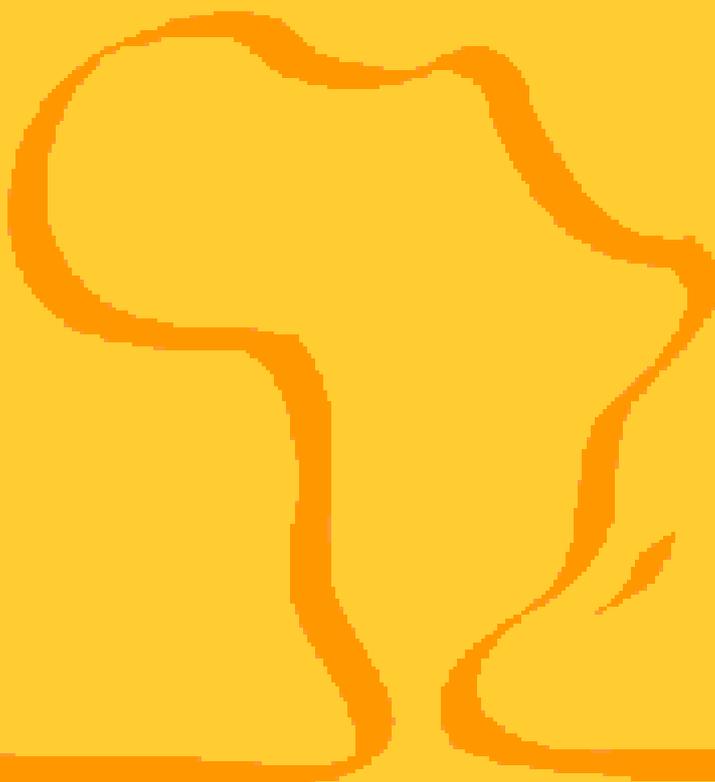




Commission for Africa

Action for a strong and prosperous Africa

Consultation Document
November 2004





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CONSULTATION DOCUMENT

The Importance of Consultation

1. This document is designed to seek your views. The ideas and proposals described in it were discussed by Commissioners at their last meeting in Addis Ababa in October 2004. It is a *consultation* document, designed to help focus on priorities and test the relevance and realism of ideas. It is work in progress. It is not a draft for the Commission's report. It suggests some possible areas in which the Commission would like to receive recommendations for action. Are they the right ones? If they are, how should they be developed and taken forward? Do you have other suggestions? What would your priorities be? We need your reactions. These will be reflected in the report and will help to shape it.

The Commission's Starting Point: Now is the Time to Act

2. Africa is the only continent in the world where, in the past two decades, income per capita has been in decline. At a time when the rest of the world – including the rest of the developing world - has experienced rapid economic growth, most of the people of Africa have been left behind, with nearly half its people living on less than \$1 a day.

3. But Africa is changing. The last few years have seen far less conflict and far more African governments elected than in the 1980s. The African Union (AU) is providing new political leadership. Through the New Partnership for Africa's Development (NEPAD), and in many other ways at the country level, Africa is taking on its own economic and social problems: and, according to World Bank indexes, governance has been improving faster in Africa than in most other areas in the developing world. Fifteen countries in Africa showed average growth rates faster than 4% p.a. over the decade of the 1990s. Many of these countries have benefited from aid and many of them, for example Uganda and Mozambique, have seen income poverty fall over an extended period. There is powerful evidence to show that strong external support now will be far more effective than it might have been 10 or 15 years ago.

4. However, Africa's problems – whether based in history and geography or caused by weak governance, disease, conflict and the changing global climate – have constituted a complex set of barriers that have constrained development. Without a sustained push, starting very soon, the chances are remote that the internationally agreed targets for halving world poverty by 2015 - the Millennium Development Goals (MDGs) – will be met. A minor, short-term or fragmented effort will not stop the spread of HIV/AIDS or the deaths

from malaria. It will not counter the effects of climate change. It will not provide answers to the problems of poor governance or combat the chronic lack of peace and security that undermines prospects for growth. It will not provide the crucial boost to infrastructure necessary for growth. Nor will it address the lack of sound institutions and trained personnel which deters investors, both domestic and foreign, and prevents health, education and other services reaching poor people.

5. Thus, the Commission is of the view that it is time for the international community to get behind African efforts and to act together on a much larger scale to overcome the obstacles facing Africa. Delay will make future problems more difficult and some of them irreversible. Strong action now can see Africa move to self-sustaining growth and development that will make aid less necessary.

The Role of the Commission – Working in Partnership with Africa

6. The Commission for Africa was established in spring 2004, to support and generate ideas and actions for a strong and prosperous Africa. It is an independent body with seventeen Commissioners, nine of whom are African. It will report in spring 2005. The challenge for the Commission for Africa is to set out comprehensive, coherent and practical proposals for action by the international community which, with Africa leading the way, can accelerate and sustain Africa's growth and development. It will help to promote and fashion a new relationship between the rich world and Africa; one of common objectives and of partnership in action.

7. It is for Africa, its people, its countries and its pan-African institutions, to chart the course. The proposals of the Commission are in support of these efforts, including through the African Union and NEPAD. The Commission has consulted governmental and non-governmental organisations, inside and outside Africa. The Commission's work also builds on the G8 Africa Action Plan, agreed in response to NEPAD.

Comprehensive Action to Meet Specific Needs

8. At its meeting in Addis Ababa the Commission discussed a range of proposals for further examination and consultation. At the same time as the consultation process it will be working to refine them. It would greatly welcome comments on the specifics of proposals as well as their general direction. If the proposals were implemented at the same time, they would each reinforce the impact of the others. Together, they would help economic growth and individual human development, if supported by strong governance and institutions and by peace and security.

9. The report will recognise and respond to the changes currently underway in the structure of African society, including population growth and the movement of rural people to the cities. Both are having profound cultural, social and economic impact. Africa's shifting demography – half the people on the continent are now under the age of 15 – means that proposals must address the needs of younger Africans; in large measure the goal of the proposals should be providing the young people of Africa with the opportunity to shape their own lives.

10. The Commission recognises that not every African nation faces the same economic or social problems, and that history, geography and culture vary greatly across the continent. Its intention is to ensure that an understanding of the cultures of Africa is reflected and respected in the Commission's recommendations. In particular, there must be an African answer to the question of the purpose of development, which includes an African definition of community, dignity and well-being. A final section of the report will examine the resource requirements. The report will provide evidence that Africa is able to make good use of increased resources of the magnitude suggested. Many of the recommendations will focus on enhancing the quality of the continent's institutions and the training of its people, and more generally its capacity, thereby increasing the effectiveness and productivity of extra funds for development.

11. Among the conundrums with which the Commission is wrestling is that of how to arrive at solutions which are sufficiently radical to make a real difference to the people of Africa, but which are not so radical that they are deemed politically undeliverable by donor nations. Your suggestions on how to achieve this balance would be particularly welcomed by the Commission.

The Will to Act

12. The report will propose action by both Africa and the international community. Given that the report is intended to provide a basis for proposals to the G8, EU and Millennium Review Summits in 2005, it will give a particular emphasis to action by rich countries to support Africa. For action to be credible, rich countries must implement their existing commitments – not least on committing to a timetable to reach 0.7% of GDP for development assistance. Rich countries have never been richer but the fraction of their GDP given in development assistance is, at 0.25%, around half of what it was in 1960.

13. Whilst the report will be focused on what rich country governments can do to support Africa in its development, there is much that the international private sector, civil society and the population of rich countries can do. The Commission's consultation is not just about making recommendations, it also

intends to challenge those participating in the Commission debate to work out what they, and not just others, need to do to help achieve the proposed actions.

14. Part of the challenge of creating lasting commitment is to make Africa and its development a domestic issue for rich countries. The Commission is working closely with both the international private sector and the private sector in Africa to seek views not only on what governments should do but also to examine what the private sector should itself do. This collaboration is bearing fruit and the results will be shared more widely in the coming weeks. The Commission will also be consulting with civil society in rich countries and in Africa on proposals for creating stronger involvement in and awareness of the challenges of Africa. This could include proposals, for example, for volunteering teachers, financial experts, scientists and so on. It could also involve partnerships between schools in rich countries and Africa. The Commission would greatly value ideas in these areas.

15. In the past, initiatives have been held back by lack of political will. The year 2005 is a special opportunity to create that political will. The UN will assess progress on the MDGs at the Millennium Summit and propose a world action plan. The UK will have the presidencies of the G8 and the EU, and Africa will be at the centre of the agenda. And it will be the 20th anniversary of Live Aid, the occasion when in July 1985 the people of the rich world recognised the problems of Africa and embraced them, in common humanity, as their own. The proposals of the Commission will support all of this, and if this sense of common humanity can be rekindled in 2005, then we can lay the foundation of a new relationship between the rich countries and Africa.

16. In all of the possible areas for action set out below, we hope that those responding to this consultative document will make suggestions for how the objectives are to be achieved.

SUMMARY OF POSSIBLE AREAS FOR ACTION

The Commission's proposals should aim to promote both economic growth and individual human development, underpinned by strong governance and institutions, and peace and security. The nine broad areas for policy recommendations identified so far are linked and follow the structure of the Commission's work: governance; peace and security; human development; culture and inclusion; opportunity and growth; aid and debt relief. Beneath each of them are a number of potential action areas.

GOVERNANCE, PEACE AND SECURITY

1. Build effective states

The state has a central role in promoting economic and human development, but often fails to deliver, because of weak governance and capacity. Without strong progress here most development efforts cannot succeed. NEPAD has highlighted these difficulties as being the root of many of Africa's development problems, and has proposed and is implementing the African Peer Review Mechanism (APRM). The Commission would like to receive recommendations for action that focus on specific ways of strengthening governance and capacity, particularly in order to:

- Provide strong and timely support from the international community for the APRM and funding for governance and capacity weaknesses identified through its conclusions. This should include donors providing sustained and predictable development assistance for recurrent spending, to enable governments to attract, motivate and retain skilled staff.
- Focus International Financial Institutions (IFIs) on building effective states that serve the people and promote development. This should include strong, fair and efficient ways of raising revenue so that, as growth strengthens, Africa can become independent of external assistance and accountable to its own people for public resources raised from them. They should also help build sound, effective and accountable systems for allocating expenditure and promoting its effectiveness.
- Support initiatives for a resurgence of higher education in Africa, including use of south-south networks. There exist a number of promising initiatives in both private and public sectors and the Commission will be examining ways of supporting them. Of special importance is supporting science and technology. This will provide a strengthening of both government and non-government institutions that can hold government to account.
- Support mechanisms to facilitate participation of diaspora groups in state building. This would work to overcome the conditions that contribute to the flight of financial and human capital.

2. Increase transparency and reduce corruption

A lack of transparency in the way governments work, and how they allocate and implement budgets, can encourage corruption, and make it difficult for citizens to hold governments to account. Transparency can be a powerful mechanism both for enhancing overall delivery by government and the participation of excluded groups, including women. Lack of transparency in revenues, particularly in the natural resources sector, can contribute to conflict. The Commission would like to receive recommendations for action that focus on specific ways of increasing transparency and reducing corruption, particularly in order to:

- Strengthen the process of developing shared poverty reduction strategies, public participation in them and the transparent allocation of budgets in their support.
- Give strong political endorsement to the Extractive Industries Transparency Initiative (EITI), to encourage its wider implementation and mobilise funding for building capacity to support this implementation.
- Promote application of transparency principles to other sectors.
- Promote certification schemes in Africa to curb trade in illegal timber, plus action by the rest of the world to ensure that it does not import illegal timber.
- Promote further transparency of payments in financing by IFIs and export credit agencies, and encourage procurement policies across government more generally that promote transparency.
- Establish much stronger mechanisms for tracing and repatriating illicitly acquired assets.
- Provide resources to improve implementation of existing conventions on corruption and bribery, and support African efforts to prevent corruption and money laundering.
- Strengthen the quality and use of data in Africa, through promotion of existing initiatives on improving statistical capacity, strengthening demand for analysis (for example through use of processes such as poverty and social impact assessments) and co-ordination and simplification of donor reporting and monitoring systems.

3. Promote peace and security

Conflict is devastating, and damages progress in all other areas of development. The Commission intends to put its focus on prevention. The most powerful way of inhibiting conflict is to promote development, to which the whole report is addressed. There are in addition some specific measures the international community can take to reduce the risk of conflict. And there is much positive that can be achieved by direct action in conflict resolution and post-conflict reconstruction. In all areas concerning conflict African institutions should play

the leading role in defining and legitimising interventions. The Commission will continue to work with the AU and NEPAD to prepare specific proposals for the best ways of supporting their work. The Commission would like to receive recommendations for action that focus on specific ways of strengthening peace and security, particularly in order to:

- Take strong steps to prevent conflict by
 - i. Adopting a common definition of ‘conflict resources’ and promoting action to control their trade (building on the experience of the Kimberley process for diamonds).
 - ii. Improving regulation of commercial resource-backed loans.
 - iii. Promoting an International Arms Trade Treaty to control small arms and light weapons.
 - iv. Tightening agreements on the regulation of arms brokering (territorial and extra-territorial) through, for example, creating a registration scheme for brokers and transportation agents.
 - v. Providing flexible funding to strengthen capacity of African organisations to undertake early warning and mediation.

- Make an effective contribution to conflict resolution by
 - i. Supporting the UN and African regional and sub-regional organisations in clarifying roles, political legitimacy and processes for intervention.
 - ii. Supporting AU initiatives on peace keeping (for example to tackle problems in logistics) and improving the effectiveness of the international community’s response (for example the role of rapid reaction forces).
 - iii. Building the long-term capacity of the AU/NEPAD and sub-regional peace and security apparatus, for example through more predictable and flexible funding and support to staff capacity.

- Promote effective post-conflict peace building by
 - i. Supporting AU/NEPAD work on coordination and planning for post-conflict peace building.
 - ii. Revising the IMF/IFI approach to spending ceilings, to allow for greater expenditure on reconstruction of basic services.
 - iii. Promoting ‘developmental peace keeping’ – development expertise alongside peacekeeping forces.

HUMAN DEVELOPMENT, CULTURE AND INCLUSION

4. Improve healthcare systems for all

Of particular importance to Africa’s human and economic development is the fight against HIV/AIDS. The full enormity of the situation has not yet hit us. If big investments are not made now, HIV/AIDS will further ravage the social

fabric. But no initiative on an individual disease or affliction will work effectively if the health delivery systems are not working. The proposals therefore focus on building the effectiveness of these systems. Their implementation should ensure affordable or, where appropriate, free access for poor people. The evidence shows that systems work better when they are accountable to local communities. Rich countries should demonstrate their commitment by providing rapid and full funding for existing initiatives, including the Global Fund to fight AIDS, Tuberculosis and Malaria (Global Fund) and the Global Alliance for Vaccines and Immunisation (GAVI). If implemented and combined with improvements in health delivery systems, co-ordination of initiatives and further preventative messages, they have the potential to win the battle against HIV/AIDS, malaria and tuberculosis. As in other areas, this type of support requires sustained, multi-year and predictable finance. The Commission would like to receive recommendations for action, particularly in order to:

(i) HIV/AIDS

- Ensure the international community provides the necessary funding for the fight against HIV/AIDS, with rapid and substantial funding for existing initiatives, such as the Global Fund.
- Encourage the WHO to develop guidelines to align and integrate single-issue health funding, particularly for HIV/AIDS, behind national strategies that would also encompass the HIV/AIDS '3 ones' (one national strategy, one coordinating body and one monitoring system).
- Focus on prevention, especially for youth, by integrating HIV/AIDS with sexual and reproductive health service delivery.
- Provide Anti Retroviral Treatment through strengthened health systems to meet the global WHO '3x5' target (including 2 million on ARV in Africa by 2005) and extend the coverage to include all those suffering from HIV/AIDS.

(ii) Strengthening health systems

- Provide strong leadership for the co-ordination of effective international action in support of domestic efforts to strengthen health delivery systems and fight individual diseases by:
 - i. Building effective health systems by coordinating work in four key areas (human resources, information systems, physical infrastructure and essential commodities, financing).
 - ii. Incorporating strategies to overcome often neglected diseases of poverty, including intestinal and nutritional diseases and river blindness.
 - iii. Supporting stronger local accountability of health service providers.

- Provide finance for preventative interventions (eg vaccines; school feeding, sexual and reproductive healthcare).
- Promote education, particularly of girls and women, on preventative health.
- Prioritise funding for clean water supply and sanitation.
- Enhance African capacity for product procurement, delivery and development (regional procurement facilities, technology transfer, investment in science and technology) and for bulk buying drugs and vaccines so that pharmaceutical companies feel it worthwhile to develop and manufacture treatments.

5. Invest in education, especially for girls

Investment in education, particularly for girls, has amongst the highest returns of all development activities. And it fosters the ability of people, particularly poor people, to participate in the economy and society. There are strong and existing initiatives to promote free quality education for all in Africa. Rich countries should demonstrate their commitment by providing the funding for their implementation. The effective delivery of those initiatives would go a long way to meeting the education MDGs. As with health systems, the evidence shows education systems work better when they are accountable to local communities. Initiatives under Proposal 1 (building effective states) on higher education will exert a strong positive effect on education at earlier stages. The Commission would like to receive recommendations for action in these areas, particularly in order to:

- Meet existing resource commitments, including the Fast Track Initiative, for primary education, with a focus on increasing access for girls.
- Expand the range of the Fast Track Initiative to tackle teacher shortages, school feeding, post-primary education, and the generation of appropriate skills.
- Support school partnerships with Africa, both to provide direct assistance and to foster better understanding of Africa in rich countries.

6. Tackle vulnerability through social protection

Poor people in Africa are particularly vulnerable to individual and collective risks. Development itself reduces vulnerability, particularly through rural infrastructure and rural development more generally. But there will always be parts of the community that need protection, either through the creation of work programmes or through financial transfers. The Commission would like to receive recommendations for action in these areas, particularly in order to:

- Work with AU and NEPAD to support their initiatives on social protection programmes, taking account of existing social structures.

Such programmes would require multi-year predictable funding and could pool risk across countries.

- Encourage the International Labour Organisation (ILO), AU, NEPAD, the UN agencies and the World Bank to develop joint analysis and monitoring of poverty and vulnerability. Effective action against poverty involves understanding the characteristics of poor people, the nature of their poverty and where they are.

7. Respect Africa's culture and promote participation

Africa has a tradition of finding community solutions to social and economic problems. An active approach to development must work with local institutions and to promote inclusion. The recommendations here are broad in nature since the challenge is to incorporate understanding of Africa's culture throughout external support rather than through specific cultural initiatives. The Commission would like to receive recommendations for action, particularly in order to:

- Encourage all donors to structure their work to fit with Africa's culture; this should include work with religious communities, who, for example, deliver around half of education in Africa.
- Develop measures to encourage greater community participation, including by women and young people, in shaping donor policies.
- Support AU and NEPAD work on culture.
- Ensure that culture is taken into account across the Commission areas of action.

OPPORTUNITY AND GROWTH, AID AND DEBT RELIEF

8. Foster growth

The most powerful force for reducing poverty is economic growth, with strong participation from poor people. That growth will be driven by the private sector but it is the state which, in large measure, determines the environment in which the private sector operates and the ability of poor people to participate. Thus growth is best fostered by the state, the private sector and civil society working together. Many large companies are recognising and acting on their responsibilities to the societies in which they work but many should go much further. The Commission will incorporate the results of a number of joint studies with the private sector (on topics including trade, governance, transparency, corporate responsibility, customs administration) in its report. The recommendations will include what the private sector should do. It recognises, however, that most employment for poor people is in small and medium enterprises (including family farms) and will ensure its proposals are structured so that they would promote a good economic environment for all. Trade can drive growth. The proposals cover not only access to rich country

markets but also, and equally importantly, increasing the capacity to trade. The Commission would like to receive recommendations for action in these areas, particularly in order to:

(i) The investment climate for growth, including infrastructure

- Ensure substantial long-term financial support (including recurrent costs) for NEPAD's and Regional Economic Organisations' infrastructure programmes. Work with AU, NEPAD and African countries to identify appropriate funding mechanisms, with strong African involvement in their governance, for regional and local infrastructure. These mechanisms should ensure that the infrastructure programmes are tailored to development needs (rural, national, and international) rather than 'prestige projects', and are environmentally and socially responsible.
- Support NEPAD's agriculture programmes and rebuilding of Africa's agricultural research, development and extension services, including capacity of universities.
- Ensure financial support for NEPAD's Investment Climate Facility.
- Work to enhance the role of remittances in the African economy, by improving the investment climate.

(ii) Trade

- Provide political leadership so that the Doha round delivers for development, including OECD farm reform that tackles vigorously the problems of subsidies, tariffs and non-tariff barriers. The Commission will make proposals for a rapid and timetabled reduction of subsidies that contribute to over production in rich countries of commodities where Africa has a comparative advantage. And it will propose mechanisms identifying and rapidly eliminating vexatious non-tariff barriers, including those constituting aggressive and bureaucratic application of rules of origin.
- The pace and manner of lowering of trade barriers in Africa is a development decision which should be taken with care. The Commission is asking whether there is a need for reciprocity by African countries to be a condition for lowering rich country barriers.
- Press for continued or enhanced preferential access for Africa to 2015 within the context of overall reduction of barriers, i.e. exempting Africa from barriers to exports into rich countries.
- Explore mechanisms to support trade adjustment, including protection of the vulnerable and poor.
- Support trade facilitation measures (for example by helping to meet quality standards) and regional integration.

(iii) Employment

- Encourage private-sector business linkages with Small and Medium sized Enterprises (SMEs), and partnerships (eg Global Business Coalition on HIV/AIDS).
- Promote private-sector led employment generation, paying close attention to excluded groups, including women and younger people (e.g. support for ILO/AU youth employment network).

9. Build a new vision for development assistance

Resources of the magnitude required cannot come from Africa alone. At least a doubling per annum in external resources, and soon, is needed if Africa is to have any chance of meeting the MDGs. This is at the bottom of the range of calculations of overall resources required for the MDGs. At the same time it is a level which we can feel confident will be used effectively; the Commission will marshal the evidence for this. If spent mainly on infrastructure (including rural), health and education it could represent a boost, on average, of 50-75% in public funding in these areas, consistent with a number of estimates of MDG requirements in specific areas. This would be a programme of resources for growth and for the participation of poor people. The Commission would like to receive recommendations for action, particularly on how to:

(i) Aid volumes

- Double aid to Africa, from 2004 levels, starting in 2006, with strong growth in aid in subsequent years. The G8, which gives a substantially lower average proportion of GDP in aid relative to most other rich countries, should take particular responsibility for the increase. Majority of funds to flow through existing multilateral and bilateral channels but with substantial resources for the programmes identified and much stronger involvement of Africa in implementation decisions.
- Implement the IFF to enable front loading and urgent action; and encourage further development of other innovative financing mechanisms, such as taxes on energy and capital movement.
- Meet existing commitments on funding initiatives, including for health and education.
- Increase aid rapidly in countries moving strongly to build effective states and find ways to support acceleration where movement is slower.

(ii) Debt relief

- Finance from G8/EU, and better use of IMF gold, to permit further debt relief, including 100% multilateral debt service cancellation both within HIPC and beyond.
- Increase grant finance to limit build up of new debt.

(iii) Aid quality and delivery

- Agree overarching framework of mutual accountability for more flexible, long-term, less conditional, more predictable aid, aligned behind national systems.
- Create a fast-disbursing facility for grants to mitigate the costs from negative shocks from international trade or natural disasters.

Work with the international financial institutions to ensure that they can deliver this package of measures effectively. This should include strong enhancement of Africa's voice in the international institutions outside Africa and further strengthening of the African Development Bank.



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