

Supporting Africa's Resurgence: Getting Rich Countries behind Africa

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Agenda

- I. Introduction and Purpose
- II. Summary of Possible Areas for Action
- III. How Best to Support Africa's Programmes?
- IV. How Best to Mobilise Rich Countries Support?
- V. Priorities: Getting Specific on Allocations
- VI. Going Forward

I. Introduction and Purpose: The Commission for Africa

Task is to recommend to G8, EU and other rich countries a strong programme of action that will provide a powerful impetus in support of successful African development

- Focus on how international community can give strong / practical support to African governments and initiatives, to AU / NEPAD, and to implementation of international commitments towards Africa
- Commission will inform more substantive G8 response to NEPAD, building on 'initial response' of Kananaskis (G8 2002)
- 17 Commissioners, of which 9 are African, give special political weight to the collective work, and focus on action
- Reporting in Spring 2005 to help shape UK's agenda for G8 and EU Presidencies

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I. Introduction and Purpose: Where we are now and the timetable going forward

- **First quarter 2004** - Commission established; first meeting of Commissioners in London; preparation of work programmes
- **Mid-2004** - First round of consultations and analysis
- **October 2004** - Second meeting in Addis to discuss early ideas of Commissioners
- **November 12th 2004** - Consultation document with outline proposals based on Addis meeting as a basis for consultation

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I. Introduction and Purpose: Where we are now and the timetable going forward (cont'd)

- **November and December 2004** - Second round of consultations based on consultation document
- **Mid-January 2005** - Meeting of Commissioners leading on economy, (Gordon Brown, Ralph Goodale and Trevor Manuel) in Cape Town, to consider emerging conclusions on economy theme
- First draft of report
- **End-February 2005** – Third meeting of Commissioners to consider final draft and next steps
- **Mid-March 2005** – Publication of report, 150-200 page document with strong summary as basis of G8 proposal
- **March to July 2005** – Mobilise support up to G8 summit
- Take forward to EU Presidency

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II. Summary of Possible Areas for Action (Highlights from Consultation Document)

The Proposals follow NEPAD in emphasising governance, investing in people and creating the conditions for growth...

- Governance, Peace and Security
- Human Development, Culture and Inclusion
- Opportunity and Growth, Trade, Aid and Debt Relief

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II. Summary of Possible Areas for Action (Highlights from Consultation Document)

GOVERNANCE, PEACE & SECURITY

1. Build Effective States

- Support APRM and funding for governance and capacity weaknesses identified through its conclusions
- Support resurgence of higher education with particular stress on science & technology
- Facilitate participation of diaspora groups in state-building

2. Increase Transparency and Accountability

- Endorse the Extractive Industries Transparency Initiatives (EITI) and the wider implementation of transparency principles by governments and external actors
- Establish stronger mechanisms for tracing and repatriating illicitly acquired assets
- Strengthen the quality and use of data in Africa

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II. Summary of Possible Areas for Action (cont'd)

3. Promote Peace and Security

- Prevention: Development itself is the most powerful mechanism; stronger action on conflict resources and arms trade
- Resolution: African institutions should play the leading role in defining and legitimising interventions; build capacity for action
- Post conflict peace building: Integrate peace keeping and development activities; revise IFI's approach to expenditure ceilings; recognise long-term process e.g. AU/NEPAD

4. Innovative and unprecedented response to the human resource crisis (support NEPAD strategy)

- Focus on retaining key workers (health and education plus)
- Link to training and education; link to Diaspora
- WHO, WB and IMF discussions on ceilings

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II. Summary of Possible Areas for Action (cont'd)

HUMAN DEVELOPMENT, CULTURE & INCLUSION

An holistic response to HIV and AIDS...

5. Educating for the future (link NEPAD strategy)

- Mobilising the promised resources, with a focus on girls
- Free, accessible education, relevant for the future, global access
- Secondary education when primary is on track
- Transfers to schools, community involvement

6. Respect for Africa's culture

- Support community solutions, religious communities
- Community participation
- Support AU and NEPAD strategies

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II. Summary of Possible Areas for Action (cont'd)

7. Strengthening health systems to respond to urgent health issues (WHO, NEPAD and UNAIDS)

- Free health care, health information, infrastructure, water and sanitation, preventative interventions (bed nets, immunisation, nutrition), health in emergencies.
- African capacity for product procurement, delivery and development (REC).
- HIV and AIDS and sexual and reproductive health rights (African vision).

8. An African vision for social protection

- African vision of welfare state (vulnerable children)
- Free health, education and school feeding (entrepreneurial model), cash transfers (old, young and disabled).

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II. Summary of Possible Areas for Action (cont'd)

OPPORTUNITY AND GROWTH, TRADE, AID AND DEBT RELIEF

9. Foster Growth

- Investment climate for growth – recognising diversity of African private sector and importance of SMEs and agriculture (e.g. Investment Climate Facility).
- Investment in infrastructure – including regional, national and rural (esp. public investment); better donor-coordination, attracting private sector and project facilitation, and ensuring access of poor people.
- Trade: strong action in market access (to subsidies, tariffs and non-tariff barriers); investment in supply side and capacity to trade.
- Enterprise development – including through business linkages and employment. Focus on SMEs, agriculture, gender and youth.
- Mutual responsibility – how businesses do business; business engagement in partnerships to tackle national development priorities

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II. Summary of Possible Areas for Action (cont'd)

10. Build a new vision for development assistance

- Aid volumes: double aid, implement IFF
- Debt relief: Proper financing, 100% multilateral debt cancellation within HIPC and beyond, increase grant finance
- Aid quality and delivery: long-term, predictable, flexible, aligned behind country programmes, mutual accountability, create shocks facility

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III. How Best to Support Africa's Programmes?

- Are these the right areas?
- How best to make these ideas more precise to give most effective support to Africa's initiatives and programmes?
 - NEPAD's programmes including the APRM, infrastructure, agriculture, investment climate....
 - AU's work on Peace and Security
 - Regional organisations and programmes
 - Country strategies and programmes that reflect Africa's diversity
- What are the key mechanisms that should be made more precise?
- What are the priorities?
- How should resources be allocated?

These are questions for which CFA seeks guidance...

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IV. Mobilising Rich Country Support: The Arguments

- Ethics/Self-Interest
- Commitment
- Effectiveness

Distinct, but overlapping arguments for action in support of Africa's efforts. Partnership – but differentiate between ethics & self-interest. Probably need to employ all arguments.

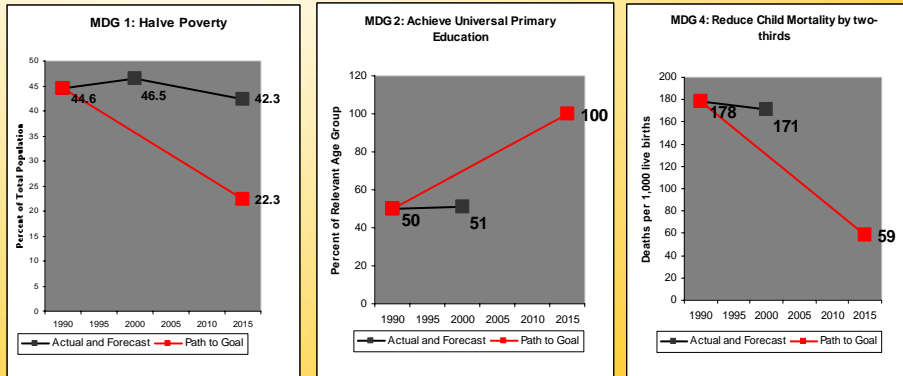
Ethical / self-interest

- Common citizenship, humanity & solidarity
- Humanitarian (crisis response / charity)
- Co-operation is a better way of life
- Stable and growing trading partners (supply & demand) will be in the economic interest of all; vulnerability to disruption in oil and gas supplies
- Extreme poverty, inequality and failed states can have destabilising effects internationally
 - Disease, migration, civil war & conflict spill-overs, international crime & terrorism

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IV. Mobilising rich country support: Delivering on Past Commitments; on current projections, most SSA countries will not meet any of the MDG's

Commitment



• Monterrey and Kananaskis

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IV. Mobilising rich country support: external assistance works

Effectiveness

Country-level evidence on aid effectiveness:
Potential Impact of additional ODA on MDG's

	With current policies, institutions, and external resources				With better policies, institutions, and external resources			
	Poverty	Education	Health	Environment	Poverty	Education	Health	Environment
Benin	At least one target met	At least one target met	At least one target met	At least one target met	All targets met	At least one target met	At least one target met	At least one target met
Burkina Fasso	At least one target met	At least one target met	At least one target met	At least one target met	All targets met	At least one target met	At least one target met	At least one target met
Ethiopia	At least one target met	At least one target met	At least one target met	At least one target met	All targets met	At least one target met	At least one target met	At least one target met
Madagascar	At least one target met	At least one target met	At least one target met	At least one target met	All targets met	At least one target met	At least one target met	At least one target met
Mali	At least one target met	At least one target met	At least one target met	At least one target met	All targets met	At least one target met	At least one target met	At least one target met
Mauretania	At least one target met	At least one target met	At least one target met	At least one target met	All targets met	At least one target met	At least one target met	At least one target met
Mozambique	At least one target met	At least one target met	At least one target met	At least one target met	All targets met	At least one target met	At least one target met	At least one target met
Tanzania	At least one target met	At least one target met	At least one target met	At least one target met	All targets met	At least one target met	At least one target met	At least one target met
Uganda	At least one target met	At least one target met	At least one target met	At least one target met	All targets met	At least one target met	At least one target met	At least one target met

All targets met
 At least one target met
 None of the targets met

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Source: Dubai Annual Meetings IMF/World Bank Sept 2003

IV. Mobilising rich country support: external assistance works

Effectiveness (cont)

Country evidence on aid effectiveness: High volumes of aid into post-conflict and reform environments have been associated with strong growth

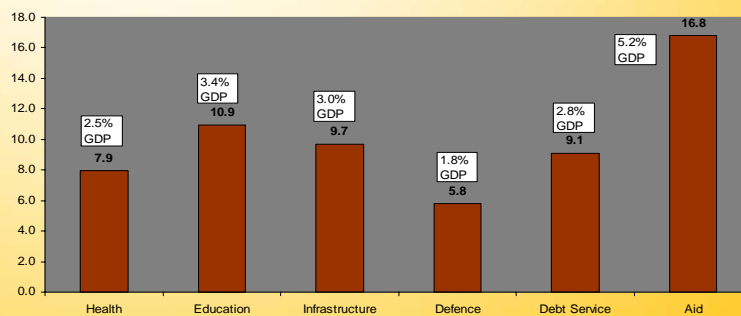
		avg. 91-95	avg. 96-00	avg. 01-02
Ethiopia	Aid (% of GNI)	15.2	10.8	19.5
	GDP growth	1.4	5.1	5.4
Mozambique	Aid (% of GNI)	61.8	27.6	45.1
	GDP growth	3.5	8.0	10.4
Tanzania	Aid (% of GNI)	23.1	12.3	13.5
	GDP growth	1.8	4.2	6.2
Uganda	Aid (% of GNI)	19.9	11.7	12.8
	GDP growth	7.0	6.5	5.9
Rwanda	Aid (% of GNI)	40.8	20.3	19.2
	GDP growth	-4.0	9.8	8.1

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V. Priorities: Getting Specific on allocations

How to spend a substantial increase in external resources ?

Government Expenditures in SSA for 2002 (US\$ billion and % of GDP)



- An extra \$20 billion if spent entirely on health, education and infrastructure would increase public sector budgets for these sectors by 2/3

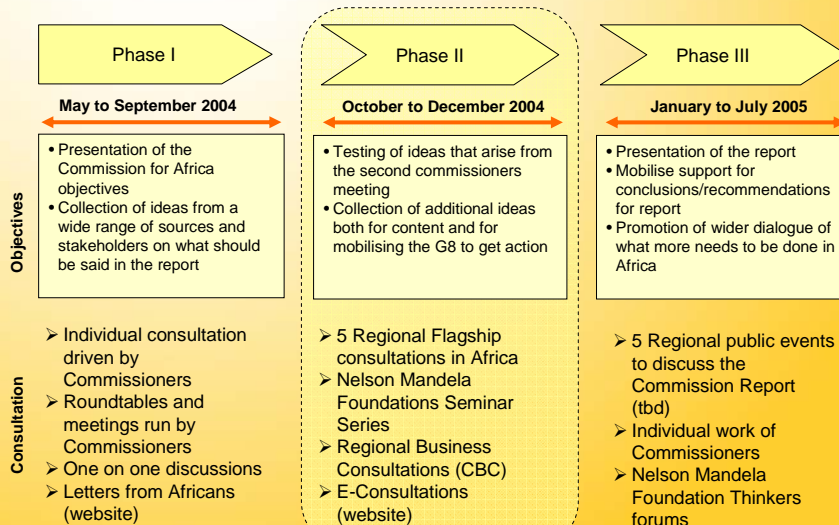
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V. Priorities: Getting Specific on allocations

- How do we guide arguments on sector allocations? Health, education, social protection, infrastructure.
- How do we guide arguments on country and regional allocations?
- What are priorities for resource support for governance in implementation of the APRM action plans?
- What are priorities for resources for peace and security?
- More generally – how to identify and quantify key priorities?

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VIII. Going Forward: Consultation Strategy in Africa



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