



The New Partnership for Africa's Development

The Journey So Far

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Introduction and Background

The New Partnership for Africa's Development (NEPAD) is now four years old. The foundation document, which outlines NEPAD's vision, principles and priorities, was adopted by the Assembly of African Heads of State and Government of the Organisation of African Unity (OAU), now the African Union (AU), in July 2001.

This was followed by the preparation of policy frameworks and indicative plans for the following priority areas: the AU's peace support operations capacity; standards and guidelines for the African Peer Review Mechanism (APRM), NEPAD's instrument for promoting good governance; the NEPAD Health Strategy; the Education Action Plan (now under review); the Comprehensive Africa Agriculture Development Programme (CAADP); the Short-Term Action Plan (STAP) for Infrastructure Development, the Science and Technology Strategic Plan, the Environment Action Plan, the Tourism Action Plan and the Africa Productive Capacity Action Plan. All the sectoral plans were adopted by the AU Assembly after consideration by African experts and Ministers.

Position papers were also prepared on debt owed by the African countries to the developed countries and multilateral institutions, international trade, development finance, information and communications technology (ICT) and HIV/AIDS. NEPAD also organised major workshops and conferences with civil society and the private sector.

The key NEPAD principles and messages are: African ownership and responsibility for the continent's development; the promotion and advancement of democracy, human rights, good governance and accountable leadership; self-reliant development to reduce dependency on aid; building capacity in African institutions; promoting intra-Africa trade and investment; accelerating regional economic integration; advancing women; strengthening Africa's voice in international forums; and forging partnerships with African civil society, the private sector, other African countries and the international community.

These are the principles and messages that the architects of NEPAD have been advocating since programme was initiated in 2000. They underline the fact that Africans have decided it is time they took charge of their own destiny and determined a development path for the continent in the 21st century. Taking charge means accepting responsibility for addressing the core challenges facing the continent. These include resolution of conflicts, poverty reduction, fighting corruption, eliminating the burden of disease and strengthening the capacities of African States.

Progress of Transformation and Implementation

What is the score after four years? Is there a change in the manner in which the AU, Regional Economic Communities (RECs) and national governments conduct their affairs? What about the implementation of NEPAD programmes and the performance of African economies? Has the nature and content of the relationship and dialogue with the industrialised countries and multilateral institutions changed?

In analysing NEPAD's progress since its launch in 2001, we should bear in mind that transforming a country and a continent is a long-term process that cannot be achieved in just four years. Evidence from other parts of the world shows that

transformation processes of this kind can take decades or even generations. In the case of Africa this is an even more complex task, given that it is a continent of 53 countries that have to be transformed. Let us keep this at the back of our minds as we examine Africa's progress during the past four years.

We believe that encouraging and indeed rapid progress has been registered during the past few years. The AU is conducting itself differently from its predecessor, the OAU. It is taking its mandate and responsibilities very seriously and a number of African leaders are helping to make it an effective organisation, not only by providing it with additional resources, but by ensuring that it conducts its affairs competently, procedurally and transparently.

One of the key changes is the way in which it is leading the resolution of conflicts and managing peace building in Burundi, Liberia, the Democratic Republic of the Congo (DRC), Côte d'Ivoire and Sudan. It is providing strong leadership and the African countries that undertake assignments on its behalf act under clearly defined mandates. In other words, there is order and direction.

Secondly, key organs of the AU have been reinforced in terms of their mandates, budgets and leadership. It is the NEPAD principles and commitments that are giving strength and direction to these changes. As a result, the AU Commission has a stronger mandate and better capacity than its predecessor, the Secretariat of the OAU. Further, the Peace and Security Council has a better leadership structure and more appropriate working procedures than its equivalent under the OAU, the benefits of which have already been clearly seen in a number of situations.

Thirdly, through NEPAD, African leaders have not only taken ownership and leadership of the continent's socio-economic renewal agenda, they have also transformed the content of the agenda and are making progress in changing the international context as well.

The NEPAD policies and priorities have become the internationally approved framework for Africa's development. The APRM, a NEPAD innovation, has received international acclaim. In addition, agriculture, infrastructure, science and technology and regional economic integration, which were not among the top priorities on our

partners' development agenda, have now taken centre stage. In other words, through NEPAD, African leaders have fundamentally changed the development paradigm. The narrow approach of the Poverty Reduction Strategy Papers (PRSPs) has been replaced by a comprehensive and holistic approach to development. Through these interventions, the African people have, themselves, determined a development path for their countries and their continent.

Many African leaders, as a clear confirmation of their determination to address corruption, poor governance and inefficient and ineffective delivery of public goods and services to their citizens, are implementing African peer review processes. In less than two years since the approval of the APRM's standards, guidelines and procedures, 23 countries have acceded to the programme and reviews of two countries — Ghana and Rwanda — have been completed.

Another exciting development is the consolidation of democracy and improved macro-economic management across the continent. We are observing successful elections and peaceful changes of leadership every year. Recently, we witnessed peaceful changes of leadership in Mozambique and Namibia, among others, and Tanzania is to undergo this process soon. African leaders also successfully intervened in Togo to ensure a peaceful political transition in that country.

The average economic growth rate for the continent in 2004 was 5.1 percent (the highest in eight years) and the average fiscal deficit for the continent declined to almost zero. The 5.1 percent economic growth rate follows on 3.7 percent in 2003 and 2.9 percent in 2002.

Of course, the challenge is to maintain the trend and to increase the rate further towards the 7 percent target. We believe that conditions are conducive for the trend to continue. Demand for African commodity exports by China and India is likely to be sustained. And as reforms in Africa gain credibility, we expect more private sector companies to take advantage of the United States's Africa Growth and Opportunity Act (AGOA) and the European Union's (EU) Everything But Arms agreements by increasing manufacturing and exports from Africa.

In addition, the implementation of NEPAD programmes is poised to accelerate in the coming years. Preparations and consultations for the rollout of the CAADP have been concluded. The regional communities and national governments have identified high priority projects and early actions. Governments have also committed themselves to increasing national budget allocations for agriculture to 10 percent per annum over five years. Development partners and multilateral institutions have also been mobilised. The Food and Agricultural Organisation (FAO), International Fund for Agricultural Development (IFAD), World Bank, the United States Agency for International Development (USAID) and the World Food Programme (WFP) have all provided significant support for the advancement of the CAADP.

The Africa Productive Capacity Action Plan is also closely linked to the CAADP. The primary objective of this plan is to promote agro-industries and other manufacturing activities by harnessing the comparative advantages of each sub-region. The rollout of the plan has already started in West Africa.

Good progress is also being made in the implementation of other NEPAD programmes including health, ICT, education, environment and science and technology.

Since 2001, our priority has been to push the fight against the burden of potentially preventable and treatable disease to the top of the development agenda. In 2001, we called for then unheard of levels of investment in health to advance social and economic development and for antiretroviral treatment. Since then we have seen the emergence of the Global Fund to Fight AIDS, TB and Malaria and the 3 x 5 AIDS Treatment Strategy, among others. The NEPAD 'Fight Against AIDS' plan provides an overarching strategy to address HIV and AIDS and its impact on the continent and it has become incorporated into all NEPAD programmes. Our advocacy for increased support of integrated health systems as a vehicle for delivery and for new approaches to training and retention of health professionals is influencing behaviour both in Africa and internationally. Countries have started to implement the NEPAD Health Strategy and our partnership with the World Health Organization, in particular its Regional Office for Africa, continues to yield positive results. The foundation for accelerated development of innovative projects in support of health has been well

laid. The Commission for Africa has also made bold recommendations in support of NEPAD's position on health.

In education we are supporting the development of distance education in partnership with the University of South Africa, the African Virtual University in Kenya, the National Open University of Nigeria and the Commonwealth of Learning in Canada. The initial focus is on teacher training and development in a number of African countries. We are also supporting the preparation of post-conflict education strategies for Mozambique, the DRC, Angola and Rwanda. The other very important initiative is the expansion of the science, maths and technology education centre in Nairobi, Kenya, into a NEPAD regional project. Japan is the key development partner in these initiatives.

The top NEPAD priorities in ICT, which have reached the implementation stage, are the e-schools project and the provision of a fibre-optic submarine cable on the East Coast of Africa. The e-schools project is a very bold endeavour in which NEPAD is working primarily with the private sector to develop a strategy for enabling all African schools to have access to ICT within 10 years. A pilot project involving 96 schools in 16 African countries is due to be launched in the second half of 2005.

The estimated cost of the fibre-optic submarine cable is US\$200 million and commitments have been made by the African Telecom Utilities and private corporations to raise at least 50% of the capital required. The World Bank Group has been approached for the balance. This is an excellent example of a public-private partnership.

Furthermore, we are promoting the development of a framework for e-governance, which includes the public service sector, election commissions and local government. The first phase of the project is focused on e-parliament, which will enable African parliamentarians to easily source and share information relevant to their legislative and oversight roles.

President Wade of Senegal has been leading the Digital Solidarity Fund initiative, launched in Geneva on 14th March 2005, for the past three years. Funds raised will be used to extend ICT services to rural areas.

In the field of science and technology we are making progress with the establishment of centres of excellence. The International Livestock Research Institute in Nairobi is hosting one of the NEPAD centres of excellence in biosciences. Other hubs are being established at the Council for Scientific and Industrial Research (CSIR) in South Africa and at the Egyptian National Agricultural Organisation in Egypt. Senegal has committed itself to hosting a hub for West Africa. The CSIR centre will specialise in health and the hub in Egypt on the linkages between health and agriculture. We are also in the process of identifying centres of excellence for water science and technology in co-operation with UNESCO. Leading partners in this sector are the governments of Canada and France.

In the area of environment, funding has been secured for the appointment of experts in each REC and recruitment has already started. Sub-regional NEPAD Environment Action Plans are also being developed by the RECs based on the framework of the NEPAD Environment Action Plan. The key partners in this programme are the United Nations Environment Programme (UNEP) and the Global Environment Facility (GEF). The African Stockpiles Programme (ASP), which aims to remove obsolete pesticides and associated chemicals in Africa, is also being rolled out.

Regarding cross-border infrastructure and other projects with significant regional impact, the major constraint — the capacity of the REC secretariats — is being addressed. The African Capacity Building Foundation is conducting capacity building needs assessments for all RECs. This includes the determination of funding required to implement recommendations. Another breakthrough is the commitment made at the April 2005 Africa Partnership Forum (APF) meeting by the G8 and the Organisation for Economic Co-operation and Development (OECD) countries to give increased attention to infrastructure development.

During the past three years, the African Development Bank (AfDB) and the World Bank have been giving increased priority to projects in the NEPAD STAP for Infrastructure Development. Significant projects being financed include the West African Gas Pipeline, electricity inter-connectors in West and Southern Africa, high-priority road networks and a number of feasibility studies. The amount committed to NEPAD infrastructure projects, including those in the pipeline, is more than US\$5

billion. Canada and Japan have been the main sponsors of project preparation for infrastructure projects in energy, transport and ICT. However, given the backlog in developing priority projects and capacity constraints at all levels, the pace of approvals remains unsatisfactory.

The EU Commission has established the European Union Water Facility of €500 million. The first tranche of €250 million is immediately available for financing requests from African countries. In addition, the Commission has earmarked US\$10 million for the preparation of action plans for the integrated development of 10 priority river basins in Africa — Senegal, Volta, Niger, Lake Chad, Nile, Lake Victoria, Congo, Zambezi, Okavango and Senqu/Orange. Furthermore, the Africa Water Facility (AWF) has been established at the AfDB and development partners have already committed US\$75 million to it. The fund is expected to grow to US\$600 million by 2006/7.

The water programme enjoys wide support from development partners. In particular, the French government has provided leadership, together with the EU Commission and the AfDB.

The NEPAD Heads of State and Government Implementation Committee (HSGIC) has also resolved to study options for investing African pension funds in selected high-priority infrastructure projects, again confirming Africa's commitment to its own development. A report on the matter is being prepared under the direction of African Ministers of Finance.

Another welcome development is the successful replenishment of the International Development Association (IDA) and the African Development Fund (ADF), the soft loan and grant windows of the World Bank and AfDB respectively. The additional resources should enable the two institutions to increase development support to Africa.

Infrastructure development has been given a further boost by both the United Nations Millennium Project and the Commission for Africa reports, both of which recommend increased development partner support for infrastructure. We believe that the convergence of all these developments will lead to increased investment in the sector. Therefore, we are confident that given the fundamental contribution of

infrastructure to development, economic growth in Africa will be sustained at higher levels than in the past.

The AU has primary responsibility for the architecture for Peace and Security on the continent, which includes the Peace and Security Council, Continental Early Warning System, Panel of the Wise and the Africa Standby Force. NEPAD's role in Peace and Security relates to post-conflict reconstruction and the mobilisation of resources for the AU Peace Fund. In this context, NEPAD is finalising an African Post-Conflict Reconstruction Framework aimed at enhancing the capacity of internal actors. Detailed strategies for post-conflict reconstruction have been developed in consultation with African experts and development partners.

NEPAD has also been very active in developing a framework for strengthening the governance capacity of African countries. The initiative is being led by African Public Service and Administration Ministers. An initial plan has been prepared and the European Commission has provided funding for the implementation of Phase One.

All NEPAD priority programmes have been designed and are being implemented in a manner that integrates gender considerations. The gender issue will be further boosted by the planned launch of a Reference Group comprising professionals with experience in gender and development. It will assist in incorporating gender issues into programme implementation. The unit is working closely with the AU Commission and the RECs.

We continue to interact with civil society groups at various levels. On a generic level, a civil society desk has been established at the NEPAD Secretariat with a view to having a one-stop focal point for civil society. At a sector level, all programmes are being implemented in consultation with relevant civil society groups. For example, civil society participation is an integral part of the African peer review process. However, it must be noted that the level and extent of civil society participation in the implementation of NEPAD programmes is largely dependent on the capacity of civil society groups. NEPAD, particularly through its country structures, will support the development of such capacity in the many countries in which it is lacking.

At the sub-regional level, many RECs have re-oriented their programmes in line with NEPAD priorities and they have included NEPAD implementation in the agenda of their summits. This further demonstrates the resolve of the Heads of State and Government Implementation Committee (HSGIC) members of those sub-regions to lead the implementation of NEPAD programmes. Indeed, it is at the sub-regional level, through the member states, that ownership of NEPAD should be anchored. All RECs are now working with the NEPAD Secretariat and other partners, such as the African Capacity Building Foundation (ACBF), to develop a programme to address the capacity constraints of the RECs identified over the past three years.

From the above, it is clear that NEPAD has energised development on the continent. It has released energy and action. Above all, it has laid the foundation for an African agricultural revolution and the rollout of a continent-wide socio-economic transformation.

NEPAD and the Private Sector

NEPAD is very encouraged by the response of the private sector to its strategy. There are now NEPAD private sector initiatives in a number of African countries and internationally. The NEPAD Business Group was launched in 2002 under the leadership of the African Business Roundtable, while South Africa, Nigeria and Kenya, as well as other African countries, have NEPAD business chapters. Internationally, the World Economic Forum, the Commonwealth Business Council, the Corporate Council on Africa and the Canadian Corporate Council hold annual NEPAD events and promote investment in Africa.

Business is also involved in the preparation and financing of a number of NEPAD projects, including the fibre-optic submarine cable and the cellular networks.

Private sector investment in mining has increased significantly over the last few years and we have seen new interest in a diverse range of minerals. Both multinational and junior mining companies are back in Africa in large numbers, with active exploration activities in a number of countries, including Botswana, the DRC, Tanzania and Mali.

Associated with these developments are accelerated policy and regulatory reforms and improved collaboration by African Ministers of Mining. They have established a forum to promote harmonisation of policies, increased investment and enhancement of the skills that are required for development of the sector.

Of course, African countries must do much more to create conducive conditions for business development and increased foreign direct investment. This must remain a major focus in order for Africa to achieve self-sustaining development.

All development partners have also actively promoted the private sector, especially the Italian and German governments, which have hosted important private sector forums in the past two years.

Increased interest and participation by the private sector confirms that the negative perceptions about Africa are changing.

Partnerships with Developed Countries

Another thrust of NEPAD has been the forging of a genuine partnership with the highly industrialised countries, a partnership based on mutual trust, respect, trust and responsibility. The process began in 2001 with the invitation by NEPAD's architects to the leaders of G8 countries to partner Africa in the implementation of NEPAD.

The result was the release of the G8 Africa Action Plan in June 2002 in which they made commitments to support the implementation of NEPAD and to produce regular reports on their progress in doing so. This was followed by the endorsement and support of NEPAD by the international community through United Nations Resolution 57/7 of 2002 and the implementation plan of the World Summit on Sustainable Development (WSSD) held in South Africa in September 2002.

Following the adoption of Resolution 57/7, the Secretary General of the United Nations established the Office of the Special Advisor on Africa. One of the key mandates of this office is the promotion of NEPAD in the UN System and internationally, in partnership with NEPAD structures. The UN Secretary General

submits a report annually on support for NEPAD implementation by the international community. To date, two reports highlighting progress have been submitted to and discussed at the UN General Assembly.

The United Nations Development Programme (UNDP), the United Nations Economic Commission for Africa (UNECA) and other UN agencies are also actively supporting implementation of NEPAD. The UNDP works closely with the NEPAD Secretariat and the APRM while UNECA co-ordinates the activities of other UN agencies in support of NEPAD and is also involved in the APRM.

At the G8 Summit held in Evian in 2003, it was decided to extend the dialogue between the G8 and NEPAD initiating countries to all OECD countries that contributed substantially to development assistance. Participation on the African side was expanded to include representatives of all 20 countries serving on the NEPAD HSGIC, the executive secretaries of the RECs and a representative of the AU Commission. The role of this African Partnership Forum is to undertake a mutual review of progress on commitments to the implementation of NEPAD programmes and to determine what high-level political interventions may be necessary from both sides.

The increased engagement of the G8 and OECD leaders by the architects of NEPAD has also helped to reverse the decline in development assistance flows to Africa. Of course, the African leaders are not claiming sole credit for this achievement, but there is no denying the fact that the NEPAD policy framework has provided a common focal point for and clarity on what Africa wants. Further, the NEPAD agenda and advocacy by NEPAD leaders has kept Africa and its priorities on the world agenda in spite of pressing problems emerging elsewhere on the globe. Without NEPAD, Africa is not likely to have got to the top of this agenda, nor would it have had a chance of staying there.

The African Development Report (2004) makes the following observation: "After declining through most of the 1990s, net ODA for Africa has begun to recover, rising from a total US\$15,7 billion in 2001 to US\$21,2 billion in 2002." The figure for 2003 is US\$23,7 billion. Our calculations indicate that if delivered, Monterrey and post-Monterrey pledges will increase total global ODA flows to US\$109 billion by 2010 and to US\$144 billion by 2015, and increase flows to Africa to US\$44 billion in 2010 and

to US\$61 billion in 2015. Although this will be a significant increase, it will still be short of the amount required for Africa to meet the Millennium Development Goals (MDGs).

In addition to commitments made in Monterrey, the US launched the President's Emergency Fund for AIDS Relief and more recently the Millennium Challenge Account, while the EU has responded to the call by the NEPAD leaders by coming up with two very important initiatives. The first is the allocation of a percentage of the African development assistance budget to peace and security in response to the call made by the African leaders in Genoa, Italy, in July 2001 and also in a special meeting between the NEPAD architects and the EU leadership in October 2001. The second is the recent announcement of a timetable to increase development assistance to 0.56% of GNI by 2010 and to 0.7% by 2015. The recent announcement by the G8 Finance Ministers of the cancellation of debt totalling more than US\$40 billion owed by 18 highly indebted poor countries (HIPC), 14 of whom are African, to the World Bank and African Development Bank is further evidence of international responsiveness to the advocacy for Africa. NEPAD has played no small part in changing the sense of responsibility to the continent that is reflected by these initiatives. The debt cancellation was crucial because, even after the HIPC process had been completed, 12 of the 26 recipient sub-Saharan countries would still have had unsustainable debt burdens, while most of the others would not have been able to sufficiently accelerate their development agendas to achieve the goals agreed to with the international community.

These signals demonstrate that the partnership is delivering. However, current international estimates are that US\$50-\$75 billion in aid flows per annum are necessary for Africa to achieve the MDGs. This requires a doubling of assistance in the short term and further increases thereafter. The challenge is to take it to the next level and also for African leaders to move faster on the issues that are of concern to the development partners. These include the fight against corruption, the war against HIV/AIDS, the acceleration of capacity building and, in general, the strengthening of absorptive capacity.

In summary, NEPAD has not only changed the content of the African development agenda and speeded up its implementation, it has also transformed the nature of the dialogue with the highly industrialised countries.

Partnerships with Countries of the South and the Diaspora

The NEPAD message has also reached the countries of the South and Africans in the Diaspora. China, India, Brazil and the Arab countries, in particular, are being mobilised to partner Africa in this very ambitious project. Africans in the Diaspora are responding in diverse ways, which include offers of expertise, lobbying of their governments and mobilisation of private sector investors.

A group of African scientists living in the US and Europe have established the NEPAD Council as a vehicle for co-ordinating their participation in the development and implementation of NEPAD programmes. NEPAD has also established Africa Recruit as a joint venture with the Commonwealth Business Council. The primary purpose of this initiative is to interest Africans living abroad in job opportunities in Africa and also to provide consultancy services to African governments and initiatives.

These are big achievements for just four years.

Tackling the Challenges

Of course there are challenges. The first is to strengthen and sustain progressive political leadership. It is still early days for the transformation process to become irreversible. We need to have committed leaders in place for a much longer period. South Africa, Nigeria, Algeria, Egypt, Senegal and other pioneers of the African renewal must stay the course and continue to strengthen the political leadership of the AU and the RECs. The NEPAD structure affords them the platform from which to do so.

The second challenge is building the capacity of African institutions — national Governments, RECs and the AU. Unless this is given increased priority, African countries will not be able to take advantage of improved access to resources, nor

deliver increased social services to meet the MDGs. Improvements in governance will also be at risk.

A prerequisite to strengthening the effectiveness of RECs as drivers of regional economic integration is reducing the number of groupings and eliminating multi-membership. This matter needs urgent action.

The third challenge is to address the heavy burden that diseases, particularly AIDS, tuberculosis and malaria, place on the continent's social and economic development. It is well recognised that health is one of the most serious casualties of poverty, social exclusion, marginalisation and lack of sustainable development in Africa. However, the converse is also true. Beyond unnecessary death and suffering, the disease burden also seriously impedes economic development and damages the continent's social fabric. To address the continent's health crisis, not only do we need to increase programmes fighting disease, we must also strengthen the health systems that have to deliver related services and address the human resources issue. If Africa continues to lose its health professionals at the current rapid rate, the goal of improving health will not be realised.

The fourth challenge is to speed up the integration of NEPAD indicative plans into national development programmes and/or PRSPs to enable the realisation of the MDGs and or sustainable development. Most current national development programmes and/or PRSPs are not designed to enable countries to achieve the MDGs by 2015. To remedy this, countries should integrate NEPAD's agriculture, health, education and skills development, water and sanitation and science and technology programmes and Small, Micro and Medium Enterprises programmes into their national development plans.

The fifth challenge is to change the manner in which the multilateral development-finance institutions, in particular the AfDB, World Bank and the EU Commission, support infrastructure development in African countries. They must create special mechanisms for cross-border projects and be more supportive of project preparation. There is an urgent need for political intervention to make these institutions vehicles that can be used to address the lack of interconnectivity in Africa, as this is a major constraint to growth and competitiveness.

The additional contributions to the International Development Association and the African Development Fund should be directed into infrastructure. Of course, for the change to happen there must be more active engagement by African governments and RECs.

The sixth challenge is to strengthen the private sector and attract more foreign direct investment. At the same time, African countries should expedite the development of domestic debt and equity markets. This requires accelerated policy and regulatory reforms as well as greater support to small and medium enterprises. The NEPAD Business Group should lead the process and the NEPAD Secretariat should also strengthen its capacity in this regard.

The seventh challenge is to speed up the implementation of the APRM. This is an important instrument for fostering political, economic and corporate good governance, improving the efficiency and effectiveness of governments in delivering goods and services to their citizens and creating confidence in target countries to attract support and investment. The APRM country reports will provide a basis for comprehensive governance reform and capacity building and they will address continuing concerns about corruption.

The eighth challenge is to convert the promises of the highly industrialised countries into concrete actions such as significant increases in development assistance flows, harmonisation and simplification of aid procedures, 100 percent cancellation of debt (including debt owed to multilateral development finance institutions) and phasing out trade distorting agricultural subsidies. It is now well recognised that although development assistance does work, African countries will not achieve the MDGs on current levels of such assistance. It is also recognised that Africa has limited means to increase social and other investments from its own resources, even with reduced inflation and increased economic growth.

The recent movement on debt cancellation, after much advocacy by Africa and its allies, can only be lauded and we hope it will be speedily implemented. NEPAD will monitor the implementation of the initiative and will call for it to be extended to all

Least Developed Countries in Africa and for similar dramatic movement on the trade distorting agricultural subsidies of OECD countries. Of course African countries must respond fittingly by investing the mobilised resources in poverty reduction, human development (especially in health and education) and physical infrastructure.

The ninth challenge is to address the impediments to the effectiveness of development assistance. There is now wide consensus, including within the OECD and its Development Assistance Committee, that the effectiveness of development assistance has been compromised by a number of factors and that this has fuelled the perception that Africa lacks the capacity to absorb and effectively use increased funds. At the heart of the problem is the fact that funding has often been done piecemeal by individual donors for short-term single programmes that carry heavy transaction costs and often require parallel infrastructure to be set up. But Africa must, in turn, commit itself to not diverting its own resources out of sectors that receive increased development assistance.

The key changes required in the architecture of funding are to move towards streamlined applications based on national plans to pooled funds and the harmonisation of resources. NEPAD's call is for substantial portions of development assistance to go to core budget funding to build the delivery capacity on which public services and economic growth depend. This should be tied to greater predictability, longer donor cycles and greater African ownership. African technical capacity to support implementation must also be enabled.

The pooling of a percentage of the additional resources in a special AU/NEPAD Development Fund at the AfDB and/or the World Bank would make a major contribution to reducing transaction costs and improving the effectiveness of the delivery of development assistance.

NEPAD calls for a mechanism that can mobilise the additional aid with little delay and for a quick disbursement mechanism to support national governments that come up with integrated national development programmes incorporating expanded health, education, agriculture, water and sanitation and capacity building elements. The Fund would also support the preparation of key trans-boundary infrastructure projects as well as finance projects directly.

We believe that African countries are beginning to tackle all the challenges mentioned above. On the issue of increased development flows, we are counting on increased advocacy and new initiatives that are converging this year, in particular the release of the United Nations Millennium Project and the Commission for Africa reports. The two reports have highlighted recent progress in a number of African countries and the need for urgent action to lift Africa out of poverty and underdevelopment.

The Millennium Project report makes a strong case for expanded national development programmes and capacity building. The Commission for Africa makes it clear that the G8 Africa Action Plan has not produced the increased development flows that are required for Africa to achieve the MDGs by 2015. It proposes concrete actions, budgetary estimates and financing mechanisms.

We believe that these reports, together with the UN review of progress towards meeting the MDGs, scheduled for September this year, offer a great opportunity to further mobilise international solidarity behind Africa's development.

As NEPAD, we stand ready to play our part. We call on all progressive organisations throughout the world to reinforce our call for increased support for Africa's renewal.

Conclusion

In conclusion, we call on the international community, in particular the G8 countries, to launch in 2005 a concrete programme of action in line with commitments made in the United Nations Millennium Declaration in 2000 and the G8 Africa Action Plan in 2002. The NEPAD strategies, and the recommended actions of the UN Millennium Project and the Commission for Africa provide the details of interventions required. Therefore, the lack of concrete development strategies and action plans, sufficiently quantified and detailed, can no longer be cited as a reason for lack of progress. The most critical proposed actions are the following:

- A commitment to provide increased budgetary support for the AU's Peace and Security programme on a predictable multi-year basis.

- The doubling of development assistance in three years and further increases thereafter to ensure that Africa is able to meet the MDGs by 2015.
- The establishment and financing of a US\$20 billion AU/NEPAD Development Fund to fast track the implementation of NEPAD programmes in infrastructure, agriculture, education and skills development, integrated health systems, water and sanitation and capacity building, and the implementation of the APRM programmes of action.
- Agreement on the cancellation of the debts of all Least Developed Countries.
- Agreement on timeframes for the abolition of trade-distorting agricultural subsidies.

Africa has made an excellent start, which is a tribute to the commitment of its Heads of State to improving the continent and evidence of what can be achieved by committed leadership, supported by a small secretariat of dedicated experts, working in close collaboration with the AU Commission. The increasing number of countries that are implementing progressive political and economic governance policies and regulatory frameworks is further evidence of the leadership of the Heads of State. Through NEPAD's work with all stakeholders, Africa now has, for the first time in its history, a common rallying point for the development of the continent. The challenge is to build on this foundation by strengthening the partnership with the African people and the international community, particularly the highly industrialised countries.

NEPAD is actualising the AU vision "of an Africa integrated, prosperous and peaceful, an Africa driven by its own citizens, a dynamic force in the global arena". Yes, Africa has embarked on a long and difficult journey. It is going to take time to reach the desired destination. However, we have every reason to be proud of the progress made in the first four years. NEPAD must continue until glory and prosperity returns to Africa.