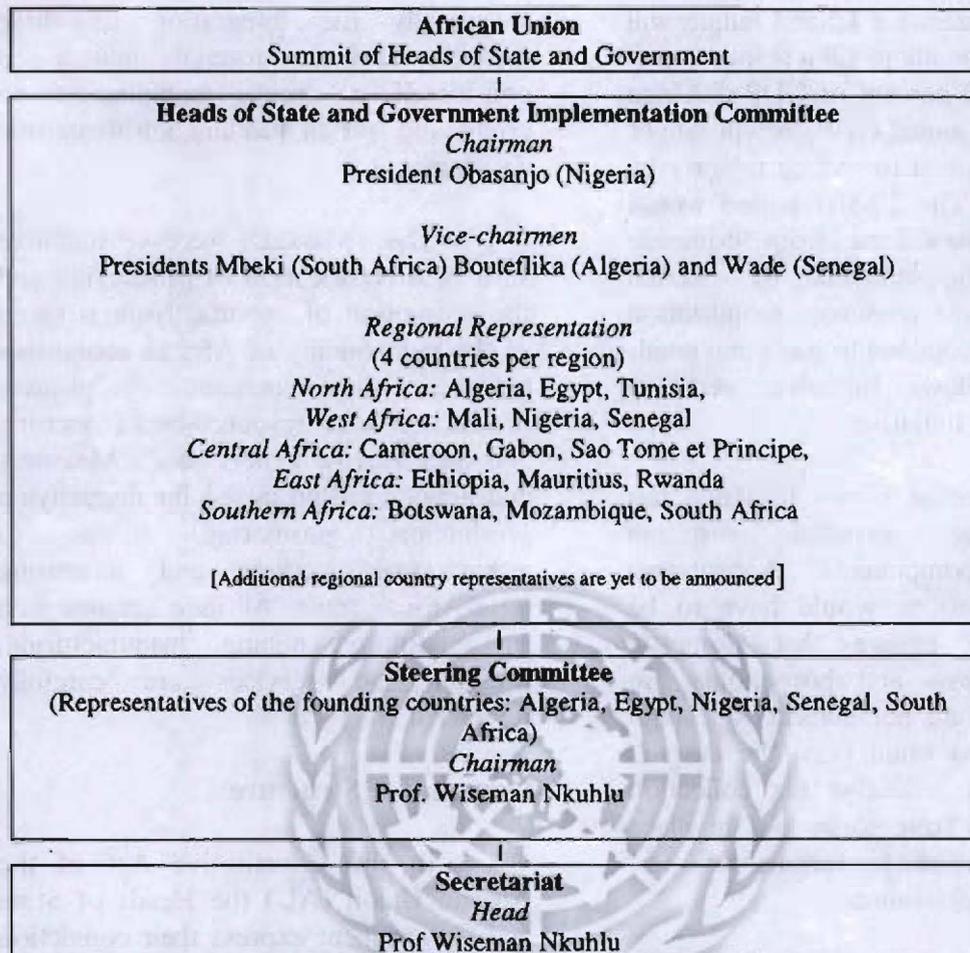
In the case of private capital, NEPAD is emphatic on the need to promote and implement a system of economic and corporate governance and reverse investor perception about Africa as a "high-risk" area for such funds. It also proposes, among other things, the deepening of financial markets,

specifically the integration of these markets. Private foreign finance is considered a critical complement to credit and aid in funding infrastructural development.

The Market Access Initiative aims at diversification of production and the promotion of exports. Note is taken of the vulnerability of African economies because of their dependence on "primary production and resource-based sectors, and their narrow export base". Measures and actions are proposed for diversifying production, promoting access to international markets and increasing intra-African trade. All main sectors such as agriculture, mining, manufacturing, tourism and services are carefully reviewed.

Governance Structure

In the Constitutive Act of the African Union (AU) the Heads of State and Government express their conviction "of the need to accelerate the process of implementing the Treaty establishing the African Community in order to promote the socio-economic development of Africa and to face more effectively the challenges posed by globalization". NEPAD is the instrument for achieving the economic objectives of the African Union. It is in that context that the AU established the Heads of State and Government Implementation Committee (HSGIC) on 11 July 2001, to oversee its implementation. The HSGIC supervises the work of a Steering Committee and that in turn supervises the NEPAD Secretariat, as illustrated in the diagram below:



Source: <http://www.avmedia.at/nepad/indexgb.html>, 23 December 2002.

The HSGIC meets every four months and the Steering Committee meets every month. Regional representation is ensured by having four countries representing each region in the HSIC¹³.

Initially there were three countries per region but this was revised to four at the first meeting of the AU Assembly in Durban, South Africa. The Steering Committee is made up of the NEPAD founding countries.

¹³ AU Declaration on the Implementation of NEPAD (Ass/AU/Decl.1(1), 10 July 2002, Durban, South Africa). The regional country representatives are yet to be announced

The Constitutive Act establishing the African Union has a number of Specialized Technical Committees whose functions include preparation of projects and programmes of the Union, supervision and follow-up, the evaluation of the decisions taken by the organs of the Union and ensuring coordination and

harmonization of the programmes of the Union. It is not clear how these organs will interface with NEPAD, but since the HSGIC is an organ of the Union, it is expected that strong and coordinated linkages will be established in subsequent AU promulgations during the course of NEPAD' implementation.

III. CIVIL SOCIETY VIEWS

Civil Society across Africa, while accepting the need for an African response to the economic and social problems facing Africa, has in general been very critical of NEPAD and some have requested the NEPAD Secretariat to "halt the implementation of the NEPAD initiative until there is wider public endorsement and a sharper focus on fighting poverty in Africa"¹⁴. Some CSOs have called for a complete rejection of NEPAD while urging others to campaign against it¹⁵. It is essential, therefore, to understand the reasons for Civil Society's strong reservations about NEPAD.

Civil Society Organizations state that their criticisms of NEPAD have their roots in their close association and involvement with the people of Africa. CSOs exist in local communities and live with both the rich and poor people. Consequently, they know, feel and share the suffering of the people in the various

communities. As organizational entities they have a wealth of experience from their involvement with social change in the past as well as with communities in various parts of Africa and elsewhere in the world, for example in Europe, Asia and Latin America. Furthermore, since the concerns of some Civil Society Organizations focus on both the physical and spiritual development needs of mankind, their involvement with communities runs very deep.¹⁶

Nevertheless, there is general agreement among Civil Society Organizations that NEPAD has some positive aspects. Specifically, NEPAD:

- is a welcome regional initiative on account of its efforts to address African problems and goals;
- has the potential of being an effective strategy;

¹⁴ Malawi Civil Society Organisations in a memorandum to the NEPAD Secretariat dated 27 February 2002.

¹⁵ Africa Action Files, Notes from a speech by Trevor Ngwane to the African Social Forum's African Seminar. (op cit.),

¹⁶ SACBC Justice and Peace Department and others, *Unblurring the Vision, An Assessment of the New Partnership for Africa's Development* (Africa Action Files).

- has introduced a novel proposal of North – South mutual evaluation and accountability;
- has introduced the elements and mechanisms for a dynamic collaboration and accountability between African governments;
- has been able to challenge the negative image of Africa promoted by the industrialized countries and succeeded in engaging them at the G8-Summit in June 2002 for the first time ever;
- is a welcome initiative for promoting Africa's inclusion in the global human community.



NEPAD Founding Countries at the G8 Kananaskis Summit in Canada, 25 – 26 June 2002.

Having noted the positive aspects of NEPAD, Civil Society Organizations make a critique of NEPAD on several grounds. Only a few of the main concerns are highlighted below.

Democratic participation

An initiative as important as NEPAD, involving African peoples, should have first been discussed at the grass roots level, with the African peoples as the key stakeholders. These are the people who suffer from poverty, and from drought and famine. It is the African people who face these problems on a daily basis and should have been consulted first. Instead, the

African leaders discussed NEPAD with the industrialized countries, the IMF and World Bank and the African peoples have remained uninformed about it. Since the consultation process was not participatory, NEPAD, it is argued, has not benefited from the vast resources in knowledge and experience at the disposal of the Civil Society, and cannot therefore claim to have "lived experience" with regard to its content and orientation.¹⁷

African Ownership

With the exclusion of African Civil Society from involvement in the discussions and formulation stages, the African Ownership stated in NEPAD becomes a contentious issue. The general view among civil society organizations is that NEPAD represents the interests of the G8 and the Bretton Woods Institutions with whom the African leaders consulted extensively. Besides, there is nothing really new about NEPAD. Furthermore, despite its ambitious goals, it subordinates African aspirations and supposed ownership to the interests of the G8 and the Bretton Woods Institutions. South African President, Thabo Mbeki, has also acknowledged that: "Legitimate questions have been raised by members of Civil Society at home and in the rest of Africa, that African Civil Society has not been involved in the NEPAD process."¹⁸ President Wade of Senegal has also said that this was a serious omission that should be addressed.

In his keynote address to the African Forum for Envisioning Africa, held in Nairobi in April 2002 to discuss NEPAD, Professor Adebayo Adedeji, former United Nations Under-Secretary General and

Executive Secretary of ECA (1975-1991), recalled that "African leaders had made a series of heroic efforts since the early 1970s to craft their own indigenous development paradigms in the light of their own perceptions. These included the Lagos Plan of Action for the Economic Development of Africa, 1980-2000 and the Final Act of Lagos (LPA/FAL) of 1980, Africa's Priority Programme for Economic Recovery, 1986-1990 (APPER), and the African Alternative Framework to Structural Adjustment Programme for Socio-Economic Recovery and Transformation (AAF-SAP) of 1989." Professor Adedeji then bemoaned: "Unfortunately, all these were opposed, undermined and jettisoned by the Bretton Woods Institutions and Africans were thus impeded from exercising the basic and fundamental right to make decisions about their future." In light of the above experiences from the past, Professor Adedeji then expresses concern about NEPAD, asking rhetorically: "Why, then, has the NEPAD initiative, unlike the five African initiatives of 1980s and 1990s, been so well received by the donor community and the Bretton Woods Institutions since its publication in 2001?"

Gender and Social Development

The African Civil Society has also taken strong exception to the fact that NEPAD does not coherently address the issue of gender and women in development. They have thus accused it of being "gender blind" for a number of reasons. Firstly, they observe that the description of the problem to be addressed by NEPAD does not make mention of any gender issue. Secondly, even as the policy goal contained in NEPAD's "Political Will" does not talk of

¹⁷ SACBC Justice and Peace Department and others, (op cit)

¹⁸ ANC Today, 7-13 June 2002

promoting the role of women in development, neither does it outline how this might be translated into any of its programmes¹⁹. Further, NEPAD's weak critique of the Structural Adjustment Programmes fails to address the impact of those programmes on women and children and it fails to recognize the role of women in societal transformation. It is also observed that NEPAD does not have "clear plans" about HIV/AIDS, a pandemic that is having a devastating impact on Africa's development.

The Neo-liberal Economic Philosophy behind NEPAD

Of serious concern to Civil Society is the neo-liberal economic policies promoted in NEPAD. The uncontrolled market approach to development is promoted under NEPAD without any assessment of the failure of these policies in the past to promote economic growth and their impact on deepening poverty and enhancing environmental degradation. Under neo-liberalism free movement of goods and services is promoted, public goods are eradicated and expenditure on social services curtailed, deregulation and privatization become the order of the day. The same privatization policies advocated by NEPAD have in the past increased the gaps between rich and poor and have been the cause of much suffering among the people, and have exacerbated political and social instability in Africa.

Furthermore, NEPAD "follows the same neo-liberal principles that are under heavy criticism by Civil Society world wide

and responsible for increasing gaps between the rich and the poor resulting in economic disasters such as the recent clashes in Argentina"²⁰. Poverty and backwardness in Africa cannot be perceived to be the result of exclusion only, but should also be considered as the result of neo-colonialism and imperialism. All these confirm that NEPAD's strategic orientation fails to reflect some very serious concerns.

Globalisation and Integration into the World Economy

Africa is considered to be already well integrated into the world economy and further integration does not appear to benefit Africa. Particularly significant, commodity prices have been falling as Africa increased its exports to the rest of the world. Hence further integration does not make sense especially when it is coupled by declining returns from further integration.

The Conditions for Africa's Development

Regarding the conditions for Africa's development, the Joint CODESTRIA- TWN Africa Conference declared that "NEPAD's vision of democracy is defined by the needs of creating a functional market; it under-emphasizes the external conditions fundamental to Africa's development crisis, and thereby does not promote any meaningful measure to manage and restrict the effects of this environment on African development efforts. On the contrary, the engagement that it seeks with institutions and processes like the World Bank, the IMF, the WTO, the United States Africa Growth Opportunity Act, the Cotonou Agreement,

¹⁹ Longwe, Sara in "Assessment of the Gender Orientation of NEPAD", a paper presented to the Africa Forum on Envisioning Africa, Nairobi, Kenya, 26 - 29 April 2002.

²⁰ Africa Forum for Envisioning Africa, "Focus on NEPAD", International Conference, Nairobi, April 26 to 29 2002.

will further lock Africa's economies disadvantageously into their environment"²¹.

Partnerships in NEPAD

Civil Society is quite sceptical about the partnerships advocated in NEPAD. First, it is observed that the African leaders failed to establish the partnership between themselves and their people during the formulation of NEPAD, making some CSOs refer to it as a "Partnership of African Leaders Without African People". Secondly, "partnership" is considered to be a vogue-word whose meaning could range from a loose cooperation to a compact or a binding arrangement. Sometimes the concepts "cooperation", "compact" and "partnership" are used interchangeably as if they were synonymous.²² Third, the mutuality of the partnership between Africa and the industrialized countries is doubted on the basis of NEPAD's own internal evidence. CSOs take a leaf from NEPAD itself that "globalisation has increased the ability of the strong to advance their interests to the detriment of the weak NEPAD", (para 33).

Clearly then, power relationships do determine what is decided, done and how it should be done. Poverty Reduction Strategy Papers, which are supposed to have national ownership and to be vetted by national parliaments, are "approved" by the Bretton Woods Institutions. The ability of the African countries to exercise any influence on the mutuality of the partnership is, therefore, considered highly dubious. It is noted further that the strategies of

privatisation and liberalization may not be in Africa's best interest, yet those are the directions that Africa must take to access Foreign Direct Investment. Equally, the governance elements in NEPAD, important though they are, are nonetheless perceived by some NGOs as simply providing the means for ensuring the security of FDI, rather than promoting human rights and democracy.

CSOs have also expressed some concern regarding the sustainability of the political will that is propelling NEPAD. They observe rather cynically that, "it remains to be seen whether the political will can be sustained if democratic processes alter the direction of NEPAD's primary focus."²³ The critique on all these issues notwithstanding, Civil Society is convinced that NEPAD's goals are noble. However, the strategies proposed for their implementation are flawed, lacking in coherency, consistency and not informed by the "lived experience".

²¹ Declaration on Africa's Development Challenges, Joint CODESTRIA-TWN AFRICA Conference on Africa's Development Challenges in the Millennium, Accra, 23 - 26 April 2002.

²² Professor Adebayo Adedeji (op cit)

²³ SACBC Justice and Peace Department and others (op cit.)

IV. AN INDEPENDENT VIEW ON NEPAD.

The Resource Mobilization Strategy (RMS) of the New Partnership for Africa's Development.

By Theresa Moyo *

Introduction

The main thrust of NEPAD, which is to enable Africa achieve sustainable growth and development, is a very important, and indeed positive development. It addresses some real and pertinent issues on Africa's development, for example: the problem of poverty which is evidenced by the fact that 340 million people, about half of Africa's population live on less than US\$1 per day with only 58 percent having access to safe water and 41 percent of the over 15 age group are illiterate; low GDP growth and unequal distribution; and unsustainable growth.

However, the real problem lies in the strategies, methods and mechanisms on which NEPAD intends to rely in order to achieve those goals. This is particularly so because these are not altogether new strategies. They have been tried in the past few years or so, and yet Africa remains a poor and underdeveloped continent. Thus,

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whilst the intentions of NEPAD may be very noble, there is need to review its strategies to ensure that this time around, Africa can hope to overcome the social, economic and political obstacles to its development.

This paper focuses specifically on the Resource Mobilization Strategy (RMS) of NEPAD. It presents in summary form the essential features of that strategy: the conceptual framework, its underlying assumptions and proposals, and the expected outcomes. The paper then assesses the feasibility of RMS in the context of the realities of Africa's development challenges, as well as the various constraints at the national, regional and international levels.

The RMS relies critically on three categories of sources of financing:

- (i) **Domestic Resource Mobilization:** African countries are expected to increase the mobilisation of domestic resources through deposit mobilisation from their banking and financial sectors, revenue collection through better management of the *fiscus*, and through improved efficiency and management of those limited resources.
- (ii) **External Sources:** NEPAD proposes that Africa could mobilise substantial resources from Official Development Assistance (ODA), debt relief and private capital flows

(mainly Foreign Direct Investment –FDI, but also equity and bond markets) of industrialized countries.

- (iii) **International Trade:** By enhancing market access of Africa's goods onto the international market, substantial resources can be mobilised towards Africa's development.

The major limitations of the RMS include:

- The document appears to emphasize on external rather than internal sources of financing: it does not convincingly articulate the strategies to achieve domestic resource mobilization.
- The reality is that in the last few years there has been a decline of ODA, FDI and other private sector sources of finance to Africa. And even given those flows, the share of resources going to Africa relative to other developing regions was lowest. Furthermore, due to low economic growth rates, problems of poor governance and lack of accountability, civil conflict, among others, Africa has not been an attractive destination for external capital flows.
- More critically, the proposed sources of finance have historically proved to be problematic: there is a lot of controversy surrounding the conditionalities associated with access, the terms of repayment, the policies which they have pushed on recipient countries, and the fact that

rather than improve growth and development, they have instead exacerbated poverty and underdevelopment.

- Although the market access option is important, it has had serious problems for the continent. Africa is operating within a harsh international trading environment and financial system, where power relations are seriously skewed in favour of the more developed or industrialised countries. Growing protectionism against Africa's exports is a well recognised problem and the current struggles within WTO, criticisms of multilateral financial institutions such as the World Bank and the International Monetary Fund, to name a few, are evidence of the serious challenges facing Africa in an increasingly globalised environment.

The paper proposes an alternative strategy, which emphasizes the need for Africa to 'clean up' its house, the need for the continent to deal with the challenges of corruption, fiscal mismanagement, lack of accountability, poor governance at national and local levels and other related problems. In other words, a prerequisite to Africa's development and quest for financial support must be the building of strong and effective institutions of governance at all levels (national, local government and community levels). This creates an environment where Africa can attract financial and other resources and also within the context where its bargaining power is more enhanced.

Conceptual Framework of RMS of NEPAD

Clearly, the conceptual framework of NEPAD consists of a development strategy based on global interdependence. Its resource mobilisation is crafted within a global financial architecture, which rewards good socio-economic management. In this regard, NEPAD proposes a Resource Mobilization Strategy (RMS) through the Capital Flows Initiative (CFI) and Market Access Initiative (MAI).

The resource mobilisation approach of NEPAD is stated as follows: "What is required to mobilise these resources and to use them properly, is bold and imaginative leadership that is genuinely committed to a sustained human development effort and poverty reduction." Figure 1 depicts the resource mobilisation strategy proposed by NEPAD. The approach is two-pronged: the Capital Flows Initiative (CFI), and Market Access Initiative (MAI). The CFI has four key components, namely: increasing domestic resource mobilization; debt relief; Official Development Assistance (ODA) reforms, and Private Capital Flows. The MAI has eight key components: diversification of production; mining; manufacturing; tourism; services; private sector development; increase in Africa's exports; and removal of barriers to trade.

(a) The Capital Flows Initiative

This consists of four components as indicated above and calls for an

increase in domestic resource mobilisation through households and firms, effective tax collection, rationalisation of public expenditures, arresting capital flight, and the creation of Special Drawing Rights for Africa (SDRA).

(1) **Domestic Resource Mobilization:** This will consist of: increasing national savings by firms and households, effective tax collection, rationalization of public expenditures, arrest of capital flight by making African economies more attractive for retention of wealth and creation of Special Drawing Rights for Africa (SDRAs).

(2) **Debt Relief:** NEPAD supports linking debt relief to poverty outcomes. It advocates for debt service ceilings and for different ceilings between IDA and non-IDA member countries. African governments will negotiate with creditor governments, and institutions such as the World Bank and IMF. NEPAD emphasizes the condition that debt relief should be made conditional on compliance to economic governance conditions set in the plan.

Figure 1: Resource Mobilisation Strategy Proposed in the NEPAD

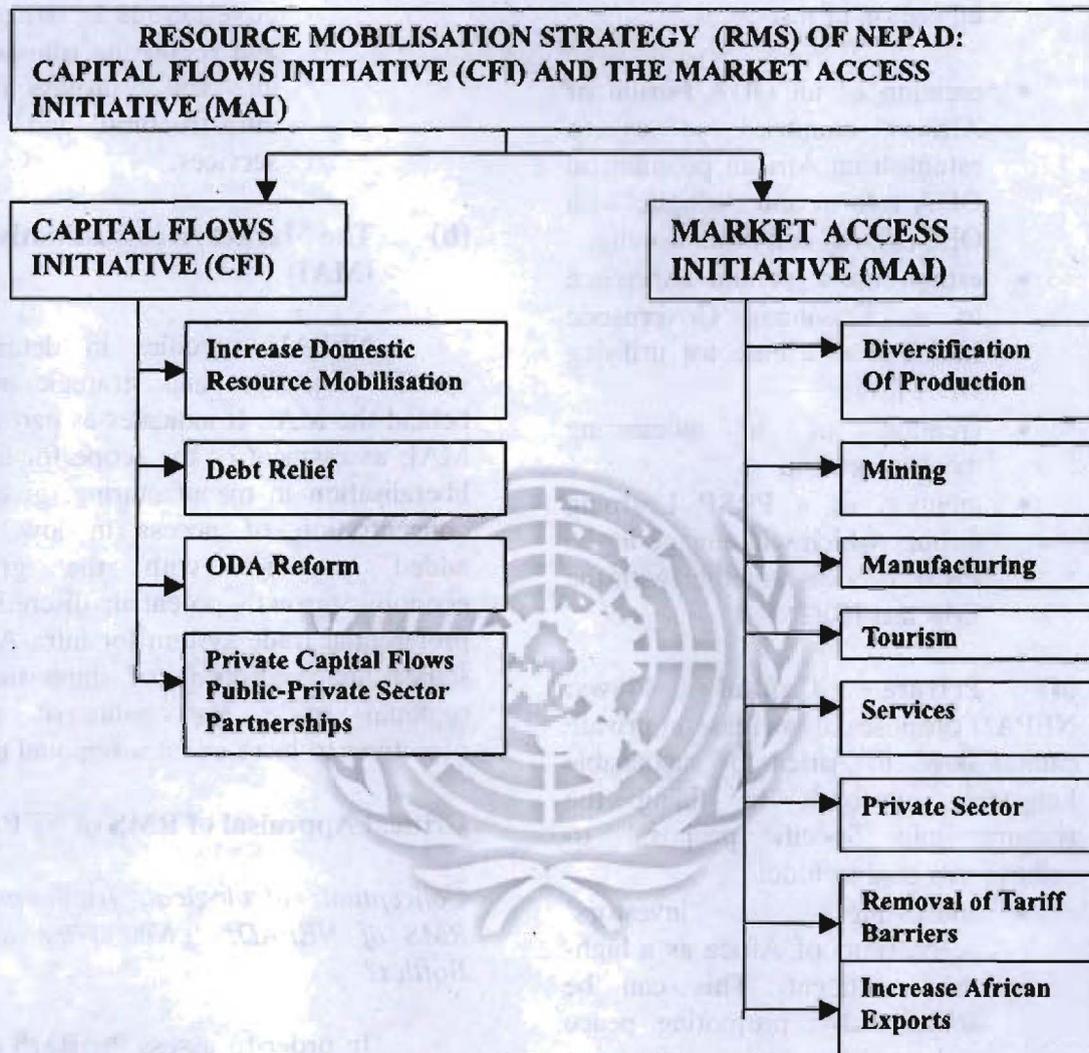


Diagram based on RMS in the NEPAD Document
October 2001 version.

(3) **ODA Reforms:** The strategy proposes:

- reform of ODA delivery systems for more efficient utilisation of resources;
- creation of an ODA Forum of African countries so as to establish an African position on ODA reform and dialogue with OECD/DAC and other donors;
- establishment of and adherence to an Economic Governance Initiative as a base for utilising ODA flows;
- creation of a monitoring mechanism, and
- creation of a PRSP Learning Group, which will engage in the PRSP process together with the IMF and IBRD.

(4) **Private Capital Flows:**

NEPAD proposes an increase in private capital flows to Africa for sustainable long-term approach to filling the resource gap. Specific proposals to achieve this goal include:

- addressing investors' perceptions of Africa as a high-risk continent. This can be achieved by: promoting peace and security; improving governance; development of infrastructure; reduction of poverty; and putting in place interim risk mitigation measures (credit guarantee schemes and strong regulatory and legislative frameworks) and
- implementing a Public-Private Sector Partnership (PPP) Capacity Building Programme through the African Development Bank and other regional development

institutions. The purpose of the PPP is to assist national and sub-national governments in structuring and regulating transactions in the provision of infrastructural and social services.

(b) **The Market Access Initiative (MAI)**

NEPAD specifies in detail the specific objectives and strategic actions behind the MAI. It indicates as part of the MAI: assessment of the scope for further liberalisation in manufacturing, given the concentration of access in low value added activities with the greatest economic growth potential; discretionary preferential trade system for intra-African trade; and alignment of domestic and regional trade and industrial policy objectives to increase intra-regional trade.

Critical Appraisal of RMS of NEPAD

Conceptual ideological framework of RMS of NEPAD: 'New Wine in Old Bottles?'

In order to assess the RMS of the NEPAD, it is important firstly to note that underlying the vision of the African leadership who crafted the NEPAD strategy, is a desire for achieving a 'sustainable growth and development' for Africa. NEPAD hopes to achieve this fundamental goal through:

- injections of external capital, in different forms: official development assistance from bilateral and multilateral sources; private capital flows-equity

investments; and also through debt relief. Although NEPAD recognises the importance of domestic resources, it appears that greater reliance is placed on external sources of financing.

- the ideology of a 'new global partnership', which operates on the principles of "shared responsibility and mutual interest."
- a new relationship of partnership between the international community and Africa, especially the Highly Indebted Poor Countries.
- 'donor' private sector partnership, where foreign companies are expected to come and build infrastructure in Africa.

The RMS is not new. Over the last few decades, African development relied heavily on external capital but with limited success. The real problem behind the conceptualisation of the RMS, therefore, is the continued reliance on models of development which have not worked for Africa in the past: such as heavy reliance on external finance and aid, which has not been forthcoming on a large scale. The experience of East Asian countries is a glaring example of the potential pitfalls of such finance. Whilst Africa can hope to attract ODA, the terms and conditions under which such financing are provided, have been known to exacerbate rather than reduce poverty.

The main thrust of RMS appears to be that Africa again needs foreign aid and private capital flows from the Northern countries in order to develop. Despite the failure of this model of development in the past, NEPAD, for some reason, appears to believe that, perhaps this time round, it will work, despite the fact that the reasons for the failure of Africa to attract such flows, largely remain the same.

Secondly, the notion of 'shared responsibility and mutual interest', an underlying principle behind the NEPAD, naively assumes an equal relationship between the countries of the North and Africa. As is well-known, this is far from reality. NEPAD needs to recognize the fact that in a global environment where power (both economic and political) is distributed unfairly between developed and less developed countries, the struggle for better terms of trade for African goods remains a challenge which calls for African leaders to unite and challenge effectively the institutions, mechanisms and policies which continue to marginalize Africa. Specific strategies to address and challenge the WTO, for example, need to be articulated and implemented.

The market access initiative of NEPAD is also unlikely to lead to increased resource mobilisation for as long as the WTO does not take on board the interests of developing countries.

There is very little ground, if any, on which to disagree with the MAI. Indeed, over the years, African countries have been encouraged to diversify their exports from primary goods to manufactured or processed goods, so as to improve their terms of trade and therefore generate more foreign exchange for development. This policy was, in fact, one of the cornerstones of the Lagos Plan of Action and yet today there is still very little evidence of such a shift. The challenge for African Heads of State is how to make this strategy work. How do African countries achieve a genuine transformation in their production processes along the lines called for by NEPAD? This has been talked about for

decades, perhaps the input of NEPAD will be on how to actually achieve such a goal.

NEPAD is again being naïve in expecting billions of US dollars worth of resources to be churned out through the MAI. The reason is simply that African leaders know only too well why Africa is failing to penetrate Northern markets. Protectionist policies of the industrialised countries, now being buttressed by such arrangements as WTO, are the main culprits. In order to make inroads into the MAI therefore, African countries need to mobilise and unify efforts in their fight for a fairer international trading and financial system. The experiences of Seattle should demonstrate, for example, the strategy to improve terms of trade, and must suggest how the capacity of African leaders can be enhanced to improve their negotiation tactics with WTO and other multilateral trading bodies. This is an area of weakness.

The NEPAD document itself notes that "In the absence of fair and just global rules, globalisation has increased the ability of the strong to advance their interests to the detriment of the weak, especially in the areas of trade, finance and technology ... Africa's inability to harness the process of globalisation is a result of structural impediments to growth and development in the form of resource outflows and unfavourable terms of trade."

The current struggles of developing nations with the WTO are evidence that the international rules of the game are not fair to developing countries and therefore, a policy initiative which assumes this problem away is naïve. NEPAD should instead be advocating strategies to educate and raise awareness among African leaders and those who negotiate Africa's terms at various international forums, on issues that address trading and financial arrangements.

At Doha, the 'development agenda' agreed to by the industrialised countries was largely viewed by developing nations as protection of corporate interests.

Towards Alternatives to RMS

An examination of the social, economic and, particularly the political scene in Africa, appears to indicate that in order to achieve development, Africa needs to address its political and economic institutions, because these are critical for resource mobilization, whether from domestic or international sources. Africa has to intensify local initiatives to improve governance, management of public sector institutions, restoration of good governance and systems at national and local government levels.

This means that there must be serious efforts at improving public sector management systems and institutions for improved efficiency in resource allocation; developing and strengthening domestic capital and money markets; eradicating corruption and strengthening Africa's capacity to influence the world trading and financial system, in order to obtain more favourable terms of trade and improve access to financial resources from both donor and private sector sources.

The success of RMS will, to a large extent, depend on the successful implementation of the Peace, Security and Democracy Initiative and the Political Governance Initiative of NEPAD. Unfortunately, NEPAD does not provide very detailed and extensive strategies on how to effect these ideals; the assumption

being that national governments will take up these issues at country levels.

Alternatives to the RMS as it currently stands, therefore, must consist of the following:

- **Creation and strengthening of Democratic Institutions of Governance at National, Local and Community levels.** Through appropriate political and democratic processes, African nations need to create democratic institutions of government at all levels, promote peace and security, observe human rights, gender equality, freedom of expression and all other related freedoms.
- **Build the Capacity of Public Institutions.** In particular, African countries need to pay attention to those institutions which have a potential to mobilise resources, for example, tax administration and expenditure management. Mobilisation of tax revenues can be improved by more efficient and better managed tax administration. Expenditure should be compatible with domestic resource mobilisation and long-term growth and redistributed in favour of economic growth and poverty reduction. Technical capacity should also be provided in order to ensure accountability of public agencies and officials at the levels of Public Sector Management and Public Enterprise Management and Reform, Public Financial Management, Corporate Governance and Civil Service Reform.
- **Strengthen Financial and Capital Markets for enhanced Domestic Resource Mobilization.** African

countries should strengthen their domestic financial markets so as to improve deposit mobilisation and other long-term capital requisites. There should be efforts to deepen capital markets through appropriate regulatory and other relevant interventions. To strengthen the capacity of domestic financial systems so that they can absorb private capital flows at minimal risk to the whole system, African countries should, inter alia:

- strengthen banking regulations, build complimentary and well-regulated securities markets;
- introduce policies to reduce the demand for and volatility of short-term foreign borrowing; and
- cultivate a healthy economic environment to attract long-term foreign investment. This includes, investment in human capital; priority in productive activities with a capacity to create and sustain jobs; appropriate regulatory framework to ensure maximization of gains to local communities; adequate social protection mechanisms to protect the vulnerable against exploitation and abuse by those who have capital; create a regime that will take care of the investors' rights and obligations

without providing subsidies or other inducements.

- **Decentralisation and Role of Community-based Institutions.** In Africa, local governments have been weak and so their capacity to mobilise resources for development has been very limited. Capacity building to improve this entity could go a long way towards enhancing Africa's capacity to mobilise domestic resources for development.
- **Role of Communities.** NEPAD does not emphasize the potential role which communities can play in the mobilisation of resources for development. In housing, water projects and transport, there are possibilities to promote micro-level projects which are managed and implemented at community level. In Asia, for example, there have been a number of experiments where development banks have on lended to communities for infrastructure development. The Asian Development Bank²⁴ has been experimenting with this. It has given loans for water and sanitation, drainage and sewerage, solid waste management, slum upgrades, public transport, market development, and enhancement of financial and managerial capacity of urban local bodies. The Bank's strategy has been to provide loans to intermediaries such as Housing and Development Corporations (usually a 20-year repayment period, and a grace of 5) which would then on lend to

communities. Such funds have been used to set up an Infrastructural Development Fund which community then manages. In Africa, the problem has been that communities were not empowered to take ownership and in the end, good projects collapsed due to lack of proper management and supervision.

- **Improving Access to Markets.** Recognising the fact that the potential to generate resources through this route may not happen overnight, the priority of African leadership must be to engage, as a united forum, institutions such as the WTO, the Bretton Woods Institutions, the Paris Club, the DACs, etc. with a view to shaping and influencing the international trading and financial system, so that it serves the interests of Africa. This is obviously no mean task. Africa has been trying to do this for decades and yet the struggle is still on. The message from this, therefore, is that Africa's development, in the light of the harsh realities of globalisation and domination by the North, must originate from within the continent, at national and sub-regional levels. There is need to promote regional integration. The African Union, though overshadowed by the difficulties of its predecessor, the OAU, should become a vibrant entity and the centre of innovation and direction for the rest of Africa to achieve development.

²⁴ Proceedings of National Workshop on Microfinance for Infrastructure: Recent Experiences August 31, 2000. New Delhi.

➤ **United Nations call for Development Partners to Honor their Commitments to Least Developed Countries.** The United Nations International Conference on Financing for Development (also dubbed the Monterrey Consensus) which was held from 21 to 22 March, 2002, in Mexico, came up with some very useful and relevant recommendations, which African leadership can follow up as they refocus and re-strategize on NEPAD. Among other things, the Monterrey Consensus calls for the reform of the international trading and financial system in a manner which promotes economic growth, equity, poverty reduction and sustainable development. African leadership could articulate NEPAD within this more comprehensive framework.

Conclusions and Recommendations:

In conclusion, whilst it is pretty obvious that Africa must rally around a common vision for achieving development on the continent (and NEPAD is certainly an attempt to promote that vision), there are serious shortcomings, especially concerning resource mobilisation strategies, which must be taken care of.

First, NEPAD is relying too heavily on external funding when historical record clearly indicates that there is no basis to assume that the proposed Capital Flows Initiative can yield the kind of resources which are required by NEPAD, estimated at about \$ 64 billion in support per year.

Secondly, NEPAD clearly appears to ignore the ideological dimensions of external funding and a market based model of

development in a harsh globalised environment. Despite the failures of aid and transnational capital in promoting pro-poor development in Africa, the overriding concern in NEPAD appears to be the access to the capital rather than any moral, social and political considerations. In view of the fact that NEPAD emphasizes that its strategy is meant to help Africa to achieve its poverty reduction goals articulated in the MDGS, there appears to be a serious contradiction in that NEPAD seems to willfully ignore the social implications of its proposed strategies.

Third, NEPAD is right in including domestic resource mobilisation as part of its RMS. However, it needs to be pointed out that in fact, because of the poor record of external capital in Africa, there is now a greater need to prioritise internal resource mobilisation by identifying and strengthening institutions such as domestic financial and capital systems, and the public sector - particularly in fiscal management - to enhance mobilisation of tax revenues. Africa should reflect on why the continent continues to suffer from shortage of resources to finance infrastructure and human resource development, even though individual African countries continue to collect millions of dollars through commercial banks, pension funds, insurance companies, and various forms of taxation.

Finally, Africa also needs to intensify efforts to restore peace, good governance and the rule of law in those countries where civil conflicts, intolerance, break down in law and order, have seriously tarnished the image of the

rest of Africa and made it unattractive to capital.

In summary, the following recommendations are proposed:

- The RMS of NEPAD cannot be relied upon to help Africa to achieve development in next few years. The strategy should be thought through more carefully in a more pragmatic and realistic manner. The RMS should put more emphasis on domestic resource mobilisation and provide more details on how that can be achieved. NEPAD should seriously explore and tap on the immense opportunities offered within the framework of regional integration. Recommendations made at the African Development Forum III in Addis in March 2002, should be followed up.
- For NEPAD to succeed, Africa must first control the sources of leakage: the corruption, embezzlement of funds, lack of transparency, etc. The possible strategies should include:

(b) Design of multi-level strategies to fight corruption and lack of accountability and transparency in key institutions. Such strategies should be at all levels: central government, subnational government, public sector institutions, corporate sector, etc.

(c) Investment in human resource development, particularly in sectors most

hit by corruption (mainly public sector); and

(d) Investment in systems of accounting and controls which work.

NEPAD also needs to address the social, political and economic implications of the strategies which it proposes. There is need for consistency between the RMS and NEPAD goals of poverty reduction and development.

The MAI, though a noble initiative, remains far too general to be useful. NEPAD must centre its MAI on how African leadership can intensify efforts and actually bring about meaningful reforms of those international institutions hampering Africa's development. It would be wiser to focus on a narrower but more achievable set of activities in order for Africa to attain its desired goal of development.

African leadership should strengthen their networks with the governments and institutions in the North, which share in the vision of Africa's development and fight against poverty.

In short, the priority issues for NEPAD in terms of resource mobilization should:

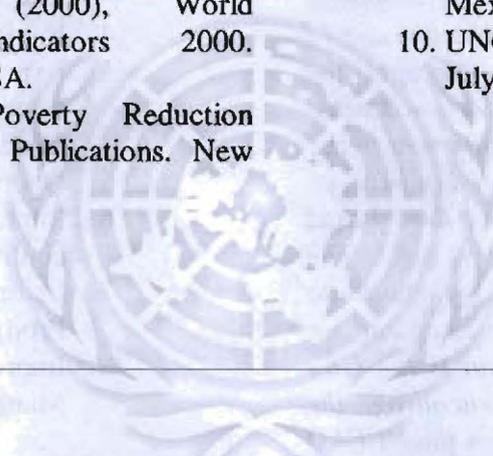
- address the International Arena: that is, international trading arrangements and the new financial architecture;
- adopt a more inward looking approach: mobilisation of domestic resources to be priority over external; the inward looking approach must also explore the

potential benefits offered by regional integration;

- work towards a more efficient fiscal management.

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V. SUPPORT OF THE INDUSTRIALIZED COUNTRIES: THE G8 AFRICA ACTION PLAN.

In June 2002 leaders of the G8 countries met in Kananaskis, in Canada and adopted the G8 Africa Action Plan and pledged their support for NEPAD:

*"We, the Heads of State and Government of Eight Major Industrialized Democracies and the Representatives of the European Union, meeting with African Leaders at Kananaskis, welcome the initiative taken by African States in adopting the New Partnership for Africa's Development (NEPAD), a bold and clear-sighted vision of Africa's development. We accept the invitation from African Leaders, extended first at Genoa last July and reaffirmed in the NEPAD, to build a new partnership between the countries of Africa and our own, based on mutual responsibility and respect. The NEPAD provides an historic opportunity to overcome obstacles to development in Africa. Our Africa Action Plan is the G8's initial response, designed to encourage the imaginative effort that underlies the NEPAD and to lay a solid foundation for future cooperation."*²⁵

The G8, while welcoming the commitment of the African leaders, are emphatic that their support will be selective, and established only with those countries "whose performance reflects the NEPAD objectives" and "will not work with governments which disregard the interests and dignity of their people". The G8 will, however, respond to humanitarian needs, and their commitment in this case will "remain universal", a commitment to

addressing the core issues of human dignity and development.

The Africa Action Plan identifies eight "areas of engagement" for G8 support:

1. Promoting Peace and Security
2. Strengthening Institutions and Governance
3. Fostering Trade, Investment, Economic Growth and Sustainable Development
4. Implementing Debt Relief
5. Expanding Knowledge: Improving and Promoting Education and Expanding Digital Opportunities
6. Improving Health and confronting HIV/AIDS
7. Increasing Agricultural Productivity
8. Improving Water Resource Management

Each of the areas of engagement is discussed in detail in the G8 Africa Action Plan and the commitments of the G8 are spelled out, with the highest priority accorded to promoting peace and governance. The eight areas are the ones which the G8 believe they can add value to and provide "impetus" in support of NEPAD.

In the G8 Africa Action Plan, the leaders commit themselves to mobilizing resources for NEPAD and to provide at least US\$6 billion ODA per year, in new resources for Africa, along the pledge made at Monterrey. Other commitments include increasing the use of grants rather than loans

²⁵ G8 Africa Action Plan, Kananaskis Summit, June 2002

for the poorest debt vulnerable countries, working towards duty free and quota free access for all products originating from the Least Developing Countries and enhancing market access consistent with the WTO

requirements. Most of the G8 countries are already initiating actions to implement the Africa Action Plan. One such action is the recent announcement by Canada of a far-reaching market access initiative.

Box 2. Canada's LDC Market Access Initiative

1. Following the Kananaskis Summit, the Prime Minister of Canada has announced a market access initiative for 48 Least Developed Countries (LDCs), of which 34 are in Africa, effective January 1, 2003. Only the supply managed products - dairy, poultry and eggs - are excluded from this initiative. Canada's initiative is the most far-reaching LDC preference scheme of any developed country, given the countries eligible, the products eligible, and administrative simplicity. The initiative gives Least Developed Countries preferential treatment in areas of key interest to them: apparel, textiles and agriculture, as well as industrial products. Canada's rules of origin (which determine if a product qualifies for the preferential treatment) will be more generous by taking greater account of the productive capacity of LDCs. Cumulation provisions will encourage greater trade with developing countries as well as Canada.

2. This initiative entails:

- elimination of quotas and setting the Least Developed Country Tariff at free for Canada's imports of all products that remain dutiable from Least Developed Countries eligible for the Least Developed Country Tariff, with the exception of supply-managed agricultural products (dairy, poultry and eggs), effective 1 January 2003. Myanmar is not eligible for the Least Developed Countries Tariff;
- creation and implementation of rules of origin for textile and apparel products eligible for the Least Developed Country Tariff (LDCT);
- addressing problems of illegal transshipment of textiles and apparel through enhanced monitoring, verification and enforcement

3. The initiative is complemented by other actions taken recently by Canada:

- \$20 million in TRTA announced for Africa at Kananaskis;
- 17 May 2001 announcement of \$1 million for Integrated Framework for LDCs;
- 10 March 2002 announcement of \$1 million for WTO Global Trust Fund and \$300,000 for WTO Training Institute. Since 1991, Canada has provided over \$350 million in TRTA;
- continued support for the International Labour Organization and private sector efforts to improve LDC workers conditions

4. To qualify for this initiative, LDCs will be required to certify that the products being shipped meet rules of origin requirements and undertake to co-operate in combating illegal transshipment. Canada Customs and Revenue Agency is working on implementation and will provide further details in the coming months.

5. More precise guidelines of the rules of origin which will apply are being developed and will be available later in the year.

Source: High Commission of Canada, Lusaka, Zambia.

VI. SUPPORT OF THE UNITED NATIONS

The United Nations General Assembly has declared its support for the New Partnership for Africa's Development. In its declaration of 16 September 2002, it states:

"We affirm that international support for the implementation of the New Partnership for Africa's Development is essential. While acknowledging the support so far expressed or provided for the New Partnership, we urge the United Nations system and the international community, in particular donor countries, to assist with the implementation of the New Partnership".²⁶

As a follow-up to the declaration, the General Assembly endorsed the decision of the Secretary-General to entrust to the new office of the Under-Secretary-General and Special Adviser on Africa the responsibility for:

- coordinating and guiding the preparation of Africa-led reports and inputs;
- coordinating the interdepartmental task-force on African Affairs to ensure coherence and an integrated approach for United Nations support for Africa;
- coordination of the global advocacy in support of NEPAD;
- following up on all conferences and summit outcomes related to Africa; and

- addressing gaps and initiating action on all critical issues relating to Africa.

Furthermore, the General Assembly decided to transfer the resources of the Office of the Special Coordinator for Africa and the Least Developed Countries and those of the current office of the Adviser for Special Assignments in Africa to the new Office of the Under-Secretary-General and Special Adviser on Africa. In addition, the GA decided to bring the second United Nations Industrial Development Decade to a close and channel its support for Africa's industrialization within the framework of NEPAD²⁷.

Meanwhile, from 24 to 25 October 2002, the UN agencies working in Africa held their Fourth Annual Regional Consultation with the participation of the NEPAD secretariat. The consultations reached consensus on a number of key decisions with respect to the clustering of themes, lead/convening agencies, and modalities of collaboration and reporting. The meeting agreed to establish a framework for Coordinating United Nations Support to NEPAD Action Plans. The framework has five thematic clusters around the key priority areas identified in NEPAD:

(i) Cluster on Governance, Peace and Security:

Convener: UNDP

Three main goals and joint activities to be carried out over the next two years (2003-2004) were identified as follows:

1. Promoting a rights-based approach

²⁶ United Nations General Assembly Declaration on the New Partnership for Africa's Development, 16 September 2002.

²⁷ United Nations, Press Release, GA/10126, 20 December 2002

2. Developing integrated programmes for conflict prevention, management, and post-conflict recovery/reconstruction
3. Promoting good governance

Modalities for Cooperation: At the national level, the existing frameworks under the PRSPs, CCA/UNDAF and MDGs should be reviewed and adopted to strengthen joint action in support of NEPAD and encourage more inclusive approaches.

**(ii) Cluster on Human Resources Development, Employment and HIV/AIDS:
Convener: UNICEF**

The group concluded that the implementation of NEPAD's long term vision on Human Resource development/MDGs would stand the best chance of success and credibility if it produces measurable results on a small number of priority actions in the short and medium term. This "fast track" approach would allow African leaders to demonstrate and accelerate their commitments to improve the lives of African people. These proposals could form a key part of national development strategies within the NEPAD framework.

Areas of joint action:

1. Education;
2. Employment;
3. HIV/AIDS.

Modalities for Cooperation: At the country level programmes will be implemented using existing mechanisms notably PRSP, CCA/UNDAF, UNCT, including the

participation of civil society and relevant research institutions.

(iii) Cluster on Environment, Population and Urbanization:

Convener: UN-HABITAT

The objectives of the cluster are to focus on the challenges posed by population growth and movement; rapid and uncontrolled growth of human settlements; environmental depletion, degradation and pollution; and the lack of demographic statistics. The group identified the following joint programmes and activities for the coming two years (2003-2004):

1. Natural disaster and risk management;
2. Sustainable NEPAD cities;
3. Safer Cities Programme;
4. Waste Management in African Towns and Cities;
5. Rural-urban linkages and management of peri-urban growth;
6. Global Warming & the implementation of the Kyoto Agreement;
7. Marine Environment Protection in Africa;
8. Data for monitoring and evaluation of progress;
9. Policy dialogue, advocacy and awareness; and
10. Capacity building.

Cooperation modalities: Cooperation with the African Capacity Building Foundation and the ADB should be increased at regional and sub-regional levels. At the continental level, progress reports to be submitted to ECA and NEPAD Secretariat. Also develop collaboration with other clusters, particularly with the Infrastructure Development cluster, and the Governance,

Peace and Security cluster. Enhance collaboration with Civil Society groups and NGOs, based on their expertise.

(iv) Cluster on Agriculture, Trade and Market Access

Convener: FAO

The objectives and actions of the cluster are:

1. To help implement the Comprehensive Africa Agriculture Development Programme (CAADP) adopted by NEPAD;
2. Ensure better market access to African exports;
3. Diversify commodity dependent economies: reduce commodity dependence and terms.

Cooperation modalities: Continue current interagency programmes in support of Africa and identify areas where interagency collaboration can be enhanced; better collaboration at the country level through existing modalities, e.g. UNDAF; support the RECs in their activities in the areas covered by the cluster and design joint programmes; and build capacity at the sub-regional level, including possibility of seconding staff to RECs and NEPAD secretariat.

(ii) Cluster on Infrastructure Development:

Convener: ECA

The cluster meeting on Infrastructure Development was convened by the World Bank. However, the group later decided that the cluster should henceforth be convened by ECA. The cluster covers four sectors (sub-clusters): Energy, Water and Sanitation, Transport, and ICTs. The cluster also considered public-private

partnerships as a means of improving the business environment.

The cluster will focus on the following areas:

1. **Energy:** operationalize the African Energy Commission (AFREC), and assist member states in providing an enabling environment to attract investors.
2. **Water and Sanitation:** operationalize the integrated water resource management principle that emanated from the Africa Water Vision 2025 and assist basin development initiatives. The work that was done under the UNSIA water cluster would continue.
3. **Transport:** assist in the implementation of the Sub-Saharan Africa Transport Policy Programme (SSATP), which has now been brought under the NEPAD framework. Assist in the liberalization of access to air transport markets in Africa in accordance with the Yamoussoukro Decision.
4. **ICTs:** Work under this areas has advanced within the framework of the African Information Society Initiative (AISII), the Partnership for Information and Communication Technology in Africa (PICTA), the UN ICT Task Force African Stakeholders Network (ASN), the G8 Dot Force Network and the World Summit on Information Society (WSIS).

Cooperation modalities: Ensure that collaboration should be primarily directed towards meeting the goals of NEPAD: any new project ideas or areas of concentration should be considered in this light during the next round of consultations with member States, RECs, UN agencies and NEPAD Secretariat. Inputs by the UN agencies to the conceptualization of the implementation mechanism of the NEPAD Short-Term Action Plan should be coordinated by ECA in consultation with ADB.

The entry points for UN Agencies in their support to NEPAD will be at three levels: (a) at the level of the clusters, (b) at the sub-regional level and (c) at the regional level.

The cluster convener would hold meetings and consult with the NEPAD Secretariat, the RECs and the AU as necessary. The agencies agreed that ECA and UNDP would facilitate the initial cluster

meetings in order to refine timetables, collective activities, benchmarks and indicators as well as other meetings for the clusters. Further, ECA and UNDP will in addition to other planned activities also:

- undertake missions to Agencies headquarters to encourage follow-up on decisions;
- facilitate inter-cluster and coordination and information exchange;
- facilitate interactions of the cluster conveners with the NEPAD secretariat.

Follow-up and actions at the regional level will be undertaken through the organization of two regional meetings during 2003 and consolidation of cluster reports for inclusion in the Secretary-General's report on Africa. A consolidated report will also be submitted to the NEPAD Secretariat in June 2003.

VII. CHALLENGES OF IMPLEMENTATION

The meeting noted that progress on the formulation and promotion of NEPAD has been fast, the interest generated wide ranging, and the involvement and engagement of stakeholders far reaching. Still, NEPAD remains work in progress. The 2002 ECA Conference of Ministers of Finance and Planning and Economic Development identified a number of issues of critical importance in meeting the challenges of implementing NEPAD. To address the future challenges, the meeting concluded that:

- a. NEPAD needed to be better explained and better understood by all development stakeholders;
- b. Accelerating of progress under NEPAD should start with better mobilization of domestic resources – public and private, physical and human;
- c. Transforming the NEPAD vision into action should first be done by anchoring the foundations of NEPAD in rigorous analysis and building NEPAD objectives into national programs; secondly, by

engaging national parliaments and private and civil stakeholders in country-owned development strategies; thirdly, by making progress on sub-regional projects, and fourthly, by moving boldly and quickly on implementation of the African Peer Review Mechanism.

The Conference then identified five priorities for implementing NEPAD, these are: (i) improving economic policy making, (ii) unleashing the private sector, (iii) integrating with Africa and the global economy, (iv) moving to monitoring and peer learning and (v) transforming the development partnerships. The full text of the Ministerial Communiqué on the challenges of implementing NEPAD is presented in Section VIII.

Consolidation and Harmonization

One of the greatest challenges facing the new continental development initiative was the consolidation and harmonization of positions and perceptions about NEPAD. Significant progress had been made by December 2002, about a year-and-a-half after the Organization of African Unity adopted the New African Initiative (NAI) in Lusaka, Zambia, in July 2001. This was when the Heads of State Implementation Committee was established with the aim of consolidating the gains from the merger of the MAP and OMEGA. During this period, accomplishments were recorded at the regional and international levels, including:

- The New African Initiative was renamed the New Partnership for Africa's Development, and various mechanisms for its implementation were put in place, including approval of the governance structure for NEPAD's implementation,

establishment of Task Forces/Lead Agencies to identify and prepare implementable projects and programmes, with responsibilities distributed as follows:

- a. Capacity-building on Peace and Security/OAU
- b. Economic and Corporate Governance/UNECA
- c. Infrastructure/ADB
- d. Central Bank and Financial Standards/ADB
- e. Agriculture and Market Access/OAU.
- f. Preparations for a conference on Financing of NEPAD/Steering Committee.

- The Heads of State Implementation Committee has held five meetings, the last one in Abuja, Nigeria on 3 November 2002, with regular attendance of all the members at the levels as established, marking a determination and commitment to see NEPAD through.
- Adoption by the African Union in July 2002 in Durban, South Africa of the landmark "Declaration on Democracy, Political, Economic and Corporate Governance" and the African Peer Review Mechanism (APRM) of NEPAD.
- Consultations were initiated with the industrialized countries: Davos in 2001 and the G8 in July 2000 and 2001.
- Twelve AU member States volunteered to participate in the African Peer Review Mechanism.

These countries namely, Algeria, Republic of Congo, Egypt, Ethiopia, Gabon, Ghana, Mali, Mauritius,

Mozambique, Nigeria, Rwanda and South Africa, have signed the Declaration of Intent to accede to the APRM.

The leaders harmonized and consolidated NEPAD as well as their individual and collective positions and perceptions on the vision for Africa's development. They streamlined and rationalized responsibilities in NEPAD's management structure to enhance regional representation. At the same Summit the leaders recalled and reaffirmed their "shared commitment underlying the establishment of NEPAD" and emphasized their full and continuing commitment to past decisions as well as other obligations they had entered into in the context of the United Nations. Some of those past decisions were aimed at ensuring stability, peace and security and promoting closer economic integration, ending unconstitutional changes of government, supporting human rights and upholding the rule of law and good governance²⁸. It is obvious, from this, that NEPAD, therefore, was not an isolated and stand-alone development initiative.

With the reaffirmation of shared commitments there was a closing up of ranks by the participating countries. Those countries that had initially been skeptical expressed their support for NEPAD.

²⁸ Declaration on Democracy, Political, Economic and Corporate Governance, July 2002. The declaration cites 12 other declarations and decisions, including *inter alia*: (a) Lagos Plan of Action and the Final Act of Lagos (1980), (b) the African Charter for Popular Participation in Development (1990), (d) the Framework for an OAU response to Unconstitutional Changes of Government (2000) and the Constitutive Act of the African Union (2000).

According to COMESA, "NEPAD has clearly illustrated that Africa has a convergence of views on the need to launch a global initiative for Africa. It is, therefore, very important that COMESA member states participate fully in NEPAD."²⁹

Nevertheless, there was some realism, as noted by Ana Dias Lourenco, current Chairperson of SADC Council of Ministers: "...the differences among African countries are, in some cases, substantial, calling into question the standardization or unanimity of policies."³⁰ She concludes that it is a challenge requiring great vision, mobilization of resources and partnerships at all levels.

The private sector, an important NEPAD partner, was given an opportunity to interact with the African leaders at the meeting on "Partnership with the Private Sector for Financing Africa's Growth through NEPAD", held in Dakar, Senegal from 15 to 17 April 2002. Several other meetings have since taken place.

Upon completion of the preparatory activities, consolidation and alignment with previous decisions and commitments, the leaders established a single front from which they successfully launched NEPAD, first to the Group of 8 industrialized countries (June 2002) and then to the United Nations General Assembly (September 2002).

²⁹ Statement by the repertoire on behalf of the outgoing bureau of the authority on the occasion of the seventh summit of COMESA Heads of State and Government, Addis Ababa, Ethiopia, May 2002.

³⁰ Ana Dias Lourenco, Minister of Planning, Government of Angola, "NEPAD: Perspectives and Challenges" in "ANGOLA: Realities, Perspectives and Presence in Southern Africa", Ministry of Social Communications of the Republic of Angola on the occasion of the Summit of Heads of State and Government in Luanda from 26 September to 3 October 2002.

Developing Partnerships and Commitments

In June 2002 the World Economic Forum organized the African Economic Summit 2002. Several Southern African private business corporations and entities participated in the Summit and joined other businessmen from the rest of the World in endorsing NEPAD, declaring their commitment to develop and contribute to its implementation. In a declaration signed during the meeting and also made available for signature after the meeting, the participating business entities committed themselves to:

- Developing best practice standards of Corporate Governance through Africa, buttressed by proper accounting and audit procedures and commitment to eliminate corrupt practices;
- Further improving the quality and effectiveness of Corporate Social Responsibility programmes and the continued transfer to national economies of appropriate skills and technology, to help build human capital and productivity; and
- Providing support to African governments in the efforts to achieve best practice standards of economic governance, by sharing experience and seconding skills where appropriate, to support the enhancement of National Accounts, corporate law, financial market operations, harmonization of listing requirements, investment codes, and other domains where knowledge and skills of private sector institutions may be relevant.

To this end, they pledged to work with NEPAD Secretariat in developing effective public-private partnerships to support the New Partnership and explore the merits of creating a private, non-profit body to marshal and channel resources for this purpose³¹. Several business entities in Southern African countries have signed the declaration of commitment to NEPAD, as listed in the table below:

Table 4. Southern African Business Entities Endorsing NEPAD
(World Economic Forum, Summit on Africa 2002)

Country	Number of business entities
South Africa	96
Zimbabwe	17
Zambia	7
Mozambique	4
Malawi	3
Namibia	2
Angola	1

Civil Society also has been quite active in ensuring that the process of developing NEPAD is inclusive and that the strategies adopted to address Africa's poverty are coherent and consistent. Civil Society participation at the national level has been ensured and the Heads of State and Government have decided to include Civil Society Organizations in all future activities.

The regional economic communities including SADC, COMESA and the Indian Ocean Commission (IOC) are the key building blocks the economic integration in

³¹ World Economic Forum, Economic Summit on Africa, List of signatories as on 28 August 2002.

the sub-region. It is in that context that they met, in an extended steering Committee Workshop held in Addis Ababa from 2 to 4 August 2002, to review the implementation of NEPAD. That workshop agreed that:

- the RECs and the national governments are to be the main implementers of NEPAD;
- there should be greater coordination and sharing of information between the RECs and NEPAD;
- to ensure implementation and proper monitoring, the targets and objectives should be realistic; and
- in future there should be greater involvement of RECs in sub-regional programmes and in the identification of sub-regional projects.

The workshop further clarified the roles and responsibilities between NEPAD Secretariat and RECs, and also agreed on prioritizing actions within each area or sector as the basis of taking the implementation of NEPAD forward.

At the SADC level, a Regional Indicative Strategic Development Plan that will take into account SADC's contributions to NEPAD is currently under formulation. According to the SADC Executive Secretary in statement to European Union Officials in November 2001, "SADC has already started working on how we relate to NEPAD, particularly the institutions that are expected to move the process forward."³² The

recently concluded 2002 SADC Summit further noted the projects under preparation and consolidation for submission to the NEPAD secretariat.

In almost all countries of the sub-region, efforts are being directed at reducing poverty to attain the Millennium Development Goal of reducing poverty by 50 per cent by 2015. Bilateral donors, multilateral agencies and NGOs are all contributing to this effort, and also in the implementation of the Poverty Reduction Strategy Papers (PRSPs). Although the main goal of poverty reduction is the same both in NEPAD and the PRSPs, the process assessing the different national strategies in a holistic manner is only just starting. It is hoped that the work in progress at COMESA on "Comparative Analysis of Poverty Reduction Strategy Papers in the COMESA Region" and the other developments at SADC on the Regional Indicative Strategic Development Plan will provide useful additional insights for the implementation of NEPAD in Southern Africa.

Projects and Resources

It is still too early yet to assess the extent to which the Southern African countries have undertaken the identification and formulation of projects within the framework of NEPAD. In most cases, however, indications are that dissemination and sensitization of NEPAD must be given priority. Besides, the clarification of roles and responsibilities has only just been completed and, in some countries, institutions for the implementation of NEPAD are still to be established. Furthermore, implementation of NEPAD

³²

["http://.sardc.net/editorial/sanf/2001/iss23/Nf1.html"](http://.sardc.net/editorial/sanf/2001/iss23/Nf1.html)

covers more than projects and, therefore, a mere projects approach to assessing its implementation could be incomplete or misleading.

At the regional level, ADB has been given responsibility for all infrastructural projects and has since initiated action. Some progress has been made towards identification and formulation of NEPAD projects. Infrastructure programmes would be based on the priority programmes of the RECs. It is expected that the funding of these projects would be based on public and private sector partnerships. The projects would cover physical infrastructure in aviation, roads, railways, ports, telecommunications, energy and environment. The following are indicative of activities in progress:

- in SADC, projects are being developed and consolidated for submission to NEPAD,³³ while COMESA adopted a protocol in May 2002 aimed at launching a fund to promote private sector investment in infrastructure with the assistance of NEPAD;
- a meeting of the Regional Economic Communities (RECs) in Abidjan, from 27 to 29 June 2002, agreed that the African Development Bank (ADB) prepare a Short Term Action Plan compatible with the work of the RECs for immediate implementation, while more work was being done towards developing a Medium to Long Term Action Plans in close consultation between the RECs and the member states.

³³ SADC, 2002 SADC Final Communiqué

In preparation for the Heads of State Summit with the representatives of the Private Sector on Partnership for Financing Africa's Growth in Dakar, April 15 - 17, 2002, a total of 89 projects were announced for financing under NEPAD³⁴ and these were distributed by sector and region as follows:

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³⁴ Conference on the Financing of NEPAD, Dakar Senegal 15 - 17 April, 2002
(<http://www.nepadsn.org/entry.html>)

Table 5. NEPAD Projects for Private Sector funding, Senegal Conference, April 2002

Region	Sector				
	Information and Communication Technology	Infrastructure	Environment	Energy	All Sectors
Transcontinental	10	1	4	7	22
North Africa				3	3
West Africa	3	13	23	14	53
Central Africa			2	2	4
East Africa				4	4
Southern Africa				3	3
All Africa	13	14	29	33	89

Source: Compiled from http://www.nepadsn.org/private/projects_en/; 11 October 2002.

The projects identified for Southern Africa are all in the energy sector, a pointer to the sub-region's area of priority. The projects are:

- Electric Interconnection between Zambia and the Democratic Republic of Congo for implementation between 2002 and 2005 at an estimated cost of US\$40 million to be funded from multilateral or private sources (Ref ENG/EL/CC/22);
- Electric Interconnection between Malawi and Mozambique for implementation between 2003 and 2005 at an estimated cost of US\$32 million from multilateral or private sources (Ref ENG/EL/SE/24);
- The Kudu (Namibia) Gas Project for implementation between 2003 and 2008 at an estimated cost of US\$2,000 million as a public and private partnership arrangement (Ref ENG/HC/SS/04);
- A fourth project, that goes beyond Southern Africa is the electric interconnection between Zambia, Tanzania and Kenya for implementation between 2003 and 2005 at an estimated total cost of US\$250 million to be funded from multilateral or private sources (Ref ENG/EL/SE/23)

The objective of all the four energy projects is to contribute to the Southern

African Power Pool (SAPP), created in 1995 to link all SADC member states in a single electric grid. The SAPP interconnections will enable the participating countries to source power in bulk and distribute it nationally at lower cost.

Although the list appears short, several projects are under preparation or implementation that have not yet been publicized. In this connection, mention should also be made of the important role of the Development Finance Institutions such as the African Development Bank, the Southern Africa Development Bank, and the Industrial Development Corporation of South Africa, all of which are or will be engaged in the funding or consideration of projects across Africa within the context of NEPAD's strategy of individual and collective self reliance.

Progress in some Countries in Southern Africa

"NEPAD is a welcome initiative, that is if it can be explained to our people in schools, colleges, universities, and among politicians, businessmen and women and workers then it will fulfill not only what the Marshall Plan did for Europe but will contribute substantially to a New World Economic Order"

Hifikepunye Pohamba, SWAPO-Party Secretary-General, SADC Ruling Parties Conference on NEPAD, Namibia, May 2002.³⁵

Two key elements for the implementation of a strategy formulated at the highest level, such as that of the Heads of State and Government, are its

dissemination and acceptance. A comprehensive outreach programme to facilitate the strategy's acceptance and internalization by parliamentarians, lower level decision makers and planners, the private sector and the population at large is imperative. The leaders recognized this, hence their appeal "to all the peoples of Africa, in all their diversity, to recognise the seriousness of the situation and the need to mobilise themselves in order to put an end to further marginalisation of the continent, and to ensure its development by bridging the gap between Africa and the developed countries" (NEPAD, para 55). Initial dissemination was, therefore, largely through high visibility activities of the Heads of State and Government, during conferences, meetings and in public statements.

The main modes of dissemination and sensitization at the country level have been workshops, seminars, the mass media – newspaper articles, discussions on television and radio, internet web sites and regional meetings. Many countries in the sub-region including Angola, Malawi, Mozambique, Namibia, South Africa, Zambia, and Zimbabwe have organized workshops to disseminate NEPAD.

In some countries these workshops have been organized by government, civil society, while in others by government with the support of the United Nations within the framework of the United Nations Millennium Development Goals (MDGs). In Zambia, for example, the first workshop was organized by the Ministry of Foreign Affairs and the second by the Ministry of Finance and National Planning with the support of the UN Country Team. Reports of workshops on NEPAD at the country level are few. As observed by H. Pohamba,

³⁵

<http://www.grnnnet.gov.na/News/Archive/2002/May/Week4/nepad.htm>

the SWAPO Party Secretary-General, and subsequently by the ECA Conference of Ministers, much more needs to be done to promote widescale dissemination of NEPAD ideals to all stakeholders.

Where they have been conducted, the workshops have indicated that there is a need for more workshops, greater dissemination of hard copies of NEPAD documents, and also recommended establishment of institutional structures with

the responsibility of coordinating and making follow-up action on the implementation of NEPAD.

In Angola, a project on the MDG and NEPAD has been formulated for implementation by the Ministry of Planning in collaboration with various other ministries, civil society organizations, private sector and the UN, with the aim of mainstreaming NEPAD's strategic vision into national development policies.

Box 3. Angola

1. Prior to the SADC Summit of Head of States and Government, the Jubilee 2000, in collaboration with the Ebert Stiftung Foundation, organized a National Conference in Luanda, Angola, on "NEPAD and Africa's Economic and Political Integration" from 24 to 25 September 2002. The conference was to sensitize and disseminate information about poverty and the marginalization of the African continent.

The Conference brought together Government officials, Members of Parliament, academia, Universities, representatives of political parties, non-governmental and civil society organizations, trade unions and the private sector.

2. The Government of Angola considers NEPAD as a programme that could assist the continent to overcome poverty and marginalisation. At the opening of the SADC Council of Minister organised in Luanda, Angola, from 27 September to 3 October 2002, the Minister of Planning indicated that NEPAD represents a new vision to African economic and social problems and proposed solutions for Africa's integration in the world economy. She indicated that the nature and diversity of African problems, which are different from one country to another, makes it imperative for African countries to develop and adopt specific public and managerial strategies according to their situation.
3. The Government of Angola, with the assistance of the United Nations Development Program (UNDP), is currently implementing an advocacy project on NEPAD in order to integrate its objectives and strategies in the National Development Plan and to achieve the Millennium Development Goals. The project is to monitor and report periodically the progress achieved in the implementation of NEPAD and the Millennium Development Goals through a website.

Source: Angola, MDG/NEPAD National Coordinator

In Mauritius, all NEPAD activities are coordinated by the Ministry of Foreign Affairs and Regional Cooperation, and the

Council of Ministers is regularly briefed on all outcomes and proceedings of the Heads of State Implementation Committee.

Box 4. Mauritius

Mauritius is a member of the NEPAD Heads of State/Government Implementation Committee. The Ministry of Foreign Affairs and Regional Cooperation is the co-ordination agency for NEPAD and Mr. S. B. C. Servansing, Minister-Counsellor at the Ministry, is the NEPAD Personal Representative of the Rt. Hon. Prime Minister of Mauritius.

Mauritius has a National Inter-Ministerial Committee chaired by the Hon. Deputy Prime Minister and Minister of Finance, which addresses strategic issues relating to NEPAD. The Committee also comprises representatives of the Private Sector.

The Council of Ministers is regularly briefed on all outcomes and proceedings of NEPAD Implementation Committee Meetings. Government officials, including the Association of Public Administrators and NGOs, are also briefed on NEPAD issues on a regular basis.

A panel discussion on the National Television Channel was held recently to apprise members of the public of the NEPAD programme. The Minister of Foreign Affairs and Regional Cooperation also addressed the trade unions in a recent "Conference on labour responses to NEPAD," held on 21 August 2002 in Mauritius, on the role of trade unions in the NEPAD process.

Source: Ministry of Foreign Affairs and Regional Cooperation.

South Africa has undoubtedly been the most active in sensitizing its population about NEPAD - what it means for South Africa's development in particular, and the whole of the continent of Africa in general. Unlike many countries in the sub-region, NEPAD has been discussed in the South African Parliament. More dissemination activities are planned through the creation of an outreach programme for the African Union and NEPAD, to be coordinated by the African Institute of South Africa. The Institute aims to popularize the AU and NEPAD within Parliament, government structures, traditional leaders, business leaders, research institutions, the media, and the diplomatic corps.

The operationalization of NEPAD is also being demonstrated in a more active and practical manner, through the formation and implementation of inter-country private-public partnerships such as the Zambia - Malawi - Mozambique Growth Triangle (ZMMGT) currently under implementation by the three contiguous countries with the support of UNDP. Referring to this

initiative Hon Patrick Kalifungwa, Deputy Minister of Finance in the Government of Zambia, has explained that, "...the growth triangle is relevant to the enhancement of the NEPAD principles and objectives because it exemplifies the grass roots and private sector active participation in regional integration"³⁶.

³⁶ Hon Patrick Kalifungwa, intervention made at the ECA Conference of Ministers, Durban, Johannesburg, 16 to 21 October 2002.

Box 5. Zambia

As a landlocked country, Zambia has a unique set of constraints which, fortunately, NEPAD, transforms into challenges and opportunities. All the priority programmes of government have a regional dimension and they lock-in fairly well with the ideals of NEPAD. For instance the sub-region tends to have periodical ten-year drought occurrence, which causes severe food shortages. Government is now focusing on harnessing the abundant land and water resources that the country possesses to produce food for the region. Moreover, all the modes of transport be they, trunk roads, railway and air, make Zambia a suitable consideration for serving as a hub of trade and commerce in the sub-region. They all traverse the land and air space of the country. Added to this is the experience that the country and its people has had in supporting freedom struggles, harbouring of refugees, and actively participating in the search for peace in the civil wars in the surrounding countries. The experience gives Zambia an incomparable capacity in contributing to the creation of a peaceful environment in the sub-region, a factor which could dispel fears that repel foreign direct investment.

Source: Government of Zambia

Implementation of NEPAD at the sub-regional level may indeed be in progress in more ways than the case of the ZMMGT. What is lacking is comprehensive compilation of the different programmes and projects and their inter-relationships in promoting the implementation of NEPAD.

In 2003 the NEPAD Secretariat plans to focus on implementation across the continent covering a selected number of countries in each of the five regions. This will serve as the first phase of regional implementation of NEPAD. The focus will

be more on ensuring the implementation of essential projects and ensuring full representation in all societies as well as promotion of regional economic co-operation. Efforts will also be directed towards to involving people in all communities through the media such as radio and print, outreach to universities and colleges, the civil service, and fruitful engagement of workers' unions. It is also expected that -NEPAD desks would be established in government departments. In addition, regular workshops will also be organized . to promote and make presentations on NEPAD.

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³⁷ Based on communication and meeting with NEPAD Secretariat.

VIII. RECENT INTERNATIONAL CONFERENCES OF RELEVANCE TO NEPAD

Several international conferences with direct relevance to NEPAD have taken place since its adoption by the African Heads of State and Government in July 2001. Only three of the conferences are reported on: (1) The International Conference on Financing for Development, 18 – 22 March 2002; (2) the ECA Conference of Ministers of Finance, Planning and Economic Development, 16 – 21 October 2002, and (3) The World Summit on Sustainable Development 26 August to 4 September 2002. Other equally important meetings did take place during the period. Some of those have been discussed or referred to in other sections of this Bulletin.

1. **The International Conference on Financing For Development, 18 to 22 March 2002, Monterrey, Mexico**

The International Conference on Financing for Development was held from 18 to 22 March 2002 in Monterrey, Mexico. More than 50 Heads of State and 200 ministers of foreign affairs, finance, and trade and development cooperation representing 184 countries attended. The aim of the conference was to identify means of mobilising financial resources required to ensure that the internationally agreed development goals, including those contained in the Millennium Declaration, are reached.

The conference adopted a consensus document now commonly referred to as the Monterrey Consensus. In the Consensus, the Heads of State and Government who were gathered in Monterrey indicated that they

will, as their first step, mobilise financial resources and achieve the national and international economic conditions needed to fulfill internationally agreed development goals. While emphasizing the role of national policies and the primary responsibility for each country's own economic and social development, the Consensus recognized that domestic economies are now interwoven with the global economic system, and national development efforts needed to be supported by an enabling international environment.

The Consensus identified the major sources of funding for development, and these included the six themes discussed during the conference: that is, (a) mobilizing domestic financial resources for development; (b) mobilizing international resources for development/foreign direct investment (FDI) and other private flows; (c) international trade as an engine for development; (d) increasing international financial and technical cooperation for development; (e) external debt; and (f) addressing systemic issues such as enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development. Mobilizing domestic financial resources would be enhanced by: good governance; fighting corruption; sound macroeconomic policies; securing fiscal sustainability; social security and safety nets; financial sector strengthening; and capacity-building.

Under the theme of mobilizing international resources, including FDI and other private flows, the Consensus suggested that the central challenge was to attract

direct investment flows to a much larger number of developing and transition countries. To attract stable inflows of capital, countries needed to continue their efforts to achieve a transparent, stable and predictable investment climate, embedded in sound macroeconomic policies and institutions that allow businesses, both domestic and international, to operate efficiently and profitably and with maximum development impact.

Under the heading of international trade as an engine for development, States reaffirmed their commitment towards trade liberalization and ensured that trade played its full part in promoting economic growth, employment and development for all. The Consensus acknowledged issues in international trade of particular concern to developing and transition countries, such as trade barriers, subsidies and other "trade-distorting" measures, particularly in agriculture, and the abuse of anti-dumping measures. To ensure that world trade supported development for all, the leaders pledged, among other things, to implement the commitments made in Doha, to address the marginalization of the Least Developed Countries in international trade, and committed themselves to enhancing the role of regional and sub-regional arrangements and free trade areas. They also pledged to call on developed countries to work towards the objective of duty-free and quota-free access for all least developed country exports.

On increasing international financial and technical cooperation, the Consensus recognized that a substantial increase in Official Development Assistance (ODA) and other resources would be required if developing countries were to achieve internationally agreed development goals.

Several developed countries made commitments to increase funding for Africa's development. Leaders pledged to urge developed countries that have not yet done so to make concrete efforts towards the target of 0.7 per cent of Gross National Product (GNP) as ODA to developing countries and 0.15 to 0.2 per cent to Least Developed Countries. Recipient and donor countries, as well as international institutions, should strive to make ODA more effective.

On the issue of external debt, the Consensus stated that external debt relief could free up resources, which could then be directed towards development efforts. Debt-relief measures should therefore be pursued vigorously and expeditiously, including within the Paris and London Clubs, and other relevant forums. It was pointed out that speedy, effective and full implementation of the enhanced Heavily Indebted Poor Countries (HIPC) initiative was critical to the success of the programme, while stressing the importance of continued flexibility regarding the eligibility criteria. Leaders also encouraged exploring innovative mechanisms to comprehensively address debt problems of developing countries, including middle-income and transition countries.

With regard to addressing systemic issues, leaders recognized the urgent need to enhance coherence, governance and consistency of the international monetary, financial and trading systems. International efforts under way to reform the international financial architecture need to be sustained with greater transparency and the effective participation of developing and transition countries. The multilateral financial institutions, particularly the International Monetary Fund (IMF), need to continue to

give high priority to the identification and prevention of potential crises, and to strengthen the underpinnings of international financial stability. In that regard, the text stressed the need for the Fund to further strengthen its surveillance activities of all economies, with particular attention to short-term capital flows and their impact.

The Consensus requested the Secretary-General to submit an annual report on follow-up efforts and call for a follow-up international conference to review the implementation of the Monterrey Consensus, the modalities of which would be decided no later than 2005.

Critics of the Monterey Consensus such as The African Caucus identified a core flaw of the Monterey consensus to be its fundamental presumption: arguing that what development needs is more finance, and that the market can be relied upon to equitably distribute wealth and resources in a sustainable manner. Critics are concerned that NEPAD's strategy of seeking foreign private capital to develop the service and infrastructure of Africa is making its success be contingent on the generosity and charity of wealthy nations. They point out that this is dangerous and promotes dependency on foreign donors.

2. ECA Conference Of African Ministers of Finance, Planning And Economic Development, 16 – 21 October 2002, Johannesburg, South Africa

African Ministers Address the Challenge of Implementation

The twenty-first meeting of the ECA Conference of African Ministers of Finance,

Planning and Economic Development at its meeting held in Sandton, Johannesburg, South Africa, from 16 to 21 October 2002 considered, *inter alia*, the challenges of implementing NEPAD.

Thirty-two member states participated in the meeting. Partners including bilateral and multilateral donors, IGOs and Civil Society Organizations also attended the meeting.

The Ministers adopted the following communiqué:

1. We, the Ministers of Finance and Planning and Economic Development—after meeting in Johannesburg, South Africa, on 19-20 October 2002, at our Conference under the auspices of the United Nations Economic Commission for Africa—have reached consensus on many issues of critical importance in accelerating Africa's progress and development and in meeting the challenges of implementing the New Partnership for Africa's Development (NEPAD).
2. We agree on the overall vision for Africa's development as enshrined in NEPAD; to bring the continent into a new age of peace, security, stability, economic growth, and prosperity. Africa has made great strides in recent years, setting the stage for growth through regional integration, by putting in place sound macroeconomic policies, improving trade policies, and attracting more foreign capital. The continent is thus well poised to fulfill its promise.
3. We believe that NEPAD needs to be better explained and better understood by all development stakeholders. It is not an implementation agency; instead it is a framework for collaboration and

coordination under the African Union. It is also a mechanism to create the space to engage stakeholders beyond government in moving forward.

4. We agree that accelerating progress under the NEPAD starts with better mobilizing of domestic resources, public and private, physical and human. Substantial capacity exists in Africa, but that capacity is not used or it is used inefficiently. That capacity must be tapped and strengthened. Also essential in accelerating Africa's progress is for more cross-border collaboration to facilitate trade; to embark on joint projects for infrastructures, and to coordinate our activities with donors and the WTO.
5. We also concur that now is the time to move from vision to action. One immediate way to show concrete results is to anchor the foundations of NEPAD in rigorous analysis and to build NEPAD's objectives into national programs. A second is to engage parliaments and private and civil stakeholders in country owned development strategies. A third is to move forward on subregional projects, especially for infrastructure. A fourth is to move quickly on the African Peer Review (APR) mechanism. Moving boldly will naturally require unwavering leadership and considerable political will, engaging all stakeholders, all society, in the development process.
6. We thus need to strive for a heightened commitment to implement the NEPAD priorities.

Priorities in Implementing NEPAD

7. The implementation of NEPAD starts with national policies, moving to the sub-regional, regional, and then to the

continental, all with the aim of achieving the Millennium Development Goals (MDGs). That will involve pursuing sound economic policies, unleashing the private sector for poverty reduction, enhancing capacity building for deeper integration into the global economy, embracing the African Peer Review mechanism, and transforming our partnerships with donors through mutual accountability.

Improving economic policymaking.

8. We concur that Poverty Reduction Strategy Papers (PRSPs) or other nationally owned development strategies would be the main instrument for incorporating continent-wide priorities into national poverty eradication programs, building the support of international partners, and accelerating progress towards meeting the Millennium Development Goals. We note, however, that we need to move beyond the preoccupation with short-term macroeconomic reforms—and towards policies for long-term investment and growth. And given the prominence of AIDS, malaria, and other infectious diseases as threats to African development, combating them must be part of the PRSP process. Greater attention must also go to formulating gender-sensitive policies for health, education, and other services.
9. Recognizing that we work under severe budget constraints, we underscore the importance of budget discipline by setting explicit priorities for expenditures and improving public expenditure management systems in our countries. In this respect, we believe that medium-term expenditure frameworks (MTEFs)—or other nationally owned

medium-term expenditure mechanisms—are critical for achieving macroeconomic stability and reducing poverty. These frameworks can help improve budget processes and outcomes through greater clarity of policy objectives, more comprehensive coverage, and enhanced transparency in the use of resources.

10. In pursuing sound economic policies, we recommend that African policymakers integrate poverty reduction strategies with the macroeconomic targets in their development plans, strengthen public expenditure management systems to ensure the efficiency of resource allocation, and establish better statistical systems to monitor and evaluate progress. Important in this is ensuring greater policy coherence in countries and greater policy convergence across countries. Furthermore, we urge development partners to support capacity building in the technical areas needed for effective implementation of MTEFs—and to hold down the costs and increase the effectiveness of technical assistance by using African professionals in and outside the continent.

Unleashing the Private Sector

11. Domestic and foreign investment is a key ingredient in delivering prosperity through investment and job creation, yet Africa's private sector remains weak. The challenge is to create an enabling environment for the private sector—and to stem the flight of capital from Africa. We recognize that good economic and corporate governance, financing facilities, and strategic partnerships are crucial in promoting the private sector in the continent's development.

12. We recommend that African policymakers vigorously pursue reforms of regulatory frameworks and competition policies, including the adoption and implementation of codes of economic and corporate governance. We need to ensure an appropriate mix of public-private partnerships, especially in the social services. Further, we need to address the limited access of small and medium-size enterprises to formal bank credit and the mismatch between the short-term financing available and the longer term requirements of productive investment.

Integrating Africa to the Global Economy

13. Deeper integration into global markets remains a priority in our efforts to achieve NEPAD's goals. We reaffirm our belief that trade will continue to generate essential resources to finance development. We underscore the need to rejuvenate agricultural exports, identifying ways to regain market share. While commending the efforts by the WTO to launch a development round of trade negotiations, more needs to be done for trade liberalization. In this respect, we urge our international partners to remove all further barriers to trade—particularly OECD agricultural subsidies, tariff peaks, and numerous non-tariff barriers. And more needs to be done to improve African representation in global trade talks. We therefore welcome ECA's plans to open an office in Geneva, to support African delegations to the WTO and to strengthen African negotiating positions.
14. Especially urgent is providing duty-free, quota-free access for products originating from African countries. We also call for simplifying and

harmonizing rules of origin to help ensure that African countries benefit from the market opportunities, particularly in value-added production.

15. On our part, a first step in integrating with the global economy is to increase market access and trade within Africa. That requires opening our markets to other African countries by reducing tariffs, dismantling cumbersome border procedures, and improving infrastructure. Of special importance is promoting interregional cooperation and rationalizing and strengthening the regional economic communities.
16. We also need to integrate trade into national development strategies and implement behind-the-border reforms that can ignite the supply response. Another key area of intervention relates to building national capacities for effective participation in multilateral trade negotiations. NEPAD provides a framework to develop common negotiating objectives that would enhance Africa's negotiation power at WTO meetings.

Self-Monitoring and Peer Learning

17. Monitoring performance and taking corrective measures when needed remains a priority in pursuing faster growth and reducing poverty. We strongly believe that the proposed African Peer Review (APR) mechanism, if effectively implemented, can provide a framework for monitoring and fostering better policies, standards, and practices.
18. We welcome the proposed APR mechanism as an African-owned process, based on peer learning and self-monitoring, to assist countries in taking actions to improve their political and economic environments and to share best practices. We concur that the basis for the APR mechanism is the assessment of key features of the capable state, looking at the political, economic, and institutional aspects of governance. In this regard, we welcome ECA's work on economic and corporate governance.
19. We urge African countries to participate in the APR mechanism, to guarantee that the peer review process is free from political interference, and to ensure that the APR is consistently conducted in an independent and technically competent manner. We also urge countries to act on the results of the peer reviews, which are envisioned to start in early 2003, with resources to come predominantly from Africa.

Transforming our development partnerships

20. A key feature of NEPAD is the principle of transformed partnerships underpinned by African ownership of the continent's development strategies. There should be mutual commitment to shared development goals. There should be mutual accountability in making progress towards those goals. And there should be a move to greater predictability and increased resource flows, particularly to countries that have a clear commitment to these shared goals—and a move away from tied aid.
21. The new relations with development partners will hinge on mutual accountability. For Africans, the commitment to self-monitoring and to peer learning is the linchpin to accountability. For partners, the key commitment is to ensure that all policies affecting African development prospects—including those for ODA, market access, and debt—are consistent with achieving the MDGs. Primarily

this has to do with the *quality* and *volume* of support and the coherence of policies for trade and aid.

22. We acknowledge that institutional arrangements for mutual accountability already exist. Related to partners, there are several mechanisms currently being utilized. We welcome these efforts. Through the Strategic Partnership with Africa (SPA), chaired by the World Bank, work is ongoing to monitor aid practices, harmonize donor procedures, untie aid, and sharpen development partners' assistance to the PRSP process through expanded and higher quality concessional support. Work is also under way to reduce transaction costs; strengthen the PRSP ideals of African ownership, comprehensiveness, participation and coordination; and make assistance more predictable and more dependable.
23. Further, at the continent-wide level, there are additional mechanisms in place, such as ECA's Big Table Forum and the African Learning Group on PRSPs. The idea is to review experiences, share best practices, and come up with African positions on the future of PRSPs and with informed African perspectives on key development issues. We also stress the need for promoting synergies between NEPAD and the Brussels Programme of Action for the Least Developed Countries, bearing in mind the potential for South-South cooperation.
24. It is also clear that the HIPC initiative is not working well enough. Only six African countries have reached their completion points, and for some of them the debt remains unsustainable. Several proposals are on the table for moving beyond HIPC to greater debt relief. What is needed is to move faster to

increase relief, to align it with the pursuit of the MDGs, and to free up more resources for development. We also recognize the need to attend to the debt burden of non-HIPC countries.

25. In concluding, we thank ECA for bringing us all together to discuss the challenges of implementing NEPAD and accelerating Africa's progress and development. We wish to thank His Excellency, Mr. Trevor A. Manuel, Minister of Finance of the Republic of South Africa, for his excellent leadership and we also thank the Government of South Africa for hosting this important Conference.

3. The World Summit on Sustainable Development, 26 August to 4 September 2002, Johannesburg, South Africa

The World Summit on Sustainable Development (WSSD) was convened in Johannesburg, South Africa, from 26 August to 4 September 2002. It focused on building commitment at the highest levels of government and society for action to implement Agenda 21, a comprehensive plan for achieving sustainable development adopted at the 1992 Earth Summit in Rio. The summit gave special attention to the implementation of NEPAD.

There were around 22,000 participants at the Summit, including 108 Heads of State and Government, secretariats of regional commissions and conventions, United Nations bodies and programmes, representatives from member states, inter-governmental organizations, specialized agencies and related organizations, and associate members of regional commissions, representatives of major group organizations such as women, children and youth,

indigenous people, NGOs, local authorities, workers and trade unions, business and industry, scientific and technological communities and the media.

Three major outcomes from the Summit were:

- The Johannesburg Declaration on Sustainable Development: the Heads of State and Government committed themselves to taking action needed to make sustainable development a reality
- The Johannesburg Plan of Action of Implementation: detail of the actions needed to be taken in specific areas
- Commitments by governments and other stakeholders to a broad range of partnership activities and initiatives for implementing sustainable development at national, regional and international level.

Key commitments in the Johannesburg Plan of Implementation with targets and time frames addressed poverty eradication, water and sanitation, sustainable production and consumption, energy, management of natural resources base, corporate responsibility, health, sustainable development for Africa, means of implementation, and institutional framework for sustainable development.

Poverty Eradication: Halve by the year 2015 the proportion of the world's people whose income is less than \$1 a day and the proportion of people who suffer from hunger (reaffirmation of Millennium

Development Goal); by 2020, achieve a significant improvement in the lives of at least 100 million slum dwellers, as proposed in the "Cities without slums" initiative (reaffirmation of Millennium Development Goal); and Establish a world solidarity fund to eradicate poverty and to promote social and human development in the developing countries.

Water and Sanitation: Halve by the year 2015 the proportion of people without access to safe drinking water (reaffirmation of Millennium Development Goal); and halve by the year 2015 the proportion of people who do not have access to basic sanitation.

Sustainable Production and Consumption: Encourage and promote the development of a ten year framework of programmes to accelerate the shift towards sustainable consumption and production.

Energy:

Renewable energy - Diversify energy supply and substantially increase the global share of renewable energy sources in order to increase its contribution to total energy supply.

Access to Energy - Improve access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy services and resources sufficient to achieve the Millennium Development Goals, including the goal of halving the proportion of people in poverty by 2015.

Energy Markets - Remove market distortions including the restructuring of taxes and the phasing out of harmful subsidies; support efforts to improve the

functioning, transparency and information about energy markets with respect to both supply and demand, with the aim of achieving greater stability and to ensure consumer access to energy services.

Energy efficiency - Establish domestic programmes for energy efficiency with the support of the international community; accelerate the development and dissemination of energy efficiency and energy conservation technologies, including the promotion of research and development.

Management of the Natural Resource Base:

Water

- Develop integrated water resources management and water efficiency plans by 2005.

Oceans and Fisheries: -

- Encourage the application of the ecosystem approach for the sustainable development of the oceans by 2010;
- Maintain or restore depleted fish stocks (where possible) to levels that can produce the maximum sustainable yield by 2015;
- Put into effect the FAO international plans of action by the agreed dates for the management of fishing capacity by 2005;
- Prevent, deter and eliminate illegal, unreported and unregulated fishing by 2004;
- Develop and facilitate the use of diverse approaches and tools, including the ecosystem approach, the elimination of destructive fishing practices, the establishment of marine protected areas consistent with international law and based on

scientific information, including representative networks, by 2012;

- Establish a regular process under the United Nations for global reporting and assessment of the state of the marine environment; eliminate subsidies that contribute to illegal, unreported and unregulated fishing and to over-capacity, by 2004.

Biodiversity

- Achieve by 2010 a significant reduction in the current rate of loss of biological diversity.

Forests

- Accelerate by 2005 implementation of the Intergovernmental Panel on Forest/Intergovernmental Forum on Forests (IPF/IFF) proposals for action by countries and by the collaborative Partnership on Forests, and intensify efforts on reporting to the United Nations Forum on Forests, to contribute to an assessment of progress.

Corporate responsibility

- Actively promote corporate responsibility and accountability, including through the full development and effective implementation of intergovernmental agreements and measures, international initiatives and public-private partnerships, and appropriate national regulations.

Health

- Enhance health education with the objective of achieving improved health literacy on a global basis by 2010;
- Reduce, by 2015, mortality rates for infants and children under 5 by two

thirds, and maternal mortality rates by three quarters, of the prevailing rate in 2000 (reaffirmation of Millennium Development Goal);

- Reduce HIV prevalence among young men and women aged 15-24 by 25 per cent in the most affected countries by 2005, and globally by 2010, as well as combat malaria, tuberculosis and other diseases (reaffirmation of General Assembly resolution).

Sustainable Development for Africa

- Improve sustainable agricultural productivity and food security in accordance with the Millennium Development Goals, in particular to halve by 2015 the proportion of people who suffer from hunger;
- Support African countries in developing and implementing food security strategies by 2005; and
- Support Africa's efforts to implement NEPAD objectives on energy, which seek to secure access for at least 35 per cent of the African population within 20 years, especially in rural areas.

Means of Implementation

- Ensure that, by 2015, all children will be able to complete a full course of primary schooling and that girls and boys will have equal access to

all levels of education relevant to national needs (reaffirmation of Millennium Development Goal);

- Eliminate gender disparity in primary and secondary education by 2005 (reaffirmation of Dakar Framework for Action on Education for all); and
- Recommend to the UN General Assembly that it consider adopting a decade of education for sustainable development, starting in 2005.

Partnership and Initiatives from the Summit

Partnerships and initiatives on the implementation of the outcome of the Summit were announced by and between governments, citizen groups and businesses. Over 220 partnerships representing US\$235 million in resources had been identified prior to the Summit. Around 60 partnerships were announced during the Summit and these included major initiatives by countries such as US, Japan, UK, Germany, France and the EU. The specific initiatives on partnership include areas such as water and sanitation, energy, health, agriculture, biodiversity and ecosystem management. The summit also undertook to support Africa's efforts to implement NEPAD.

IX. CONCLUSION

The history of Africa-wide development programmes seems to indicate periodicity/regularity in introduction of a new initiative every five years or so: LPA (1980); APPER (1985); Abuja Treaty (1991); Cairo Agenda (1995); and NEPAD (2001). In view of the above, the natural question is: Five years hence, what will be the status of NEPAD, and will any new initiative replace it?

A review of past actions reveals that no systematic evaluations of previous programmes have been carried out before introduction of successors. Empirical evidence, however, suggests that these initiatives have, in fact, been additive. The core sector programmes contained in the LPA were refined at each stage in the subsequent initiatives. And yet at the launch of each new initiative the success of previous ones are not systematically adequately emphasized. Perhaps, come 2005, we should pause and assess the progress in NEPAD before dismissing it as a

failure and coming up with yet another initiative to occupy our imagination for the another five years, without substantively addressing Africa's development needs.

NEPAD has succeeded in focusing attention on Africa, and made a breakthrough in its consultations with the industrialized countries. It has also become a unifying device for all developmental issues relating to Africa.

Most important, NEPAD is still a work in progress. All the views expressed are intended as inputs into correcting any weaknesses and strengthening the whole process. It should be viewed as an iterative and progressive process, with refinements made at each turn. The G8 Africa Action Plan was, in the words of the Prime Minister of Canada, "The G8's initial response," and what President Obasanjo has termed: "A beginning, a departure..." on the journey to sustainable development.

³⁸ G8 Africa Action Plan

X. ANNEXES

ANNEX A.

UNITED NATIONS MILLENNIUM DEVELOPMENT GOALS AND TARGETS

Goals and Targets

Goal 1: Eradicate extreme poverty and hunger

Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day

Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger

Goal 2: Achieve universal primary education

Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

Goal 3: Promote gender equality and empower women

Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015

Goal 4: Reduce child mortality

Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate

Goal 5: Improve maternal health

Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio

Goal 6: Combat HIV/AIDS, malaria and other diseases

Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS

Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases

Goal 7: Ensure environmental sustainability

Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water

Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

Goal 8: Develop a Global Partnership for Development*

Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system

Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally

Target 13: Address the Special Needs of the Least Developed Countries

Includes: tariff and quota free access for LDC exports; enhanced programme of debt relief for HIPC and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction

Target 14: Address the Special Needs of landlocked countries and small island developing states (through Barbados Programme and 22nd General Assembly provisions)

Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

Target 16: In co-operation with developing countries, develop and implement strategies for decent and productive work for youth

Target 17: In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries

Target 18: In co-operation with the private sector, make available the benefits of new technologies, especially information and communications

ANNEX B.

The African Peer Review Mechanism (APRM)

1. Q: What does Peer Review mean?

A: Peer Review refers to the systematic examination and assessment of the performance of a State by other States (peers), by designated institutions, or by a combination of States and designated institutions. The reviews can be done either at periodic intervals or on a needs basis. The ultimate goal is to help the reviewed State improve its policy-making and policy-execution; adopt best practices; and comply with established standards, principles, codes, and other African Union (AU) agreed commitments.

2. Q: What gets Peer Reviewed?

A: Peer reviews can be conducted based on subject areas or themes. For example, an individual country peer review could relate to economics, governance, education, health, environment, or other policies and practices. Within one or more of these subject areas, a State may be examined against a wide range of codes and standards for compliance, for example. Similarly, several countries can be examined at the same time, either individually or collectively, in the case of public *goods* or *bad*s, or where there is a collective project/programme for those countries. In the African Peer Review Mechanism (APRM), the reviews are concerned with democracy and political governance (political systems, electoral processes and participation of various stakeholders, for example); economic governance and management, (macroeconomic management, public financial accountability, corruption, regulatory oversight bodies, for example); banking and financial standards, corporate governance and socio-economic development.

3. Q: Who will conduct the African Peer Reviews and Technical Assessments?

A: The overall responsibility for the APRM is vested with the Member States of the AU who have voluntarily chosen to participate in the process by acceding to the APRM. The Heads of State and Government of participating countries appoint the members of the Panel of Eminent Persons (PEP). The Panel in turn advises the Heads of State and Government on the appointment of African institutions or persons to conduct certain technical assessments. The ECA has been requested to conduct the technical assessment in economic governance and management and the African Development Bank (ADB) in banking and financial standards.

On matters relating to democracy and political governance, appropriate organs, committees or units of the AU already tasked with similar specific assessment responsibilities will conduct the assessments. These organs, committees or units include:

- the African Commission on Human and Peoples' Rights (ACHPR),
- African Experts on the Rights and Welfare of the Child,
- Central Organ of the Mechanism for Conflict Prevention, Management and Resolution or the envisaged Peace and Security Council (PSC), as appropriate,
- Pan-African Parliament (PAP),
- The Conference on Security, Stability, Development and Cooperation in Africa (CSSDCA) Unit, or
- Any other organ, committee or unit of the AU as they are established or operationalised such as the election monitoring committee and the Court of Justice.

The above institutions must be operationalised or strengthened as appropriate, where necessary. The Panel of Eminent Persons will advise the participating Heads of State and Government as to which African institutions or persons will conduct the corporate governance and socio economic development technical assessments. Technical assessment teams may include representatives from two participating countries. The Panel of Eminent Persons will have overall responsibility for the quality and integrity of the assessment process. The APRM Secretariat under the supervision of the Panel will prepare a consolidated summary report consisting of all the elements of assessment. The original technical assessments reports will be attached to the consolidated summary unaltered. The consolidated summary report will cover assessment of democracy and political governance, economic governance and management, financial and banking standards, corporate governance and socio-economic development.

The Chairperson of the participating Heads of State and Government will determine for which countries will technical assessments be conducted. All the elements of the technical assessments will be coordinated and will be conducted simultaneously.

4. Q: How frequently will African Peer Reviews be conducted?

A: Peer reviews will be conducted within the timeframes as approved by the 2002 AU Summit. Specifically, there will be four types of reviews as shown below:

- The first country review being the base review to be undertaken within eighteen months of a country becoming a member of the APRM process;
- Then there is a periodic review that takes place every two to four years;
- In addition to these, a member country can, for its own reasons, ask for a review that is not part of the periodically mandated reviews; and
- Early signs of impending political and economic crises in a member country would also be sufficient cause for instituting a review.

5. Q: What will be the stages of the APR Process?

A: There are five stages to the APR process as follows:

- Stage One: will entail a careful analysis of the governance and development environment in the country to be reviewed. It will draw heavily on the existing country self-assessment and monitoring, and the consultations, which will identify those key issues in political governance that should be examined in the peer review process. These consultations provide for wide ranging interaction and buy-in by a large number of stakeholders including the civil society organizations.
- Stage Two: will constitute the country visit by a country review mission team. This Stage will be informed by the analysis prepared in Stage One. The country review mission will consult and extensively interview relevant government officials, parliamentarians, including members of opposition parties, private sector representatives, and representatives of civil society (including media, academia, trade unions, NGO officials).
- Stage Three: involves the preparation of the mission findings and discussions of the draft report with the representatives of the Government being reviewed for accuracy and response to findings.
- Stage Four: entails discussion and consideration of the country review findings by the participating Heads of State and Government.
- Stage Five: entails the formal and public tabling of peer review reports in key regional and sub-regional structures and publication.

6. Q: Who will own the Peer Review Reports?

A: To maintain the independence and credibility of the process, the draft report of the findings and recommendations of the country review will belong to the institution conducting the review. After consideration and adoption by the Committee of Participating Heads of State and Government, the report will be considered final and will be owned by the said Committee.

7. Q: What will be the functions of the Panel of Eminent Persons?

A: The Panel of Eminent Persons (PEP) shall be tasked with the following functions:

- To exercise oversight with respect to the APR process with a view to ensuring the independence, professionalism, and credibility of that process;
- To recommend appropriate African institutions or individuals to conduct technical assessments and country reviews;

- To meet periodically to review and make objective assessments of country review reports submitted to it by the APRM Secretariat;
- To consider and approve recommendations contained in the country review reports submitted to it by the APRM Secretariat; and
- To present to the participating Heads of State and Government all country review reports with recommendations for consideration and adoption.

8. Q: What will be the role of the Committee of Heads of State and Government of the participating countries?

A: The Committee of Participating Heads of State and Government has ultimate responsibility for oversight of the APRM and for applying the peer pressure required to make this voluntary peer review process effective, credible, and acceptable by both Africans and the international community. In addition to its current mandate and responsibilities, the Committee shall:

- Appoint members of the PEP and its Chairpersons;
- Consider, adopt, and take ownership of country/peer review reports submitted by the PEP;
- Exercise peer pressure to effect changes in country practice where recommended;
- Influence development partners to support the recommendations contained in peer review reports by providing suggested technical and other assistance;
- Transmit peer review reports to the appropriate AU structures in a timely manner; and
- Make public, through the APRM Secretariat, peer review reports and press releases pertaining thereto.

9. Q: What will be the role of the NEPAD Secretariat in the APR Process?

A: The NEPAD Secretariat will establish a unit for the coordination and support of the APR process. The unit, which will serve as the APRM Secretariat, will provide secretarial, administrative and technical support to the Panel of Eminent Persons and the Committee of Heads of State and Government of participating countries. The APRM Secretariat will work closely with the CSSDCA Unit of the Commission of the AU as the harmonization and alignment process is being pursued between the two units. The ultimate objective is to establish a common Secretariat, which is professionally competent and adequately resourced at the AU Commission.

10. Q: When will the African Peer Review Processes commence?

A: It is envisaged that the following timetable will evolve leading up to the first African Peer Review Process commencing:

- Agreeing on the APR Process: 3 November 2002;

- Designing and finalising formal accession process to the APRM (including detailed benchmarks and indicators): 4 November 2002 – 31 January 2003;
- Invitation to accession to the APRM: Mid February 2003
- Finalisation of the members of the PEP: End February 2003; and
- Commencing with the first African Peer Review Process: 1 April 2003.

Countries may be invited to indicate their intentions to accede to the APRM by 3 November 2002 based on the broad criteria and indicators agreed to so far and subject to the finalisation of the accession process.



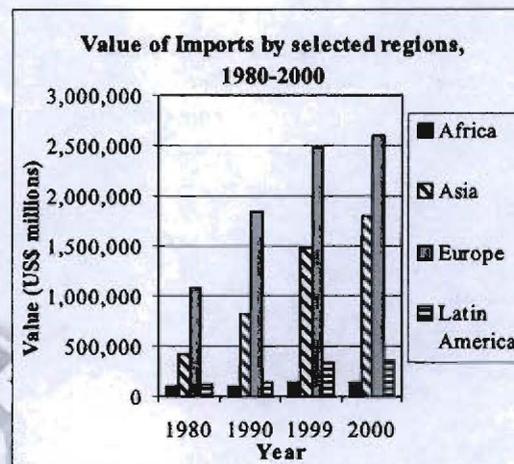
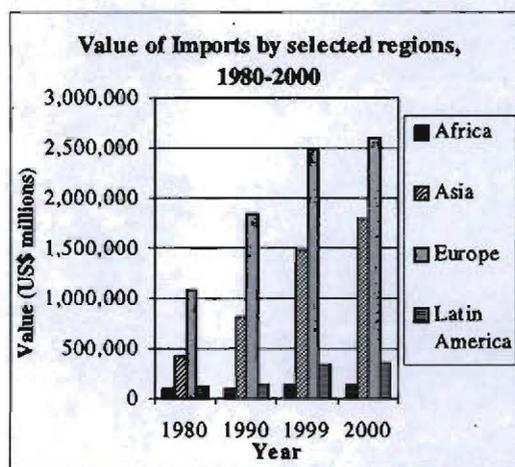
ANNEX C.

AFRICA IN WORLD TRADE

Growth of Africa's Trade, 1980-2000

a) Exports

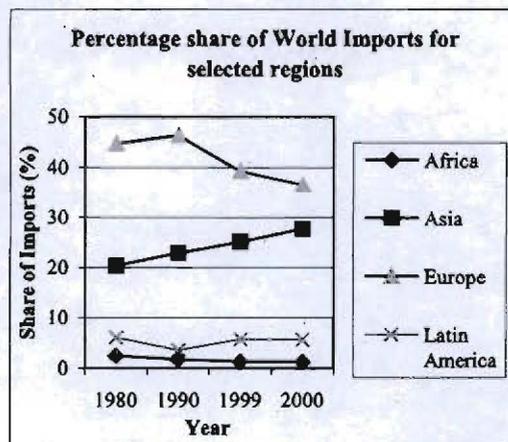
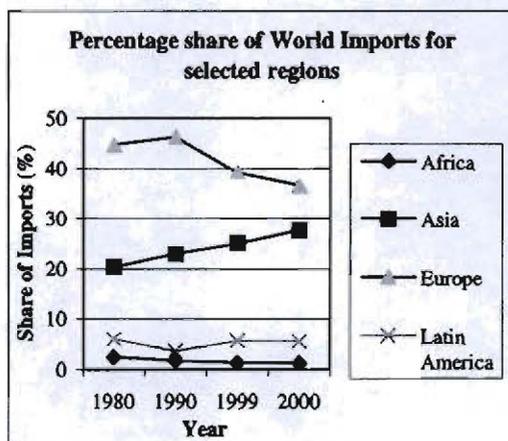
b) Imports



Africa's Share in World Trade, 1980-2000

a) Exports

b) Imports



Source: UNCTAD Handbook of Statistics 2001.