



## **Can Africa Halve its Poverty by 2015?**

### **- the Challenge to the New Africa Partnership for Development**

Edited proceedings of a keynote lecture

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In the Year 2000, to mark the new Millennium, the UN called a Special Assembly - which was attended by more Prime Ministers and Heads of State than have ever previously attended any UN meeting. At that meeting the leaders of the world committed themselves to work together, and to mobilise the energy and capacity of the international community to meet a series of Millennium Development Goals. The overarching goal was the halving of the proportion of people living in extreme poverty by 2015. Amongst other agreed goals necessary to the achievement of this aim were that all children should be in primary education, infant and child mortality cut by two thirds, and maternal mortality by three quarters - all by 2015.

These targets were carefully chosen. They are achievable. But they are not simply a description of present trends. Reaching them will require a significantly increased development effort from the whole international community. It is not widely appreciated that we have made significant progress in development over the past 30 years. People are living longer, more children are surviving, more people are literate, and more people have access to clean water. But - partly because of this progress - we have more people than ever before: 3 billion in 1960, 6 billion now, and there will be 8 billion by 2025.

The paradox of our times is this: more people have lifted themselves out of poverty in the past 50 years than in the previous 500 years; but because the world population has grown so significantly, there are more poor people than ever before. There are now 1.2 billion people living in abject poverty out of the 6 billion who share our planet.

The challenge for our generation - if we want to make progress in reducing poverty and hand on a sustainable planet to future generations - is to apply the lessons we have learned from the successes of development over the past 30 years on a much larger scale. To meet the halving poverty target by 2015 means 1 billion people lifting themselves out of poverty between 1990 and 2015. If we can combine together to achieve this, we will be able to look forward, within our lifetime, to the elimination of abject poverty from the human condition.

So far the world is on track to achieve the halving poverty goal. This is largely because there has been considerable progress in Asia - particularly in China - over the past 10 to 15 years. But the bad news is that we are not on track in Africa. On present trends Africa is set to become steadily poorer. This is the challenge I want to address today, and is the task facing NEPAD - the New Partnership for African Development - to which the government of South Africa and the Government of the UK are so strongly committed.

Africa is the poorest continent. Two thirds of the poor of the world live in Asia, and one third in Africa. But poverty is deeper and more entrenched in Africa. Half the population of sub-Saharan Africa are dollar-a-day poor in purchasing parity terms. This means that what they have to survive on is the equivalent of what a dollar would buy them, not in their own countries, but in the USA - which is very little indeed.

During the 1990s population growth outstripped economic growth, and therefore if this trend continues the continent is set to become steadily poorer. The challenge of NEPAD is to change this trend, and to ensure that Africa achieves the target of halving poverty by 2015. I believe that this is possible, but it will require a very strong commitment to reform from Africa's leadership - and a real partnership from the industrialised countries to support that effort.

There is no doubt that history has been very cruel to the people of Africa. Slavery and colonialism degraded and exploited the continent, and left behind a bitter legacy. Apartheid and the Cold War continued the destruction. This history still reverberates in the world today; but the challenge for our generation is to escape from the clutches of the past and create the conditions that will give the people of the continent a better future. And we have the opportunity to do so. Properly managed, globalisation opens up possibilities we have never had before. It is creating conditions that make it possible for us to overcome deep-seated historical inequalities and share the knowledge, capital and technology that we now have available in a way that can begin to heal the divisions inherited from colonialism and uneven development.

But if we are to learn from history, we must also face the fact that part of the explanation of the present situation in Africa lies in the policies that have been pursued by many African governments in recent decades. Africa's per capita income is lower now than it was 30 years ago, in the heyday of the Independence Movement. And so today almost 50 per cent of sub-Saharan

Africans are living on less than a dollar a day; 20 per cent of the population of the continent is affected by violent conflict; and in many countries poor governance and corruption are worsening still further the plight of the poor. Added to this, we now face the tragic and brutal reality of more than 25 million African people living with HIV/AIDS. On present trends none of the Millennium Development goals will be met, and Africa will become ever poorer.

The purpose of NEPAD is to reverse all these trends. We must be ambitious about what can be achieved - but all sides of the partnership must be clear that business as usual will not do, and NEPAD must lead to a steep shift in the pace and depth of African development.

I want to turn now to the agenda for action, and to outline the kind of steps that NEPAD needs to take to ensure that Africa moves forward and achieves the Millennium Development Goals.

The first issue, which NEPAD quite rightly highlights, is armed conflict. 20 per cent of the people of Africa are living in conditions of conflict. In the post-Cold War world, conflict has changed. It is now concentrated in the poorest parts of the world, within - rather than between - states; and the victims are mostly civilians. We have more displaced people and refugees in the world than ever before. They are predominantly women and children, and most of them are being hosted within the developing world. These conflicts obviously cause terrible suffering, and hold back economic development in the affected countries. But in Africa the extent of conflict is so great that the whole continent is affected, and the level of conflict creates a major barrier to inward investment.

The World Bank estimates that conflict is costing Africa 2 per cent economic growth every year. But on conflict resolution, we are in a position to make considerable progress. We have learned in Sierra Leone that with concentrated international effort conflict can be ended and the institutions of a properly functioning state can begin to be re-built. It is also now clear that in the DRC, Angola and the Sudan - the three massive, resource rich countries that straddle the continent and have been entrenched in conflict for two generations - conditions are now ripe for progress towards peace.

NEPAD has quite rightly highlighted the resolution of conflict as one of its priorities. If, in the course of the next few years, we can start to work together to ensure that peace is secured in these three countries, Africa's prospects would be transformed. This should be the top priority for the NEPAD/G8 meeting in Canada in June.

The second major issue for Africa is the need to increase current levels of economic growth. There has been progress in recent years. After the negative growth in many countries in the late '80s and early '90s, sub-Saharan Africa is now achieving an economic growth rate of around 3 per cent. But in order to halve poverty by 2015, sub-Saharan Africa needs 7 per

cent economic growth each year from now until 2015. This is not impossible. Countries like Uganda, Mozambique and Botswana are achieving such levels of growth - and the commitment to reform in countries like Ghana, Tanzania, and Ethiopia is likely to lead to significantly greater progress.

But the NEPAD partnership must not be satisfied until there is a commitment to reform that is generating 7 per cent annual economic growth across the continent. That is the target that Africa must set itself.

The achievement of the levels of growth necessary to halve poverty in Africa by 2015 requires better economic and political governance throughout Africa. We have all learned painful lessons about good governance in the twentieth century. In the Cold War years, the debate on human rights and good governance divided the world into proponents of 'red' and 'blue' rights. Social and economic rights were said to be an alternative to civil and political rights. This is a false polarisation. Poor people need political rights to be able to express their views and preferences, and social and economic rights in order to enjoy their humanity, and see their children grow and thrive.

In the Soviet bloc, concentration of power in the state led to political repression and economic failure. In the era of neo-liberalism – variously known as Reaganomics, Thatcherism or Monetarism - excessive market power led to growing inequality, exclusion and instability and to a decline in essential public services. History has taught us that good governance means creating the institutions of a competent modern state so that macro-economic conditions encourage growth and poverty reduction, and effective government institutions deliver health and education, clean water and human development for all.

Too often in the past, the debate about human rights and good governance has been muddled by perceptions (sometimes well-grounded, sometimes not) that the OECD countries were hectoring the developing countries, and imposing their own values on reluctant and dependent governments. One of the important aspects of NEPAD - and the recent consensus agreed at the UN Conference on Financing for Development at Monterrey - is that developing countries are now themselves leading the call for reform.

It is increasingly understood that democracy is necessary so that poor people can have their voices heard. A flourishing private sector is necessary to generate growth for poverty reduction. The rule of law is necessary both for economic development and for justice and security for the poor. Universal health care and access to education are basic human rights, and are also essential to the development of modern economies. And firm action against corruption is necessary, both to ensure that public resources are spent to the benefit of poor people and to create the conditions that encourage the investment needed to grow the economy and provide access to modern technology. Good governance is not an optional extra. It is the right of all people everywhere, and is a precondition for economic growth and poverty

reduction - as the unfolding tragedy in Zimbabwe is demonstrating all too clearly.

The third issue, which is crucial to NEPAD and its partnership with the G8 and beyond, is fairer terms of trade. 70 per cent - and more - of Africa's exports are unprocessed commodities, and most commodity prices are falling consistently. Current trade rules create serious barriers to the processing and value added that Africa needs to speed up economic growth, to generate higher income for workers, and to be able to afford the imports needed to invest in the better transport systems and infrastructure necessary for development.

At the WTO Ministerial Conference in Doha, Qatar, in November 2001 developing countries worked together, using the opportunities created by the membership-based structures of the World Trade Organisation, to get agreement on an agenda for the next trade round that could deliver better trading opportunities to developing countries. For too long the Western Powers have lectured the developing world about trade liberalisation, but created barriers to developing country access to their markets. Doha creates an agenda for change. NEPAD and the G8 must ensure that it delivers for Africa.

But Africa can also do more to encourage trade within the continent. Trade barriers between African countries are high. This creates obstacles to regional integration, economic growth and inward investment. It is entirely within Africa's own gift to agree to the lowering of these barriers, which would contribute significantly to improved economic growth across the continent.

This could be complemented by an investment agreement covering the whole continent. This would improve the prospects for inward investment for all African countries.

This leads me to the fourth issue that is high on the NEPAD agenda: inward investment and the need for increased investment in infrastructure. There is no doubt that poor transport systems in Africa are a major barrier to economic development, and add massively to the cost of exports. Other weaknesses in infrastructure are a reflection of underdevelopment, and a barrier to improved economic growth. Most Africans have never used a telephone; less than 10 per cent of rural Africans have access to electricity; lack of clean water and sanitation consume energy and time, and lead to constant ill health. There are more Internet connections in New York than in the whole of Africa, and Africa is the most expensive place in the world to be connected to the Internet.

Too often the debate about the need for inward investment takes place between governments. But of course governments in OECD countries do not have the power to make their private sectors invest in any particular country. And too often governments in developing countries are led to believe that tax breaks or investment zones with low environmental or labour standards are

the means to encourage inward investment. In fact the conditions which ensure that domestic savings are invested at home - such as proper bank regulation and legal enforcement of contracts - and the conditions that encourage growth - such as economic stability, low interest rates, access to credit, removal of bureaucratic regulation and rent-seeking by officials - are the same conditions that attract inward investment. The important point here is that the reforms needed to encourage the growth of a strong domestic private sector in Africa are the same reforms that are needed to attract more inward investment. And urgent reform is essential because in current conditions 40 per cent of Africa's savings, which should be the basis for increased domestic investment, leave the continent and are invested elsewhere.

There is, in these globalised times, a surplus of capital constantly looking for investment opportunities. And this capital knows that it can earn higher rates of return from emerging markets than it can in OECD countries. Such investment, particularly foreign direct investment, and the management skills and technology transfer that went with it, were crucial to the rapid economic growth and poverty reduction achieved by the East Asian economies over the past 30 years. But currently little of the growing international investment is flowing to Africa. Progress on conflict, improvements in governance and enforcement of the codes and standards agreed at the recent NEPAD meeting in Abuja, are crucial to creating a climate in Africa that draws increased investment and the technology transfer that it brings. NEPAD must drive forward this reform agenda so that partnerships can be created between the public and private sector to generate the massive increase in investment in infrastructure that is needed.

The fifth issue crucial to NEPAD's success is increased investment in human development, to secure rapid progress in education and the delivery of effective healthcare systems. The high levels of communicable disease in Africa are a major burden holding back the development of the continent. Malaria, TB and HIV/AIDS create a disease burden that is causing great human suffering and severe economic loss. As I have already said, 25 million Africans are infected with HIV/AIDS, which will lead to increasing loss of life and economic cost in the years to come. In addition, too many children die from diarrhoeal and respiratory diseases, malaria and measles, and too many women die or are disabled in childbirth for lack of simple medical interventions.

Recent research - in particular the World Health Organisation's Commission on Macroeconomics and Health - has demonstrated clearly that lack of health care is not only a cause of terrible human suffering but also a barrier to economic development. The poor of the world are not a static group of people. They work enormously hard and frequently improve their prospects. But the sudden ill health of the wage earner, or of a child who needs medical care, forces them to borrow, use up their savings or sell their animals, so that they are driven back into poverty.

HIV/AIDS is a very serious barrier to improved economic development in Africa, but recent developments point the way forward. Senegal and Uganda have demonstrated that levels of HIV/AIDS infection can be held down or drastically reduced with a strong commitment to public education, testing, treatment of sexually transmitted disease and widespread availability of condoms. In just four years the HIV prevalence rate in Uganda has fallen from 10 per cent to 6 per cent. These lessons must be urgently applied in every country in Africa and, more widely, to reverse the growing infection rate in India, China, Russia and the Caribbean. Many countries are now putting in place arrangements to prevent mother to child transmission, and to take up the pharmaceutical companies' offer of reduced price anti-retrovirals. In the longer term, the research evidence is clear that we will have an AIDS vaccine and a microbicide that will enable women to protect themselves from infection.

Beyond HIV/AIDS, the Global Alliance for Vaccines and Immunisation (better known as GAVI) is increasing the availability of vaccines and improving immunisation rates for children. The Global Health Fund will increase the availability of drugs and commodities for the treatment and prevention of HIV/AIDS, TB and malaria. To ensure that those treatments are made available to poor people in Africa, a major effort is needed to put in place basic health care systems that ensure that these treatments are available to all. Of course we must ensure that pharmaceutical prices are reduced in developing countries, and we need a global deal between the public and private sector to achieve this aim. We are working to achieve this, but without better basic health care systems, most people in Africa will be unable to access these drugs whatever their price. The lead on improving healthcare systems must come from African governments and be encouraged by NEPAD. There are already promising models of success in countries like Ghana and Zambia, which must be applied more widely.

Similarly, education is a basic human right but also a crucial investment for a successful modern economy. The research evidence is clear that the single most powerful investment any country can make to speed up development is to educate a generation of children - including its girls. The Millennium Development Goals lay down a commitment to universal primary education by 2015. Obviously, our aspirations must not stop at primary education. Education is the commanding height of a modern economy - but on present trends sub-Saharan Africa will fail even to meet the 2015 primary education target. Clearly we must - and can - do better, and some countries like Uganda, Malawi, Rwanda and Tanzania have chalked up significant achievements. NEPAD must work for greater progress across the continent.

The final issue on which I wish to touch today is aid. Both NEPAD and the Monterrey Consensus called for more and better overseas development assistance. And studies conducted both by former President Zedillo of Mexico for the Monterrey meeting and the World Bank have suggested that we need a doubling of development assistance from the current \$50 billion to \$100 billion if the world is to meet the Millennium Development Goals. At Monterrey the European Union committed to increase its overseas

development assistance from the current level of 0.33 per cent of Gross National Income to 0.39 per cent by 2006. This means the EU will spend an additional \$7 billion a year by 2006, when the US will also be giving an extra \$5 billion a year compared with current levels. Monterrey has therefore marked a welcome reversal of the long-term decline in aid levels. This follows the UK reversing the decline in spending under its previous government, and increasing aid spending by 40% since 1997. This has meant that our spending in Africa has risen by 70 per cent to \$1.2 billion a year.

But equally important is the commitment to improve the quality of aid. In the past it has too often been used for political reasons, or to promote the trade interests of the donor country, or to prop up corrupt rulers who cared nothing for development. We have, however, made major improvements in recent years. Against considerable resistance, aid is gradually being untied from the narrow national interests of donors and consultants. It is now beginning to be focussed where there are large numbers of poor people and used to back reformers. This has already measurably improved its poverty reducing effectiveness. If all aid flows were deployed in this way, the present \$50 billion would increase in value by 50%.

In addition, progressive countries have moved away from funding a proliferation of projects to backing Poverty Reduction Strategies drawn up by developing countries themselves. Unsurprisingly, experience has shown that reform agendas drawn up locally succeed much more than those imposed from Washington. The consequence has been considerable strengthening of the quality and effectiveness of local institutions including finance ministries, central banks, health and education systems, revenue collection agencies, courts and the security sector. This is itself an improvement in the quality of governance. And the consequent improvement in public financial management enables development agencies to transfer resources direct to government budgets, thus helping to fund rapid improvements in health, education and other poverty reducing services. NEPAD must build on these reforms rather than trying to invent new structures or arrangements.

My conclusion then is very clear. On present trends Africa will not halve poverty by 2015. Even worse, Africa will get poorer, and this will be a tragedy for its people and a threat to the future safety and stability of the world. But this fate is not inevitable. It is possible to reverse this trend and achieve the 2015 goals, but this will require a massive effort. HIV/AIDS will make the task more difficult. The key issues are conflict resolution, economic reform and human development. This is the agenda for NEPAD.

If NEPAD is to succeed it must transform the relationship between Africa and the rest of the world. It must not create new meetings and bureaucratic processes. It must bring a new drive, a new political energy and a greatly sharpened focus to our joint efforts to push forward the development of Africa. Most important of all, the people of Africa must be empowered to demand more of their governments and of the international community - both of which have let them down too badly for too long.





## **Response by Professor Wiseman Nkuhlu**

### **Chairman of the NEPAD Steering Committee responds**

It is a great honour for me to respond to Minister Short this afternoon. The reduction of poverty in Africa is a top priority in her government's agenda and it has been a pleasure for us, as the steering committee leading the New Partnership for Africa's Development, to work with the United Kingdom, in particular the prime minister's department and Minister Short's department. When people need to be convinced about NEPAD, and they don't seem convinced by what we tell them about this continent, possibly from time to time we will call on Minister Short to do that.

I am going to make a few comments about where the NEPAD process now is, so that the audience can appreciate that the Nepad initiative is not only making real progress but is also facing extremely complex challenges. It represents the first time that African leaders are taking responsibility for having themselves transformed, coming forward and saying that "we accept that as African leaders we have not been accountable to the African people over the years". They are also saying that "we also share responsibility for the wars in the continent, for increasing poverty over the years, but that the time has come for things to change".

This is what the champions of NEPAD are saying to the world. They are saying that it's not only the world that has contributed to increasing poverty in this continent, it's not only the rest of the world that is behind the conflicts, it's us, Africans, especially elected people who have power to make things better or actually to make things worse.

It is a fragile process, in that at the beginning very few heads of state were involved in the initiative and, possibly, very few really deeply understand what Nepad is about. But I think the main call to civil society, to us as ordinary citizens in our respective countries, is to take them seriously and to hold them responsible and accountable for the process that they've started. If we don't take them seriously, and we don't hold them accountable, this process may not go very far.

### **Conflict resolution**

Ms Short highlighted a few of the building blocks of NEPAD. I also want to start with the one that she started with, namely conflicts in Africa. The heads of states that are championing NEPAD believe that one of Nepad's major priorities must be the ending of conflicts. The minister mentioned Sudan, the DRC and Angola. I think it is very important that Nepad takes a serious step towards restoring peace and stability in the continent. In doing so, it should be a credible process that is led by Africans but with strong support from the industrialised countries, especially the G7.

It must have credibility and must serve as a deterrent to others who think that an easy way of assuming power is through starting conflicts. I think this partnership is going to be critical. If there is one area where NEPAD can make a big difference, it is in strengthening conflict prevention, management and resolution mechanisms and creating structures that are going to make it extremely unattractive for Africans, be they soldiers or young professionals, who want to take power by force. This is very critical. Ending conflict in Sudan or Angola should not be a once off thing: rather we must put structures and processes in place that will make a rapid response possible and serve as a deterrent to persons who want to engage in conflict. I hope that there are going to be African leaders prepared to take that responsibility.

### **Political and economic governance**

The second building block in NEPAD is the enhancement of political and economic governance. If one examines a number of international instruments, be they the human rights charters of the United Nations or the OAU, many have been signed by African countries where they commit themselves to democracy, to human rights and many good things. But what really happens in their respective countries is different: they sign these things but when they get back to their countries these instruments are never talked about. You find that elections are rigged and all kinds of other things. Nepad's political governance initiative, which will develop political standards, will deal with these issues. The political standards are being drawn from international experience and from processes that Africans have participated in, both in Africa and internationally. They will be underpinned by credible peer review mechanisms around which we are making process.

### **Peer review mechanisms**

I would like to put across the idea of peer review mechanisms. What is envisaged is the creation of an independent entity or mechanism that has the necessary technical competence, is objective and free from political manipulation. The persons in charge of the peer review mechanism must be persons with the necessary credentials, for example having served as judges of the supreme court, or be people of repute, with proven records in terms of integrity and human rights issues. In undertaking peer reviews they will use competent, independent research knowledge institutions. If they are, for example, dealing with human rights issues they will deal with independent human rights lawyers or institutions; the same applies to democracy or economic issues.

We need to make sure that reports developed through the peer review system are made public. This could be after a period, when the heads of the state have had an opportunity to comment, but it would not be up to ministers of finance, or foreign affairs, or heads of state to decide whether the reports must be made public or not. These mechanisms are still being developed and tested through a number of forums. We have just had a very interesting

African Development Forum, organised by the Economic Commission for Africa (ECA) in Addis Ababa, where a number of civil society organisations, private sector organisations and think tanks based in Africa were represented. They shared with us a number of ideas as to what could go into these processes. The intention is that there must be similar processes in every country.

The central NEPAD structure, as the co-ordinating process at a continental level, deals with Pan African structures and global institutions. We rely on those institutions to make sure that they get inputs from their affiliate structures. I am mentioning this because it is a very important development and it is very delicate - but at this stage I have no reason to believe that it is not going to succeed.

### **Economic growth**

The other very important element to NEPAD is issues around economic growth. The key element is to ensure ensuring sustainable economic growth in individual African countries and in Africa as a whole. We need to make sure that we have conducive conditions in our respective countries on issues such as economic and monetary policies, the nature of regulatory frameworks and issues around the respect for human freedom and human rights. Individual Africans must feel free and confident to invest their savings in Africa. That is the first requirement.

It is not a question of calling for aid. It starts by accepting that, as Africans, we can make a difference and create conditions where Africans have trust in their countries and start to re-invest in their countries.

The second element to Nepad's focus on economic growth is the need to extend intra-Africa trade. We need to make sure that the policies and practices which impede trade and investment between African countries are addressed rapidly. We are engaged in that process, focussing primarily on agriculture since it is the dominant economic sector in the continent. Agriculture accounts for more than 40% of GDP of most African countries.

The other very important matter on Nepad's agenda is to increase access to the markets of the industrialised countries, something that Ms Short referred to. We are pursuing that matter very vigorously.

Creating conditions conducive to economic growth is within our power and competence. The question of extending markets in the African continent, through removing impediments, is within our power. The question of better budgeting and improved public financial management is also within our competence. We must do these things. These things will contribute significantly in enabling African countries to achieve high levels of growth.

## **Achieving the Millennium Development Goals**

The other group of issues that we're dealing with pertains to enabling the continent to achieve the millennium development goals. These are goals that have been set through a number of global processes, which means that the whole international community is committed to the goals. But as the Ms Short pointed out, the continent is unlikely to achieve those goals unless something drastic is done. If things continue as they are, the continent will not achieve those goals and African people will actually be poorer by year 2015.

In this regard we focus on three things. The first, as I've already mentioned, is to make sure that agriculture is a priority in a way that focuses on people living in rural areas and which empowers them. We are developing a massive programme in this respect and will expect inputs from the public once the framework is released. The second issue are health issues - communicable diseases, HIV-Aids, malaria, tuberculosis and many other diseases. A comprehensive programme is being drawn up, derived from the work that led by Prof Jeffrey Sachs of Harvard University, under the auspices of the World Health Organisation. We have adapted the programme to African conditions. We are satisfied that the programme is the product of a comprehensive consultative and participative processes; it will be publicised very soon.

The third area is primary education.

We believe that in all three areas - agriculture, health and education – that it will not be possible for the least developed countries in the continent to achieve the 2015 targets unless something is done to increase resources significantly. We are developing the case very strongly for that to happen.

## **Conditions for sustainable economic growth**

The final group of issues is around establishing a strong foundation for enabling the continent to achieve higher levels of sustainable growth. These include issues such as an increased focus on higher levels of technical skills, centres of excellence, ICT, bridging the digital divide and infrastructure. This means that we will have a stronger platform, which will sustain high levels of growth. We believe however that even if we create these conducive conditions, liberalise our economies, deal with diseases and pour in resources to ensure economic development, that this needs to happen alongside a programme of action to stimulate the productive side of the economy with specific reference to agriculture and economic diversification.

The thinking that we are developing is being strongly supported by a number of developed countries. However, much as we interact with them regularly, I can assure you that the programme that is forthcoming is an African programme. We rely, as I have said, on the capacity of African institutions to come up with a programme that is going to be the basis for engaging the G8 on what we believe will be the basis for an enhanced partnership that will enable the continent to make a new start. We believe that what is making

this possible is the nucleus of African leaders who are prepared to be transformed and to be champions of transformation in Africa.

If we can hold that together, and civil society applies pressure to make sure that this process is not reversed, I believe that this time Africa is not going to make another false start. With the support of partners like Minister Short we will succeed. There are still many battles in front and we don't know what the G8 has in mind. But we know what we want and what we have on our side. We do not know the extent to which African leaders are going to be bold enough to accept the transformation programme that we have developed. But I am pleased to say that we have got many African leaders fully committed and behind this. Because of that I am confident that we have started something that is going to gain momentum and that this century is going to be truly the African century. Thank you.

### **Questions and answers**

The first round questions raised the following issues:

- How will the enforcement mechanism in NEPAD work?
- Will developed countries apply collective sanctions against African countries in situations like that in Zimbabwe?
- Have the lessons of past failures been learnt and will Africa be able to determine its own priorities this time round? Will it get support from developed countries in addressing these priorities?
- To what extent have people on the ground participated in formulating NEPAD programmes?
- What progress has been made on planning work on the ground?
- Will greater private sector involvement lead to some form of economic colonisation from the West?

### **Responses by Minister Short**

It would be 'absolutely wrong' to punish people on the continent for the misbehaviour of one government. However if Africa had appeared not to condemn the elections in Zimbabwe this would have endangered 'the prospects of NEPAD, not as a collective punishment but by reputation, but that did not happen.' The stand taken by Presidents Obasanjo and Mbeki was very important for the future of NEPAD.

The era of the World Bank and IMF drawing up reform agendas lead to enormous failures and the lessons have been learned. The internationally agreed millennium development goals have created a basis for genuine partnership and developing countries are devising their own poverty reduction strategies through consultative processes. Consulting people is 'not only more respectful, it is more successful.'

The division between rich and poor countries only dated from about 1830. Until that time the world was uniformly poor. When development takes off in poor countries they grow very fast and you get 'Mozambican type growth

levels of 10%'. Because the developed economies grow quite slowly, at about 2.5% the gap can be narrowed. Singapore and Malaysia were aid recipients in the 1960s. 'Rapid growth is possible and is absolutely crucial to the future, to sustainability of the planet... If we don't make progress we are going to be in great difficulties.'

On the question whether private sector investment amounted to colonisation from the West she responded that, 'The UK is the major recipient of Japanese inward investment into the European economy. We welcome it with open arms.' The transnationals play an important role in globalisation, for example in providing access to modern technologies. They require proper management and regulation to ensure that they comply with proper labour and environmental standards and this regulation needs to be global to ensure that they can't play one country off against another.

### **Responses from Prof Nkuhlu**

On enforcement: Transparent standards and effective media are the most important factors in influencing behaviour. Although they might not seem effective now this is changing. Once countries are linked through infrastructure and trade it will be possible to punish those that do not comply with standards. Agreements must provide for a country to act against another if its actions have a negative impact on neighbouring countries. A country that continues to act in a way that harms its neighbours can be denied the benefits of belonging to the group. 'But really the most important thing is the openness which has been lacking in the continent – the standards of behaviour and so on, are not clearly defined and made public.'

On Africa determining its own destiny: Leaders need to be constantly challenged on this issue. If we use all the knowledge institutions on the continent, Africa has the capacity to determine what is right for it. Listening to people on the ground, openness and rigorous debate will help to determine the right course for the continent.

There are two levels of participation to consider. At the global level NEPAD is using information from pan African structures. For example on universal primary education the Dakar process, an Africa wide forum on this issue, informs it. On HIV/AIDS there was a conference in Abuja. NEPAD has been careful to ensure that processes are participative. Country plans feed into planning for regional economic communities and then into continental plans. The second important level is participation by people in implementation once a project is identified. There is room to improve participation but it is important to be aware of these different levels.

The other thing to bear in mind is that there have been many discussions, in many forums, over many years about African issues. Information has been collected for these discussions through participative processes. Now it is time

for action. 'But in that action there must be participation by the people on the ground.'

*The second round of questions raised the following issues:*

- How compatible is NEPAD with existing international agreements such as WTO?
- What is the UK government doing on negotiating terms of trade with developing countries?
- Globalisation has been presented in a positive light, what about its negative aspects, particularly the danger that it will further marginalise poor people?
- What controls and regulations are needed for the private sector?
- What problems and different interests will the Johannesburg Summit have to deal with?
- Will the peer review mechanism be able to address the issue of African leaders who stay in office for long periods?
- If NEPAD had been in place would the African community have dealt differently with the situation in Zimbabwe?
- Once the peer review mechanism is in place will the former colonial power lay off?
- Does NEPAD have indicators or targets for its programmes? If so, what are they? If not, how will it assess programmes?
- NEPAD needs to create greater awareness about what it is.
- How can Africa break out of its dependence on aid?
- What can it do to attract more private sector investment?

### **Responses from Prof Nkuhlu**

'NEPAD is a response to globalisation, to the marginalisation of the continent. We are really focussing on transforming the African economies to make them much more competitive ... not just liberalising economies, it's the foundation, the market access issues, the infrastructure issues, the human development issues and so on.' NEPAD is compatible with WTO, 'But it is making sure that we increase, that we strengthen Africa's capacity to influence negotiations.'

We have come from the divided world of socialism and capitalism when openness and democracy were not requirements for countries to get support and to remain in power. 'It is because that world has collapsed that the world we have now is characterised by increasing and deepening democracy, a human rights culture; people in various parts of the world, including African countries, are demanding their rights. And it's characterised by increased reliance on markets and so on. It is also characterised by regional trade. That climate is going to make it possible for new alignments to develop and for people to actually be driven, not by ideologies or the past of colonialism, but to say, "What are the issues that determine my choice of a party or leadership." I am just saying that it is this new environment that I really I think this is a trend worldwide in terms of the factors that are determining behaviour. It is in that context that I am making those remarks.'



'I support the limitation of terms but one of the problems that comes up is that ...there are countries in the developed world that don't have these limitations of terms. In our standards we are saying limit it to two terms. But we have to avoid prescribing something in Africa that is not practiced in the rest of the world.

On Zimbabwe: 'I am not going to speculate what would have happened if there were a NEPAD standard ... the problem is that there isn't such a framework. Once there's a framework like that, there will be a way of dealing with this thing in a transparent way.'

There are targets in the NEPAD document. 'The minister referred to a 7 per cent economic growth rate and we have adopted the millennium development goals but ... each country must have it's own integrated development plan, set it's own targets and how it is going to achieve that for each sector. At a global level, it is 7 per cent and those are the targets that we're talking about.

### **Responses to Minister Short**

Terms of trade, what's the UK doing? The EU countries negotiate together at the WTO. Because it is a membership-based organisation and most of the members are developing countries they have a chance to predominate. 'We have been helping strengthen negotiating capacity and I think you saw a different agenda from Doha because that's starting to work out through the membership deciding what they want.' Within the EU there are 'more open economies and some that prefer protection ... it was tight at Doha to get the final agreement on reforming agriculture, which the UK desperately wants, but some countries in Europe don't. ... We've supported the legal advisory centre – trade lawyers cost a fortune if you are trying to bring a case under WTO rules. There's now a legal advisory centre where poorer countries can get legal advice and take forward cases. We've put some money into that. There are some countries that don't have proper representation in Geneva. They need a common secretariat and some backup so that they can be there and negotiate. So we are working on all those kind of levels. I think the WTO really provides a chance to have a fairer set of systems.'

Making globalisation positive: The first thing I'd say is, globalisation has been going for a very long time. It has had phases of speed-up but the ancient Egyptians traded. The poorest countries in the world are the ones that close themselves from the rest of the world. So yes, it's perfectly possible for people and countries to be marginalised, but they will stay poor ... I agree with you, that if a lot of change comes with globalisation, and we are in an era of rapid technological change that's bringing a lot of change in people's lives, that's frightening and some people lose out. It is the job of government and the international agreements and support to make change possible for people and to protect people from change and make sure that if there's decline in one sector in the economy where people have been independent, they give them some help to retrain and get other jobs and so on. But you will not stop the world economy growing and integrating, and people trading and sharing

technology and knowledge, you can't abolish information technology, it's there. It's how we get together as a world to manage it ... The worst scenario is a marginalised Africa, which is not unthinkable, but it would be terrible for Africa with more conflict and more poverty and so on. So, that's the job.'

On private sector codes and standards there is an OECD code, ... there's more and more consumer pressure on wanting to know that the shops they go to have procured their goods by decent labour standards and decent environmental standards, ... we have got this thing called the ethical trading initiative with a 120 billion of British retailing annual turnover in it. With trade unions and NGOs, cleaning up supply chains across the world and various other things that we can do in a globalising world.

Is everything hunky dory for WSSD in Johannesburg? No it is not settled yet. My own view is that there is a green agenda that comes out of the North of the world that if you're not careful is anti-development. It is really pulling up the ladder after you've plundered the world and polluted the world. Or there is a sustainability agenda that includes a guarantee of development to the poor within a sustainable planet. We have got to make sure that Johannesburg is the latter and not the former. If it is the former it will be a fall out in the world. I am hopeful that we can get there partly because there is strong agreement on the millennium development goals, but the preparatory process is still on. We are not there yet, we have all got to really work at it and make sure that the kind of things we've been talking about today are respected in a platform that also commits to looking after our environmental resources for the whole planet in a way that it would be sustainable for future generations.

On limitations of terms: 'Yes, the Zambian elections were worrying, President Chiluba tried to get out of the limitation on term he had agreed to after the change over from Kaunda and the people rose up and wouldn't accept it. He had to step down. President Kanari, of Mali who has been a great reformer is stepping down after two terms I think. President Dos Santos, whom you mentioned has announced that he's stepping down. President Museveni who has been in power for some time adopted a constitution with a limitation of terms and is due to step down in 2006. So it isn't perfect but there's been a movement across the continent in constitution making of all sorts of countries, accepting limitations of terms as being desirable and public opinion is making presidents who suddenly decide they want to change the constitution think twice. So there is a process going on, that is important.'

Will the former colonial powers lay off?: 'If you come to my constituency in the middle of the biggest industrial city in Britain, Birmingham, the predominant population originates from different countries that were colonised by Britain. The world is changing in profound ways. Laying off any sense of exploitation or hectoring, yes. But disengaging, no. We are more and more integrated in the world economy. We are each other's keeper. We've got to make the world safe for each other, and we've got to have a partnership of equals not dictatorship from one side to the other. I think that's what NEPAD is about, about changing the relationship in this deep way that we need for the future safety of the world.

'You are right about aid, in the end it's a giver and a receiver, and that creates an inequality in the relationship. But we're moving forward with the commitment to the millennium development goals we are saying it's a partnership. Reform will only work if it is led locally. There's not one side imposing conditions on the other, it's how do we achieve these things that we've all voted for. We are getting more equivalence in the relationship, and the aid is needed by the very poor countries to drive the reform agenda. It's desperately difficult to be a good reforming government in a country with \$200 a head GDP or something. If you've got good reform energy it needs backup to empower it and to invest in health and education so the country can move itself forward rapidly. But remember, South Korea, which now has a higher proportion of its young people in higher education than the UK, was an aid recipient in the late 1960s. That is where we hope we will be in the relationship with Africa in another 20 to 30 years. The countries will graduate and not need aid anymore. And there are models of great success in Africa of continuing economic growth in very poor countries. Big increases in numbers of children going to school, therefore you need to have the expansion of teacher training in higher education and therefore improving the capacity for skills and so on.'

'When you ask about the private sector, we've all learned, a mixed economy is what we want. Too much state fails, just pure market forces without a competent state fails. It is getting the balance right, the state doing what the state's got to do, having standards and regulation but the private sector's creativity being encouraged because that's how you get a burgeoning economy and that's part of the NEPAD story too. My own view is that this is doable, but it's not business as usual. The NEPAD process in Africa has been very impressive, but to succeed it needs to be owned by the people of Africa. They need more and more knowledge, that's a bit what today is all about. So that, as you say, they hold their governments to account, keep pushing, make sure that it is done. We could have an era of great advance and we have got the prospect of a lot of conflicts coming to an end, which really would advance the economic prospects of the continent in a very important way and the continent bringing forward it's own reform agenda. There really is a chance for moving forward in a significant way and we must grab it.

*Closing comments by Prof Mboup, Ambassador of Senegal to South Africa*

In closing Professor Mboup said three factors supported the belief that Africa's time had come. They are a generation of heads of state who are looking in the same direction and seeking to harmonise their positions, a growing self-awareness and assertiveness at the grassroots in Africa, and a leadership that has captured grassroots aspirations in the objectives of NEPAD and the African Union. The spirit of open mindedness, frankness and mutual responsibility and accountability in meetings with the G8 confirms that something is happening amongst Africans. He ended by saying, 'I believe that with the mobilisation of all the resources that are at our disposal, we shall

succeed in fulfilling the objectives set forward for us and achieve the African Renaissance ideal as a process of rebirth of both Africa and the African people.