





**Open Society Foundation** 

## **Poverty Brief**

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# Nepad: Holding the G8 Accountable

In Africa there are profound concerns that the war in Iraq will strain relations between countries that have joined the 'coalition of the willing' and those that have not. In particular there are concerns that this, along with the costs of war and reconstruction, may reduce aid and investment commitments from the G8 countries, hindering the implementation of Nepad and development generally on the continent. SARPN and the Open Society Foundation (South Africa) recently hosted a discussion forum in Pretoria where Baroness Valerie Amos, the United Kingdom Minister for Africa, responded to some of these concerns. The meeting was attended by representatives of a number of G8 countries, of the SADC and of government, civil society and academia in South Africa and other SADC countries.

The Chairperson, Dr Chris Landsberg of the Centre for Policy Studies, introduced the discussion.

He noted: Scepticism about commitment in Nepad to the African Peer Review Mechanism (APRM) seems unfounded. It may be time to move forward and focus rather on how realistic the goals proposed for the APRM are, and whether they will need to be adapted in the implementation process.

Another concern is that by shifting the focus to African countries Nepad will let external partners off the hook. The question of mutual accountability needs to be on the agenda and we need to inform ourselves about the commitments of external partners. One of the advantages of Nepad is that even if the goals are ambitious, at least the commitments are on the table.

## What does the war mean for Africa?

Prof Adam Habib, Director of the Centre for Civil Society at the University of Natal (Durban), set out a number of issues raised by the war in Iraq and its possible impact on African countries.

- Will opposition to the war lead to marginalisation of the Nepad process, the African Union and countries in Africa by the "coalition of the willing". Assurances to the contrary by President Bush and Prime Minister Blair appear to come from them as individuals rather than being expressions of policy. Is it possible that the war will lead to polarisation between countries, groups and communities that could have the unintended consequence of the United States reverting to a form of isolationism that could further marginalise Africa?
- The second set of issues is around the differences between the members of the "coalition of the willing", in particular the United States and the United Kingdom, on the post Iraq world order. The debate goes that the United Kingdom is far more committed to multilateralism and a central

role for the United Nations than the United States. What does it mean for Africa if major powers increasingly bypass the UN, which has played a major role in promoting African concerns in the international arena and in redirecting resources to the continent.

- The AU faces the critical task of reconciling those countries on the continent that have thrown in their lot with the "coalition of the willing" and those that have not. What are the implications of taking up this issue, or of ignoring it, for dealing with future issues on the continent? Is it possible for the continent to have a homogeneous response?
- Is Iraq the end or is it only one stop along the route in the war against terror. What if an African country is targeted as part of the 'axis of evil'? What will this mean for the AU and Nepad? What are the implications for developing some sort of collective response on the continent?

Habib concluded by saying that the conflation of the AU and Nepad does not necessarily mean that the post Iraq world order would have the same impact on them.

Professor Modise Modise, Permanent Secretary in the Office of the President of Botswana, pointed out that, as a partnership between Africa and her development partners based on African ownership and self reliance, Nepad gives African states an opportunity to play a role in shaping continental and international policies. He stressed that the G8 must not allow the commitments made in the Africa Action Plan to lose priority as a result of the war in Iraq and subsequent developments. The G8 could help to increase the flow of resources to Africa directly through the actions of its members and indirectly through influencing policy and decisions in the multilateral financial institutions.

## **UK support for Africa**

Baroness Amos began her response by stating that the United Kingdom's commitment to Africa and to Nepad reflects a decision to refocus its development effort on poverty eradication. This effort is focused on achieving the Millennium Development Goals (MDGs). Africa has an important place because, on present trends, it is the one part of the world where the MDGs are least likely to be met.

Africa is also important politically to the UK (and other G8 countries) because by working with reform minded leaders it is possible to make a huge difference on the continent. The UK has particularly welcomed some of the key ideals of Nepad, These are:

- Africa taking the lead on the development agenda for the continent
- Enhanced efforts to resolve conflicts on the continent
- Recognition of the key importance of good governance
- The importance of regional cooperation on infrastructure and other issues
- The importance of mutual accountability between African countries and donors for delivery.

The UK is paying particular attention to the development of the peer review mechanism and the discussions about the relationship between Nepad and the AU.

#### The G8's Africa Action Plan

The UK has played an important role in shaping the G8's response to Nepad, which led to the Africa Action Plan (AAP). The plan commits each of the G8 countries to support economic growth and poverty alleviation by establishing enhanced partnerships with African countries that show commitment to Nepad's goals. (www.sarpn.org.za/NEPAD/june2002/g8/action\_plan.php). It commits the G8 to 117 specific actions in eight areas:

- Peace and security
- Strengthening institutions and governance

- Fostering trade and investment
- Debt relief
- Education
- Health and HIV/Aids
- Agriculture
- Water.

At the Monterrey Conference on Finance for Development the developed countries pledged that ODA would reach US\$12 billion per year by 2006, with more than half of this amount earmarked for Africa. The intention is that 'No country genuinely committed to poverty reduction, good governance and economic reform will be denied the chance to reach the MDGs through lack of finance.' The UK is committed to reaching its target of US\$1 billion by 2006.

However, the AAP is not essentially about money but about getting the right partnerships and mechanisms in place to bring benefits. The UK is working with a number of countries to establish longer term development partnerships so that they have secure development funding. This includes putting significant resources that are not earmarked for specific projects directly into country budgets.

The UK has published its commitments under the AAP and hopes that other countries will follow this example. It has made 18 specific commitments in the areas of peace and security, trade, health, education, aid effectiveness and corporate transparency.

In addition to the AAP, G8 countries will continue to provide humanitarian assistance, regardless of the track record of recipient countries on governance. While the G8 is interested in working with reform minded countries it does not regard the African Peer Review Mechanism as the sole criteria but as one amongst a number of mechanisms contributing to good governance, economic growth and poverty reduction.

The second key element of the AAP is the mutual accountability of G8 countries to honour their commitments. They have agreed to monitor progress at the Evian Summit in France this year.

At Evian the UK will look for progress on:

- Supporting African peacekeeping capacity
- Access to medicines
- Trade access progress on commitments made at Doha has been very disappointing and the Cancun meeting in September is an important deadline
- Agreement on the Extractive Industries Transparency Initiative.
- On increased aid effectiveness it is looking for:
  - Stronger donor support for nationally led poverty reduction strategies
  - Increased resources with the UK proposing an International Finance Facility to double development assistance to US\$50 billion by 2015.
  - Progress on a process for Africa and its partners to mutually review development effectiveness, with some interesting thinking on this coming from UNECA.

The UK will not marginalise Africa as a result of the war in Iraq. It sees its action as critical for the role of the UN in a world that is not divided between rival poles of power but where countries work together. For this reason it is important to work with the United States to uphold the authority of the UN and ensure that Security Council Resolution 1441 is implemented.

#### War, development, trade and investment

In the ensuing discussion participants emphasised the critical situation in which Africa finds itself and the profound concerns about the potential impact of the war. Africa is in a state of crisis. To address the situation effectively both the internal and external partners to Nepad have to meet their obligations and commitments and ensure that there is effective implementation. Nepad has made a good start to ensuring increased and more stable official development assistance. A number of G8 countries including the United States, the United Kingdom and Canada have committed themselves to increased levels of assistance. The G8 has also committed itself to assisting with the establishment of an African peacekeeping force. However there are still many concerns: trust and accountability on the part of African and external partners is necessary for effective implementation of Nepad. The main issues raised were:

- The war may strain relations between countries with different positions and this may have an impact on flows of development assistance and on trade relations. The war may lead to a new direction in international relations.
- International commitments may not be realised. For example support for the Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM) has not come up to expectation.
- There is considerable concern that Nepad could play a role in redirecting assistance on the continent to those countries that are working within its framework. There is a danger that countries that do not subscribe to Nepad and its values will not get support. In many cases people in these countries face particularly severe problems and they should not be ignored.
- The G8 has both a direct role in providing assistance to African countries and an indirect role in influencing the multilateral institutions that provide aid to developing countries. This will have major consequences for countries if it chooses to work only with countries that align themselves with Nepad.
- The G8 is an informal grouping and does not implement programmes itself. Therefore it is up to the individual member countries to implement the commitments made by the group.
- African countries need to show that Nepad is more than an impressive document by developing and implementing policies.
- At present aid flows do not make up for the losses African countries experience through trade with the developed world. Equitable access to markets in the developed world is essential for Africa to progress. What level of accountability is there on the issue of market access?
- What is the UK position on the trade proposals put forward by France? (www.sarpn.org.za/documents/d0000228/index.php)

#### Zimbabwe threatens support

Baroness Amos responded that the war would not hinder progress on the AAP. An implementation plan would be presented as scheduled at the next G8 meeting in Evian in June this year. Although they disagreed over the war, the UK and France would continue to work closely together on many other issues including the G8 response to Nepad. What was more likely to derail the G8 programme on Nepad was the situation in Zimbabwe and the perception this was creating of the commitment of African leaders to hold each other accountable to standards of governance. The G8 countries see the ARPM as a very positive initiative but also recognised that it will not be easy to implement and are not saying that countries have to sign up for peer review to qualify for enhanced partnership. Individual G8 countries will make their own decisions about which countries to work with.

The UK recognises that FDI is critical and that countries cannot pull themselves up through development aid alone. It is concerned that the French trade proposals focus on Africa only and not

on Less Developed Countries (LDCs) as a whole. The G8 personal representatives for Nepad will look at the proposals when they meet in May before the Evian summit.

## The need for wider participation

At this point Baroness Amos had to leave the meeting. Discussion continued on the need to broaden participation in Nepad, particularly that of civil society and parliamentarians who are the elected representatives of the people. Both play an important role in development. A representative of the Nepad Secretariat pointed to the Nepad civil society meeting taking place in Ghana, arguing that it was important to recognise that the success of Nepad lay at the individual country level. "There cannot be effective civil society participation unless there are effective structures at country level".

The issue of Botswana's decision not to sign up for the APRM was raised. A government representative assured the meeting that Botswana is fully committed to Nepad but it has concerns about practical issues related to the peer review process, for example how the economic review process will relate to individual countries' own economic review processes.

## Conclusion

Summing up the discussion Landsberg noted that there was general consensus amongst participants that Africa would not be marginalised in a post Iraq world order and on the need to engage with Nepad. The G8 countries need to be held accountable for delivering on the promises made in the AAP. While the AAP represents a coherent response by the G8 countries implementation will take place though bilateral arrangements with African countries on the basis of enhanced partnerships. Landsberg argued that these partnerships should be evaluated and harmonised under the AAP as a single joint initiative.

## Notes:

1. A lengthy exposition of Baroness Amos' views on the same range of issues at this Poverty Brief – in a speech given to the Pretoria Press Club – can be accessed at: http://www.sarpn.org.za/documents/d0000264/index.php

2. SARPN would like to acknowledge financial support from the Open Society Foundation (South Africa) for this debate.