

**The *New Partnership for Africa's Development* (NEPAD):
A Commentary**

Africa-Canada Forum

Canadian Council for International Co-operation

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The views in this paper reflect a common position prepared by the Africa-Canada Forum coordinating committee on behalf of its 40 member organizations, but individual members may not subscribe to all ideas equally and may provide their own commentary. For more information contact Claudie Gosselin at cgosselin@ccic.ca.

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EXECUTIVE SUMMARY

The *New Partnership for Africa's Development (NEPAD)* is an important statement by African leaders. The engagement of the G8 countries to respond to this initiative with an Action Plan at the June 2002 Summit represents an important political moment.

After an initial process of consultation with its member organizations and colleagues and partners in African civil society, the Africa-Canada Forum, a working group of the Canadian Council for International Co-operation, wishes to stimulate debate by expressing the following concerns with regards to *NEPAD*:

- *NEPAD* is a starting point for discussion in Africa, but did not result from participatory local, national and regional strategies, appropriate to the particular concerns of the poor and marginalized in African countries. The absence of prior discussion and debate with African citizens raises issues of commitment to democratic participation, and is also reflected in the content and priorities established in the document.
- *NEPAD*'s primary audience is clearly not African citizens but rather Northern donors and institutions. For instance, *NEPAD* underestimates the deleterious impact of donor-led development programs in Africa, in particular the Structural Adjustment Programs (SAPs) that have undermined national economies, exacerbated poverty and inequalities, and eviscerated the capacity of African states to respond to urgent social needs.
- *NEPAD* rightly seeks a new partnership with the North, but then places this partnership within the World Bank's "comprehensive development framework", which implies specific conditionalities being linked to further aid and debt reduction. Such conditionalities not only often impose measures that are detrimental to the poor, they also endanger national sovereignty and the ultimate goal of vertical accountability of elected African leaders to citizens.
- The primary focus for the Democracy and Governance Initiative of *NEPAD* is the political and administrative framework of participating countries. But the worthy goals of *NEPAD* (poverty eradication, democratization, human rights promotion) will not be achieved through technical and administrative measures. Rather, it is critical for the long-term promotion of democracy and for the equitable distribution of economic benefits that civil society actors be able to monitor their own government and demand accountability. Yet *NEPAD* is largely silent on civic engagement.
- *NEPAD* gives insufficient attention to a rights-based approach to meeting African development needs. Appreciation of social rights (education, health) are seen at best as an issue of greater access to services, rather than as rights inherent in citizenship. Further, the fact that *NEPAD* encourages privatization of social infrastructure endangers the rights of those who cannot afford user fees for basic services.

- *NEPAD's* gender analysis fails to address the gender politics and inequalities at the root of the feminization of poverty and does not capitalize on the strength of women's organizations in Africa, which have been at the forefront of social, economic and political activities to hold governments accountable.
- With regards to the Peace and Security Initiative, none of the proposed measures in the *NEPAD* includes the commitment to respect international laws that protect territorial integrity, national sovereignty, minority rights, etc. *NEPAD* fails to deplore the double standard that has led to a scarcity of constructive, multilateral intervention by the international community in African wars. *NEPAD* does not address the specific problems associated with conflicts around access to, exploitation of, and the often illicit trade in natural resources.
- *NEPAD* aims to achieve internationally agreed upon development goals through greater integration of Africa in the current model of economic globalization. Yet many Africans have experienced impoverishment and the loss of livelihoods due to the premature opening of economies or to their integration in the global economy as purveyors of cheap primary commodities. Clearly this experience suggests that only a minority of Africans will benefit from greater integration into the global economy, without significant reform to international trade, investment and political regimes.
- African governments are highly vulnerable to the disproportionate power of large transnational companies who maximize their own advantage when they invest, typically taking little account of the economic, social, and environmental impacts of their activities. This is one of the reasons why the ACF is worried about the centrality of the strategy of stimulating growth through foreign direct investment (FDI) in *NEPAD*, especially given the absence of a call in the document for corporations' home countries to legislate so as to ensure corporate social responsibility world-wide. Further, FDI tends to go to economies that have already experienced a certain level of growth, so this strategy is likely to broaden inequalities on the continent.
- The industrialization model of agricultural and rural development promoted in *NEPAD* has threatened rural livelihoods in many developing countries.
- The *NEPAD's* Environment Initiative is very weak. For instance it does not offer concrete measures to ensure that industrialization and energy projects will not harm the environment – instead *NEPAD* blames environmental destruction on the poor. The document also fails to call for climate justice.
- *NEPAD* calls for a “new partnership,” but for the most part shies away from calling for the kinds of initiatives that would truly benefit Africa, such as: (1) fundamentally reforming global trade and investment regimes and (2) ensuring effective participation, transparency and fairness in the governance of multilateral institutions. *NEPAD* sidesteps the fact that African governments have tabled major proposals at the World Trade Organization (WTO) for substantive reform.
- While African leaders justly challenge Northern donors to reform ODA delivery mechanisms and to meet the UN target of 0.7% of their GNP, the G8 has already indicated that *NEPAD* will be used to target aid only to a short-list of “winners” in Africa. Such a triage is likely to result in even further reductions in aid to those countries most disadvantaged by the global

economy. A more promising approach would be to reinforce governance and democracy by redirecting significantly more ODA to African unions, media, associations, human rights groups, etc.

- *NEPAD* does not go far enough in its proposals with regards to debt, since it does not call for full cancellation of the debt owed by the poorest countries. *NEPAD* also fails to call for the de-linking of debt relief from continuing structural adjustment conditionalities.

In conclusion, the ACF believes that the launch of *NEPAD* and the current G8 interest in Africa must be the occasion for a profound questioning of the dominant, neo-liberal model of development, which has clearly failed African peoples, and for the promotion of alternatives. It is imperative for civil society voices to be able to participate meaningfully in this debate.

The New Partnership for Africa's Development (NEPAD): A Commentary

A. Introduction

1. The Africa-Canada Forum (ACF) is a working group of the Canadian Council for International Co-operation (CCIC). It brings together 40 non-governmental organizations (NGOs), churches, unions, and solidarity groups from across Canada that have a specific interest in development issues and social justice in Sub-Saharan Africa. Part of its mandate is to enhance the capacity of members to undertake policy work concerning Sub-Saharan Africa, and to provide venues for joint reflection, debate, and for the building of common platforms.

2. ACF members work in partnership with African organizations, and have a long history of policy discussions with African colleagues. When ACF became aware of the increasing attention paid to the *New Partnership for Africa's Development (NEPAD)* in various international fora, and of Canada's leadership in providing a G8 response to *NEPAD* as host of the June 2002 Kananaskis Summit, it became imperative for the group to critically engage with the *NEPAD* document. In October 2001, the ACF started to seek commentaries on *NEPAD* from African civil society, and set in place a process of consultation with colleagues and partners in Africa and in Canada. This ongoing process included a preliminary panel on *NEPAD* at a members' meeting in October 2001 and a two-day conference in February 2002.

3. This Commentary summarizes the observations of the Africa-Canada Forum, with the goal of stimulating debate. *NEPAD* is an important statement by African leaders and rightly seeks on behalf of Africa a new partnership with the North. But ACF members and partners share the following broad concerns: (1) a new initiative for Africa needs to be conceived from a perspective of promotion of human rights; (2) the notions of "partnership" and of "good governance" in *NEPAD* fail to acknowledge global and local power relationships, and are exclusive of civil society; and (3) the economic program at the heart of *NEPAD* does not integrate lessons learned from 20 years of structural adjustment programs which have been disastrous for Africa. CCIC wishes to stimulate a broad discussion of the implications of *NEPAD* for poverty eradication and sustainable human development in Africa.

B. Background

4. African heads of government in October 2001 launched the *New Partnership for Africa's Development (NEPAD)* in Abuja at a meeting of the Organization of African Unity (OAU). Several African heads of state, lead by President Mbeki of South Africa, presented an earlier plan for the renewal of African development, the *New African Initiative*, to G8 leaders meeting in Genoa in July 2001. *NEPAD* is a revision of this Initiative, which in turn brought together several strategies by African leaders to bring global attention to the profound issues of poverty, inequality and development throughout Africa.

5. The purpose of the *New Partnership for Africa's Development* is to set "an agenda for the renewal of the continent" [47]¹ in order "to eradicate poverty in Africa and to place African countries, both individually and collectively, on a path of sustainable growth and development" [67]. It is a pledge by African heads of state to lead a process to extract the continent from its "exclusion in a globalizing world." It is "a call for a new relationship of partnership between Africa and the international community, especially the highly industrialized countries, to overcome the development chasm that has widened over the centuries of unequal relations" [8].

6. While providing an overarching analysis of issues and challenges in the prospects for Africa's development, *NEPAD* sets out a number of initiatives to achieve its very ambitious goals:

- The peace, security, democracy and political governance initiative;
- The economic and corporate governance initiative;
- Bridging the infrastructure gap;
- Human resource development initiative;
- Agriculture;
- The environment initiative;
- Capital flows initiative; and
- The Market access initiative.

7. At the Genoa meeting the G8 leaders agreed that the next G8 Summit, to be hosted by Canada in June 2002, would respond to *NEPAD's* call for a new partnership based on "the principles of responsibility and ownership" [G8 Genoa Plan for Africa, July 2001] with a concrete G8 Action Plan. Since then, *NEPAD* has been given increased attention in multilateral processes for Financing for Development, in the preparations for the World Summit on Sustainable Development ("Rio +10") to be held in Johannesburg at the end of August, and in discussions with African leaders, within the European Union, and during Prime Minister Chrétien's trip to Africa in April 2002. Under Canadian leadership, representatives for the G8 countries have been meeting in various African capital cities to elaborate a G8 Action Plan.

C. Challenges and Issues

a) Ownership

8. Through *NEPAD* African leaders intend to set out a vision for an African-owned and African-led development action program. According to the document this vision "is based on the agenda set by African peoples through their own initiatives and of their own volition, to shape their own destiny" [48]. Its concept of ownership is embedded in the mandate that African leaders derive from their people to articulate this agenda and implement it "on behalf of their people" [47]. Moreover, the authors of *NEPAD* recognize that

¹ Numbers in square brackets refer to paragraphs in *NEPAD*.

“the *New Partnership for Africa’s Development* will be successful only if it is owned by the African peoples....[T]he political leaders of the continent appeal to all the peoples of Africa, in all their diversity, to become aware of the seriousness of the situation and the need to mobilize themselves in order to put an end to further marginalization of the continent....We are therefore asking the African peoples to take up the challenge of mobilizing support for the implementation of this initiative by setting up, at all levels, structures for organization, mobilization and action” [51, 55, 56].

9. While the political appeal of the *NEPAD* is rooted in development strategies and initiatives that are “owned” by African peoples, in fact it is only lately that the initiative has become known in Africa by civil society organizations, the private sector and parliamentarians. The absence of prior discussion and debate with African citizens may be problematic not only for assuring future commitment to the vision expressed on their behalf, but may also have influenced the content and priorities established already within the document. Civil society actors, for example, are concerned with its prescriptions. They are asking what is “new” in the *NEPAD*? Do these priorities and the “new partnerships” present real opportunities for advancing social, political and economic justice for African people? The ACF has been following closely their analysis and the implications of the *NEPAD* for their work.

b) Structural Adjustment and Good Governance: Whose Agenda?

10. African leaders situate the *NEPAD* within a sharply drawn understanding of an historical exploitation of African peoples and resources and they propose to reverse the current marginalization of Africa in the global economy. Fair and more equitable rules governing the integration of Africa into this global economy will, in their view, tackle the structural barriers in globalization that will lay the economic ground for addressing poverty and inequality in Africa. Many ACF partners in Africa have placed participatory local, national and regional strategies that are appropriate to the particular concerns of poor and marginalized Africans in their communities and their countries at the centre of African strategies for recovery. The *NEPAD* does not start from an analysis of the various expressions of these concerns. Rather its point of reference seems to be the pre-occupations of Northern donors and institutions (responsible governance in Africa, open economies, and programs of social amelioration) in the hope and expectation that these Northern actors will respond positively to an appeal by African leaders for a “new partnership” with Africa.

11. In this regard, the *NEPAD* seems to underestimate the impact of the predominant role that Northern donors and institutions have played in Africa to date, in particular with respect to donor-imposed Structural Adjustment Programs (SAPs). *NEPAD* merely draws attention to the record of SAPs’ “inadequate attention to the provision of social services” [par. 24]. Many Canadian and African civil society actors have pointed to the degree to which these policies have in fact undermined national economies, exacerbated poverty and inequalities, and eviscerated the capacity of the African state to respond to urgent social needs. African participants at an Africa-Canada Forum Workshops have stressed the continued high levels of SAP conditionality that accompany donor assistance to Africa. Promises from the EU, the United States and Canada at the recent Monterrey UN Financing for Development Conference were accompanied by explicit qualifications that increased aid will go only to countries that will

“walk the hard road,” in the American President’s words, of economic, political and social reform designed by donors.

12. The Structural Adjustment Participatory Review International Network (SAPRIN) recently completed a three-year intensive and participatory review by civil society, national governments and the World Bank of the experience of SAPs. This review included four country studies in Africa, and concluded with the observation that

“the effects [of adjustment policies], particularly on the poor, are so profound and pervasive that no amount of targeted social investments can begin to address the social crises that they have engendered. Only restructuring of the productive sectors through more appropriate public policy can ensure economic opportunities, resources and benefits to all segments of the population.” (SAPRIN, “Executive Summary, The Policy Roots of Economic Crisis and Poverty, A Multi-Country Participatory Assessment of Structural Adjustment”, November 2001, page 24.)

13. Structural adjustment is much debated. Earlier African initiated proposals for alternatives to Bank/IMF designed adjustments, such as the Lagos Plan of Action, were rejected out of hand by donors as “unrealistic.” In contrast, the *NEPAD*, which places a new partnership with the North within the World Bank’s comprehensive development framework, is seen by Northern donors as “forward looking” and a “realistic” assessment of the importance of African initiated reforms for the management of development resources. Will SAP conditionalities continue to set the underlying context for the new partnerships with Africa on the part of Northern donors? At the March Financing for Development Conference, as noted above, conditionality was an even stronger element of aid financing. The US attached to its pledge of \$5 billion in increased aid “eligibility criteria,” including acceptance of donor-defined “solutions” for reducing poverty, that is, trade liberalization, privatization, cost recovery social services and foreign direct investment from the industrial North. What implications do these policies have for realizing the goals of the *NEPAD* for reducing poverty and creating sustainable livelihoods for the majority of Africans who live in poverty?

c) Rights, Citizenship, Democracy and Gender Equality

14. Issues of governance are a central concern for the *NEPAD*. African leaders will take joint responsibility for “promoting and protecting democracy and human rights” and “promoting the role of women” [49]. However, the primary focus for the Democracy and Governance Initiative is “to contribute to strengthening the political and administrative framework of participating countries...” [80]. Appreciation of social rights (education, health) are seen at best as an issue of greater access to services, rather than as rights inherent in citizenship. A number of commentators have raised a concern that the *NEPAD* gives insufficient attention to a rights-based approach to meeting African development needs. Support by African leaders for the principles of civil and political rights, transparency and accountability remain at the level of overarching purpose, but seem to find little concrete expression in the proposed activities for realizing the Democracy and Governance Initiative.

15. Competent public administration, strengthened parliamentary oversight, judicial reform, and anti-corruption measures have an important place in achieving good governance for any country. But institutions of governance are not politically or socio-culturally neutral. Africa has a rich associational and community life, which is central to the day-to-day livelihoods of African people and to their empowered participation in civic life. Respect and inclusion of this richness, including provisions that accommodate the inevitable tensions of political life, are essential to democratic governance in Africa.

16. The goals of the *NEPAD* will not be achieved through technical and administrative fixes. Reducing poverty is deeply rooted in a politics that engages people, particularly the poor and the powerless, in negotiating with each other, with their governments, and with international actors for policies and rights that advance all aspects of their livelihoods. Development is not simply a question of the management of resources, but is about how these resources are put to use, and in response to whose needs. This is a matter of conscious decision-making in which the power to decide is a contested terrain.

African civic organizations play development roles in their countries well beyond that of program implementers, as contemplated in the *NEPAD*, a blueprint in which they have had little influence to date. These concerns regarding the vital role of politics and participation in development are compounded by *NEPAD*'s silence on civic engagement, as leaders alone are assigned the role to "periodically monitor and assess the progress made by African countries in meeting their commitment towards achieving good governance and social reform" [84]. Democracy is never ensured through horizontal accountability. Vertical accountability of elected leaders to citizens is crucial. It is critical for the long-term promotion of democracy that civil society actors along with individual citizens be able to monitor their own governments and demand accountability for fostering democratic political processes and for meeting the development goals that address their needs and aspirations.

17. Core labour standards (i.e. freedom of association and collective bargaining; elimination of forced labour; abolition of child labour; and elimination of employment discrimination) must figure in any meaningful discussion of development and the impact of globalization in Africa. These internationally recognized worker rights relate strongly to the principles set out in *NEPAD*, yet the document's economic model and the initiatives it proposes do not address adequately the marginalization of workers and their rights in Africa. Job creation, in sustainable conditions that respect internationally recognized core labour rights and the environment, should be made a priority in a plan for poverty eradication in Africa. To date, however, most processes around Poverty Reduction Strategy Papers – the recent framework for World Bank and IMF lending and debt relief programs, a framework endorsed by *NEPAD* – have not included the participation of trade unions.

18. The *NEPAD* is also largely silent on the rights of African women in the expression of the various Initiatives for African development. Their role is mentioned "in the domains of education and training", in "the development of revenue-generating activities", and in "their participation in the political and economic life of African countries" [49]. The feminization of African poverty is well known. Fifty-two percent of women in Sub-Saharan Africa are functionally illiterate (ECA, 1999, Sixth Regional Conference on Women: Evaluation Report on Women and Poverty).

NGOs and independent researchers have documented the disproportionate negative impact of structural adjustment policies on women.

19. While interactions between the various dimensions of gender inequality and poverty are complex, an analysis of gender relations is fundamental to achieving the goals of the various Initiatives in the *NEPAD* to affect change and address poverty. Gender relations in many societies are also highly contested. Women's organizations and movements are active throughout Africa and one increasingly finds women's advocates within African government ministries. In many of these same countries, women's organizations will be at the forefront of social, economic and political activities to hold their governments accountable to commitments made in the *NEPAD*. Africa-Canada Forum members and partners have brought to our attention both these dimensions – consideration of the feminization of poverty and the promotion of women's rights in development by diverse popular organizations in Africa –as essential elements for assuring that poverty-focused development in Africa truly expresses values of equality, social justice and African ownership.

d) Failed States and the Peace and Security Initiative

20. African leaders say that they have learned “from their own experiences” that “peace, security, democracy, good governance, human rights and sound economic management are conditions for sustainable development” [71]. In order to ensure peace and security on the continent, they propose a three-part intervention: promote such long-term conditions; build the capacity of African institutions for conflict prevention and resolution; and institutionalize the commitment of African leaders towards the core values of the *NEPAD*. At the very least, it can be said that these engagements are very weak considering the experience of millions of Africans, victims of past (the genocide in Rwanda; Liberia; Ethiopia and Eritrea...) and current conflicts (Algeria, Angola, Burundi, DRC, Sierra Leone, Sudan...). Further, the nature and diverse causes of these wars are ignored.

21. According to the *NEPAD*, peace and security require political measures to reduce the social and political vulnerabilities from which conflicts emerge. Yet, none of the proposed measures in the *NEPAD* includes the commitment to respect international laws that protect territorial integrity, national sovereignty, the right to a nationality, the respect of minorities, etc. – even though the lack of respect of these rights is at the core of several conflicts.

22. It is necessary but clearly insufficient to propose that African conflict-prevention institutions, such as the 1993 OAU Mechanism for the prevention, management and resolution of conflicts, or other regional organizations, be reinforced. The nature and scope of some conflicts require the intervention of the international community as elsewhere in the world. Two reports commissioned by the UN, the 1999 Carlsson Report on UN actions during the genocide in Rwanda and the 2000 Brahimi Report by the Panel on United Nations Peace Operations, denounced the double standard with regards to conflicts depending on whether they take place in Africa or on another continent. These two reports recommended a complete reorganization of peacekeeping operations in order to make them truly effective.

23. Further, the *NEPAD* fails to address the increasingly common and lethal conflicts where the parties – neighboring states, private enterprises or warlords – aim to secure access to natural resources (diamonds, coltan, petroleum, wood, etc.). Such illicit trading which feeds war will not end without resolute engagement and concerted action on the part of African heads of states and of the wealthy countries where these products are sold.

e) Trade, Investment, Sustainable Growth and Development

24. The *NEPAD* affirms the historical context for African impoverishment in its integration “into the world economy mainly as a supplier of cheap labour and raw materials”. Opportunities “to use the mineral and raw materials to develop manufacturing industries and a highly skilled labour force to sustain growth and development was lost” [19]. Despite the costs to date of globalization for Africa, African leaders are convinced that “the advantages of an effectively managed integration [into the global economy] present the best prospects for future economic prosperity and poverty reduction” [28].

25. The preponderance of those Initiatives outlined in *NEPAD*, which also have very specific action plans attached, focus on economic and corporate governance, on sectoral priorities (for information and communications technologies, energy, transport, manufacturing, diversified production, mining), on promotion of exports and market access, and on promoting private capital flows and the private sector in general. Action plans for social investment priorities are more vague and are seen as important underpinnings for political stability and a skilled and healthy workforce. These latter priorities seem to be directed mainly to assuring “the continent’s international competitiveness and to enable her to participate in the globalization process” [98].

26. The economic circumstances of African countries are very diverse. Many African civil society organizations stress the importance of shaping economic policies to improve the livelihoods of the majority who live in poverty. Many Africans have experienced impoverishment as a result of current forms of global integration of African economies and clearly this experience suggests that perhaps only a minority of Africans will fully benefit from greater integration into the global economy.

27. As an example, the initiative for mining stresses “[improving] the quality of mineral resource information” and “[creating] a regulatory framework conducive to the development of the mining sector” [159]. The Africa-Canada Forum in collaboration with African and Canadian partners has noted the strong role of Canadian mining companies, among others, in exploring and extracting Africa’s mineral wealth. Pressures from the World Bank and IMF to maximize foreign currency earnings from exports leave African governments highly vulnerable to the unequal power of large resource transnational companies who maximize their own advantage. With support from the World Bank and donors, including Canadian technical assistance aid, more than 30 governments have already revised and liberalized their mining codes to attract foreign investment. All the new codes share similar characteristics: equal status for national and foreign companies; substantial reductions in taxation on the sale of mining products; fixed and long-term commitments on royalty rates; elimination of taxes on companies’ imports; and transferable and mortgageable rights of exploitation for mining sites. These initiatives and those proposed by the *NEPAD* take little account of the social and environmental impacts that mining

and energy development projects have on local communities and on local economies that sustain livelihoods for thousands of nearby inhabitants.

28. Pro-poor strategies for African sustainable development require the mobilization of African and international financial resources. The *NEPAD* makes important proposals for actions to mobilize these resources. African leaders commit to assessing country plans prepared for initiatives arising from the *NEPAD* in terms of their poverty and gender impacts, both before and after implementation. But to what degree have such assessments informed the specific sectoral action plans being proposed? Both *NEPAD*'s overall orientation towards attracting foreign investment and large-scale market intensive solutions to development challenges facing Africa [for example agriculture, paragraphs 132-137] suggest that poverty and gender impacts have yet to be taken into account.

29. African economies are handicapped by unfavourable terms of trade, generally attributable to the fluctuations and overall decline of the prices of the small range of primary commodities upon which their export sectors tend to depend. Between 1970 and 1997, the cumulative loss in terms of trade amounted to 119% of GDP, because Africa pays increasingly higher prices for imports while exporting its products at ever lower prices (T. Hormeku, 2002, presentation to ACF). This means that there is a net transfer of resources from Africa to the rest of the world. *NEPAD* does not significantly address this economic injustice, instead calling, for instance, for improved infrastructure to allow the international community "to obtain African goods and services more cheaply" [101].

30. *NEPAD* and Northern donors forcefully promote foreign direct investment (FDI) as a pillar for the development of the continent. Yet analysis shows that such investment tends to go to economies that have already experienced a certain level of growth. It follows that as a continental initiative, such a strategy is likely to be beneficial not to the poorest countries but rather to the middle or higher-income ones. Further, sectors that are profitable for foreign direct investment do not necessarily correspond to priority areas of investment for people-centred development. In other sectors, opening the economy prematurely to competition from foreign firms threatens national industries that require protection to assure livelihoods and time for them to eventually become competitive. In several documented cases, reliance on market forces and privatization has destroyed institutions that could play a role in integrating African economies, such as marketing boards and rural banking. Finally, it is well documented that the vast majority of the profits earned by foreign corporations active in Africa are not reinvested in local economies. *NEPAD* proposes nothing to counter this situation: on the contrary, the emphasis on attracting FDI might lead to an unhealthy competition between African countries for this capital, in which they are likely to negotiate downwards conditions to protect the environment, royalties, and direct economic benefits for citizens.

f) Social Development

31. As noted earlier, ACF members and partners in Canada and Africa believe strongly that development and access to social services must be affirmed as the fundamental rights of African peoples, and their provision a responsibility of African governments. Rights to education and health, for instance, are not stressed in *NEPAD* – rather, the document states that the

objective of investments in social sectors is to enable Africa “to participate in the globalization process” [98]. For instance in *NEPAD* the value of health is not set out as an objective in and of itself, but instead health is to be promoted because it “contributes to increase in productivity and consequently to economic growth” [131]. The ACF and its members and partners believe that the equation should be reversed: economic growth is to be valued not as an end in itself; rather, its value must be measured against its contribution to an improvement in the lives of the poor, fulfilling their social, economic and political rights.

32. In Africa, the impact of HIV-AIDS, tuberculosis, malaria and other diseases on the labour force, investment, education systems, communities and families is both a consequence and a cause of the growing crisis of poverty. Therefore, any African recovery plan that aims to eradicate poverty must include a strong public health policy and framework. Twenty years of cuts to public health programs under structural adjustment have left health infrastructures underdeveloped and impoverished. This inadequacy must be seen as an urgent target for international action, rather than as an insurmountable obstacle or an excuse for denying equitable access to health care and medicines. While the improvement of health infrastructures is recognized as a sectoral priority in the Human Resource Development Initiative within the Program of Action section of *NEPAD*, public health infrastructure development is not mentioned as a priority for immediate implementation [Section VII]. There is also no discussion of the problematic restrictions of WTO intellectual property rules on access to medicine.

33. The ACF and its partners are extremely concerned that *NEPAD* encourages the privatization of social infrastructure such as the provision of water. For instance, in the section “Bridging the Infrastructure Gap,” private foreign finance is said to be essential and public-private partnerships are encouraged [103, 105, 106]. Privatization of social services has been a key feature of structural adjustment programs, and its deleterious impact on the poor and especially on women has been unequivocally documented by independent researchers as well as by our member organizations.

g) Agriculture and Environment

34. *NEPAD* rightly points to the lack of attention paid to the agricultural sector and rural development in recent years in Africa, despite the fact that the majority of the continent’s people – and over 70% of Africa’s poor – live in rural areas [132,137]. The ACF and its partners, however, have expressed concerns about the industrialization model of agricultural and rural development that is proposed in *NEPAD*. Elsewhere, notably in parts of Latin America, such strategies, while they may have had some success in increasing national productivity, have too often transformed farmers into landless, underpaid agricultural workers in cash crop production, leading to their further impoverishment.

35. A pro-poor strategy for the development of agriculture needs to be designed with the active participation of the women and men who farm the land in Africa at all levels of decision-making, in order to ensure that changes take into account the knowledge of farmers, and that increased production benefits them. Changes must be sustainable in the long term, protecting both the environment and rural livelihoods. National legislative and economic frameworks need

to be put in place that ensure food security for citizens through actively supporting agricultural production and facilitating local transformation and marketing of produce.

36. In the introductory section of *NEPAD*, it is stated that “Africa has a very important role to play with regard to the critical issue of the protection of the environment.” The “minimal presence of emissions and effluents that are harmful to the environment,” as well as the “ecological lung” provided by the continent’s rain forests are portrayed as a “global public good that benefits all humankind” [10]. We welcome a statement encouraging the development of solar energy resources [112], but note that despite a pledge by *NEPAD* authors to ensure that resources are preserved, the document fails to give the development of renewable sources of energy the priority it deserves. Also, even though *NEPAD* itself recognizes that the expansion of industrial production contributes to environmental degradation [37], its economic action plans, heavily oriented towards the development of private industry, do not offer concrete measures to ensure that such industrialization will not harm the environment and therefore prove unsustainable. Further, while “the communities in the vicinity of the tropical forests” are depicted as causing the destruction of the forests in their consumption of trees for fuel [13, 112], the well-documented role that transnational corporations and large donor-funded energy and resource extraction projects have often played in such destruction is not acknowledged in the document.

37. As an example of the weakness of the environmental analysis in *NEPAD*, “global warming,” one of the eight sub-themes targeted for priority intervention within the Environment Initiative, calls for “monitoring and regulating the impact of climate change” and for fire management [141]. This is a far cry from the call by many Southern civil society actors for Northern countries to acknowledge their ecological debt to the South. Those calling for “climate justice” point out that over 80% of the increased CO₂ in the atmosphere – the primary gas contributing to climate change -- has come from the extensive use of fossil fuels by Northern countries for nearly two centuries. Thus, not only have industrialized countries disproportionately benefited from the unsustainable use of the earth’s non-renewable energy resources (a global public good), they are primarily responsible for climate change. Yet the impacts of climate change will be more severely felt by the vulnerable countries of the South, including Africa, where experts predict increasing floods and droughts (Kairos, 2002, “Focus on Climate Change,” www.kairoscanada.org).

D. Northern Donor Initiatives for a New Partnership with Africa

38. The *NEPAD*’s challenge to Northern donors and institutions for a “new partnership” with Africa, in our view, requires the latter to address the fundamentally unequal power relationships that currently shape North/South “partnerships.” The *NEPAD* speaks of the obligations of developed countries and multilateral institutions [188]. Seeking a renewed partnership with Africa, therefore, implies political will for changing Northern policies and multilateral institutions that influence the political dynamics for positive changes for the reduction of poverty in Africa. In this regard, a new partnership implies that Northern donors, including Canada, will respond with new initiatives in reforming trade and investment regimes affecting Africa and the least developed countries; in financing for development and ODA reform; in legislating so as to

ensure corporate social and environmental responsibility; and in ensuring transparency and fairness in the governance of multilateral institutions.

a) Reforming Trade and Investment Regimes

39. As noted earlier, the *NEPAD* recognizes that globalization “has increased the ability of the strong to advance their interests to the detriment of the weak” [33]. There is substantial evidence from Southern civil society organizations and governments, as well as from Northern policy analysts, that the current regimes governing trade and investment are stacked against the interests of many developing countries. The conclusion reached by many is that negotiation for fair and just global rules requires more fundamental reform of the mandate and governance of the institutions that manage the global system. The *NEPAD* largely ignores these more fundamental reforms and rather seeks technical assistance for more effective African participation, a rationalization of existing treaties to ensure real benefits to Africa, and more open markets for African goods within the World Trade Organization (WTO) multilateral framework.

The *NEPAD* side-steps the fact that African governments have tabled major proposals at the WTO for substantive reform and reworking of current global trade rules, for example calling for a comprehensive review of the agreement on Trade-Related Aspects of Intellectual Property (TRIPS) particularly concerning its treatment of life patenting issues. A number of African countries have also called for changes in the Agreement on Agriculture, that would allow governments to take proactive measures to support and protect smallholder agriculture as a development priority. African governments have also been at the forefront of critiques of trade rules that enforce strict patenting rules on drugs.

40. Canada joined the “consensus” at the November WTO Ministerial conference at Qatar to launch a new “development” round of trade negotiations. The large majority of developing countries, with the exception of South Africa and a handful of others, had opposed launching a new round. Major developing country concerns, including those articulated by African countries as described above, were not addressed at Doha. Some progress was made on clarification of flexibilities in Trade-Related Aspects of Intellectual Property (TRIPS) for public health considerations. However, the issue most important for Africans – how countries without production facilities for generic medicines will be able to access them given TRIPS restrictions on exportations of drugs produced under compulsory license – was assigned to another year of discussion. The proposal by Least Developed Countries to study the impacts of reductions in industrial tariffs on their industries before agreeing to new market access was also not accepted. New negotiations (in areas like environment) as well as study groups for new issue areas in government procurement, investment, trade facilitation and competition policy, have been struck, which will tax time and resources from already overstretched African delegations. The pressure tactics and consensus forcing methodologies that have been described by close observers of the Doha process also inhibit effective participation. The *NEPAD* initiative should take up with greater focus the need for more effective rule making and true democratization of participation and governance of multi-lateral institutions.

b) Financing for Development and ODA Reform

41. African leaders challenge Northern donors to reform ODA delivery mechanisms and to reverse the decline in ODA flows to Africa and meet the UN target of 0.7% of their GNP. In terms of aid volume, Canadian aid to Sub-Saharan Africa declined by 40% between 1991/92

and 1999/00, while the overall decline in Canadian aid was 20%. UK Chancellor Gordon Brown came to the World Bank/IMF meetings in November 2001 with a dramatic proposal to increase ODA by \$50 billion globally in a fund dedicated to meeting UN International Development Targets. At the March 2002 UN Financing for Development Conference, the European Union collectively announced it would increase aid by US \$7 billion to reach 0.39% of GNP by 2006, while President Bush promised to propose to Congress an increase in US aid of US \$5 billion over three years starting in 2004. Canadian Prime Minister Chrétien told the Conference that Canada has increased aid by 8% per year and will continue to pledge at least that much in coming years.

These surprise aid announcements camouflaged the absence of any progress on debt, unequal trade or reform of international financial institutions at the Monterrey Conference. The Canadian December 2001 Budget added only one-off increases, totaling Cdn\$1 billion over the next three years, including Cdn\$500 million for Africa and the priorities established in the forthcoming G8 Action Plan for Africa. Chrétien's announcement of 8% annual growth in Canadian ODA no doubt includes the December 2001 announcements, although it is not clear whether these increases will be permanent, thus compounding the year-over-year increases. The December 2001 budget did not increase the planning base for Canadian aid in subsequent years from that established for the 2000/01 fiscal year. As a result, Canadian ODA is unlikely to rise above 0.3% of GNP during these three years.

42. Since publication of the OECD's Development Assistance Committee's (DAC) *Shaping the 21st Century* in 1996, donors have coalesced around several new directions for aid delivery, including improved coordination consistent with the World Bank's Comprehensive Development Framework, Poverty Reduction Strategy Papers, and Sector Wide Approaches for improved "ownership" by African governments of their development strategies. While recognizing that aid practices need reform to improve their effectiveness in tackling poverty reduction, Canadian NGOs have been critical of important aspects of CIDA's policy paper on *Strengthening Aid Effectiveness*, which commits CIDA to follow these strategies (see the Development Policy Web Page at www.ccic.ca).

43. The *NEPAD* proposes a forum of African countries to develop common African positions on ODA reform and to have more systematic continental dialogue with donors in the DAC. They also propose a complementary, independent assessment mechanism for monitoring donor performance [151]. As donors move to implement these reforms, they may increasingly act on their conclusion that aid is most effective where developing country governance is strong and the "right" reform policies are in place.

Officials travelling with the Canadian Prime Minister in Africa in April 2002 told the media that the objective of *NEPAD* is a long-term commitment to increase aid to developing countries that embrace the "required development model," and that a list of successful countries will be created who will receive more aid from G8 countries (*Globe & Mail*, April 3, 2002). In the African context, such triage may result in even further reductions in aid to those countries that are most disadvantaged by the global economy and by impacts from inappropriate structural adjustment policies imposed over the past two decades by these same donors. The *NEPAD*'s united African appeal for a new partnership with Africa may result in even further disparities

within Africa. Further, such a top-down approach to “good governance” is unlikely to succeed, as there are problems with rights and democracy in all countries that cannot be dealt with through aid conditionality. A more promising approach is to encourage democratization from the ground up, by redirecting significantly more of ODA to African unions, media, associations, human rights groups, etc.

44. African leaders through the *NEPAD* are also calling for “the extension of debt relief beyond its current levels (based on debt ‘sustainability’), which still require debt service payments amounting to a significant portion of the resource gap [to meet African development needs]”. They make an appeal to creditor countries to link debt service ceilings to a fixed proportion of fiscal revenue, with different ceilings for International Development Association (IDA, the World Bank’s concessional lending arm) and non-IDA eligible countries. They will establish a forum in which African countries may share experiences and mobilize for the improvement of debt relief strategies [149, 150]. NGOs through the global Jubilee Initiative have called for full cancellation of debt owed by the poorest countries, most of which are African, and for de-linking debt relief from continuing structural adjustment conditionalities. The *NEPAD* does not go this far in its appeal, but the litmus test of the political will of donor countries to realize a new partnership with Africa will be their urgent and immediate implementation of much deeper debt cancellation with fewer policy strings attached.

c) Corporate Social and Environmental Responsibility

45. The *NEPAD* points to the lack of “the necessary policy and regulatory frameworks for private sector-led growth” in Africa [85]. We noted above concerns expressed by the Africa-Canada Forum on current impacts and trends in Canadian and other foreign companies investing in mining and energy operations in Africa. While strengthened African regulatory frameworks are essential, the impact of the *NEPAD* proposals will be to weaken these frameworks in the interest of attracting investment to the continent. Northern governments have the responsibility to ensure that companies based in their countries operating in Africa conform to the highest levels of social and environmental responsibility.

E. Conclusion

46. The launch of the *NEPAD* and its presentation to the G8 has had the merit of putting the future of the African continent on the international public agenda. Increased media, political and public interest represents an opportunity to expose the neo-liberal development paradigm and policies that have been promoted for two decades by international financial institutions, the World Trade Organization, and G8 countries. It is imperative for African civil society voices to join in this debate, and for decision-makers to listen to sustainable pro-poor alternatives that are being proposed by social and economic justice activists, independent analysts, and those with personal or professional experience of the devastating impact of these neo-liberal economic policies in the large majority of African communities. The Africa-Canada Forum will be monitoring Canadian policy toward Africa at the G8 Summit and in other fora such as the WTO and Rio +10. Canadian NGOs are committed to continue to act in solidarity with African colleagues and social movements to advance the social, economic, cultural, political and civil rights of the African peoples.