

PRESENTATION
BY
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PRIME MINISTER
OF THE FEDERAL DEMOCRATIC REPUBLIC
OF ETHIOPIA
ON
THE IMPLEMENTATION OF NEPAD
AND NEPAD PARTNERSHIPS AT THE
FIRST AFRICAN UNION SUMMIT

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DURBAN

Mr. Chairman,
Your Excellencies,
Ladies and Gentlemen,

The theme on which I have been asked to speak is "Implementation of NEPAD and NEPAD Partnerships." Contrary to common usage the theme is on partnerships in the plural. I think it is appropriate to talk of partnerships in the plural because within the umbrella partnership of NEPAD there are at least three levels of partnership and many different actors at each level. Highlighting these levels of partnership and the role of the various actors is critical for the effective implementation of NEPAD.

The theme of our discussion is about implementation and not about the content of the programme to be implemented. Nevertheless, I found it useful to start with a brief expose of the NEPAD framework itself, and this for two reasons.

Firstly, I think it is always useful to remind ourselves about the content of a programme to be implemented because the strategies, tactics and mechanisms of implementation have to emanate from the nature and content of the programme itself.

Secondly, as is often the case with great ideas, as NEPAD has become popularized, simplification and distortion of its contents has ensued. Hence, the need to remind ourselves as to what NEPAD is and is not by referring to the original NEPAD document endorsed at our OAU summit in Lusaka. Hence, the need for frequent and lengthy quotations from that document despite the inconvenience that it entails.

Mr. Chairman,
Your Excellencies,
Ladies and Gentlemen,

At its most basic NEPAD is about Africa's renewal and regeneration. It is a programme designed by Africans to stem the tide of Africa's marginalization and threat of decay. In this regard, the NEPAD document states:

"The New Partnership for Africa's Development centers on African ownership and management. Through this programme, African leaders are setting an agenda for the renewal of the continent. The agenda is based on national and regional priorities and development plans that must be prepared through participatory process involving the people. We believe that while African leaders derive their mandate from their people, it is their role to articulate these plans and lead the process of implementation on behalf of their people".
(para. 47)

According to the NEPAD document, therefore, this programme of renewal of Africa implies at least two levels of partnership, that of partnership at the national level, and partnership at the regional and continental level. At each of these levels there are to be two major role actors, the governments and the peoples of Africa with clearly defined roles. The African governments, deriving their mandate from their people are to provide the leadership in articulating and implementing NEPAD. They are to do so by developing national and regional development plans consistent with the vision of NEPAD. What is more, the national development plans, and the continental development plans are to be developed and implemented through a participatory process involving the peoples of Africa in an effective and active manner.

NEPAD provides an overarching framework, a vision to guide the development of such national, regional and continental plans. In this regard, the NEPAD document states:

"African leaders have learned from their own experience that peace, security, democracy, good governance, human rights and sound economic management are conditions for sustainable development. They are making a pledge to work, both individually and collectively, to promote these principles in their countries and sub-regions and on the continent."
(para.71)

Furthermore, the NEPAD document adopted in Lusaka declares:

"To achieve these objectives, African leaders will take joint responsibility for the following:

- Strengthen mechanisms for conflict prevention, management and resolution at the sub regional and continental levels, and to ensure that these mechanisms are used to restore and maintain peace;
- Promoting and protecting democracy and human rights in their respective countries and regions, by developing clear standards of accountability, transparency and participatory governance at the national and sub-national levels;
- Restoring and maintaining macroeconomic stability, especially by developing appropriate standards and targets for fiscal and monetary policies, and introducing appropriate institutional framework to achieve these standards;
- Instituting transparent, legal and regulatory frameworks for financial market and the auditing of private companies and the public sector;
- Revitalizing and extending the provision of education, technical training and health services,

- with high priority given to addressing the problem of HIV/AIDS, Malaria and communicable diseases;
- Promoting the role of women in social and economic development by reinforcing their capacity in the domains of education and training by developing revenue generating activities through facilitating access to credit; and by assuring their participation in the political and economic life of African countries;
 - Building the capacity of states in Africa to set and enforce the legal framework, and to maintain law and order;
 - Promoting the development of infrastructure, agriculture and its diversification into agro-industries and manufacturing to serve both domestic and export markets". (para. 49)

A number of fundamental points are encapsulated in the paragraph I just quoted. Firstly, the basic guidelines for the articulation of development plans at the national and other levels are very clearly set. Each one of us has pledged to implement this in our own countries and articulate our development plans accordingly. Moreover, each one of us has pledged to go beyond that and promote these guidelines throughout the continent and take joint responsibility for their implementation.

Secondly, it is very clear, that we the African leaders having learned from our own experience, have come to the conclusion that we need to promote peace and security, democracy, economic and political good governance. There is no quid pro quo implied here. We are not saying that we will promote democracy and good governance in return for external support. We are saying we will promote them because we are convinced that this is the only way for Africa's regeneration and renewal. We are saying we will promote them irrespective of whether external assistance is made available to us or not.

The basis of both levels of partnership is thus very clearly laid. The basis is going to be the promotion of democracy, economic and political good governance. It is the recognition that the regeneration of our countries and continent requires the articulation of development plans at each level, through the active participation of our peoples and under the leadership of our democratic governments, based on the principles and guidelines articulated in the NEPAD document for which we take individual and collective responsibility.

The successful implementation of NEPAD will thus hinge on the establishment of a solid partnership between governments and the people in each of our countries, the articulation of national development plans in a participatory manner based on the NEPAD guidelines and their successful implementation. Such national plans and partnerships are the basis of the implementation of NEPAD.

But clearly NEPAD is not limited to the national level. It is continental in its scope. Therefore, not only are the national plans to be rendered compatible with the NEPAD guidelines, thus establishing harmonization of political and economic governance across the continent, but regional and continental plans also are to be articulated on the same basis of the NEPAD guidelines. Regional and continental economic integration is a central pillar of NEPAD. In this regard, the NEPAD document asserts:

"The New Partnership for Africa's Development focuses on the provision of essential regional public goods (such as transport, energy, water, ICT, disease eradication, environmental preservation and provision of regional research capacity), as well as the promotion of intra-African trade and investment. The focus will be on rationalizing the institutional framework for economic integration, by identifying common projects compatible with integrated country and regional development programmes, and on the

harmonization of economic and investment policies and practices." (para. 92)

NEPAD thus goes beyond mere re-iteration of continental economic integration and unity. It also indicates how this unity and integration is to be achieved. At the most basic level, each African country would be required to ensure that its development plans are compatible with NEPAD guidelines and are implemented as such. We all are to take individual and collective responsibility that this indeed takes place. This step, if fully implemented, will of necessity ensure the harmonization of policies and governance practices without which African economic and political unity would become a pious wish. It would also promote the development of regional and continental public goods, and the integration of infrastructure facilities such as roads, railways and energy.

The basis of the second level of partnership, that between African countries is thus clearly articulated. It is going to be the development of regional and continental development plans based on the NEPAD guidelines, through the active participation of the people of Africa, focused on integration of infrastructures, promotion of intra-Africa trade and investment and harmonization of policies. It is going to be the taking of joint responsibility for the promotion of NEPAD guidelines in the articulation of national plans.

It is clear that NEPAD is a vehicle for bringing about the African Union. It serves as a key strategy for the African Union because it is in itself a strategy for harmonization of policies and governance practices of African countries, and for economic integration of African countries, which underlines a meaningful union of African states. At the same time, the Union provides an appropriate institutional framework for the successful implementation of NEPAD.

The OAU at its Lusaka summit has established what I consider to be a transitional arrangement for the implementation

of NEPAD, composed of the implementation committee, the steering committee and the secretariat. I understand that there have been some criticism of the arrangement. I believe that such concerns can and ought to be addressed within the current transitional framework.

Ultimately, the leadership of NEPAD will have to be incorporated within the structures of the African Union; for after all NEPAD is the strategy for the full realization of the Union. For the moment, however, I believe that the tender shoots of NEPAD have to be carefully handled particularly being mindful of the limitations of the institutions of the Union to meet the requirement of NEPAD's operations. Hence, the advisability for the continuation of the transitional arrangement for some time.

The leadership of NEPAD at the continental level has taken some specific steps to implement NEPAD and its partnerships at the continental level. Best practices for economic and political good governance and democracy have been developed. A consensus has been reached on the modality of a peer review mechanism to share experience and to promote the guidelines of NEPAD in each country. Plans for the integration of Africa's economic infrastructure, and to promote intra-African trade and investment have been developed and are being refined. Significant attempts to involve continental civil society organizations and the peoples of Africa in these exercises have been made. But a lot remains to be done, particularly with respect to involving the African people at the continental level. Furthermore, the peer review mechanism needs to start operations.

As the national partnerships are the basis of the continental partnerships, each of us needs to do more in our countries. We need to develop comprehensive development plans based on and consistent with the NEPAD guidelines. Our governments need to take the leadership role in articulating and implementing such plans. We need to ensure the active and effective involvement of the people in each of our countries. We need to establish effective

partnerships in each of our countries between government and the private sector, and between government and civil society and the population at large. Without such national plans and partnerships NEPAD will become a colossus with feet of clay. The peer review mechanism should be used to promote and speed up the implementation of NEPAD and its partnerships at the national level.

Mr. Chairman,
Your Excellencies,
Ladies and Gentlemen,

It is unquestionably true that NEPAD is an African initiative and is based not on external handouts but on the principles of self-reliance. In this regard, the NEPAD document declares:

"The New Partnership for Africa's Development seeks to build on and celebrate the achievements of the past, as well as reflect on the lessons learned through painful experience, so as to establish a partnership that is both credible and capable of implementation. In doing so, the challenge is for the peoples and governments of Africa to understand that development is a process of empowerment and self-reliance. Accordingly, Africans must not be wards of benevolent guardians; rather they must be the architects of their own sustained upliftment." (para. 27)

The principle of African ownership and self-empowerment that is at the heart of NEPAD could not have been articulated more clearly or more eloquently. NEPAD is indeed an African agenda and therefore the key partnerships are within each African country and amongst the African states and peoples.

However, NEPAD recognizes that we are living in a globalized and globalizing environment which calls for a third level of partnerships, that of the international level. In this regard, the Lusaka NEPAD document states:

" The world has entered the new millennium in the midst of an economic revolution. This revolution could provide both the context and the means for Africa's rejuvenation. While globalization has increased the cost of Africa's ability to compete, we hold that the advantages of an effectively managed integration present the best prospects for future economic prosperity and poverty reduction." (para. 28)

Globalization is the context within which all our economies operate. There is no escaping the impacts of globalization. Only national plans that recognize this context and strive to properly utilize the opportunities inherent within the globalized environment for national upliftment have any chance of success. Only such a plan can succeed in integrating and regenerating African economies. NEPAD is thus not about autarky at the national or continental level but about properly managed integration with the globalized markets. It is about taking globalization as both the context and the means of poverty eradication in Africa, and this despite the fact that globalization as it is currently structured has enormously increased the cost of competition for Africa.

But for Africa to properly and effectively manage its incorporation into the world economy, the cost of integration must be reduced. The global structures and environment must be changed from one that is inimical to Africa's economic regeneration to one that is benign for such an endeavor. A third level of partnership to bring this about is therefore required.

Any partnership worth its salt will have to have clearly defined basis, and that holds true for NEPAD's third level of partnership as well. In this regard, the NEPAD document declares:

"Other factors exist that pose serious longer-term risks. These include the rapid increase in the numbers of the socially excluded in different parts of the world, which

contributes to political instability, civil war and military conflict on the one hand, and a new pattern of mass migrations on the other. The expansion of industrial production and the growth in poverty contribute to environmental degradation of our oceans, atmosphere and natural vegetation. If not addressed these will set in motion processes that will increasingly slip beyond the control of governments, both in developed and developing countries.

The means of reversing this gloomy scenarios are not yet beyond our reach. Improvements in the living standards of the marginalized offer massive potential for growth in the entire international economy, through the creation of new markets and by harnessing increased economic capacity. This will bring with it greater stability on a global scale, accompanied by a sense of economic and social well being." (paras. 37-38)

In a globalized environment no part of the globe is immune from negative and positive influences emanating from other parts of the globe. Marginalization and decay of Africa will have consequences that threaten the stability and viability of the globalized world, while rejuvenation and development of Africa dramatically reduces these threats and creates opportunities for everyone. Africa's development is thus a matter of diminishing mortal risks to the global environment and creating new opportunities for everyone. As Africa's development is in the direct interest of the international community, so is reducing the costs of Africa's integration with global markets. It is this common interest that is the basis of the third level of the partnership. The NEPAD document puts this fact as follows:

" What is needed is a commitment on the part of governments, the private sector and other institutions of civil society, to genuine integration of nations into the global economy and body politic. This requires the recognition of global interdependence with regard to production and demand, the environmental base that sustains the planet,

cross-border migration, a global financial architecture that rewards good socio-economic management, and global governance that recognizes partnership among all peoples. We hold that it is within the capacity of the international community to create fair and just conditions in which Africa can participate effectively in the global economy and body politic." (para. 41)

The moral imperative of providing assistance to people in need, the requirements of human solidarity should and will continue to be elements of the partnership. But according to NEPAD that is not the basis of the third tier of partnership. Overcoming common threats and exploiting common opportunities, by enabling Africa to substantially reduce the costs of Africa's integration with the global economy, is the basis of the international partnership of NEPAD.

As in all the other levels of partnership, governments are a critical element of the international partnership of NEPAD. While government partnerships must encompass the whole globe, including through south-south co-operation, the G8 play a unique role in structuring the global environment, and NEPAD must, naturally, be fully cognizant of this fact. But the global partnership is not limited to governments. According to the NEPAD document, the private sector and civil society organizations have a critical role to play.

The NEPAD document in fact, goes beyond clearly setting the basis for the international partnership and defining who the actors at this level of partnership are. It clearly sets the priorities that the international partnership should have to reduce the costs of Africa's integration into the global economy. It calls for increased capital flows and market access in the developed countries. The NEPAD document set the tone with regard to increased capital flows as follows:

"To achieve higher levels of growth and more effective poverty reduction, Africa needs to mobilize additional resources, both domestic and foreign. Domestic resources include national savings by firms and households, which need to be substantially increased. In addition, more effective tax collection is needed to increase public resources, as well as the rationalizing of government expenditures. A significant proportion of their domestic savings is lost to African countries as a result of capital flight. This situation can be only reversed if African economies become attractive locations for residents to hold their wealth. Therefore, there is also an urgent need to create conditions conducive to private sector investment by both domestic and foreign investors. Furthermore, there are other resources that can be mobilized within Africa while, at the same time, requesting the developed countries to pledge their Treasury Bills to finance the plan. In so doing, they would not directly commit their liquid assets. Finally, we suggest the establishment of special drawing rights for Africa." (para. 145)

Consistent with the principle of self-empowerment and self-reliance that is at the heart of the NEPAD process, the document recognizes that a massive injection of new resources is required and that a large part of these resources must be sought within Africa. It recommends specific measures to enhance savings, improve tax revenues, overcome capital flight and encourage domestic private investment. At the same time, NEPAD asserts that those who have the means to provide external assistance should increase the amount and improve the quality of their assistance to promote the common agenda that is NEPAD. Keenly aware of the politics of aid budgets, NEPAD proposes specific measures such as the pledging of Treasury Bills and the issuing of additional special drawing rights to overcome the political hurdles.

The debt trap that is adding to the cost of Africa's integration with the global economy needs to be overcome if Africa

is to be rejuvenated. Cognizant of this important fact, NEPAD has specific proposals as enunciated in the document as follows:

"The New Partnership for Africa's Development seeks 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. The long-term objective of the New Partnership for Africa's Development is to link debt relief with costed poverty reduction outcomes. In the interim, debt service ceilings should be fixed as a proportion of fiscal revenue, with different ceilings for international development assistance (IDA) and non-IDA countries. To secure the full commitment of concessional resources- debt relief plus ODA- that Africa requires, the leadership of the New Partnership for Africa's Development will negotiate these arrangements with creditor governments". (para. 146)

NEPAD is thus clear as to what needs to be done to overcome the debt trap. Equally, the NEPAD document considers private sector capital flows as a very important component of the issue of increased capital flows and has specific proposals in that regard too. The need for increased capital flows and all its components of increased and better ODA flows, debt relief, and private sector investment are thus adequately dealt within the NEPAD document.

The second and undoubtedly more important focus for the international partnership of NEPAD is market access. So long as Africa's access to developed countries markets is rendered difficult to products in which it has comparative advantage, and so long as Africa does not get effective assistance to make use of such access, if and when it is given the access, nothing we do is going to succeed in making integration of Africa with the global economy serve the purpose of poverty eradication. The issue of market access is thus central to the global partnership of NEPAD. It is with this in mind that the NEPAD document states as follows:

"African leaders believe that improved access to the market of industrialized countries for products in which Africa has a comparative advantage is crucial. Although there have been significant improvements in terms of lowered tariffs in recent years, there remains significant exemptions on tariff while non-tariff barriers also constitute major impediments. Progress on this issue should greatly enhance the economic growth and diversification of African production and exports. Dependence on ODA would decline and infrastructure projects would become more viable as a result of increased economic activity." (para. 170)

NEPAD's international partnership is thus comprehensively articulated. The basis of the partnership, the focus of the partnership and the role of the actors in the partnership are clearly and correctly defined. Significant steps towards its implementation have also been taken. The dialogue with the G8 culminating in the recent G8 meeting in Canada is a case in point. Useful meetings were also organized to engage the foreign private sector. Nevertheless, it is clear that a lot more needs to be done to fully implement NEPAD and its partnership at the international level.

In the first instance we need to promote democracy and economic and political good governance in our countries. While these are steps that we take because we are convinced that they are essential for the success of our programmes, they also demonstrate to our partners that the assistance they provide is not going to go through the so-called rat-hole and squandered.

Secondly, we need to work out in detail our proposals in the area of increased and better ODA, debt reduction and market access. It is notable that for example, there is no well articulated African position on improving market access to the markets of the advanced countries. Detailed proposals on ODA and debt reduction have not been worked out, and the tactics and strategy

for negotiating them have not been developed. To the extent that we do not carry out the necessary studies and develop our negotiating positions and tactics of negotiations; to that extent we fail to contribute to the definition of the agenda, and let others define it for us. To the extent that we limit our interactions to pleas and speeches, to that extent our wishes will remain to be pious wishes. We need to address this crucial shortcoming if we are to derive the maximum benefit from the partnership.

Thirdly, we need to make the case for NEPAD in the developed world not only among governments but also within the populations of all of these countries. In this regard, progressive opinion in those countries need to be harnessed to counteract the negative attitude prevalent in these countries. We should not assume that just because the case for NEPAD is self-evident to us it will be self-evident to all others. Particularly, those who feel they do not stand to lose from the current structure of globalization need a lot of convincing.

Fourthly, while maintaining our contacts with the G8 governments and striving to establish a more structured relationship, with them, we need to broaden the dialogue to include other governments including governments in the south. In addition, we need to involve civil society organizations and pursue our partnership with the private sector in these countries more actively. Generally, in all our international partnerships, it is important to recognize that in an environment where the population and progressive public opinion is not actively mobilized in support of NEPAD, ignorance and vested interests are bound to undermine the prospects of the partnership.

Mr. Chairman,
Your Excellencies,
Ladies and Gentlemen,

In NEPAD and the African Union we have a winning formula; a winning vision. All we need to do now is to refine our tactics, strategy and mechanisms of implementation. All we need to do now is to persevere in our efforts to implement NEPAD despite difficulties that we may face along the way. All we need to do now, Mr. Chairman, is to grasp NEPAD in our own hands and run with it.

I thank you

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