



ASSESSING AFRICA-G8 PARTNERSHIP COMMITMENTS

*Accountability Report on Africa-G8 commitments: 2001-2010
By the African Union Commission and NEPAD Agency*

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The report is an assessment of the delivery and impact of mutual commitments by Africa and G8 from 2001 to 2010 under the G8/Africa partnership framework, with emphasis on accomplishments made by Africa since the onset of its reform agenda. The report also highlights priority actions to sustain the reform momentum and optimally realize the continent's development objectives and to strengthen Africa's engagement with the G8 and other development partners. The fulfilment of partnership commitments is at the core of the engagement between Africa and the G8.

For more information, on the activities of the African Union Commission and the NEPAD Planning and Coordinating Agency, please visit www.au.int and www.nepad.org

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List of Acronyms and Abbreviations

AAA	- Accra Agenda for Action
AAP	- AU-NEPAD African Action Plan: 2010-2015
AEC	- African Economic Community
AfDB	- African Development Bank
AFSI	- L'Aquila Food Security Initiative
AfT	- Aid for Trade
AICD	- Africa Infrastructure Country Diagnostic
APDev	- Africa Platform for Development Effectiveness
APF	- Africa Partnership Forum
APRM	- African Peer Review Mechanism
APSA	- African Peace and Security Architecture
ASF	- African Standby Force
AU	- African Union
AUC	- African Union Commission
CAADP	- Comprehensive Africa Agriculture Development Programme
CAMFA	- Conference of African Ministers of Fisheries and Aquaculture
CAP	- Consolidated Plan of Action for Africa's Science and Technology
CD	- Capacity Development
CDSF	- AU-NEPAD Capacity Development Strategic Framework
CEN-SAD	- Community of Sahel Saharan States
CEDAW	- Convention on the Elimination of all Forms of Discrimination Against Women
COMESA	- Common Market for Eastern and Southern Africa
CSOs	- Civil Society Organizations
DAC	- OECD Development Assistance Committee
DEAF	- African Union Democracy and Elections Assistance Fund
DEAU	- AUC Democracy and Elections Assistance Unit
EAC	- East African Community
EAP	- AU-NEPAD Environment Action Plan
ECOWAS	- Economic Community of West African states
FDI	- Foreign Direct Investment
FfD	- Financing for Development
FTA	- Free Trade Area
GAFFSP	- Global Agriculture and Food Security Programme
GFATM	- Global Fund for AIDS, Tuberculosis and Malaria
GDP	- Gross Domestic Product
GHI	- Global Hunger Index
GNI	- Gross National Income
G8	- Group of 8 Countries
G20	- Group of 20 Countries
HIPC	- Heavily Indebted Poor Countries
HSGOC	- NEPAD Heads of State and Government Orientation Committee
IAIDA	- Institutional Architecture for Infrastructure Development in Africa
ICA	- Infrastructure Consortium for Africa
ICF	- Investment Climate Facility

ICT	- Information and Communication Technology
IGAD	- Inter-Governmental Authority on Development
IPPF	- NEPAD Infrastructure Project Preparation Facility
LDCs	- Least Developing Countries
MAP	- Millennium Africa Recovery Plan
MDGs	- Millennium Development Goals
MDTF	- Multi-Donor Trust Fund for CAADP
MIP	- Minimum Integration Programme
MRDE	- Mutual Review of Development Effectiveness
NEPAD	- New Partnership for Africa's Development
NPCA	- NEPAD Planning and Coordinating Agency
NPoA	- National Programme of Action
OAU	- Organization of African Unity
ODA	- Official Development Assistance
OECD	- Organisation for Economic Cooperation and Development
PAF	- Partnership for African Fisheries
PAU	- Pan-African University
PFM	- Public Financial Management
PIDA	- Programme for Infrastructure Development in Africa
PPP	- Public-Private Partnership
PSC	- Peace and Security Council
R&D	- Research and Development
RECs	- Regional Economic Communities
SAP	- Structural Adjustment Programme
SADC	- Southern African Development Community
SREAPs	- Sub-Regional Environment Action Plans
STAP	- NEPAD Infrastructure Short Term Action Plan
TB	- Tuberculosis
UNECA	- United Nations Economic Commission for Africa
UNESCO	- United Nations Educational Scientific and Cultural Organization
UNCAC	- UN Convention Against Corruption
WHO	- World Health Organization
WTO	- World Trade Organization

Preface

In 2010, the African Union Commission and NEPAD Agency were tasked by the 14th African Union Summit, upon the recommendation of the 22nd NEPAD HSGOC¹, to undertake an assessment of Africa's partnership with the G8, and to present a comprehensive report.

The scope of the assessment report is to specifically review the mutual commitments of Africa and the G8 pledged under the framework of G8-Africa Outreach from 2001 to 2010. The report highlights the genesis of Africa's transformation agenda championed at the continental level by the African Union and its New Partnership for Africa's Development (NEPAD) Programme. The report accounts for progress made by Africa in meeting its commitments, highlighting the remaining challenges, while also examining specific G8 pledges to the Continent. The monitoring and evaluation of development-related commitments agreed to at G8 Summits, including Kananaskis, Gleneagles, L'Aquila and Muskoka form the central focus of the assessment.

The African accountability report examines the delivery of commitments and the impact on the continent's sector priorities, political reforms and socio-economic development agenda. Of special significance is the attention in the report to Africa's strides in implementing its the renewal agenda, focusing on thematic areas especially good governance, peace and security, improved macro-economic management, key sector priorities and efforts towards attaining the MDGs. The report emphasises Africa's concerns, expectations and interests in building new cooperation architecture with the G8 and other development partners wherein the continent's development agenda is paramount. It concludes that effective promotion of Africa-centred and value-driven partnership with the G8 is pivotal to advancing the principles of African ownership and leadership, mutual respect and equality.

Essentially, the primary objectives of this report are to:

- **Assess the delivery and impact of mutual commitments by Africa and G8 development partners, from 2001 to 2010 (Genoa to Muskoka G8 summits);**
- **Highlight progress made by Africa within the context of its own renewal agenda;**
- **Identify challenges and lessons learned in the decade-old partnership with a view to bridge the gap between commitments and delivery; and**
- **Propose priority actions to strengthen Africa's engagement with the G8.**

Generally, the partnership review takes into account the symmetry of African initiatives, the key areas of engagement and contextualizes the changing balance in global political and economic cooperation. To this effect, the African Union has called for a coherent, systematized and institutionalized engagement with the G8, as a step forward towards re-framing the relationship and to ensure adequate African representation and voice are accorded due attention at the global level.

Undoubtedly, African Leaders remain committed to a genuine partnership with the G8. The Continent seeks a partnership based on respect for mutual accountability and collective

¹ NEPAD Heads of State and Government Orientation Committee is a sub-committee of the AU Assembly. Comprising 20 AU member-States, it is used to be known as NEPAD Heads of State and Government Implementation Committee (HSGIC)

responsibility, driven by high-level political will. Some positive results have been achieved over the last decade. Yet additional efforts are required on the part of the members of the G8 to fully deliver on their commitments under the partnership at a critical time in Africa's reform process and less than 5 years to the MDGs target date of 2015.

Therefore, this report provides a reflection on what has been delivered by both sides and offers practical strategies towards strengthening the partnership. While Africa's development agenda should continue to be led and owned by Africans, G8 partners need to fulfill their commitments, particularly the delivery of Official Development Assistance (ODA) in a predictable and timely manner, without conditions that limit the policy and implementation space available to African countries. This step would help translate African development objectives into concrete development results.

Executive Summary

Africa's development landscape is positively changing. The Continent experienced a period of general decline in the 1980s and 1990s characterized by civil strife, unbridled military dictatorships, single party autocracy, political chaos and instability coupled with dysfunctional economies and aggravated social crisis. In response to these challenges and realities of the post cold war era, a wave of euphoric democratic movement swept the Continent resulting in a new breed of elected leaders who stirred change in Africa's development trajectory.

Over the past ten years, Africa and G8 members have made strong efforts towards constructing a new partnership and cooperation architecture based on shared values and commitments. African and G8 leaders, in particular, have been at the vanguard of this partnership engagement, through regular consultation including at the annual G8/Africa Outreach since 2001 in Genoa.

At the turn of the new Millennium and within the context of the African Union and its New Partnership for Africa's Development (NEPAD) Programme, African leaders motivated by the common desire to promote an African-led and owned development, pursued a solution-focused and inclusive partnership with the international community premised on mutual accountability, transparency, respect, shared commitment and responsibility. Therefore, the African Union, as the institutional political vehicle, and NEPAD, as the development philosophy and economic blueprint, served as the twin platform for the renewal vision.

With the frontiers of development in the globalization era being re-defined by the enormity of new opportunities, daunting challenges and emerging actors from the developing world, given rise to new orientations, Africa re-affirmed its expression of renewed hope for fairer development cooperation architecture. This focused on the drive and determination championed by African leaders to individually and collectively place their countries on the path of growth and development, while reversing the marginalization of the continent in globalization. The strategic support of the international community, including the G8, was considered critical to the realization of this transformation vision.

In the spirit of accountability, African leaders at the 14th African Union Summit of January 2010, based on the outcomes of the 22nd NEPAD Heads of State and Government Orientation Committee (HSGOC)², underscored the need for Africa to assess the 10-year old G8/Africa partnership. The scope of the assessment report is the review of the mutual commitments of Africa and the G8 pledged between 2001 and 2010. The report highlights the genesis of Africa's transformation agenda championed at the continental level by the AU and NEPAD. It accounts for progress made by Africa in meeting its commitments, highlighting the remaining challenges, while also examining specific G8 pledges to the continent. Of overriding importance is the focus on Africa's strides in implementing its renewal agenda, especially peace and security, good governance, macro-economic management, implementation of sector priorities, women empowerment and attaining the MDGs.

² NEPAD Heads of State and Government Orientation Committee is a sub-committee of the AU Assembly. Comprising 20 AU member-States, it is used to be known as NEPAD Heads of State and Government Implementation Committee (HSGIC)

The new millennium marked a defining moment for Africa with the African Union (AU) emerging as a stronger and effective successor to the Organization of African Unity (OAU). The AU has a wider mandate focusing on political and socio-economic integration. In July 2001, African Heads of State and Government, in Lusaka, Zambia, adopted the New Africa Initiative, later known as the New Partnership for Africa's Development (NEPAD), as an integrated socio-economic strategy and programme of action.

In September 2000, world leaders signed up to the Millennium Development Goals (MDGs) under the United Nations framework, signalling global commitment to poverty eradication and sustainable development with time bound targets stretching to 2015. African governments and development partners agreed to commitments necessary to accelerate progress towards MDGs realization. NEPAD is Africa's integrated policy response and instrument to attain the socio-economic objectives identified in the MDGs.

The G8, from Genoa and Muskoka Summits, undertook commitments designed to support Africa in its new development path. Particularly, key development-related commitments were made by G8 members in Kananaskis, Canada in 2002, Gleneagles, Scotland in 2005, which included doubling Aid to Africa and L'Aquila, Italy in 2009. By and large, G8 commitments pledged in Kananaskis, Gleneagles and L'Aquila are at the forefront of the partnership with Africa. Along with relevant sector specific commitments, notably, the G8 2009 L'Aquila Food Security Initiative and the 2010 Muskoka Initiative on Maternal and Child Health, together these represent a critical juncture for assessing the attainment of the MDGs by Africa and G8 partners' commitments in support of Africa's development priorities.

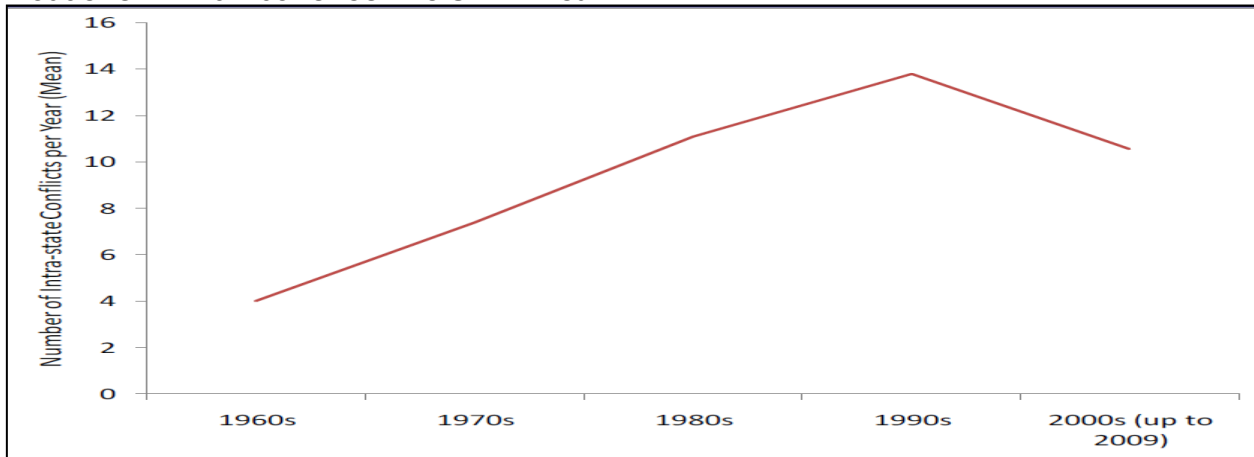
What progress has Africa made over the past decade within its reform agenda?

Without a doubt, Africa has made good and significant progress in improving political and socio-economic governance policies and implementation. Relative successes have been recorded in governance, conflict management systems, peace and security; economic growth and public finance management; and women's empowerment. On a sector basis, the Continent has pushed forward targeted development policies and programmes on Agriculture and Food Security; Infrastructure; Education; Health; Trade and Market Access; Information and Communications Technology; Environmental Sustainability and Science and Technology.

a) Peace and Security

The **African Peace and Security Architecture (APSA)** championed by the African Union, has been instrumental in advancing sustainable conditions for development on the continent. Through the five main pillars of APSA including, the Peace and Security Council, Continental Early Warning System, and African Standby Force, the AU has intervened in conflict situations including Burundi (AU Mission in Burundi – AMIB), Darfur, Sudan (AU Mission in Darfur, AMIS, followed by the AU-UN Hybrid Mission in Darfur, UNAMID) and Somalia (AU Mission in Somalia, AMISOM). Indeed, crisis points and number of fragile states on the continent have reduced with rising growth recorded in many post-conflict countries in the course of the past decade.

Reduction in number of conflicts in Africa



Source: Data from UNDP, Pedro Conceicao (Chief Economist & Head of the Strategic Advisory Unit) on the UCD-PIRO armed conflict dataset, version 4 (Dec. 2009) – UNDP presentation at 14th APF in Toronto

b) Democracy and Good Governance

Democracy and good governance are taking foothold in Africa more than ever before. Multi-party elections are now the norm rather than the exception. In 2002, African countries adopted the Declaration on Democracy, Political, Economic and Corporate Governance and the Charter on Democracy, Elections and Governance in 2003, demonstrating commitment of the continent's leaders to strengthen democracy. The **African Peer Review Mechanism (APRM)** is a prime and credible model for good governance. A voluntary and novel monitoring policy instrument and direct offshoot of the AU Declaration, currently 30 AU member states have acceded to the Mechanism and opened up their governance systems for review. The APRM focuses on four main facets of governance, namely: Democracy and Political Governance; Economic Governance and Management; Corporate Governance; and Socio-economic Development.

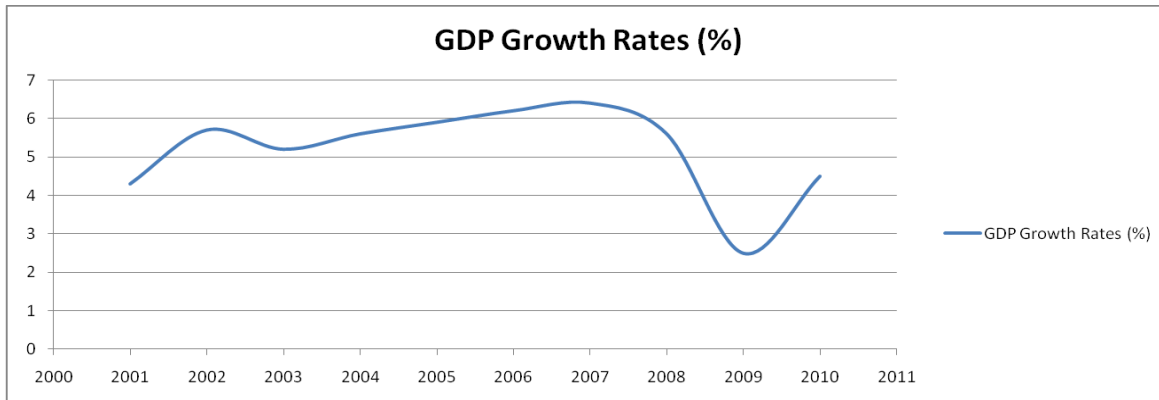
At the continental level, the Constitutive Act of 2000 establishing the AU prohibits the unconstitutional change of governments as a means of ensuring that democratic standards, codes and principles are respected by member-states. Uniquely, while preserving the established international practice of respect for the principle of non-interference by any Member State in the internal affairs of another, Africa has led the world in inscribing in its regional legislative document the right of the African Union to intervene in a member country pursuant to an Assembly decision in respect of grave circumstances, namely, war crimes, genocide and crimes against humanity. The AU has also displayed **zero tolerance for unconstitutional changes of government** through a provision in its Constitutive Act. Since the adoption of the Act, four African countries have been suspended for unconstitutional change of governments, and two of them were only reinstated after restoring democratic governance. Over a decade, Africa is transforming its governance landscape through a collective approach of peer learning and sharing for effective development.

c) Economic Growth and Public Finance Management

Since the early 2000s, the macroeconomic fundamentals including the average growth rate on the continent have been steadily rising at a fast rate between 3-5% compared to the negative rates of previous decades and by world standard. Though this growth trajectory was interrupted

by the global financial and economic crisis, good progress is being made by African economies attributed to sound pro-market economic and corporate governance systems. Notably, marked improvements in public financial management have been achieved regarding budgetary management, tax systems, reduction in costs of doing business, support services for policy coordination and coherence, contract enforcement, public sector accountability and transparency, as well as, a more conducive environment for private investment and growth.³ The World Bank observed that sound macro-economic policies have helped Africa to quickly rebound from the global economic downturn.

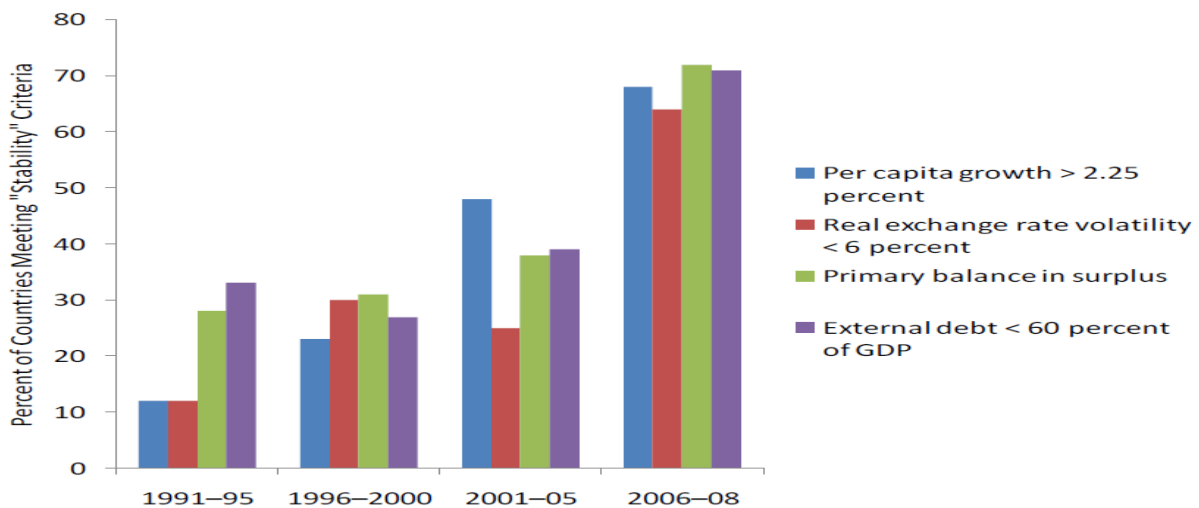
Africa's GDP Growth rates (%)



Source: African Statistical Year Book, 2010

Specifically, **'Doing business' in Africa** has now changed for the better. The rate on investment on the continent is one of the most attractive globally, signifying that Africa is ready for business. Investment opportunities are expanding in relatively fast-growing sectors as telecommunications, banking, agriculture, infrastructure, energy and consumer goods. This is a great potential for lasting growth, wealth creation and prosperity on the continent.

Policy environment in Africa is as good as ever....

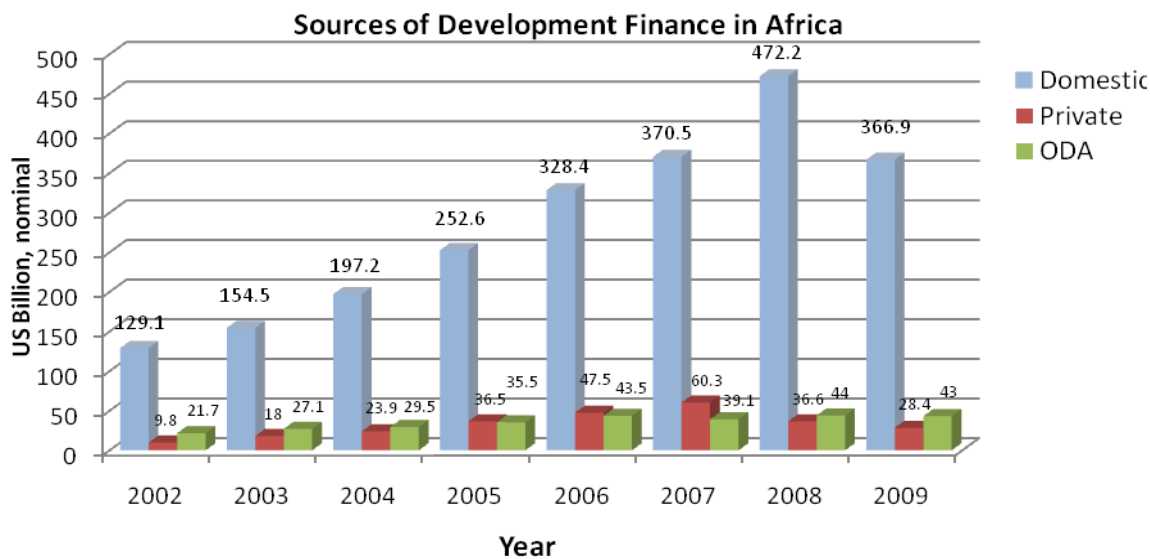


Source: IMF 2009, Regional Economic Outlook. Sub-Saharan Africa, September

³ African Governance Report II 2009, UNECA

d) Domestic Resources for Development

Having recognized that the primary responsibility for Africa's development lies within the continent itself, African governments are actively mobilizing domestic resources for their programmes and projects. Internally generated revenue in Africa improved significantly from US\$129 billion (1997-2002), to US\$472 billion in 2008. Domestic revenue represented 84% of total sources of financing for Africa in 2009. This is now the major source of development finance, reflecting the continent's commitment to mobilizing domestic savings and public revenues for development, as complementary to external development assistance. In all, domestic resources improved four-fold between 2002 and 2008⁴ showing strong commitment by African countries to mobilize local funds for their development projects.



Sources: World Bank Global Development Finance (2010) & IMF Regional Economic outlooks (April 2010) and OECD DAC

e) Attaining the MDGs

Africa is moving in the right direction regarding attaining the MDGs. NEPAD, as the AU strategic framework, has provided the response mechanism to support the achievement of the MDGs. Thus, NEPAD is intrinsically linked to the continent's quest to achieve the MDGs. Broadly, over the ten year period, progress towards MDGs in Africa is mixed with good record in net primary school enrolment, gender parity in primary education, political empowerment of women, access to safe drinking water, debt sustainability targets and curtailing the spread of HIV/AIDS. An important element of the positive progress registered is the successful establishment by countries of a wide-range of African-led institutional innovations to facilitate progress towards MDG attainment. African governments have embraced new and expanded social protection programmes; MDGs-based planning; decentralization of MDGs mechanisms for improved service delivery; and national policy coordination and harmonization systems. In all, the increasing political support for the MDGs is worthy of note, as the AU Assembly tracks progress on MDG attainment on an annual basis. The progressive steps in realizing the targets especially in areas of education and gender are commendable.

⁴ 2010 MRDE, topic 14

f) Implementation of Africa's Priority-sector programmes

National and continental efforts towards implementing Africa's commonly-identified and agreed sector policy frameworks are being consolidated and strengthened. Key focus areas include:

i. Agriculture and Food Security

A historic change is underway in Africa's agriculture sector focusing on the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP), spearheaded by the AU and NEPAD. Agriculture sector's performance on the continent has been positive and improving in recent years wherein all regions witnessed an increase in average agricultural growth rates of approximately 3.0% between the 1990s and 2008. In 2010, 10 African countries met the 6% growth rate while 19 others attained moderate agriculture GDP growth rates of 3 to 6%. Out of the 25 countries that have presently signed the CAADP Compact, 19 countries have formulated CAADP-based investment plans and these have been independently reviewed and validated.

ii. Infrastructure

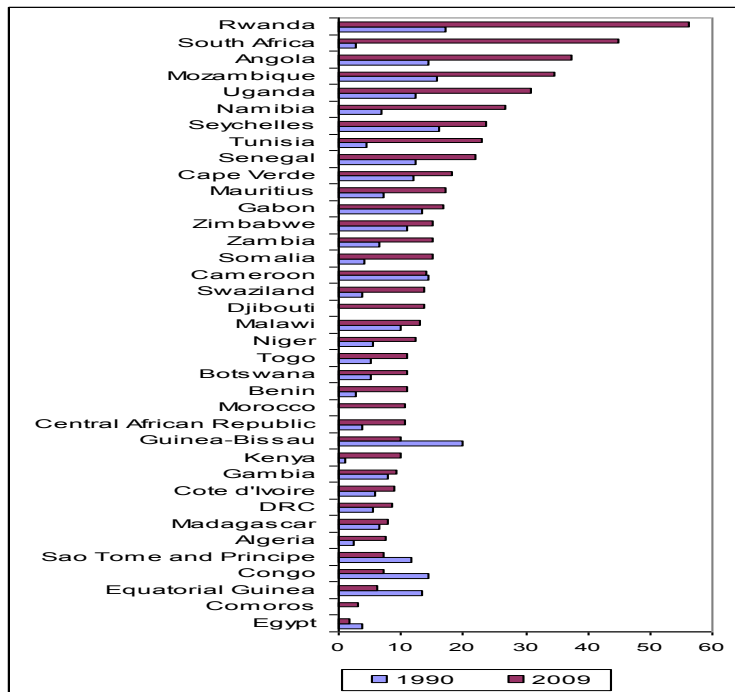
The adoption of the Programme for Infrastructure Development in Africa (PIDA) as the integrated continent-wide vision, strategic framework and agenda for infrastructure development is a major policy-measure focusing on development of infrastructure on the continent. The Infrastructure Consortium for Africa (ICA) was established by some G8 countries to support Africa's infrastructure endeavours. While a lot is being done through the development of transport corridors, sub-regional energy pools, water and sanitation, and aviation reforms, ICT sector has been growing at a phenomenal rate in Africa. Investments in the mobile phone sector which is the most dominant ICT category jumped from US\$ 8.1 billion in 2005 to almost US\$ 70 billion in 2010. Revenue from mobile phone operations has become a major source of revenue for most African countries averaging 7% of tax receipts. The number of mobile phone users has also increased from 11 million in 2000 to 200 million in 2005 and now approaching the 400 million mark⁵. Recently in January 2011, African leaders signalled their commitment to prioritizing the implementation of regional infrastructure projects through the adoption of the Presidential Infrastructure Champion Initiative. This AU-NEPAD initiative focuses on political sponsoring and championing of key cross-border and regional infrastructure projects for delivery and impact. In specific, seven (7) regional-focused projects have been endorsed for high-level interventions and support to advance implementation action in infrastructure.

g) Gender and Women Empowerment

51 out of the 53 AU Member States have ratified the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) and several countries had aligned their national legislations to the provision of CEDAW. Over 70% of AU Member-States formulated national gender policies and national action plans for implementation while a number of pro-gender specific legislations have been enacted at national level. It is evident that women participation in political representation, economic and corporate life has improved significantly in the last decade. At the decision making level, the Continent has seen a rapid increase in the representation of women at regional, national and local parliament. Evidently, the empowerment of African women is no longer a political slogan but concrete deliverables are being achieved at national level.

⁵ UN International Telecommunications Report, 2010

MDG 3: Empowerment of Women: Dramatic increase in parliamentary seats



Source: UNECA, September 2010 – presentation at UN Special Summit on MDGs, New York

What are the challenges and drawbacks, requiring more continental action and partnership support?

Africa remains a continent in transition with some success stories to tell. However, challenges still exist, requiring strong African actions and partnership support. Pro-market macroeconomic policies have not created enough jobs, especially for Africa's fast-growing urban youth. Positive average growth rates on the continent need to be translated into inclusive growth and poverty reduction.

Thus, a lot still needs to be done in employment creation; sustainability and consolidation of good governance; addressing pockets of protracted crisis points for lasting peace and security; modernizing public sector for better service delivery; eliminating corruption; promoting intra-regional trade and investment, meet the MDGs especially health-related goals; domestic resource mobilization; work harder on value-addition for raw materials; and develop and effectively utilize human and institutional capacities, particularly for public policy design and implementation.

a) The MDGs Challenge

Serious concerns still remain in attaining the MDGs. Africa has the highest proportion of people living in extreme poverty within the developing world. Slower progress is recorded in addressing poverty reduction, unemployment, environmental sustainability and most health-related goals. With less than five (5) years remaining to the set date for MDGs attainment, some African

countries may not be able to achieve these internationally agreed development goals. Factors such as the additional burden posed by the adverse impact of global financial, food, energy and climate crises; and weak employment growth have restrained MDGs achievement. The global partnership for the MDGs has also fallen short of its promises due principally to the lack of political will and fallen through on commitments made by some G8 and OECD countries.

b) The Partnership Constraint

Africa, with the inception of the AU and its NEPAD Programme at the beginning of the new Millennium, prioritized cooperation and partnership to support Africa's development goals. ODA plays a critical role in this equation but constraints associated with aid disbursement, management and delivery remain. Also, Aid within the broader context of development and its alignment with Africa's consensual sectoral priorities are challenges to be addressed. For instance, ODA investment in agriculture has increased in recent years, a large and increasing share is still devoted to short-term food aid interventions. The current level of ODA disbursements under the African Food Security Initiative is far below the expected pledges.

On the other hand, the G8 and OECD members are supportive of Africa's health systems and health capacities. ODA commitments to health in Africa increased from US\$5.4 billion in 2005 to US\$9.4 billion in 2008, though the bulk of the funding is directed at infectious diseases including HIV/AIDS. Through G8 support, the Global Fund for AIDS, Tuberculosis and Malaria (GFATM) was established and consequently fully funded. African countries were able to provide Anti-Retro Viral (ARV) therapy to nearly 3 million people in 2008, an increase of 39% from 2007. Africa has been able to reverse to some degree the scourge of HIV/AIDS and TB while immunisation rates have also improved substantially and the fight against malaria being consolidated.

Addressing the issues in the current international aid architecture is fundamental. These include the fulfilment of the commitments by Africa's development partners and the effectiveness of Aid, which remain cause for concern. Conditionality is still a serious challenge and progress on this commitment has been limited, despite the pledge to improve performance in this area through the framework of Paris Declaration and the Accra Agenda for Action. In particular, use and strengthening of country systems and mutual accountability has been slow to materialise. Continental response has been the recent establishment by the AU and NEPAD of the Africa Platform for Development Effectiveness (APDev) as an organizing mechanism focusing on Aid Effectiveness, South-South partnerships with Capacity Development as the core driver to achieve better development results. Primarily, APDev meets the NEPAD objective to systematically engage OECD/DAC and strengthen the African voice in the reform of the Aid architecture.

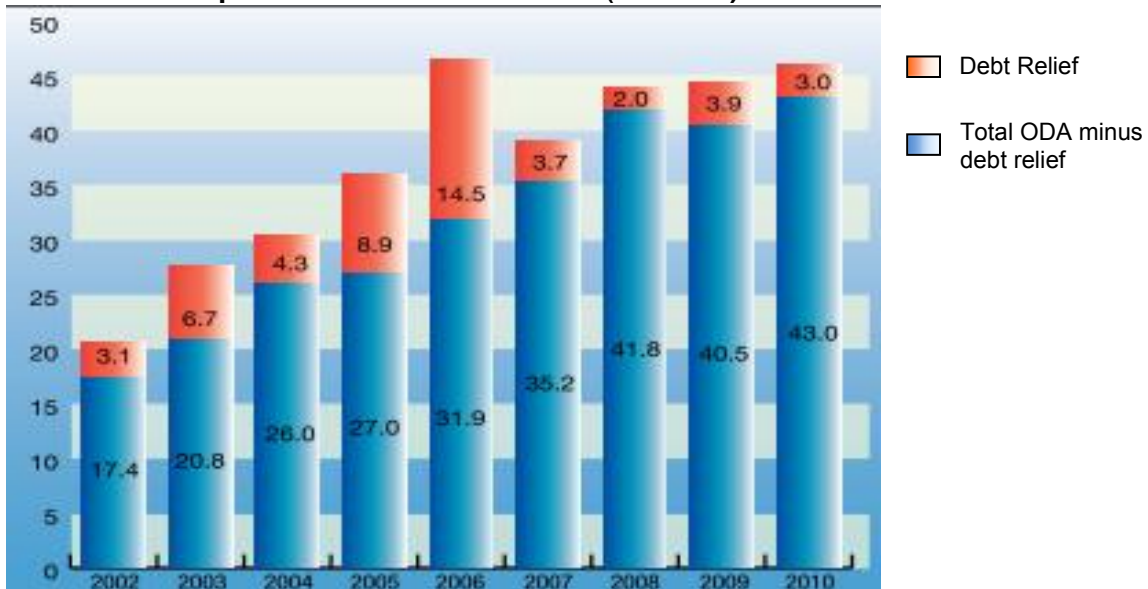
c. G8 Delivery on Commitments

Collectively, the G8 is significantly off-course to meet its 2005 Gleneagles commitment to substantially increase Aid to Africa. Over the course of the past decade, the gap between the promises of the G8 and Africa's other development partners on ODA remains wide. Though ODA to Africa increased from US\$29.5 billion in 2004 to an estimated US\$ 46 billion in 2010 (around US\$40 billion in 2004 prices), it is still far below the commitment of the projected sum of US\$ 64 billion (using 2010 prices). By this, Africa has received only about half of the increase implied

based on the 2005 commitment⁶, resulting in a large shortfall of estimated at about US\$18 billion in 2010 prices.

More appreciably, G8 partners need to consistently set out or agree on detailed plans as to how to monitor the ODA increase of US\$25 billion and sectoral commitments, made at the various Summits particularly Gleneagles. However, G8 effort to account for the delivery of its commitments on a global scale through the 2010 Muskoka Accountability Report is well acknowledged by Africa as a major step in the right direction. Bridging the gap in delivering commitments by both sides will adequately address issues of quality, quantity, predictability and timely delivery of ODA to Africa, without conditions that limit the policy and implementation space available to African countries. Indeed, this will lend the essential partnership support to Africa's reforms.

Official Development Assistance to Africa (Nominal)



Source: OECD/DAC⁷

What are the priority actions that the G8 and Africa should target towards strengthening the partnership?

Africa's transformation agenda is clearly articulated at national and continental levels. But what is most required is development action to further stimulate and sustain the much desired broad-based growth and wealth creation. Efficient management of the continent's natural resources will lead to diversifying the economic base and promoting better living conditions for African peoples.

The clarion call by Africa in the partnership with the G8 and the international community, at large, is that the partnership commitments made should be openly and promptly fulfilled, particularly, those made in Kananaskis (2002) and Gleneagles (2005). This is because the G8 delivery of its

⁶ 2011 MRDE Interim report
⁷ MRDE, Interim Report 2011

commitments collectively made in Gleneagles to increase ODA to Africa by US\$25 billion a year effective 2010 using 2004 level has not been met.

Box D: Lions on the move: The progress and potential of African economies

The McKinsey Global Institute notes that 'Africa's economic impulse has quickened, infusing the Continent with a new commercial vibrancy. Real GDP rose 4.9% per year from 2000 through 2008, more than twice its pace in the 1980s and 1990s. Telecom, banking, retail and construction are flourishing, while foreign investment is surging':

Africa Today

- c.** US\$ 1.6 trillion - Africa's collective GDP in 2008, roughly equal to Brazil's or Russia's
- d.** US\$ 860 billion - Africa's combined consumer spending in 2008;
- e.** 316 million - Number of new mobile phone subscribers signed up in Africa since 2000
- f.** 60% - Africa's share of the world's total amount of uncultivated arable land
- g.** 52 i.e. number of African cities with more than 1 million people each
- h.** 20 - Number of African companies with revenues of at least US\$ 3 billion

Africa Tomorrow

- i.** US\$ 2.6 trillion - Africa's collective GDP in 2020
- j.** US\$ 1.4 trillion - Africa's consumer spending in 2020
- k.** 1.1 billion - number of Africans of working age in 2040
- l.** 128 million - number of African households with discretionary income in 2020
- m.** 50% - portion of Africans living in cities by 2030

Source: McKinsey Global Institute, June 2010

Regional Integration remains a critical mass and topmost priority to energize development on the Continent. Stronger AU commitment to regional integration focuses on the RECs serving as pillars and building blocks of regional and continental integration. Partnership support for the implementation of major regional programmes and projects is essential. Policy frameworks and initiatives adopted under AU-NEPAD platform require specific attention and support by development partners. Such include CAADP, PIDA, Environment Action Plan and Sub-Regional Environment Action Plans (SREAPs), CDSF, CAP for Science and Technology, AU Minimum Integration Programme (MIP) and its related Action Plans; the AU-NEPAD African Action Plan (AAP) and Africa Platform for Development Effectiveness. The AAP is of great importance in the partnership engagement with the G8 and OECD countries as an instrument in promoting regional integration through Africa's defined priority programmes/projects. Indeed, Africa will devote more attention to raising domestic resources for its own development while calling for support from development partners to fund new initiatives such as the African Integration Facility and Africa Integration Fund under the umbrella of the AU.

Strengthening mutual accountability and monitoring and evaluation mechanisms between Africa and development partners will contribute immensely to the partnership goals agreed to from 2001 in Genoa. Policy follow-up mechanisms such as the **Africa Partnership Forum** should be strengthened to operationalize, implement and coordinate mutual accountability measures. African leaders have underscored the paramount importance of mutual accountability by welcoming various accountability mechanisms being put in place within the continent's partnership equation. In effect, the role and functioning of the APF as a unique forum combining high level political representation and a broad range of stakeholders, to catalyze and support action on both the African and G8/OECD partners is vital to the cooperation. In taking forward

mutual accountability within the G8/Africa framework, the APF reform process agreed to in Rome in June 2009 needs to be fully implemented.

The **2010 Muskoka Accountability Report** was delivered as the 'broader, comprehensive and consistent methodology for reporting activities in development and development-related areas and with attention to results'. Africa welcomes this positive step as the continent's leaders affirmed during the 15th AU Summit in Kampala, Uganda. However, a common credible and robust monitoring and evaluation mechanism needs to be put in place as a matter of priority. African leaders reiterated, at the 21st NEPAD HSGOC the need for G8 action towards reactivating and strengthening G8/Africa follow-up mechanisms as agreed upon at the 2007 G8/Africa Outreach in Heiligendamm, Germany.

Conclusion – Priority actions and key messages

Overall, Africa is re-affirming commitment to a global and balanced partnership with the G8 and international community in a spirit of mutual responsibility and accountability. The need for a vision of Africa that gives due recognition to its potential for growth and development is underscored. The Continent is poised to serve as a fundamental contributor to global economic recovery and world stability. This requires institutionalizing and systemizing its adequate and effective participation in the evolving global development processes, including the G20.

The ongoing transformation on the Continent has brought to the fore the urgent need for the '*beyond aid*' option and exit strategies that especially focus on the viability of FDI and raising domestic resources for development. While aid remains important and commitments need to be met, Africa aspires to become a growth and investment pole, not confined to perpetually managing poverty, which has been the main hub of current partnership engagements with Africa.

The continuous engagement at the highest political level between G8 and Africa is an important landmark. African development issues have remained high and consistently on the G8 agenda over the last decade. This is fully acknowledged and recognized by African leaders. However, more concrete policy actions need to accompany and follow-up these high-level engagements.

African Leaders re-affirm their dedication to a genuine partnership with the G8 and seek an active partnership based on mutual respect for accountability and collective responsibility, driven by political will and common understanding.

Delivery on commitments by both sides is of utmost importance to the partnership. The global crisis notwithstanding, the G8 countries should urgently meet their commitments individually and collectively, relating to the quality, quantity, predictability and timely delivery of ODA to Africa.

Individually, a number of G8 countries are on track to meet their ODA commitments with commendable progress recorded in the key cooperation areas, such as human development. The support of the international community for Africa's transformation agenda is pivotal to the drive to stimulate and sustain an average GDP growth rate of 7% per annum and ensuring that the continent achieves the MDGs. Most importantly, Africa leaders have been playing a strategic

role in guiding the balanced progress on the transformation agenda, on an individual and collective basis.

Despite G8 affirmation that it is firmly committed to implement the commitments on aid effectiveness, the actual political will is necessary to meet the agreed targets later. To ensure that ODA is beneficial and impactful to the development of African countries, it is vital that the G8 honours and respects their commitments in this regard. The G8 countries now have to ensure that forward-looking strategies for reaching the unmet Gleneagles commitment to provide US\$25 billion in aid to Africa are in place by end of 2011. Further the notion of aid effectiveness must also include a regional and continental dimension that addresses the holistic nature of development, particularly Development Effectiveness.

Africa underscores the essence of honouring the development-related commitments by many developed countries on the pledge to achieve the target of 0.7% of gross national income for ODA to developing countries by 2015 and to reach the level of at least 0.5% of GNI for ODA by 2010, as well as 0.15% to 0.20% target of GNI for ODA to LDCs, many of which are African.⁸

Practically, it is critical that Africa and G8 as partners continue to monitor and evaluate their delivery mechanisms directed at strengthening the partnership and eliminating persistent challenges of fulfilling the commitments. This will assist to embolden the African-led and owned development process, thereby promoting the implementation of the continent's development priorities. Full and effective accountability by both sides will further strengthen the partnership and help translate African development objectives into tangible development results.

Growing gains being made under the auspices of the African Peace and Security Architecture require the full support of the G8, with emphasis on reconstruction and development for post-conflict countries. This should be a major component of future support to the continent's peace and security initiatives.

Alongside political governance, good progress is being made in the Continent through sound and pro-market economic and corporate governance including public financial management and fiscal responsibility. The G8 should step up support for entrepreneurship and private sector development as well as promoting PPPs in line with various pledges including the 2007 Heiligendamm commitment on Growth and Responsibility in Africa.

The spirit of shared responsibility for development effectiveness is firmly embedded in the AU-NEPAD vision, creating an environment for mutual accountability that can enhance the credibility of commitments undertaken by both Africa and its partners.⁹

Good progress made by Africa in its transformation agenda particularly in designing and implementing priority-sector programmes and projects needs to be scaled up. Continued partnership support is critical to ensure that Africa attains the MDGs. The commitment by African leaders to raise their budget expenditure for agriculture to 10% per year and target 6% annual growth rate for the sector is steadily being realized and should be up-scaled. African

⁸ ⁸ 64th UN General Assembly session, Resolution 64/258 on NEPAD: Progress in implementation & international support, p 5, para

⁹ 4th APF Mutual Accountability paper

Governments have renewed this commitment under CAADP by increasing domestic resources targeting agriculture. In the spirit of L'Aquila Food Security Initiative, the G8 and OECD members should increase the levels of development assistance targeting African agriculture.

Little progress in the Doha Development Round is hampering the move towards a new and equitable multilateral trade regime. Development partners should therefore inject political will and momentum in order to agree on a specific timetable for reaching an early, ambitious and balanced conclusion to the WTO Doha Development Round. In this context, they should continue to resist protectionist measures, and take action to dismantle restrictive trade measures.

Africa reiterates the need for a systemized and institutionalized partnership engagement with the G8. Indeed, a paradigm shift that gives adequate recognition to its potential for growth. In this vein, African leaders have welcomed the G20 Seoul Development Consensus on Shared growth and the priority attention to Infrastructure through the G20 High-level Panel and the G20 multi-year action plan as key pillars for achieving inclusive, sustainable and resilient growth¹⁰.

It is important that the desired paradigm shift from poverty management to economic transformation is amplified to enable Africa to emerge as a new growth pole to address existing global imbalances and play a significant role in the integrated world economy.

More than ever before, Africans are exuding new forms of optimism about the bright prospects for growth and development. Obviously, the challenges remain. It is in this context that Africa re-states its commitment to strengthening its partnership with the G8. A strong and prosperous Africa will be a key player to promoting global security, balanced, inclusive growth and sustainable development.

¹⁰ Decision of the 16th AU Summit on NEPAD, January 2011, Addis Ababa, Ethiopia

PART ONE

Africa's Renewal

"Africa is beyond bemoaning the past for its problems. The task of undoing that past is ours, with the support of those willing to join us in a continental renewal. We have a new generation of leaders who know that we must take responsibility for our own destiny, that we will uplift ourselves only by our own efforts in partnership with those who wish us well" – Nelson Mandela

Africa's Renewal Agenda in the New Millennium – Continent's changing development landscape

1. The genesis of recent reforms to promote Africa's developmental renewal can be traced to the 1980s and 1990s. This was a period in which the political and economic landscape of the continent was characterised by macroeconomic volatility and in some countries, social and political turmoil. These manifested in the form of authoritarian one-party rule and military dictatorships, which limited the political space for citizen participation and empowerment. This was coupled with unsustainable fiscal and trade deficits and high inflation rates as well as high levels of internal and external debt which stifled growth and social development. Overall, this situation was compounded by the effects of the oil crisis of the 1970s, leading to the emergence of significant macroeconomic imbalances and the call for democratization.
2. The dismal performance of African economies and the increase in poverty level during this period led African countries to adopt Structural Adjustment Programmes (SAPs) in an effort to address the macro-economic imbalances; poor growth and dismal development results. SAP embodied the ethos of a purely market based approach, which differed from the previous development planning approach and rather focused on the management of the macroeconomic fundamentals. Designed and articulated by the Bretton Woods institutions, SAPs formed the basis of conditionalities attached to obtaining new loans. Trade liberalization, economic deregulation and privatisation constituted the main policy channels through which macroeconomic reforms were pursued alongside the adoption of other 'free market' policies and programmes as well as fiscal austerity in order to balance budgets.
3. By the 1990s, SAPs had enabled some countries to achieve some form of macroeconomic stability and even high growth rates. However, it only provided a partial solution, as economic growth rates and social development indicators remained low and dependence on external aid flows increased in a number of African countries. Inherent within SAPs had been its failure to pay adequate attention to supply side constraints, such as market failures, institutional weaknesses and inadequate physical and human infrastructure. The application of free market policies and mechanisms did not generate sufficient investment to expand output, exports and employment, resulting in the weakening of state capacities. Fiscal austerity, coupled with an absence of social safety nets for vulnerable groups, in a period of economic policy adjustment, also led to a rise in political and social instability.
4. The net effect of these processes gave rise to a vicious cycle of decline, low institutionalised capacity and poor governance political stability and conflicts, thereby exacerbating Africa's marginalised role in the world economy. Consequently, to extricate the Continent from this

political and economic decline, a new crop of African democratically elected leaders through multi-party election processes championed the need for an endogenous transformation agenda to re-shape the Continent's political and socio-economic development trajectory in the new Millennium.

5. Consequently, the beginning of the new Millennium witnessed a call for an African rebirth championed by African countries under the common platform of the African Union and its flagship development programme – the New Partnership for Africa's Development (NEPAD). This continental renewal strategy purposefully addressed the development woes of the last Century. Africa, thus, embarked on a process of articulating its own reform agenda, based on the principles of African ownership, leadership and partnership. A critical component of this new agenda is the importance accorded by African leaders to cooperation and partnership at the national, regional and international level. This coalition building for Africa's regeneration included special partnership with the industrialised economies in the Group of Eight (G8) and other OECD countries as well as strengthening South-South partnerships.
6. Ten years on in the Africa-G8 relationship, it is imperative to reflect on the extent of progress achieved towards Africa's set development goals. Today, the African landscape is fast changing positively, driven by this transformation dispensation spearheaded by African leaders and stakeholders in the delivery of a citizen-centred and effective development.
7. Policy reforms and a new institutional architecture were put in place to improve the quality of life of Africans. To capture the benefits of shared knowledge, African Heads of State and Government undertook to exercise leadership in implementing the development agenda by prioritizing poverty reduction and wealth creation, with special attention given human development, especially women empowerment. They further committed Africa to accelerating its regional integration and promoting a new partnership paradigm that takes into account the Continent's special needs.
8. **Notably, this continental reform programme is built on the twin platforms of the African Union, as the institutional political vehicle, and NEPAD, as the development philosophy and policy framework.** This was the basis upon which Africa identified a new and creative global partnership, as a means to support the delivery of its development objectives. These objectives include resolving Africa's long-standing conflicts; attaining the MDGs; reforming the global political, economic and financial environment to ensure a more equitable voice and effective participation for Africa in global decision-making structures and making them more responsive to Africa's needs. Additionally, the twin platform sought to effectively address market access constraints, unsustainable debt burden, agricultural subsidies; reforming and streamlining ODA delivery systems to meet the internationally agreed targets; and promote Africa as the desired destination for private sector investment. **To what extent have these objectives been met in the context of partnership cooperation between Africa and the global community, and the G8 in particular?**

9. **The *Constitutive Act of 2000*¹¹, spells out the key objectives of the Union under Article 3, as, *inter alia*, to achieve greater unity and solidarity among African countries and peoples; defend the sovereignty, territorial integrity and independence of its Member States; accelerate political and socio-economic integration; and promote and defend African common positions¹².** The Act provides for the promotion of peace, security, stability and sustainable development at the economic, social and cultural levels and international cooperation. The Constitutive Act, while preserving the principle of non-interference by any Member State in the internal affairs of another, prohibits the use of force or threat among Member States of the Union, and upholds the right to intervene in a member state pursuant to an Assembly decision in respect of grave circumstances, namely, war crimes, genocide and crimes against humanity. Further, the 1980 Lagos Plan of Action and 1991 Abuja Treaty highlight steps towards attaining an African Economic Community (AEC) through the Regional Economic Communities (RECs) as the pillars and building blocks for political and economic integration, supported by other key regional and pan-African institutions.
10. **In 2001, Africa took a major step forward by defining a home-grown integrated strategy and development framework, when its leaders adopted the New Partnership for Africa's Development (NEPAD).** This constitutes a bold vision for Africa's renaissance epitomizing the commitment to pursue political and socio-economic transformation by placing African countries, both individually and collectively, on a path of sustainable growth and development. NEPAD was conceived in a period of major political and economic reforms taking place across Africa, and so uniquely focuses on collective action in development, taking into account the Continent's special needs. This blueprint for Africa's development also provides opportunities for Africa to respond to and attain the MDGs, while emphasizing the core principles of good governance, African-ownership and leadership, and the quest to reshape the global partnership architecture.
11. As the flagship programme of the AU, NEPAD expresses a fresh voice on the Continent's development-growth agenda, while acknowledging past failures and a readiness to pursue new paths. With NEPAD, African Leaders are making a powerful statement on the need to shift gear in defining and driving forward the development course. NEPAD received overwhelming support from the global community including the United Nations and the G8, based on the commitment to forge a new partnership. The NEPAD framework is premised on three (3) platforms;
- a) Conditions for sustainable development: good governance, peace and security,
 - b) Sector priorities and
 - c) Mobilization of domestic and external resources.

Box A: NEPAD: Historical Map and Africa's new paradigm for Partnership, Leadership & Ownership

Through the 1980s and 1990s, African governments designed a series of pan-African development initiatives including: the Lagos Plan of Action (1980), Final Act of Lagos (1980), Africa's Priority Programme for Economic Recovery (1986-1990), African Alternative Framework to Structural Adjustment Programme (1989); African (Arusha) Charter for Popular Participation and Development (1990), Abuja Treaty (1991) and the Cairo Agenda (1994) amongst others. Faced with the failures of the past, 'a new breed of African leaders' entered the 21st century with proclamations of an Africa re-birth. The OAU was transformed from a political liberation driven entity to focus on socio-economic development with the emergence of the African Union.

¹¹ The Constitutive Act was signed by 53 member states of the African Union in Lome, Togo in July 2000

¹² African Union, Audit of the African Union, AU High-level Panel, December 2007, p. 19.

Consequently, NEPAD stemmed from the Millennium Africa Recovery Plan (MAP) initiated by South African President Thabo Mbeki, Nigerian President Olusegun Obasanjo and Algerian President Abdelaziz Bouteflika and adopted in Bamako and the Omega Plan, developed by the President of Senegal, Abdoulaye Wade, presented to the Summit of Francophone African leaders in Cameroon. MAP and the Omega Plan were merged to give birth to *New Africa Initiative* which was later re-named NEPAD in 2001. With the inception of AU and NEPAD, African countries embraced a new paradigm and policy framework with **partnerships at three levels**:

- Amongst Africans at all levels of the society;
- Between African countries in the Continent and
- New and creative partnership between Africa and the rest of the world

Principles and core values of the new partnership:

- African leadership and ownership through broad and deep participation by society;
- African unity and the acceleration of regional and continental integration
- Good Governance as sine qua non for peace, security and sustainable development
- Anchoring Africa's development on continental resources and resourcefulness of its people
- Building African competitiveness
- Mutual trust, commitment and responsibility for outcomes and results
- Centrality of improved governance and security to promote sustainable development and
- Global partnership for development that changes the unequal relationship between Africa and the developed world

Source; NEPAD base framework, 2001

12. In totality, Africa's development-growth agenda focused on the compelling shifts in economic growth trajectory, highlighting key value and responsibilities aligned to, governance issues across political spectrum including democratic participation, transparency in decision making, prevalence of the rule of law and accountability. The AU and its NEPAD Programme provide a historic opportunity for Africa's revival in defining its development destiny and in spurring a renaissance for economic transformation.
13. Thus, within Africa, a new generation emerged to build a strong and enduring culture of democracy, respect for human rights and accountability in their countries. This signified adherence to agreed and shared values, codes and standards of democratic governance. Through this partnership renewal, the Continent was taking a stance on making globalization equitable, promoting value addition to its natural resources; and ensuring equitable and development-oriented international engagement, with capable and effective African states as key players, not mere bystanders.
14. Through the call for a new partnership, Africa recognised that it holds the key to its own development. The core message of the African Union and NEPAD is one of leadership and ownership of the African development agenda, both in terms of conceptualization as well as implementation. African leaders were in effect stating the obvious - that the continent must take a centre stage in defining, articulating and driving its own development agenda. .

The G8-Africa partnership: Origins, principles and pillars

15. Africa has had diverse relationships with development partners over the years. However, the Continent underscored the need for a meaningful shift in policy and practice of the relationship in order to establish genuine and strong partnership. This is to support the delivery of Africa's development objectives, inspired by effective and inclusive partnership rather than the historical paternalistic, one-sided and dependency relationship. The affirmation by the African leadership of shared commitments remains a unique contribution by the Continent to international relations and

development. This fitted Africa's desire for strategic consolidation, coherence, expansion and result-oriented focus within a new development cooperation architecture.

16. Accordingly, Africa's strong desire is for a solution-focused partnership for mutual impact; premised on equality, mutual accountability, shared commitment and responsibility, responsiveness and mutual respect. Embracing these core partnership principles was considered vital as a result of a growing sense of realism amongst a new generation of Africans that development partners had to adhere to such evolving norms and standards, to redress the injustices of the past.
17. The G8 offered the possibility to buttress African ownership and leadership by establishing a political process that could translate political will into effective strategies, policies and programmes, underpinned by collective responsibility, mutual accountability, as well as an effective monitoring of commitments and obligations. On this basis, Africa and G8 countries engaged on a structured partnership course that is now a decade old.
18. At the G8 Summit in Genoa, Italy in 2001, Africa first formally engaged the G8 towards a fresh development cooperation model. The 2001 Genoa Plan of Action and the subsequent 2002 Kananaskis Africa Action Plan welcomed NEPAD as a bold and clear-sighted strategy and vision, which has inspired the 'African transformation' movement. Through the "Genoa Plan for Africa", G8 members committed themselves to forging a new partnership with Africa to address issues crucial to development and to promote the NEPAD vision in multilateral forums. The Kananaskis Africa Action Plan set out how the G8 partners would enhance their engagement with African countries. Between 2001 and 2010, African and G8 leaders engaged on the Continent's top development issues through the G8/Africa Outreach including at Evian (2003), Sea Island (2004), Heiligendamm (2007), Hokkaido-Toyako (2008), L'Aquila (2009) and Muskoka (2010). The 2005 Gleneagles Summit stands out as it further concretized G8 commitment to addressing Africa's special needs by committing to doubling aid to the Continent.

PART TWO

Performance Assessment of Commitments

Africa's Progress and Accomplishments

19. Overall, Africa has made encouraging and tremendous progress by taking responsibility for its own governance, welfare and security during the course of the past decade, compared to the 1990s. Through the AU, African States and people are speaking more with one voice on matters of common interest. In particular, the Continent has adopted a common approach to implement its reform agenda with marked improvements in governance, as well as peace and security. A number of key indicators of African progress are evident over the past decade. This part of the report specifically highlights progress in *conflict resolution, peace and security; democracy and good governance, economic growth and public finance management; agriculture and food security; infrastructure development; gender and women empowerment; human and institutional capacities and attaining the MDGs.*

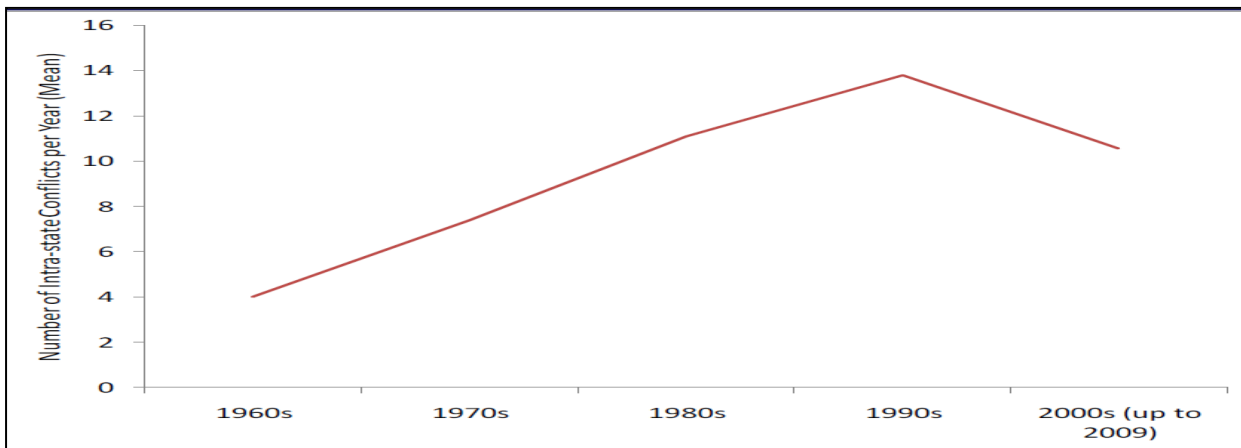
Conflict Resolution, Peace and Security

20. Peace and security has always been at the core of the concerns of African leaders, based on the recognition that socio-economic development is not possible in situations characterized by war and conflict. Given the scope and severity of the conflicts on the continent, and the inability of the international community to sometimes rise up to global peace and security exigencies, African leaders realized that the continent would have to develop its own capacity, structures and resources to address its conflicts. It was in this context that the OAU adopted the 2000 Solemn Declaration on the Conference on Security, Stability, Development and Cooperation, relating to the fundamental principles for the promotion of Democracy and Good Governance. Further, the AU, at the inaugural Summit in Durban, South Africa in July 2002, adopted the Protocol on the Establishment of the Peace and Security Council (PSC) of the African Union, which entered into force in December 2003. Given that insecurity and violent conflicts are among the biggest obstacles to development, the AU, with support of the Regional Economic Communities (RECs), has established itself as major interlocutor for peace and security¹³.
21. In this context, the PSC Protocol provides the basis for the African Peace and Security Architecture (APSA), which is constituted on the following five main pillars:
- The PSC, which is the standing decision-making organ for the prevention, management and resolution of conflicts in the continent, and the facilitation of timely and efficient response to conflict and crisis situations;
 - The Panel of the Wise, which is to support the efforts of the PSC and the Chairperson of the Commission, particularly regarding conflict prevention;
 - The Continental Early Warning System (CEWS), tasked to facilitate the anticipation and prevention of conflicts;
 - The African Standby Force (ASF), composed of standby multidisciplinary contingents, with civilian as well as military components, ready for rapid deployment; and

¹³ Progress report by G8 Africa Personal Representatives on the implementation of the Kananaskis Africa Action Plan, 2005

- The Memorandum of Understanding (MoU) on Cooperation in the area of Peace and Security between the AU and the Regional Mechanisms for Conflict Prevention, Management and Resolution.
22. In addition to the APSA, the AU has also adopted a number of instruments designed to facilitate the structural prevention of conflicts. These instruments address issues such as disarmament; counter-terrorism; border management; security sector reform; maritime safety and security.
 23. Consequently, the continent has successfully implemented to a great extent its conflict prevention, management and post-conflict reconstruction and development policy frameworks leading to the substantial reduction in crisis points relative to the 1980s and 1990s. The the phenomenon of social strife and armed conflicts is declining with some transition countries now experiencing higher growth rates.

Figure 1: Reduction in number of conflicts in Africa



Source: Data from UNDP, Pedro Conceicao (Chief Economist & Head of the Strategic Advisory Unit) on the UCD-PIRO armed conflict dataset, version 4 (Dec. 2009) – UNDP presentation at 14th APF in Toronto

24. The African Union's biggest constraint in the area of peace and security remains that of developing its capacity to address peace and security challenges on the continent, it has simultaneously had to intervene in conflict situations, with still-nascent mechanisms and limited human and financial capacity. Despite these constraints, the AU has never shirked from its responsibilities, and has intervened in a number of situations, including Burundi (AU Mission in Burundi – AMIB), Darfur (AU Mission in Darfur, AMIS, followed by the AU-UN Hybrid Mission in Darfur, UNAMID) and Somalia (the AU Mission in Somalia, AMISOM). This is in line with the AU objectives.
25. The AU enjoys a number of comparative advantages in deploying peace missions, vis-à-vis the United Nations, such as flexibility of approach, and ability to deploy rapidly in situations where the UN is unable to immediately respond to and deploy. However, a serious challenge faced by the AU in these peacekeeping missions has been the inability to sustain its interventions, given the significant financial and human resource requirements, especially in the face of serious capacity and resource constraints. Therefore, the AU is currently engaging development partners to secure predictable, sustained and flexible funding for these peace missions.

Democracy and Good Governance

26. Promotion of democracy, good governance, human rights and sound economic management is central to the Continent's development vision. The Member States of the African union have been consistent in articulating the causal link between democracy, good governance and development. In this regard, the AU has committed itself to facilitating the emergence of an enabling environment, within and among African countries, as well as at an international level that is conducive to bringing about sustainable development and accelerating the economic integration of the Continent. To this end, the OAU adopted the Algiers decision on Unconstitutional Changes of Government (1999) and the Lome Declaration on the framework for an OAU Response to Unconstitutional Changes (2000). This principle has since been integrated into the Constitutive Act of the AU, which makes provisions on the right to intervene in African countries in grave circumstances, namely: war crimes, genocide and crimes against humanity. Provisions are also made for the suspension of governments that come to power by unconstitutional means.
27. Further, African countries adopted the Declaration on Democracy, Political, Economic and Corporate Governance and the Charter on Democracy, Elections and Governance. This set the stage to propel the continent's democratisation momentum and sustain development advances that had been built in the last two decades, including attracting domestic and foreign investments. This is in realization that there will be no lasting security without development and no effective development without security, good governance and stability¹⁴. Likewise, the AU Convention on Preventing and Combating Corruption was endorsed signifying Continental commitment to democratic, transparent and accountable governance. These are examples of the strident efforts that Africa is making in the area of peace and security, governance and democracy.
28. A number of outcomes have been achieved in attempting to deliver on AU commitments to democracy and governance:
- a. Ratification of the African Charter on Democracy, Elections and Governance has increased. There are currently nine (9) ratifications. The Charter will become enforceable upon fifteen (15) ratifications;
 - b. The AU Convention on Preventing and Combating Corruption has entered into force and the Advisory Board on corruption has been established. The Board is mandated with implementing the Convention;
 - c. Zero tolerance on unconstitutional changes of government established and strengthened. This is novel in the history of regional and global legislation which the AU adopted in its Constitutive Act of 2000 and has been enforcing as evident in the recent temporary suspension of Madagascar, Mauritania, Niger and Cote D'Ivoire;
 - d. The African Charter on the Values and Principles of Public Service and Administration was adopted during the 16th AU Summit. The Charter serves as an instrument for facilitating and coordinating public service reform processes in Africa;
 - e. There is a momentum towards collective responsibility as illustrated by the 28th AU Executive Council, whereby Member States have expressed a collective commitment to subject themselves to periodic assessment of their compliance with AU instruments on democracy and governance;

¹⁴ Progress report by G8 Africa Personal Representatives on the implementation of the Kananaskis Africa Action Plan, 2005

- f. Technical support has also been provided by the AU to enhance the management of Election Management Bodies; and
 - g. Improvements in the standards and processes of elections in Africa through coordinating forty-two (42) AU Observer Missions. In this regard, the AU established the Democracy and Elections Assistance Unit (DEAU) and the Democracy and Elections Assistance Fund (DEAF) to facilitate the effectiveness of election monitoring and observation. Further, the AU is working on independent audit of election observers and strengthening their capacities to better ensure the quality of election observation
29. As a result of the foregoing, Africa has made significant progress in democracy building and consolidation. Perusal of the qualitative and quantitative indicators on governance reveals that a positive trend is being maintained. The one-party ruling system and military dictatorships prevalent in the 1980s and 1990s have been dismantled. For example, there has been an increase in popular participation and competitive elections. With multi-party elections becoming the norm rather than an exception and peaceful transfer of power, likewise respect for constitutions and constitutionalism. Respect for civic space and press freedom has also improved. While these improvements coupled with sound macro-economic policies, are responsible for the positive economic growth on the continent, there is need for improvements in governance interventions to sustain equal distribution of economic gains.
30. **The uniqueness of the AU Constitutive Act provision on unconstitutional changes of government and the explicit right granted Member States to intervene in situations of genocide, war crimes and crimes against humanity is most welcoming. The attempted enforcement of these globally-acclaimed provisions through sanctions or suspension from the AU as against the standard practice of non-interference in internal affairs of states deserves much more support. Manifestly, Africa has made strident efforts in promoting greater peace and security as well as good governance in furtherance of its political reforms.**
31. To take forward and deepen existing efforts of the AU in considering additional policy measures to sustain good governance gains, such as :
- a. Establishing a monitoring and evaluation mechanism to report on Member States compliance to AU instruments on democracy and governance;
 - b. Developing a Human Rights Strategy for Africa;
 - c. Speed up the signing and ratification of the African Charter on the Values and Principles of Public Service and Administration;
 - d. Improve local governance and service delivery; and
 - e. Consensual electoral standards to reduce post election disputes.

African Peer Review Mechanism

32. In advancing good governance as a regional public good and part of the emerging governance architecture, African countries embraced the **African Peer Review Mechanism (APRM)** as a unique voluntary governance monitoring instrument. APRM is a direct offshoot of the AU Declaration on Democracy, Political, Economic and Corporate Governance.. As a voluntary mechanism in which participating states open up their governance systems for review by citizens and peers, the assessment covers four main facets of governance, namely (a) Democracy and

Political Governance; (b) Economic Governance and Management; (c) Corporate Governance; and (d) Socio-Economic Development.

33. Currently, 30 countries have acceded to the Mechanism as shown in Table 1 below. Sixteen of the 30 APRM countries have established national structures and are implementing the APRM processes. The following countries have already been reviewed - in sequence: Ghana, Rwanda, Kenya, South Africa, Algeria, Benin, Uganda, Nigeria, Burkina Faso, Mali, Mozambique, Lesotho, Mauritius and Ethiopia. Tanzania is at an advanced stage and Zambia is currently undergoing the external review process. In addition, countries already reviewed prepare regular progress reports to the African Peer Review Forum, comprising Heads of State and Government of countries signed up to the Mechanism.

Table 1: African Countries acceded to APRM

AU Region	Country per region	Countries acceded to APRM
Central Africa	4	Cameroon, Gabon, Republic of Congo, and São Tomé and Príncipe
East Africa	7	Djibouti, Ethiopia, Kenya, Rwanda, Tanzania, Uganda, Sudan
North Africa	2	Algeria, Egypt
Southern Africa	7	Angola, Lesotho, Malawi, Mauritius, Mozambique, South Africa, Zambia
West Africa	10	Benin, Burkina Faso, Ghana, Mauritania, Mali, Nigeria, Senegal, Sierra Leone, Togo and Liberia

Source: APRM Secretariat, 2011

34. The APRM deserves global recognition as a model of Africa ownership and leadership in advancing good governance on the continent. APRM membership is increasing and good governance is work in progress, with some significant achievements being already registered. With encouraging signs of progress towards commendable governance practices emerging, a few of these practices are highlighted in Table 2, showing that Africa has engaged itself on setting good governance standards, common codes and measurements that have led to concrete accomplishments. For example, in furtherance of the AU zero tolerance policy on unconstitutional changes of government, the APRM had in the past, suspended temporarily some countries reinstated such country after the appropriate democratic measures had been restored.

Table 2: Crosscutting issues arising from post-review analysis under APRM

Democracy and Political Governance:
<ul style="list-style-type: none"> • Reconciliation of warring factions after civil wars and use of social capital* • Regular organization of elections, electoral disputes and the handling of leadership succession • Anti-corruption measures • Promotion of women and political representation • Protection of children's rights • Inclusivity of the political process
Economic Governance and Management:
<ul style="list-style-type: none"> • Strong macroeconomic policy making and consultative budgetary processes • Improved transparency in the public procurement process • Improved expenditure management, transparency and clear customs duties, rules and procedures, as part of fighting corruption and money laundering • Public declaration of assets by political leaders • Land issues
Corporate Governance:
<ul style="list-style-type: none"> • Fostering an enabling environment for economic activities

<ul style="list-style-type: none"> • Mobilising savings and providing access to finance for the poor • Corporate Social Responsibility • Extractive Industries Transparency Initiative
Socio-Economic Development:
<ul style="list-style-type: none"> • Comprehensive food security strategy • Inclusiveness of socio-economic policies • Universal Primary Education • Micro-finance programmes • Gender equality measures • Decentralisation processes

Source: APRM Secretariat, 2010 * In relation to Post conflict construction and development of countries emerging from conflict

Figure 2: African countries acceded to APRM



Source: APRM Secretariat, 2011

35. The main governance challenges emerging from the review process include the management of diversity, election-related violence, human resources and lack of capacity at virtually all levels, as well as the need to address poor service delivery; and gender issues. Other main governance obstacles include management of land and natural resources; role of the informal sector; the impact of high aid dependency; and poverty, HIV/AIDS, decentralisation and conflict.

Combating Corruption

36. A recurring challenge to Africa's progress and successful implementation of its reform agenda is corruption. Recognizing the devastating effects of corruption and impunity on political, economic, social and cultural stability as well as the development of African States, governments are working hard to address the root causes of corruption and recover stolen assets. Many governments have adopted appropriate legislative and adequate preventive measures to combat corruption, as well as having established the necessary conditions and systems to foster

transparency and accountability in the management of public affairs as well as enhance judicial independence and integrity. Also, a number of African countries have adopted specific anti-corruption policy measures aimed at tackling the abuse, embezzlement or misappropriation of aid resources by establishing independent agencies to fight corruption. This is a critical part of renewed efforts to fight corruption in all its ramifications.

37. At the continental level, the AU adopted the Convention on Preventing and Combating Corruption¹⁵ in furtherance of the principles of democratic ownership, rule of law and good governance, as well as the promotion of social justice and respect for human and people's rights¹⁶. State Parties to the Convention, subject to their domestic laws, have undertaken to combat laundering of corruption proceeds; illicit enrichment; non-transparent procurement practices in the public sector; unfair competition in private sector; and illegal financing of political parties. The Convention also calls for international collaboration in the Continent's efforts to combat corruption through extradition agreements, mutual legal assistance; freezing of foreign accounts and conformity with global instruments. In all, the fight against corruption is gradually yielding fruits with functional national and sub-regional anti-corruption authorities resulting in significant recovery of stolen assets.

Economic Growth and Public Finance Management

38. A brief overview of Africa's economic growth and public finance management over the review period is presented, focusing on macro-economic performance areas including - Real GDP Growth Rate; Gross Domestic Investment; Inflation; Fiscal Performance; Official Development Assistance (ODA); External Debt; Foreign Direct Investment; and Challenges.
39. **Real GDP Growth Rate:** The last decade witnessed African states pursuing relatively prudent macro-economic policies, with economic growth picking up across the continent. Consequently, during the period: 2000 to 2007 in which the policy approaches were applied, Africa experienced sustained real GDP growth rates ranging from 4.3% to 6.4% respectively. This is attributable to relatively improved security and stability situations in the continent as well as good governance and prudent macro-economic policies. In absolute terms, per capita GDP increased from US\$678 in 2001 to US\$1,446 in 2009, representing over 113% increment for the 7-year period.

¹⁵ AU Convention on Preventing and Combating Corruption in July 2003 with aim of principally strengthening the mechanisms to prevent, detect, punish and eliminate corruption and related offences. The AU has setup an Anti-Corruption Board to this effect

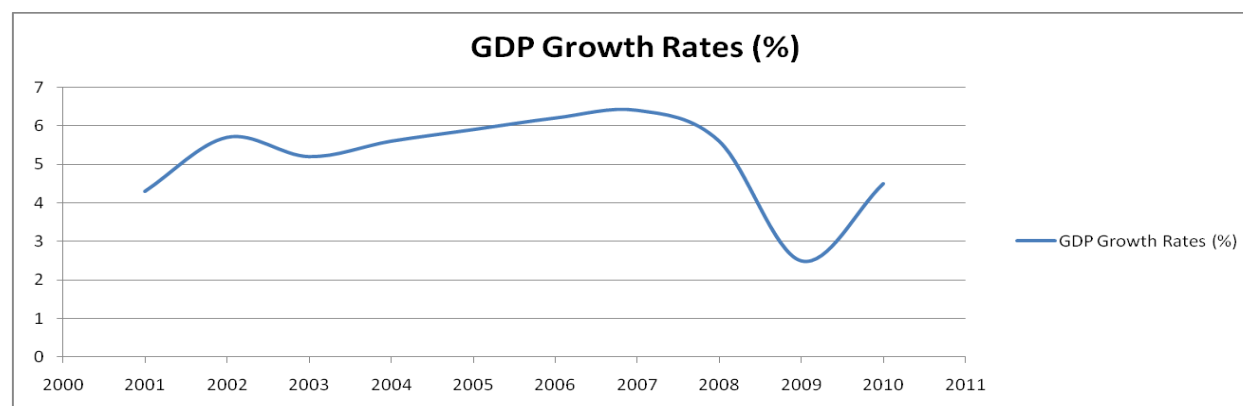
¹⁶ AU Convention on Preventing and Combating Corruption, Article 3 on Principles

Table 3: Africa: GDP, Growth Rate and Per Capita GDP

Year	GDP at Current Market Prices (million US\$)	GDP Growth Rates (%)	Per Capita GDP (US\$)
2001	886,788	4.3	678
2002	1,228,335	5.7	671
2003	841,441	5.2	785
2004	934,449	5.6	940
2005	1,077,834	5.9	1077
2006	1,200,540	6.2	1207
2007	1,329,660	6.4	1372
2008	1,517,834	5.6	1570
2009	N/A	2.5	1446
2010	N/A	4.5*	N/A

Source: African Statistical Year Book, 2010
* AfDB Statistics Department, UNCTAD & IMF, African Economic Outlook

Note: The aforementioned real GDP growth rates ranging from 4.3% to 6.4% over the period 2000 to 2007 compare favourably with one of the goals set in the NEPAD Framework Document, namely the average GDP growth rate of 7% p.a. for the 15 period 2000 to 2015

Figure 3: Africa's GDP Growth rates (%)

Source: African Statistical Year Book, 2010

40. **Gross Domestic Investment** - One of the main factors that contributed to the relatively good economic performance is the gross domestic investment which had registered continuous growth rates, i.e. from 18.8% of GDP in 2000 to 25.7 % of GDP in 2009. With the global financial and economic crises starting in 2008, Africa's economic growth has experienced certain set-backs. The Continent's real GDP growth rate, for instance, declined from 6.4% in 2007 to 5.6% in 2008, and further declined to 2.5% in 2009.
41. The economic performance in Africa has, of course, varied from region to region as well as from country to country. As per 2009 statistical data from the ADB, IMF, and UNCTAD, East Africa attained a real GDP growth rate of 5.8% followed by North and West Africa with respective

growth rates of 3.8% and 3%. Central Africa registered a growth rate of only 1.7% while Southern Africa has experienced an unfortunate negative real GDP growth rate of 1.1% in 2009. It appears that a better future will hold for Africa. Preliminary actual for 2010 real GDP growth rate is 4.5%, while the projected growth rate for 2011 is 5.2%. **Inflation** - The rate of inflation also has been well managed whereby it declined from 9.1% in 2000 to 6.1% in 2006. It increased, however, to 7% and 10.6% in 2007 and 2008 respectively, particularly due to increases in food and fuel prices. It is expected to be contained within a single-digit rate of 7% in 2011.

Table 4: Africa's Gross Domestic Investment, Net ODA & FDI

Year	Gross Domestic Investment (% of GDP)	Net Total ODA (US\$ billion)	Foreign Direct Investment Inflows (US\$ billion)
2000	18.8	15.1	9.7
2005	21.5	33.8	38.2
2006	21.8	41.4	57.1
2007	23.8	36.7	69.2
2008	25.1	40.4	87.6
2009	25.7	N/A	N/A
2010	N/A	N/A	N/A

Source: AfDB Statistics Department, UNCTAD & IMF, African Economic Outlook, 2009

- 42. Africa's Fiscal Performance** - Relatively encouraging achievements have been registered over the period under review in the area of domestic resource mobilization, particularly in fiscal performance. Direct taxes rose from US\$33.6 billion to US\$99 billion from 2000 to 2008 respectively representing almost a three-fold increase, while indirect taxes amounted to US\$ 81.39 billion in 2008 from only US\$ 30.71 billion in 2000. Trade taxes, other taxes and non-tax revenue had likewise been characterized by increasing trends over the period under review resulting in total revenue of US\$478.8 billion by the end of the aforementioned period. Table 5 depicts the overall fiscal performance.

Table 5: Africa: Tax and Non-Tax Revenue, 2000 and 2008

Year	Direct Taxes (US\$ billion)	Indirect Taxes (US\$ billion)	Trade Taxes (US\$ billion)	Other Taxes (US\$ billion)	Non-Tax Revenue (US\$ billion)	Total Revenue (US\$ billion)
2000	33.64	30.71	17.17	56.69	12.62	151.80
2008	99.00	81.39	31.35	230.21	36.75	478.80

Source: Table drawn with data from 2010 African Economic Outlook

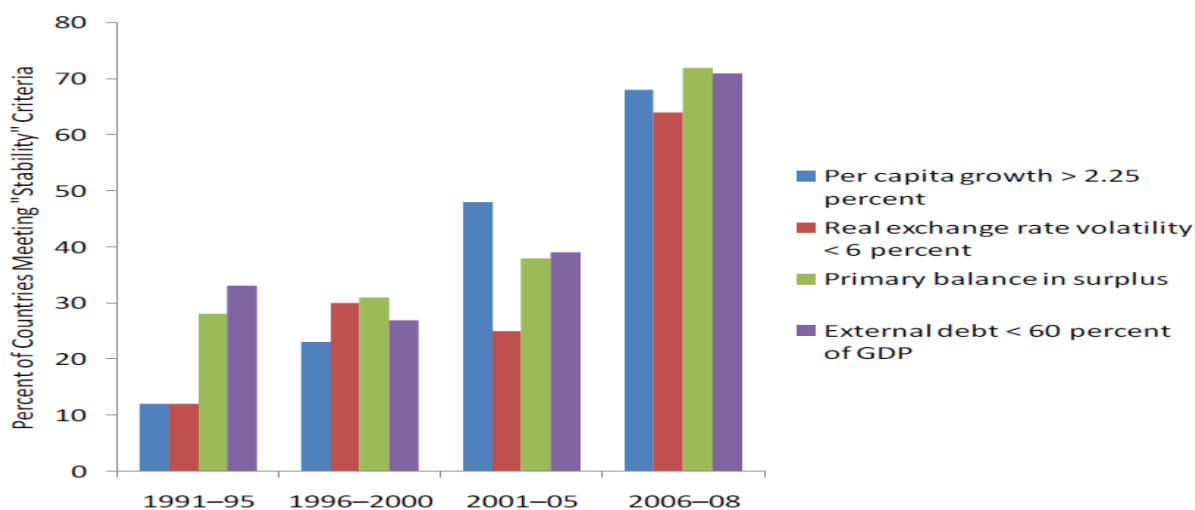
External Debt Outstanding

- 43. External debt** outstanding amounted to US\$326,287 million in 2008. The lion's share of 52.2% was from bilateral sources while 22.8% and 24.9% were from multilateral and private sources respectively. It constituted 22.7% of GDP in 2010 and is projected to be 22.5% of GDP in 2011. And the debt service represented 12.6% of exports of goods and services in 2010 and forecast to

remain more or less the same at 12.4% in 2011. In all, the external debt burden of some African countries remains high and there is cause for concern given that such heavily indebted countries are out of the HIPC initiative. The need for debt sustainability is vital to the macroeconomic reforms pursued by African countries.

44. **Foreign Direct Investment:** Africa has been attracting more foreign direct investment (FDI) which increased significantly from US\$9.7 billion in 2000 to US\$87.6 billion in 2008 characterized by continuous growing trend within this period. This is attributable to a number of macroeconomic reform factors including economic deregulation and privatization opportunities, improving business climate and role for private sector.
45. **“Doing business” in Africa** is gradually changing for the better in view of commitment to reforms. For example, 28 economies implemented 58 reforms in 2009, more than in any previous year¹⁷. This included three post-conflict countries. After many years of record economic growth, it appears that expanding economic opportunities have persuaded many governments of the importance of reducing constraints on businesses and associated job creation as the most promising way of reducing poverty and creating broad based wealth. The focus has been on easing business start-up and on reducing the costs of importing and exporting.

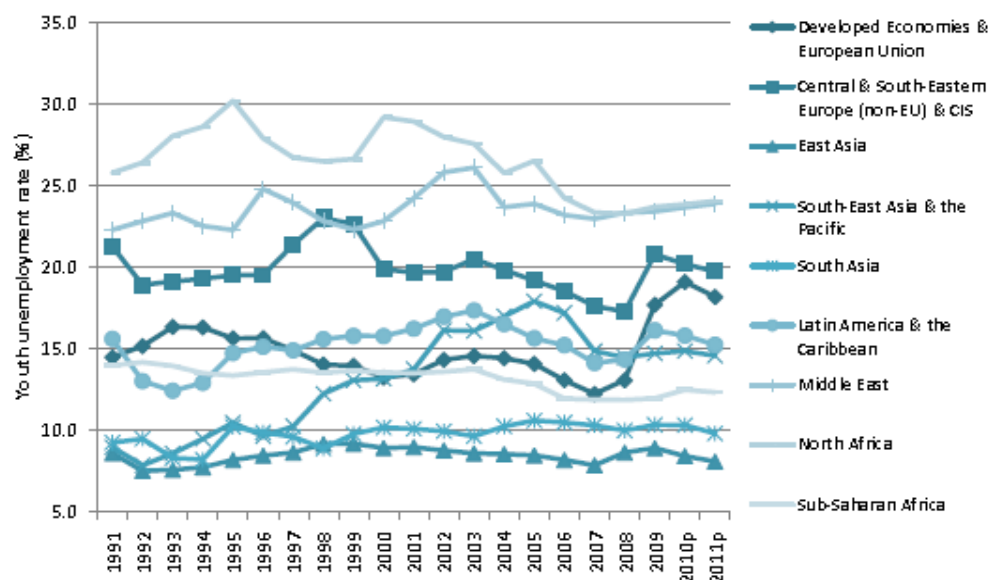
Figure 4: Policy environment in Africa is as good as ever....



Source: IMF 2009, *Regional Economic Outlook. Sub-Saharan Africa, September*

46. **Challenges** - Although encouraging achievements have been registered in various macroeconomic areas, much remains to be done, particularly in employment creation particularly among the youth, poverty alleviation, and bringing about a more equitable distribution of the benefits of sustainable growth.

¹⁷ World Bank, “Doing Business 2009”

Figure 5: Youth unemployment rate by region 1991-2011

P=projection

Source: ILO, Trends Econometric Models, April 2010

Box B: Youth Unemployment in Africa:

The highest average annual population growth rates over the last ten years were registered in Sub-Saharan Africa (2.5 per cent) and North Africa (1.7 per cent). Sub-Saharan Africa will continue to have the fastest population growth, with an annual average of 2.4 per cent. A closer look at the different regions shows an increase in the number of unemployed youth between 1998 and 2008 of 27.5 per cent in South Asia, 25.0 per cent in the Middle East, 21.1 per cent in South-East Asia & the Pacific and 14.7 per cent in Sub-Saharan Africa. An ILO report asserts that youth unemployment rates are lower in Africa but this is likely to reflect the high rates of poverty and lack of social protection in the regions which forces the poor into low-productivity employment¹⁸.

Source: ILO

47. In general, African governments' introduction of macro-economic reforms has led to marked improvements in inflation, fiscal and current account balances. Public financial management and budgetary reforms have also significantly enabled African countries limit the impact of the global financial and economic crisis and in particular led to strengthening of medium-term budgeting frameworks and execution and increasing transparency through better audit procedures.
48. Furthermore, Africa's commitment towards aid effectiveness in the context of the principles under the Paris Declaration of 2005 and the priority actions identified in the 2008 Accra Agenda for Action (AAA) is evident in the strengthening of public financial management systems and processes put in place to promote transparency and accountability for better development results.
49. Although certain challenges including alleviation of poverty and unemployment need to be adequately addressed, Africa has managed to attain encouraging achievements over the

¹⁸ Global employment trends for youth august 2010, Special issue on the impact of the global economic crisis on youth International labour

past decade, until the emergence of the global financial and economic crises, including, *inter alia*, improved governance, peace and security, adoption and implementation of sound macroeconomic policy. These factors have played key roles in enhancing sustained economic growth backed by continuous increase in domestic resource mobilization, official development assistance and foreign direct investment as well as gross domestic investment. Much more delivery on commitments is also expected on the part of Africa's development partners particularly in assisting the Continent realize the MDGs.

Box C: Africa's opportunity for Transformation and Lasting Growth¹⁹

According to the World Bank, major factors for Africa's '*unprecedented opportunity for transformation and lasting growth*' include the following:

- Sound macro-economic policies helped Africa rebound quickly from global downturn;
- Growth in 22 non-oil exporting countries of more than 4% a year since 1998, including Mozambique, Sierra Leone, Liberia and Uganda (all post-conflict economies);
- Africa's private sector was attracting more investment through domestic banks and investors, creating an emerging middle class of many consumers in Africa;
- Pro-Market reforms and prudent economic policies continued despite the global financial and economic crisis.

Some major development challenges in Africa:

- Just 5% of the eligible population was enrolled in universities;
- Corruption still rife with 9 African countries out of bottom 17 on a global corruption index;
- Food insecurity and undernourishment;
- High youth unemployment rate*
- Resource-rich African countries inability to transform wealth into sustained growth;
- G8/OECD pledge to double aid to Africa is running US\$20 billion short

*Source: World Bank; Note * emphasis on challenge of youth unemployment by AU-NEPAD*

Domestic resources for development

50. As a major component of the Continent's reform agenda, African governments and regional bodies have prioritized the mobilization of domestic resources in support of their core programmes and projects. This approach is aimed at achieving the envisaged higher levels of growth and wealth creation, through expansion of sources of financing for Africa's development, thereby ensuring self-reliance, wider ownership and accountability. For the past decade, the domestic resource mobilization efforts in Africa have focused principally on the following:
- i. Increase in national savings;
 - ii. Widening of the tax base and effective tax collection;
 - iii. Rationalizing public sector expenditures for effective utilization of resources; and
 - iv. Promotion of African private sector investment particularly reforms of the financial market.
51. **Domestic revenue mobilization in Africa improved significantly from US\$129 billion (1997-2002), to US\$472 billion in 2008. Domestic revenue represented 84% of total sources of financing for Africa in 2009. This is now the major source of development finance in Africa. This matches the AU commitment to mobilizing domestic savings and public revenues for Africa's development, as complementary to external development assistance. In fact, domestic resources improved four-fold between 2002 and 2008²⁰**

¹⁹ Reuters and Bloomberg, Paris on World Bank Plan for Africa Unveiled

²⁰ 2010 MRDE, topic 14

showing strong commitment by African countries to mobilize local funds for their development projects.

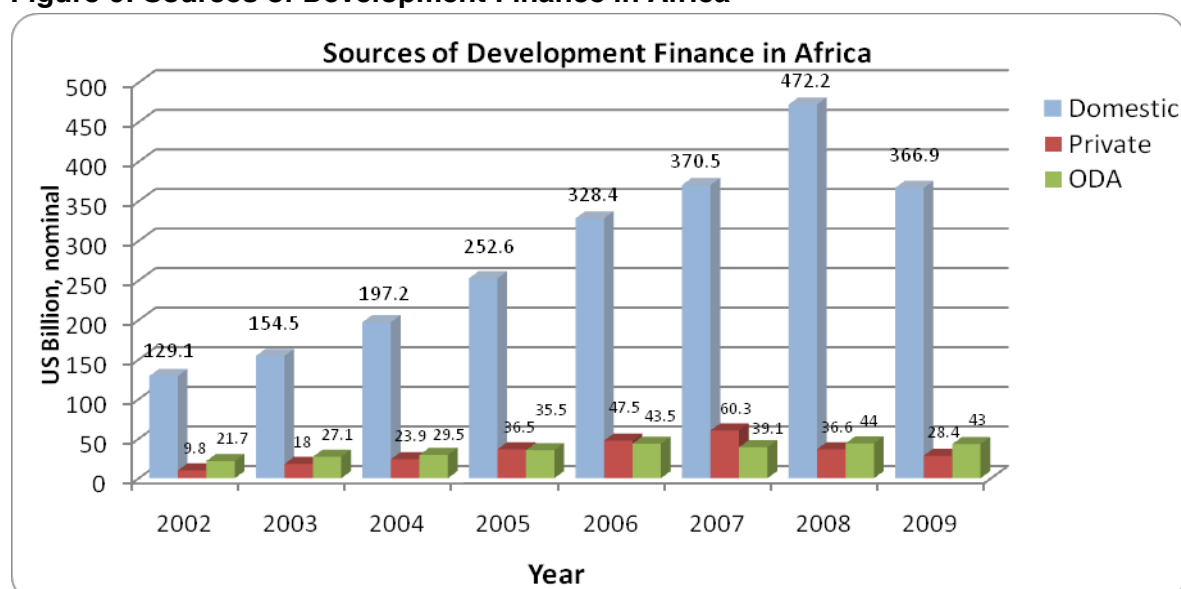
52. Taxation has become a major source of viable domestic financing. The trend of tax revenues in Africa has been positive, with the average tax revenue as a share of GDP increasing since the early 1990s. The African Development Bank notes that taxes collected across the Continent increased from 22% of GDP in 1990 to 27% in 2007 implying that many economies have made noticeable progress in tax collection²¹. In addition, taxes per capita have, in general, been increasing in the past two decades. For instance, according to the International Finance Corporation (IFC), the Continent is reported to have scored the second largest number of positive tax reforms in 2009, accounting for a fifth of the world's total, while 34 African countries have adopted value added taxes to reduce reliance on trade taxes²².
53. Innovative financing mechanisms are gaining ground in national and regional processes. With the global financial and economic crisis constricting export revenues, FDI and aid resources, the imperative is on the Continent to continue to progressively expand the domestic resource base. There is need to systematically upscale inventive initiatives such as the Pan African Infrastructure Development Fund (PAIDF) which was launched in Accra, Ghana in 2007²³. Another prime example is the ECOWAS Common Levy which accounts for about 60% of the total funding of ECOWAS programmes and projects.
54. In consolidating gains made to date, Africa is focusing on developing administrative capacities towards support for public resource mobilization in Africa through better tax policies and systems. Particularly, Africa needs to leverage remittances particularly from the Diaspora and stimulate national savings for investment into the real economy. In summary, Africa needs to do more in attracting private sector investments including through putting in place guarantee mechanisms, and development of the capital markets. Africa should harness its own internal resources and continue to advocate for the implementation of the global community commitments under the 2002 Monterrey Consensus on Financing for Development. This will diversify sources of development finance beyond Aid.

²¹ AfDB Group – Domestic resource mobilization across Africa: Trends, Challenges and Policy Options, Committee of Ten, Washington DC, October 2010, prepared by Alex Mubiru

²² 2010 MRDE

²³ PAIDF is primarily aimed at the effective use of pension funds for regional infrastructure development in the Energy, transport, ICT, water and sanitation sectors.

Figure 6: Sources of Development Finance in Africa



Sources: World Bank Global Development Finance (2010) & IMF Regional Economic outlooks (April 2010) and OECD DAC

Box D: Lions on the move: The progress and potential of African economies

The McKinsey Global Institute notes that 'Africa's economic impulse has quickened, infusing the Continent with a new commercial vibrancy. Real GDP rose 4.9% per year from 2000 through 2008, more than twice its pace in the 1980s and 1990s. Telecom, banking, retail and construction are flourishing, while foreign investment is surging':

Africa Today

- n.** US\$ 1.6 trillion - Africa's collective GDP in 2008, roughly equal to Brazil's or Russia's
- o.** US\$ 860 billion - Africa's combined consumer spending in 2008;
- p.** 316 million - Number of new mobile phone subscribers signed up in Africa since 2000
- q.** 60% - Africa's share of the world's total amount of uncultivated arable land
- r.** 52 i.e. number of African cities with more than 1 million people each
- s.** 20 - Number of African companies with revenues of at least US\$ 3 billion

Africa Tomorrow

- t.** US\$ 2.6 trillion - Africa's collective GDP in 2020
- u.** US\$ 1.4 trillion - Africa's consumer spending in 2020
- v.** 1.1 billion - number of Africans of working age in 2040
- w.** 128 million - number of African households with discretionary income in 2020
- x.** 50% - portion of Africans living in cities by 2030

Source: McKinsey Global Institute, June 2010

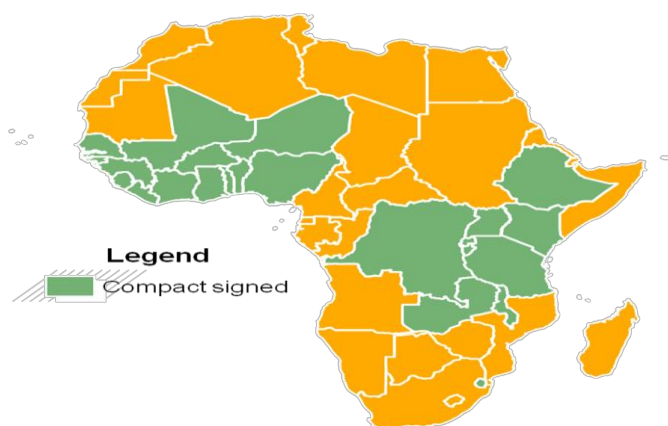
Agriculture and Food Security

"Ending hunger in Africa: change is now within our grasp" Kofi Annan, October 14, 2010

55. There is a historic change also underway in Africa's agriculture sector. For the first time, a new collective effort through the continental policy framework - the Comprehensive Africa Agricultural Development Programme (CAADP), has gained the strong commitment of African leaders to invest in agricultural development. This new political will is broad and deep, embraced by Heads of State and Government, national governments, AU, and RECs. Through CAADP, African leaders are reclaiming the Continent's agricultural growth and development agenda, and engaging in open and frank dialogue as part of a broader effort to revise and renew, regional and development partnerships in Africa.

56. African governments made a series of commitments in agriculture²⁴ under CAADP which has been globally acknowledged as the trigger to achieve the 2003 regional target of 6% output and 10% national budget allocation to agriculture. The Continent increased its growth rate from 2.7% in the 1980s, which could not even match population growth, to 3% in the early 2000s and surged to 4.8% in 2008. In some parts of Africa, agricultural growth averaged 5.3%, while in the Southern Africa region it peaked at 7.1%. On the CAADP target of 6% growth, as at 2008, 10 countries exceeded this rate and a further 19 countries achieved respectable growth of 3-6% in agriculture²⁵. Currently, a total of 25 African countries have now signed the CAADP Compact and ECOWAS has aligned itself to CAAADP through a regional compact, thereby signifying the commitment to CAADP implementation at national and regional levels.
57. Out of the 25 countries with Compacts, 19 countries have formulated CAADP-based investment plans and these have been independently reviewed and validated. Three of these countries have had a financing plan agreed and annual review mechanism agreed upon. Implementation of these plans will trigger a faster and higher sector growth performance necessary to deliver MDG targets in a relatively shorter time than anticipated. In all, over 40 countries are already engaging and embracing the CAADP agenda.

Figure 7: CAADP Compact signed by African Countries



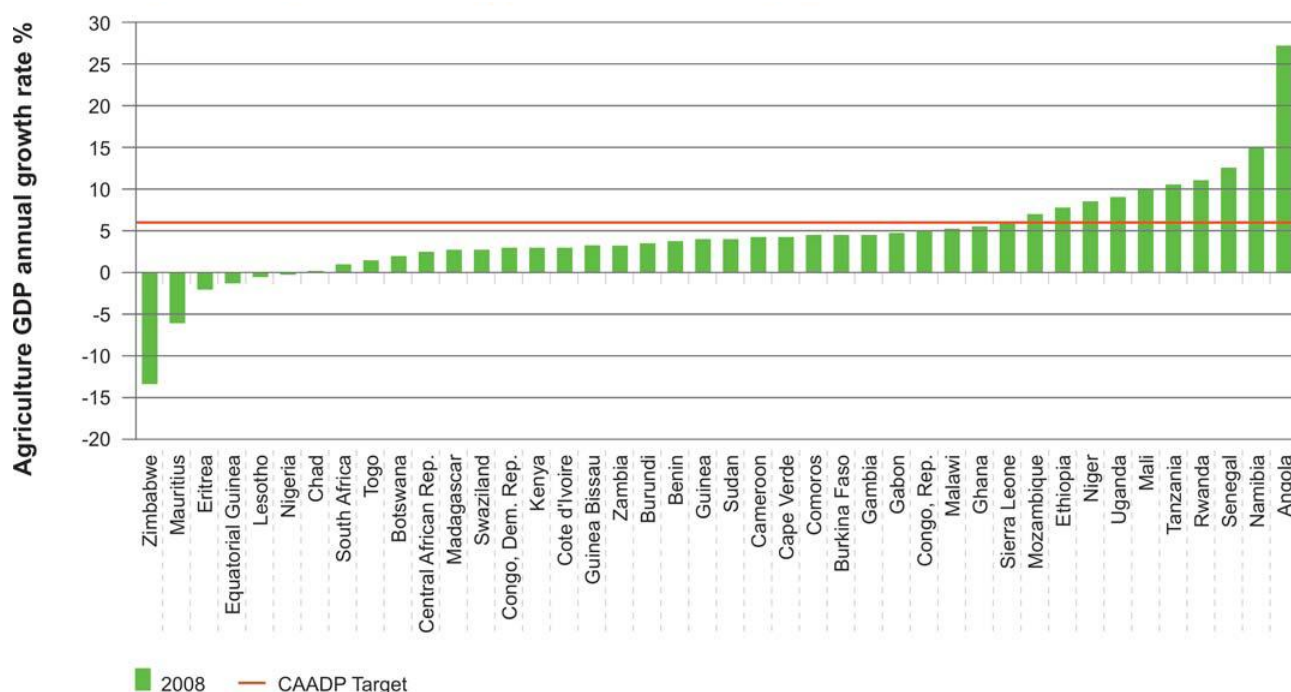
Source: NEPAD Planning and Coordinating Agency

58. Since its adoption at the 2nd AU Summit in Maputo in 2003, CAADP has evolved into a credible platform for collaboration, partnerships, and alliance building towards improved African agricultural productivity. It has created a new policy and practice space for African countries and regions to determine their own agricultural priorities, and for development partners to align their assistance to support these priorities. At the July 2010 Summit in Kampala, the AU Assembly endorsed a decision for the establishment of an Africa Food and Nutrition Security Day which is intended to provide additional impetus in focusing on Food and Nutrition Security as key areas of interventions to combat hunger and poverty in Africa.

²⁴ 2010 Mutual Review of Development Effectiveness (MRDE): Promise & Performance, Topic 2, – OECD/UNECA

²⁵ A case study of the achievements and challenges in the agriculture sector is presented in Annex 1

Figure 8: Agriculture Growth Rates compared to CAAP 6% target, 2008



Source: ReSAKSS and World Bank 2009

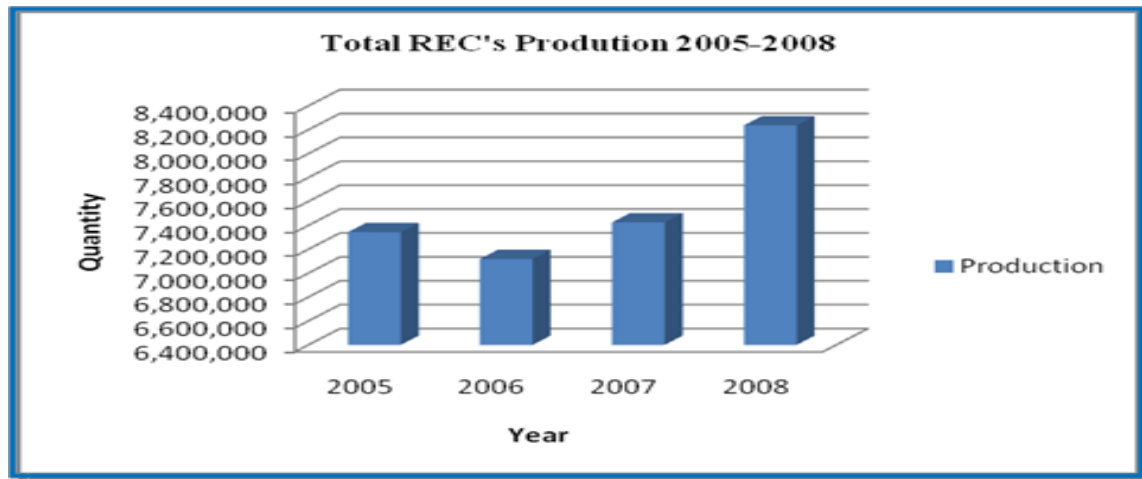
59. After experiencing a declining trend in total ODA to African agriculture in the 1980s and early 1990s, the start of the new millennium saw a trend reversal consistent with the recent commitments made by the donor community to increase aid to Africa. The total average ODA per capita for Africa as a whole increased from US\$38.23 in 1995-03 to US\$48.7 in 2003-09, with annual average percent change²⁶ of 2.4% growth over 2003-2008. As with total ODA, the agriculture sector has also seen an increase in recent years. Although the share of the ODA disbursements going to agriculture is quite low (average of 4.1% for Africa for the 2003-09 period), it increased significantly across the board, growing by at least 10% per year.
60. For most sub-regions in Africa, agriculture growth averaged 5.3% and in Southern Africa region, it rose to a high rate of 7.1%. CAADP has pioneered a new way of conducting business in policy-making and agriculture programme implementation wherein African national governments, civil society, development partners and all stakeholders work together, under African leadership, to grow Africa's agricultural sector. This profoundly different model for "country-led" development has already influenced development partners which provide assistance for African agriculture and, it is increasingly viewed as a potential model for development cooperation.
61. **Africa's Fisheries Sector:** Throughout Africa, the fisheries sector makes a vital contribution to the food and nutrition security of 200 million Africans and provides income for over 10 million engaged in fish production, processing and trade. Moreover, fish has become a leading export commodity for Africa accounting for about US\$4.3 billion in value. The recognition of the importance of fisheries and aquaculture in contributing to food security and rural economic growth

²⁶ It is noteworthy that the due to a relatively very low amount of per capita ODA in 2009 (\$16.13, as compared with \$43.85 in 2003), the annual average percent change in 2003-09 is negative (-10.34 percent)

in Africa is growing. Within the CAADP framework, African leaders at the AU/NEPAD Fish for All Summit in Abuja, Nigeria in August 2005 endorsed the *NEPAD Action Plan for Fisheries and Aquaculture Development in Africa*. In September 2010, the first Conference of African Ministers of Fisheries & Aquaculture (CAMFA) held in Banjul, The Gambia, under the umbrella of the AU further confirmed the continent's commitment to realize the wealth-generating potential of the sector.

62. Since the 2005 Abuja Summit, there has been renewed interest in the fisheries sector by all African member states and development partners. This has resulted in an increase in total production in Africa from 2005 to 2008. Figure 9). Total Aquaculture production grew by an average of 13%, with the highest in the COMESA region.

Figure 9: Fisheries total production in Africa, 2005-2008



Source: Based on FAO data (2009)

63. Investments in the fisheries sector have also responded to the prioritization of the sector by African Union and NEPAD Agency. Lead institutional investors in the Africa's fisheries sector include the World Bank with investments of around US\$400 million, followed by the African Development Bank (AfDB) with US\$383 million and the Arab Bank for Economic Development in Africa (BADEA). The African member states have also increased the allocation of their own national resources to the sector, accounting for 10% of all investments in the fisheries sector. A recent study commissioned by the NEPAD Partnership for African Fisheries (PAF) reported that the wealth represented by African fish resources is underestimated, and may be in the region of US\$22 billion (taking into account market-based gains) – and not in the region of US\$1,9 billion as currently reported.
64. The Conference of African Ministers of Fisheries and Aquaculture recommended that in order to realize the potential wealth generation for the continent, there is a need to focus on fisheries policy reform and improvement in governance which PAF seeks to address. In particular, an African Fisheries Reform Strategy is being developed to determine regional and national priorities and to support the governance of fisheries by establishing and validating fisheries management based on rational economic principles.

Infrastructure Development

65. Utmost importance is accorded to infrastructure as the foundation for growth and development. The structural gap in African infrastructure is considered a serious handicap to growth and poverty reduction. In fact, high cost of transport energy and the internet is a major economic growth deflator and is partly responsible for Africa's continued economic marginalization. This has compelled governments to upscale infrastructure for Africa to become more competitive in the global marketplace. Within its reform agenda, Africa is taking considerable action on infrastructure targeting increased investment; the promotion of PPPs; regional development corridors and power pools; bridging the digital divide through investment in ICT; diversifying energy sources and addressing shortages; while ensuring sustainable access to safe and adequate clean water supply and sanitation²⁷. With adopted targets of 35% population access to electricity by 2020 and 75% reduction in the proportion of people without access to safe water and sanitation by 2015²⁸, some progress is being recorded in road network expansion, trans-boundary water, electricity generation capacity and increased ICT broadband capacity by new submarine cables.
- 66. Concerted efforts are being made to promote national and regional infrastructure development. In principle, Africa is moving ahead to systematically involve the private sector in the development, operations and maintenance of infrastructure. Despite these efforts, the infrastructure deficit remains a great concern given the slow and uneven pace. While policy and regulatory reforms at the country level are on track, low implementation of infrastructure projects remains a constraint to growth actualization and MDGs attainment²⁹. By almost all major infrastructure parameters, most African countries still lag behind the average for other low-income countries.**
67. While about ten African countries have less than 10% of their road network paved, and in the majority of countries (38) less than half is paved³⁰, there was a dramatic increase of 43% in electrical power production between 2000 and 2007. Further, Africa is noted as one of the fastest-growing markets for mobile communication, on a global scale. Between 2002 and 2008, the number of mobile phone subscribers increased from 43 per 1000 to 375 per 1000, and it is estimated that 91% of the urban African population have access to mobile voice services. Private sector participation in the infrastructure sector has improved greatly compared to the 1990s with record highest in the mobile phone subsector. At sub-regional level, key ICT projects include the ECOWAS Wide Area Network (ECOWAN) and the NEPAD Uhurunet submarine cable and Umojanet cross-border terrestrial network. Figure 6 highlights the NEPAD projects. The Continent's railway network is unsatisfactory comprising an estimated 89,000 km for an area of about 29.6 million q. km, which, in terms of density represents about 2.5 km per 1,000 sq. km³¹. The railway network in Africa is generally old and technically outdated³², which has hampered intra-African trade. However, implementing capacity is still a major challenge.

²⁷ NEPAD base framework, 2001

²⁸ MRDE 2010, Topic 3 Infrastructure

²⁹ *ibid*

³⁰ Africa Statistical Yearbook, 2010, AfDB

³¹ *Ibid*, p. 306

³² *Ibid*, p. 307

Table 6: Regional Distribution of Road Networks

Region	Length (km)		% Change	Density 2006 (km/100 sq km)
	2000	2006	2000-2006	
Central	115667	186475	61.2	3.5
Eastern	445018	476558	7.1	6.5
Northern	292790	347451	18.7	3
Southern	801751	853676	6.5	13.5
Western	409377	434910	6.2	8
Total	2064603	2299070	11.4	7.6

Source: AUC/UNECA (2010) 'Assessing Regional Integration in Africa; Enhancing Intra-African Trade', p. 303

Figure 10: NEPAD Uhurunet submarine and Umojanet cross-border terrestrial network



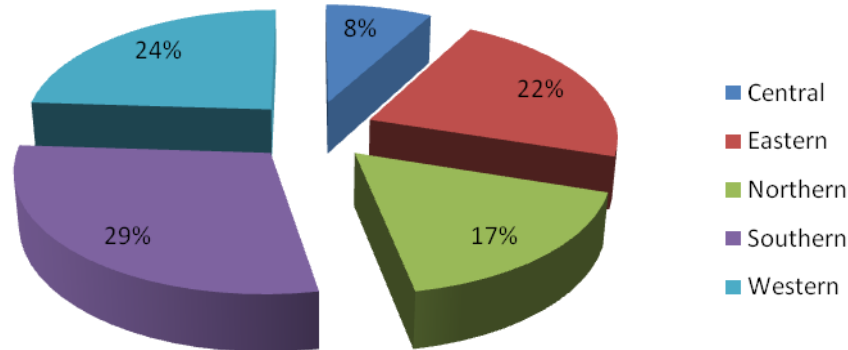
Source: e-Africa Programme, NEPAD Planning and Coordinating Agency

68. The 2008 World Bank *Africa Infrastructure Country Infrastructure Diagnostic* (AICD)³³ study reflects that infrastructure accounts for a large share of Africa's recent growth performance, and could contribute much more, despite the slow progress being recorded. It further notes that infrastructure services are twice as expensive in Africa as elsewhere and indicates that Africa

³³ Africa Infrastructure Country Diagnostic study of the World Bank, 2008 was an unprecedented knowledge program on Africa's infrastructure that grew out of the pledge by the G8 Summit of 2005 at Gleneagles to substantially increase ODA assistance to Africa, particularly to the infrastructure sector, and the subsequent formation of the Infrastructure Consortium for Africa (ICA)

would require approximately US\$93 billion a year, split two to one between investment and maintenance. AICD discloses that “Africa already spends US\$45 billion, half the required amount, therefore through efficiency gains an additional US\$17 billion could be raised from existing envelope. Even then, an annual funding gap of \$31 billion would remain.

Figure 11: Share of Africa’s Paved Road Network by Sub-Region



Source: World Development Indicators 2008, The World Fact Book 2007, Final Evaluation Report: UNTACDA II, 2002 and AU. 2008 State of Transport Sector Development in Africa, Cited in ECOSOC/UNECA (2009) ‘The Transport Situation in Africa’, p. 2.

69. Realizing that African economies are relatively small to generate economies of scale required to foster regional trade and investment, a number of multi-country infrastructure initiatives to accelerate economic growth³⁴ have been instituted. Such initiatives include the AU Master Plan for Infrastructure³⁵; 2002 NEPAD Short-Term Action Plan (STAP)³⁶, NEPAD Infrastructure Project Preparation Facility (IPPF) housed at the AfDB; and the AU-NEPAD African Action Plan (AAP): 2010-2015³⁷. Another key step forward in the development of infrastructure is the creation of the Infrastructure Consortium for Africa (ICA), which has been successful to a great measure, in mobilising domestic, international and private resources for infrastructure development, with the support of G8 member countries and other partners. Also, recently, African leaders adopted the **Programme for Infrastructure Development in Africa (PIDA)** as the integrated continent-wide vision, strategic framework and agenda for infrastructure development. When finalized, PIDA will serve as the implementation strategy with priority action and phases for African infrastructure.
70. To lend credence to African leaders’ political will, in January 2011, the **Presidential Infrastructure Champion Initiative** was established under the umbrella of the AU and NEPAD. This high-level initiative, based on PIDA and AAP, focuses on sponsoring catalytic regional infrastructure projects, through political leadership and championing. Significantly, this provides a much needed platform to mobilize domestic and foreign resources for development impact. The political leadership will also help unblock systemic challenges associated with cross-border infrastructure projects. In this regard, the 16th AU Assembly adopted seven regional projects³⁸ for political championing as highlighted in Box E.

³⁴ Project implementation review of the NEPAD Infrastructure STAP – Third review, July 2010

³⁵ The AUC Master Plan and along with NEPAD STAP, have been integrated into the continental framework of PIDA which study is expected to be completed in 2012

³⁶ 120 projects through RECs, broadly classified into 4 project types: facilitation, capacity building, investment and studies

³⁷ AAP designed by AU-NEPAD with technical support of AfDB and UNECA, is a defining tool to fast-track regional and continental integration including actualization of MDGs through mobilizing resources for African priority sectors especially regional infrastructure and harmonizing AU-NEPAD

³⁸ List of Presidential champion projects – as in Box E

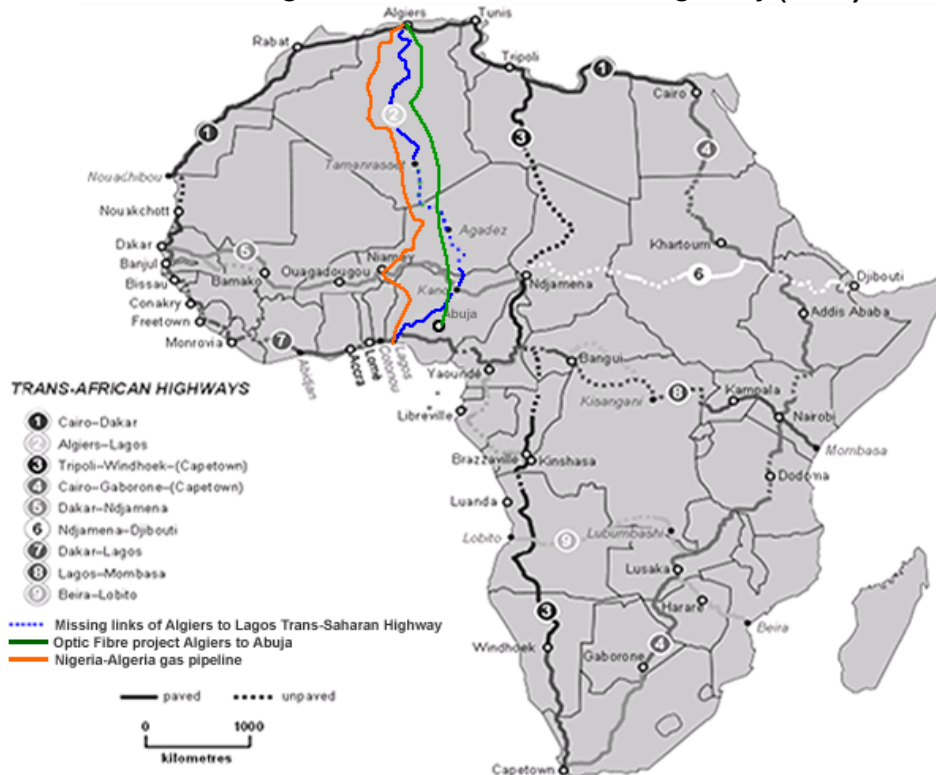
Box E: AU-NEPAD Presidential Infrastructure Champion Initiative – Regional Projects

Regional infrastructure projects endorsed by 16th AU Summit covering the five (5) regions of the AU:

1. Missing links of Algiers to Lagos Trans-Saharan Highway and Optic Fibre project Algiers to Abuja – Algeria
2. Dakar-Ndjemena-Djibouti Road and Rail project - Senegal
3. North-South Corridor Road and Rail project - South Africa
4. Kinshasa-Brazzaville Road and Rail project - Republic of Congo
5. Water management, river and rail transport projects – Egypt
6. Nigeria-Algeria gas pipeline – Nigeria; and
7. ICT Cross-border Broadband and link to fibre optic project on a continental basis – Rwanda

Source: AU Commission and NEPAD Agency

Figure 12: The TRANS-African High Way (TAH) Network



Source: AUC/UNECA (2010) Assessing Regional Integration in Africa (ARIA IV), p. 305

Additions to the Map showing the missing links of Algiers-Lagos Trans-Saharan Highway, Algiers to Abuja Optic fibre project and the Nigeria-Algeria gas pipeline from the Presidential Infrastructure Champion Initiative, were inserted by AUC and NEPAD Agency

71. In summary, a lot still needs to be done for Africa to realize its full potential through infrastructure. The way forward is for the Continent to systematically integrate regional programmes/projects on policy reforms into national development plans. As in Figure 12, the Trans-Africa Highway (TAH) is a major infrastructure initiative to connect all the African sub-regions. Evidence shows that private sector intervention has rebounded and non-traditional partners, particularly China, are playing an increasingly larger role in supporting countries and regional bodies in infrastructure development. However, adequate funding should be directed towards project preparation. It is also necessary to sustain the recent trend of increasing investment in infrastructure. African countries will continue the regulatory reform processes, accelerate cross-border initiatives

particularly under the umbrella of PIDA and enhance the capacity of AUC, NEPAD Agency, RECs and other technical regional bodies to develop effective infrastructure for the African economy.

72. A number of initiatives are also worth highlighting. The “Aid for investment in infrastructure” project jointly implemented by the OECD Development Assistance and Investment Committees and in collaboration with ICA is aimed at improving the enabling environment for infrastructure investment in Africa. It also targets interventions to strengthen regulatory frameworks of infrastructure investment, improving risk management, and capacity building for Public-Private Partnerships (PPPs). Similarly, the AU has approved the Institutional Architecture for Infrastructure Development in Africa (IAIDA) which delineates the roles and responsibility of regional bodies including the AUC, NEPAD Agency, RECs and AfDB.

Gender and Women empowerment

73. Women are the drivers of most African economies, accounting for a high percentage of the labour force in agriculture for instance. Some progress in strengthening their rights have been made in the past few decades in Africa characterised by the adoption of international and regional instruments and frameworks that promote the different human rights of women. The policy commitments and the principle of equality and non-discrimination between men and women are based on the Constitutive Act of the African Union, the AU gender Policy, NEPAD framework and other regional and global gender equality instruments, in addition to national policies and programmes.
74. The determination of the African women's movement in keeping women's priorities on the agenda of the African Union have contributed a lot in moving forward the gender agenda for equality and women's human rights. **Today, 51 out of the 53 African Member States have ratified the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) and several countries had aligned their national legislations to the provision of CEDAW. Seventeen had gone further to sign its optional protocol with 9 ratification and several countries had aligned their national legislation to the provision of CEDAW³⁹. Twenty nine African Union member states, (the last one is Kenya in October 2010), have so far ratified the 2003 Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa which was adopted in 2003 and came into force in 2005.**
75. Regarding the AU Heads of State and Government Solemn Declaration on Gender Equality in Africa (SDGEA), endorsed in 2004, the review indicates that today (32 initial reports, 6 second reports and 1 third report) 58% out of 53 member states have submitted their initial reports, 23% the subsequent report and 7.5% have made the third report. However, very few countries (19%) have submitted their report more than once. The adoption of the Protocol and the SDGEA obliges states to respect normative standards on women's human rights and the inclusion of women's rights in the APRM.
76. The AU adopted a Gender Policy and its related action plan in 2009 as a step towards mainstreaming gender into AU work and programmes. In January 2009, the AU Summit declared that the decade commencing in 2010 will be the *African Women's Decade*. At the sub-regional

³⁹ This section is compiled based on information from various sources including AUC , NPCA, UN statistics, APRM etc

level, the 2010 MRDE points out that several RECs have adopted gender policies, declarations and guidelines for the promotion and protection of the rights of women. The adherence to the principle of gender equality in advancing rights and sharing opportunities, benefits and contributions is critical. Over 70% of AU Member-States formulated national gender policies and national action plans for implementation while a number of pro-gender specific legislations have been enacted at national level - 14 countries now have such related legislation compared with only 5 countries in 2005. Some African countries have initiated gender responsive budget initiatives to ensure that national resources are responsive to issues of gender and women rights. Gender support systems at national level are scaling up efforts to mainstream gender into national policies, plans and programmes while African CSOs are institutionally being strengthened to make decision makers accountable for their commitment to gender equality and women's human rights.

- 77. As a result, women participation in economic and corporate life and political representation has improved a lot in the last decade. At the decision making level, the Continent has seen a rapid increase in the representation of women at regional, national and local parliament. For instance, Rwanda tops the world ranking of women in national parliament, with 56% compared to world average of 15.1 percent. The election of the first female speaker of the African Union, Pan African Parliament (PAP) and the provision for at least one seat to a woman in every five national members of the PAP is another milestone. The election of the first female President of Liberia is another landmark in women representation and participation in decision making. Nevertheless, 20 countries have achieved over 30% representation in parliament, when average representation is only 17.2%. The Organs of the AU itself, including the Commission have institutionalized and operate pro-gender representation for choice of senior officials such as elected Commissioners.**
78. For Africa to sustain the good progress in gender equality and women empowerment, the African Union has created financing mechanisms, namely the Fund for African women, and the AU-NEPAD/Spanish Fund for African Women empowerment.⁴⁰ These two funding mechanisms will catalyse the promotion of gender equity and equality, women economic empowerment, and CSOs strengthening.
- 79. Notwithstanding the progress on achieving gender equality in Africa, the socio-economic, environmental and political constraints that confront women in Africa tend to impact on their capacities and ability to realize their full potential as citizens. Poverty and its associated vulnerability still have a women face. African stakeholders have recognised the need to strengthen the mechanism for the integration of gender equality and women's empowerment by providing adequate capacity, authority and funding. The combined effect of rise in food prices, energy and financial crisis exacerbate the vulnerability of the majority of the poor in the continent that are women.**

⁴⁰ The Fund for Africa women is managed by the AU Commission and the NEPAD/Spanish Fund is managed by the NEPAD Agency

Human and Institutional capacities for Africa's development

80. Capacity development is central to all successful development efforts and to effectively drive Africa's transformation programme. The progress achieved by Africa as enumerated in previous sections of this report would have been consolidated and up-scaled with enhanced capacities. Much of Africa's inability to implement priority sector programmes and projects stems from systemic weaknesses at human, institutional and enabling environment levels. In the past decade, the inter-relationship amongst these levels of governance has not helped in propelling the development objectives to the desired impact due to limited and under-utilization of capacities.
81. Thus, African governments have responded head-on to addressing these challenges by undertaking in-depth capacity assessments and profiling. The Continent has called for a paradigm shift from the traditional capacity building to capacity development, focusing on systemic issues rather than on training alone. At the continental level, AU vision of '*an integrated, peaceful and prosperous Africa, driven by its own people, to take its rightful place in the global knowledge economy*' and response to these capacity challenges is espoused within the AUC Strategic Plan: 2009-2012, Pillar 4 on Institution and Capacity Building and the Africa-wide Capacity Development Strategic Framework (CDSF)⁴¹.
82. **Ongoing CD Interventions for Up-scaling** - It is in this regard that the crucial role of higher education and research is well articulated in the Plan of Action of the Second Decade of Education (2006-2015) in achieving the MDGS and the Education for all targets, through appropriate human capital development. The AU-NEPAD Consolidated Plan of Action for Science and Technology in Africa (CPA) and the Addis Ababa Declaration (2007) and (2010) of the AU Conference of Heads of State and Government on knowledge based economies and the need to strengthen ICT use for socio-economic growth underline with much more precision the criticality of investing in people. The Pan-African University project, developed by the AUC aims to fulfil the gap by offering adequate higher education and research opportunities to African talented youths and attract African academic scholars in the Diaspora to the Continent to contribute to raising the level of research and development sectors.
83. The **Pan-African University** (PAU) is an important AU instrument to revitalize African higher education. It is the strategy chosen to address the chronic deficit of high quality scientists and researchers that Africa is currently facing. Through this Decision Assembly/AU/Dec.290(XV) of July 2010, AU Heads of state and Government identified five differentiated thematic areas to constitute the PAU and allocate one of them to each of the five geographic regions in Africa.
84. A key thrust in the implementation of Africa's CD priorities through the CDSF is the capacity enhancement of key African institutions, particularly the RECs, Parliaments, tertiary and research institutions in enhancing their effectiveness. Africa is also pushing to mainstream CD into sector, thematic and national development strategies and plans for effective development delivery and results, as well as reversing the brain drain by effective capacity utilization and retention. In

⁴¹ CDSF was endorsed by the 14th AU Summit, as the Continent's reference and common policy guide in capacity development. The Strategic Framework offers a transformative approach to capacity development, focusing not only on the essential hard skills, but also on soft skills and changing mindsets. The CDSF approach is based on a broader understanding of capacity which recognizes that *individual, organizational and systemic* capacities will support Africa in achieving its reform agenda and the MDGs

addition, *capacity for Aid effectiveness* and South-South Cooperation in Africa, focusing on developing capacities for broad-based ownership, use of country systems, mutual and domestic accountability towards managing for results will assist in attaining better development results. Importantly, the AU and NEPAD have established the **Africa Platform for Development Effectiveness** (APDev) as an organizing mechanism and multi-stakeholder forum focusing on Aid Effectiveness, South-South partnerships (intra and across Africa) with capacity development as the core to achieve better development results⁴².

Box F: Africa's Capacity Development Priority Actions - CDSF

Based on the CDSF six cornerstones, Africa is addressing capacity development for securing sustainable outcomes, through priorities, namely:

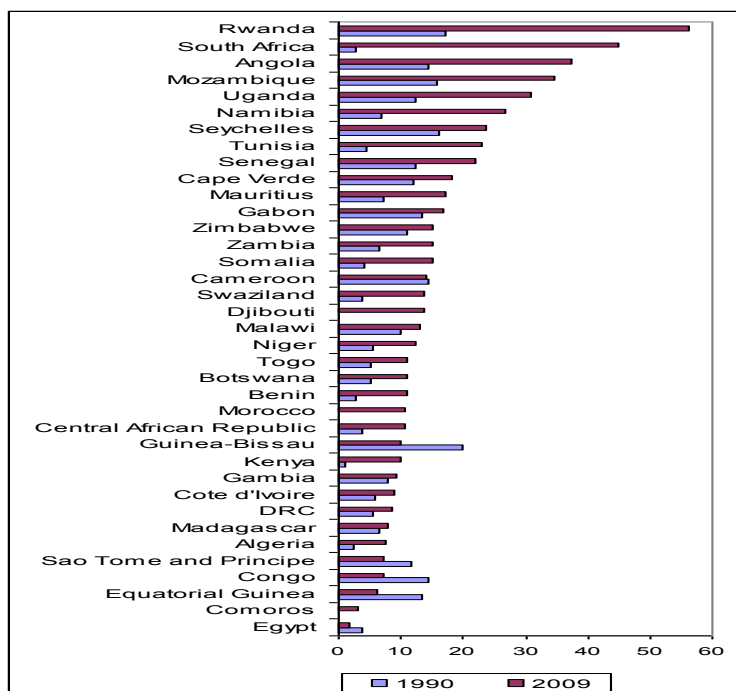
1. **Leadership Transformation:** *Enhancing political and economic leadership*
2. **Citizenship empowerment:** *Democratic ownership and accountability*
3. **Evidence-based Knowledge Innovation:** *Systematic, knowledge exchange & mutual learning for decision-making*
4. **Utilizing African Potential, Skills and Resources:** *Building, harnessing, re-orienting, nurturing and retention of new and existing capacities for effective results*
5. **Developing Capacity of Capacity Developers:** *Re-orienting and re-skilling CD institutions in response to changing global, regional and national dynamics*
6. **Integrated Planning and Implementation for Results:** *Linked sectoral development institutions and practice with feedback loops*

MDGs Attainment

85. Africa has achieved some strides towards achieving the MDGs by reducing poverty rates on one hand while on the other the Continent still has the highest proportion of people living in extreme poverty within the developing world. The grave challenge of a number of African countries achieving the MDGs and other national and regional social development objectives still persists.
86. Commendable progress has been attained in areas such as net primary school enrolment, gender parity in primary education, political empowerment of women, access to safe drinking water, debt sustainability targets and curtailing the spread of HIV/AIDS. However, slower progress is recorded in addressing poverty reduction, unemployment, environmental sustainability and most health-related goals. Economic growth has also been on the rise after the negative effects of the global economic and financial crises. An important element of the positive progress registered is the successful establishment by countries of a wide-range of African-led institutional innovations to drive and secure growth and facilitate progress toward MDG attainment. These include new and expanded social protection programmes; embracing of MDGs-based planning; decentralization of MDGs mechanisms to lower tiers of government for improved service delivery; enhancing national policy coordination and harmonization; improving domestic resource mobilization; and increased political support for the MDGs. For instance, the Assembly of the African Union Heads of State and Government annually tracks progress toward MDG attainment.

⁴² Endorsed by 15th AU Summit of July 2010, APDev is jointly coordinated by AUC and NEPAD Agency, was launched in March 2011 as a physical and online forum dedicated to mobilizing African policy makers and practitioners towards achieving sustainable development results and promoting Development Effectiveness through policy coherence, change management and impact



Figure 13: MDG 3: Empowerment of Women: Dramatic increase in parliamentary seats









Source: UNECA, September 2010 – presentation at UN Special Summit on MDGs, New York

87. Notwithstanding, the challenges in meeting the MDGs, the Continent is moving in the right direction, albeit at a sluggish pace. Overall emerging and contextual issues to further restrain MDG achievement include the negative impact of the recent global financial and economic crisis on African economies; the lacklustre recovery in the global economy and its future impact on African countries; and continued increases in dependency ratios due to demographic variables and weak employment growth. Further, there is an additional burden posed by the adverse impact of global financial, food, energy and climate crises; and budget cuts in industrialized economies arising from mounting fiscal deficits and the continuing Euro-zone debt crisis, which threaten economic recovery and should not be tackled at the expense of aid flows to Africa. The global partnership for the MDGs has also fallen short of its promises due principally to the lack of political will and following through on commitments made.





Table 7: MILLENIUM DEVELOPMENT GOALS: 2010 PROGRESS CHART

Goals and Targets	Africa	
	Northern	Sub-Saharan
 1 Eradicate Extreme Poverty and Hunger		
Reduce extreme poverty by half	Low poverty	Very high poverty
Productive and decent employment	Very large deficit in decent work	Very large deficit in decent work
Reduce hunger by half	Low hunger	Very high hunger
 2 Achieve Universal primary education		

Universal Primary schooling	High enrolment	Moderate enrolment
 Promote gender equality and empower women		
Equal girls enrolment in primary school	Close to parity	Close to parity
Women's share of paid employment	Low share	Medium share
Women's equal representation in national parliaments	Very low representation	Low representation
 Reduce Child Mortality		
Reduce mortality of under five year olds by two thirds	Low mortality	Very high mortality
 Improve Maternal Health		
Reduce maternal mortality by three quarters	Moderate mortality	Very high mortality
Access to reproductive health	Moderate access	Low access
 Combat HIV/AIDS, malaria and other diseases		
Halt and reverse spread of HIV/AIDS	Low prevalence	High prevalence
Halt and reverse spread of tuberculosis	Low mortality	High mortality
 Ensure Environmental Sustainability		
Reverse loss of forests	Low forest cover	Medium forest cover
Halve population without improved drinking water	High coverage	Low coverage
Halve population without sanitation	Moderate coverage	Very low coverage
Improve the lives of slum dwellers	Moderate proportion of slum dwellers	Very high population of slum dwellers
 Develop a global partnership for development		
Internet Users	High usage	Low usage

Sources: United Nations, based on data and estimates provided by the FAO, IPU, ILO, ITU, UNAIDS, UNESCO, UN-Habitat, UNICEF, UN Population Division, World Bank, WHO-based on statistics available as of June 2010.

The progress chart operates on two levels. The words in each box indicate the present degree of compliance with the target. The colours show progress towards the target according to the legend below:

 Already met or very close to meeting the targets	 Progress insufficient to reach the target if prevailing trend persists
 Progress sufficient to reach the target if prevailing trend persists	 No progress or deterioration
The available data for maternal mortality do not allow a trend analysis. Progress in the chart has been assessed by the responsible agencies on the basis of proxy indicators	

88. **With less than five (5) years remaining to the set date for MDGs attainment, some African countries may not be able to achieve these internationally agreed development goals. The Doha Round for instance, remains stalled with various international commitments, including those made at Monterrey and Gleneagles, yet to be fulfilled. These challenges pose serious risks to MDGs attainment in Africa. While Africa is doing its utmost to attain the MDGs by the target date of 2015, it requires strong international partnership support. Be that as it may, African governments are committed to reviving their economic growth policies interrupted by the global crisis and accelerating progress towards the MDGs based on expansion of social protection programmes and embracing innovative financing mechanisms.**
89. On the whole, Africa's reforms are on course, though daunting challenges remain. The Continent has steadily and considerably being making progress by striving, collectively to meet its obligations to its people and international community. Through improvements in conflict reduction, political governance and evident macro-economic stability, while focusing on attaining the MDGs and combating social deficiencies especially the scourge of poverty and hunger, Africa is transforming.
90. As the McKinsey Global Institute observed in its 2008 report "Lions on the move – The progress and potential of African economies", *African economies grew healthier as governments lowered inflation, trimmed their foreign debt, and shrunk their budget deficits, and increasingly adopted policies to energize markets*. It concludes that the Continent's collective long-term prospects are strong highlighting that Africa will develop diverse sources of economic growth in addition to resources and agriculture; and generating export revenue to finance imported capital goods necessary for investment⁴³.

G8 commitments to Africa: *Genoa to Muskoka*

91. **The fulfilment of the commitments of the G8 is at the core of the partnership with Africa. Delivering on these commitments is critical to sustaining the current partnership between Africa and development partners.** In the formative years of the AU and the NEPAD Programme, the architects of NEPAD and G8 leaders met in Okinawa, Japan (July 2000) on the nascent partnership. Ever since then, from Genoa, Italy (June 2001) to Muskoka, Canada (2010), the Africa-G8 partnership has served as a platform of engagement on Africa's development agenda at the highest political level. This provided a new window of cooperation with development partners at the beginning of the 21st Century, to support the continent's development strategy and policy responses including the MDGs. Both sides jointly defined the parameters of the new strategic cooperation, which were fluently inscribed in the outcomes of G8 Summits from Genoa to Kananaskis, Canada (2002) through the Africa Action Plan; and Gleneagles and up to L'Aquila, Italy (2009) and Muskoka, Canada in 2010.
92. Over this period, the G8 and Africa committed to a strong partnership to address key African concerns and be mutually accountable. These G8 development-related commitments cover peace and security, good governance; MDGs; agriculture and food security; infrastructure,

⁴³ McKinsey & Company – McKinsey Global Institute, July 2010 – Lions on the move: The progress and potential of African economies

education, health especially HIV/AIDS; innovation and knowledge, trade and market access. Others include climate change, quality and quantity of ODA; private capital development and investment; and debt relief. In particular, the Kananaskis Africa Action Plan solidified the G8 support agenda to Africa and set out a vision and new partnership between Africa and G8, based on mutual accountability and respect⁴⁴.

93. Broadly, the G8 partnership with Africa has focused on key domains of cooperation namely;
- a. **Development Finance:** FDI; Domestic Resources; ODA; External Debt
 - b. **Sustainable Economic Growth:** Trade; Infrastructure; Private sector growth, Climate Change and Environment sustainability
 - c. **Investing in People:** Education, Health and Gender development
 - d. **Good Governance:** Peace and Security; political and economic governance
94. This section of Part Two of the report essentially highlights how far the commitments of G8 countries have been delivered through the prism of development finance with attention to ODA.

Financing for Development - Official Development Assistance (ODA) to Africa

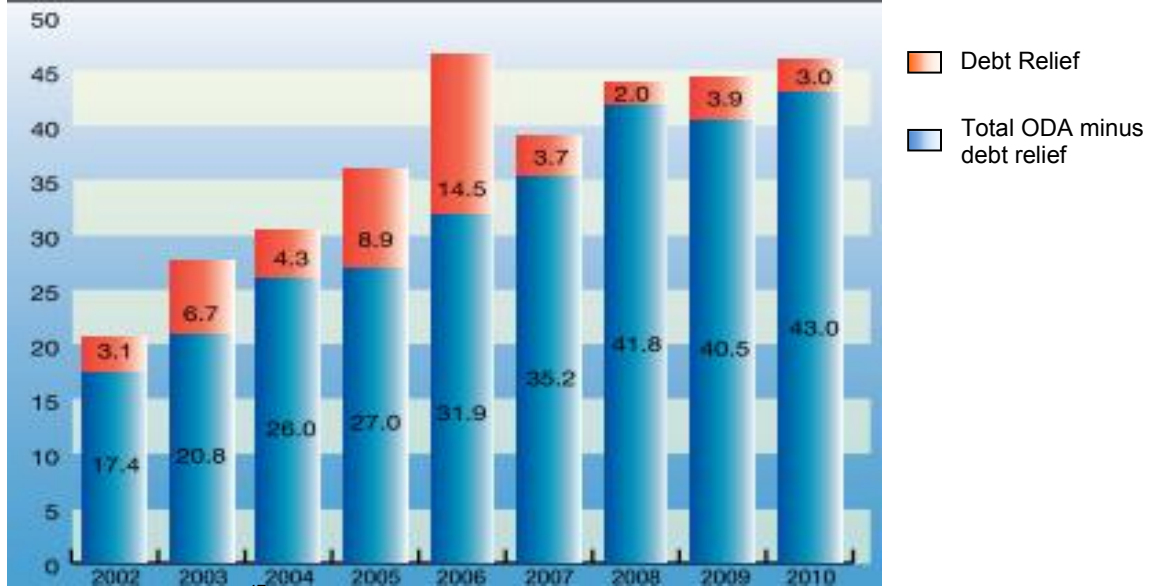
95. ODA commitments to Africa by the G8, especially those entered into by African and G8 Leaders at Gleneagles in 2005 were globally acclaimed. **To confront the development challenges in Africa, the G8 along with OECD partners pledged to provide Africa with US\$25 billion a year by 2010 compared to 2004 levels⁴⁵. This pledge was expected to increase ODA to Africa from US\$29.5 billion in 2004 to US\$54.5 billion (2004 prices) or US\$64 billion (2010 prices) in 2010. The was in the context of OECD estimates that ODA from the G8 and other development partners to all developing countries will increase by about US\$50 billion a year by 2010, compared to 2004.** This reinforced the compelling case for the international community to continue its support for Africa's reform agenda, and a step forward in implementing the 2002 Monterrey Consensus on Financing for Development (FfD).
96. Over the course of the past decade, the gap between the promises of the G8 and Africa's other development partners to translate such pledges into tangible outcomes, has become evident. The G8 Gleneagles commitment to provide Africa, along with other donors, with additional US\$ 25 billion a year by 2010 is significantly off-course. Though ODA to Africa increased from US\$29.5 billion in 2004 to an estimated US\$ 46 billion in 2010 (around US\$40 billion in 2004 prices), it is still far below the commitment of the projected sum of US\$ 64 billion (using 2010 prices). By this, Africa has received only about half of the increase implied based on the 2005 commitment⁴⁶, resulting in a large shortfall of estimated at about US\$18 billion in 2010 prices (Figure 14).

⁴⁴ G8 Muskoka Accountability report: Assessing action and results against development-related commitments, 2010, Muskoka

⁴⁵ The Gleneagles Africa Communiqué stated "the commitments of the G8 and other donors will lead to an increase in ODA to Africa of US\$25 billion by 2010, more than doubling aid to Africa compared to 2004.

⁴⁶ 2011 MRDE Interim report

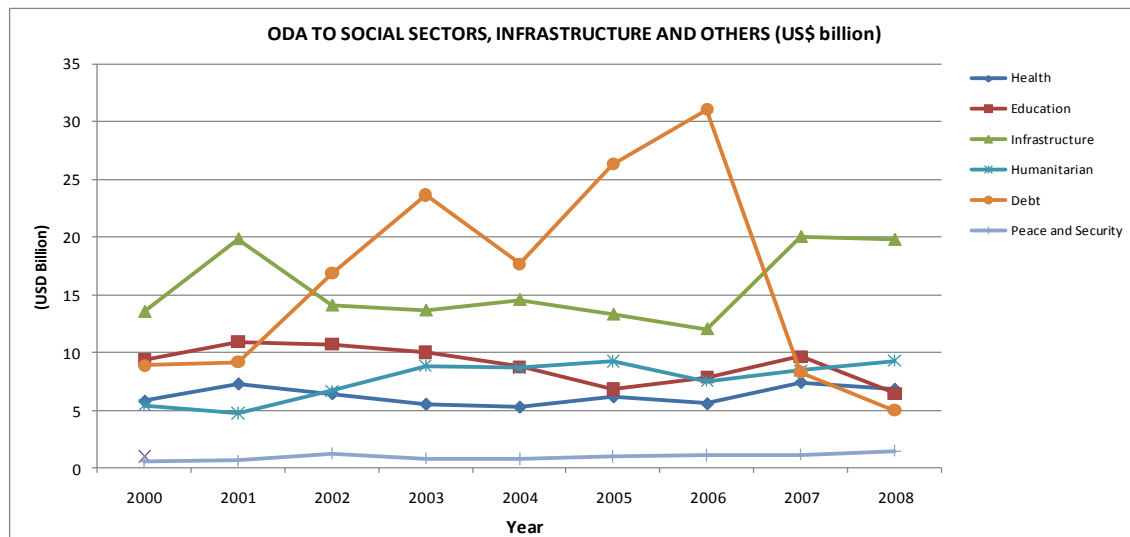
Figure 14: Official Development Assistance to Africa (Nominal)



Source: OECD/DAC⁴⁷

97. The G8 has been unsuccessful in setting out detailed plans on how it intends to meet either the Gleneagles US\$25 billion benchmark or some of the individual sectoral commitments. The failure of donors to deliver on their aid promises to Africa by over half will have drastic implications for Africa's ability of reaching the MDGs, particularly those that are off-track, such as hunger, and maternal and child mortality. **Consequently, as the 2010 MRDE Report notes, 'the commitments made by the G8 and OECD countries to double aid will not be met'. Africa calls on development partners, including the G8, to honour its pledges in accordance with the Monterrey Consensus, increasing development assistance to at least 0.5% and to get on track with the 0.7% target of GNI by 2015.**

Figure 15: ODA to Social sectors, Infrastructure and others (US\$ billion)



Source: OECD

⁴⁷ MRDE, Interim Report 2011

98. **Individually, some G8 countries are on track to meet their commitments to Africa with commendable progress made in key areas. However, on a collective basis, the G8 has not been able to deliver on its pledges and commitments.** The failure of the G8 to collectively deliver on aid promises to Africa by over 50% will have drastic implications for Africa's likelihood of reaching the MDGs. Particularly so, when the Continent remains a long way off-track on reducing the internationally-accepted targets on reducing hunger, maternal and child mortality. A lack of sufficient development assistance for debt relief has pushed countries towards additional borrowing in the context of the impact of the financial crisis on their economies.
99. **Equally vital are the commitments made by development partners, including the G8, to advance the Aid Effectiveness agenda through adherence to the Paris Declaration (PD) and the Accra Agenda for Action (AAA).** While ongoing efforts under the auspices of the Development Assistance Committee (DAC) of the Organization of Economic Cooperation and Development (OECD) are commendable, a lot still needs to be done to achieve the principles and priority actions of PD and AAA. This in particular relate to ownership and mutual accountability; alignment and harmonization; managing for results; and the use and strengthening of country systems.

Sustainable Economic Growth

100. **Doha Development Round and African Trade Promotion:** In the 2001 Kananaskis Africa Action Plan, the G8 highlighted the importance of the multilateral trade negotiations, launched in the same year by World Trade Organization (WTO) members in Doha. The negotiations provide the platform where the needs and interests of developing countries are placed at the heart of shaping the agenda. The Action Plan underscored G8 commitment *...to the Doha development agenda and to implementing fully the WTO work programme, as well as to providing increased trade-related technical assistance to help African countries participate effectively in these negotiations*⁴⁸.
101. This was reiterated at subsequent G8 Summits, notably in 2005 at Gleneagles and again in Hokkaido in 2008 where G8 leaders pledged their support to the *'...facilitation of free and open trade through the multilateral trade system with due consideration of the African situation, effective implementation of the financial commitments regarding spending on Aid for Trade including trade related technical assistance made at the WTO Hong Kong Ministerial Conference, which we expect to increase to US\$4billion including the support for marketing of African products. We are fully committed to provide duty-free and quota-free market access for products originating from Least Developed Countries (LDCs) as agreed at the Hong Kong Conference.'* (Hokkaido, 2008),
102. The ultimate objective of these WTO negotiations has been to reduce poverty and promote development. However 10 years later it is evident that progress has been slow. The negotiations had been expected to be completed by December 2005 but this was not forthcoming with the suspension of discussions in 2008, amid rising food and fuel crises. These factors exacerbated the protectionist tendencies amongst industrialized and emerging economies, thus shifting the focus away from development. Little progress has been made with respect to agricultural-based

⁴⁸ G8 Summit, Kananaskis, 2002

reductions in subsidies by industrialized countries. Although reductions in the level of trade distorting subsidy support have the potential to benefit smallholder farms, there is lack of consensus amongst WTO countries on agriculture and market access. This having arisen during the stalemate of the Cancun Ministerial Conference in 2003.

103. Despite the urgency for a swift resolution to the impasse induced by the global financial and economic crisis no breakthrough or cross-board positive development was achieved in 2009. Consequently, the negotiated texts remain those that were circulated in 2008, having received little engagement thereafter. In view of the foregoing, attempts to reactivate discussions at the 7th WTO Ministerial Conference which some developing countries had hoped would constitute a substantive negotiating meeting focused instead on procedural issues, WTO institutional reforms and the global response to the financial and economic crisis. This has also led to a leaner negotiating agenda vis-a-vis the original work programme of 2001. Despite some noteworthy highlights for Africa in 2010 such as the “banana deal”, progress on cotton trade and non-tariff barriers negotiations, and notable engagement of the African Group, on the whole negotiations scarcely progressed beyond informal meetings.
104. In view of the foregoing, G8 support for the Doha negotiations should also be consistent with national policies that support fast and sustained growth in Africa, rather than contradict and undermine this agenda. This implies compliance with the WTO negotiation programme and the issues such as reductions in agricultural subsidies, improved duty free and quota free (DFQF) market access, reformed and generous interpretation on the rules of origin, supporting African countries address technical barriers to trade, sanitary and phyto-sanitary standards and striking a balance between essential consumer interests and veiled protectionist measures. Amongst other issues is the delivery on the USD 5.8 billion increase in financing for aid for trade as well as providing scaled up support for infrastructure development for the expansion and modernization of productive capacities in the continent. This is all aimed at fostering synergy in the delivery of ODA commitments by G8 members on the one hand and less protectionist tendencies on the other.
105. The G8 has pledged to “*making trade work for Africa*” and along with other development partners, have funded the **Aid for Trade** (AFT) initiative. ODA for trade under the AFT has increased as global commitments including those of the G8, to Africa rose by 25% in constant prices above the 2007 figure, according to OECD statistics⁴⁹. However, this has not been able to impact much on Africa’s trade with the rest of the world. Promoting regional trade and markets as an integral and critical part of the African integration agenda requires more support from the G8.
106. Africa’s positive trend in terms of growth has been reversed by the onset of the global financial and economic crisis’, which continues to have a negative effect on the world economy, with sluggish growth and high inflation in a number of industrialized economies. **Importantly and as a complementary measure, G8 leaders should keep their commitment to make trade work for Africa and exert all necessary efforts to refrain from possible protectionist tendencies stemming from the crisis.** More recently, the 2009 L’Aquila Summit witnessed G8 commitment to “seek an ambitious and balanced conclusion” of the WTO Doha Development Round by the

⁴⁹ 2010 MRDE, Topic 1 – Trade and Diversification

end of 2010. It is Africa's hope that the round will be successfully and satisfactorily concluded to usher in a fair and balanced global trade regime.

107. **Food security:** The G8 at Heiligendamm in 2008 and later in Hokkaido in 2009, pledged to reverse the overall decline of aid and investment in the agricultural sector, and to achieve significant increases in support of developing country initiatives, including - in Africa - through full and effective implementation of CAADP. G8 countries collectively agreed to support CAADP's goal of 6% annual growth in agricultural productivity, and work toward the goal of doubling production of key food staples in African countries meeting CAADP criteria in 5 to 10 years in a sustainable manner, with particular emphasis on fostering smallholder agriculture and inclusive rural growth.
108. The set-up of the '**L'Aquila Food Security Initiative**' (AFSI) and the pledge to mobilize US\$20 billion for sustainable agricultural development, according to the Muskoka Report, has kept food security high on global agenda. Specifically, the G8 along with other OECD partners globally committed US\$20 billion which now stands at US\$22 billion⁵⁰ as a twin track-approach of short-term emergency and long-term development measures. However, the actual fulfillment of the commitments made under AFSI is essential to Africa's agricultural progress. Under CAADP, some African countries are finalizing their investment plans in response to the G8 L'Aquila pledge.
109. Noting what has been achieved, the Muskoka Report points out that the EU has already disbursed US\$3.6 billion in support of developing capacity for CAADP institutions and processes, and strengthening agricultural research and climate change adaption strategies. Some G8 countries have contributed to the CAADP Multi-Donor Trust Fund (MDTF) housed at the World Bank. The G8 has helped to promote agricultural research and development, and the training of a new generation of developing country scientists and experts focusing on the dissemination of improved, locally adapted and sustainable farming technologies, in particular via the Consultative Group on International Agricultural Research (CGIAR), and through partnerships such as the Alliance for a Green Revolution in Africa (AGRA)⁵¹. However, the current level of ODA disbursements under AFSI is far below the expected pledges. G8 delivery on AFSI commitments would go a long way in supporting Africa achieve its set targets and reverse the food insecurity situation in many countries. In total, G8 countries need to reduce the enormous gap between commitments and delivery by specifying a set of actions to achieve increased productivity to actualize individual and collective promises to help boost African agriculture and food security.

Human Development

110. **Health:** With substantial support of the G8 and other development partners, there is some good news in terms of Africa's health status. Through G8 political and financial support, the **Global Fund for AIDS, Tuberculosis and Malaria (GFATM)** was established and consequently fully funded. African countries were able to provide anti-retroviral (ARV) therapy to nearly 3 million people in 2008, an increase of 39% from 2007⁵². Africa has been able to reverse to some degree the scourge of HIV/AIDS and TB while immunisation rates have also improved substantially and

⁵⁰ 2010 G8 Muskoka Accountability Report

⁵¹ 2008 Heiligendamm G8 Summit – University of Toronto, G8 Centre

⁵² 2010 G8 Muskoka Accountability report

the fight against malaria being consolidated. The G8 is also supporting Africa's health systems and health capacities. Indeed, ODA commitments to health in Africa increased from US\$5.4 billion in 2005 to US\$9.4 billion in 2008, though the bulk of the funding is directed at infectious diseases including HIV/AIDS⁵³.

111. On a general scale, Africa welcomes G8 efforts exerted towards investing in people, including the 2010 Muskoka Initiative on Maternal, Newborn and Under-5 Child Health, which commits US\$5 billion with raising additional funds over the period of 2010-2015 to a total sum of US\$10 billion to support MDGs of child and maternal health. In July 2010, at the 15th AU Summit, Canada reported that in excess of US\$7.3 billion had been mobilized from G8, non-G8 countries and private foundations, with the expectation that the target of US\$10 billion would be achieved between 2010-2015⁵⁴. In addition, the Muskoka Initiative aligns with the work of the AU's Campaign for Accelerated Reduction of Maternal Mortality and the UN Secretary General's Joint Action Plan to improve Women's and Children's Health presented at the MDGs Summit in September 2010.

Good Governance

112. Evidently, development partners including the G8 have been very supportive of the African quest to promote peace and security on the Continent. Specifically, G8 countries are working towards meeting their commitments made in Kananaskis, Sea Island, Heiligendamm and L'Aquila to support civilian and police capabilities of the African Standby Force and train and equip peace support operations globally but with a sustained focus on Africa. The G8 has partnered the African Union in its efforts to effectively address conflict situations through peace support operations. This acknowledgement of G8 support signifies the strengthening of African capacity for effective conflict prevention and resolution while promoting post-conflict reconstruction and development. However, the G8 is not on track to meet its overall commitments in support of Africa's governance and peace and security architecture. G8 countries are encouraged to do more in support of the AU-led African Peace and Security Architecture.
113. To complement African endeavours on peace and security and good governance, G8 support is required for policy priority actions relating to the:
 - a. Predictable support for the African Peace and Security Architecture on a multi-year programme basis;
 - b. Establishment of an African Governance Facility as a comprehensive support package to the African Governance Architecture;
 - c. Strengthening the mechanisms to monitor and evaluate the Member States compliance to AU instruments on Democracy and Governance;
 - d. Focus on reconstruction and development for fragile and post-conflict African states, with emphasis on developing capacities for peace, democracy and good governance; and

⁵³ 2010 MRDE – Topic 8, Health

⁵⁴ Address by Canadian Prime Minister presented on his behalf by Hon. Peter Kent, Minister of State for Foreign Affairs to the 23rd NEPAD Orientation Summit prior to the 15th AU Assembly in Kampala, Uganda

- e. The National Programmes of Action (NPOAs) arising from reviewed countries under the auspices of APRM particularly in addressing critical overarching issues of managing diversity; land reform; election management; corruption and capacity constraints;
114. Overall, the G8 has been supportive of Africa's efforts through ODA. However, this is not commensurate with commitments made at Gleneagles and other G8 Summits. The continent commends the considerable progress recorded by the G8 in combating infectious diseases through global financing mechanisms especially the Global Fund. Scaled-up steps by the G8 to deliver on its ODA pledges will remove a major constraint for Africa's realization of its commitments and agenda on growth, conflict prevention, good governance and social development.

PART THREE

Conclusion

- 115. Partnership-wise, the continuous engagement at the highest political level between G8 and Africa should be regarded as an important achievement and landmark. African development issues have remained high and consistently on the G8 agenda over the last decade. Some individual G8 countries are on track to meet their ODA commitments with commendable progress recorded in the key cooperation areas, such as human development. Specifically, the commitment by Africa to this new transformation agenda focused on the drive to stimulate and sustain an average GDP growth rate of 7% per annum and ensuring that the continent achieves the MDGs.**
- 116. Africa has inspired change driven by the prime values of ownership and leadership. In the context of the global post-cold war, the frontiers of development are being re-defined by the enormity of new opportunities, challenges and emerging actors from the developing world, which have given rise to new orientations. It is of critical importance that African efforts must be supported by an enabling international economic environment⁵⁵ favourable for the Continent's growth and development. The G8 along with the UN and OECD partners can support the process of building this conducive global economic climate that will lead to the valorization of Africa's economic potential for the benefits of African people.**
- 117. What lessons have Africa and the G8 learned from the decade old partnership? Is there a need to change strategic outlook of the partnership? It is evident that Africa is a continent in transition with some success stories to tell. However, challenges still exist, requiring strong African actions and partnership support. Pro-market macroeconomic policies have not created enough jobs. Infrastructure, at national and regional levels, remains weak, drawing back macroeconomic gains being made in many African countries. Policy coherence for development still needs to be improved. Though Africa's transformation agenda is clearly articulated at national and continental levels, what is most required is development action to further stimulate and sustain the much desired growth and wealth creation. For growth to be broad based and shared, the long term sustainability of gains made on the economic front in Africa is necessary. In this regard, consolidated efforts to combat corruption and improve governance in all areas are necessary.**
- 118. Obviously, Africa itself needs to work harder on the reform agenda to see it through to successful completion and impact, be they political and socio-economic in nature. Efficient management of the continent's natural resources will lead to diversifying the economic base and promoting better living conditions for African peoples.**
- 119. Regional Integration** remains a critical mass and topmost priority to energize development on the Continent. Therefore, Africa needs to consider innovative domestic financing for its flagship regional programmes and projects through such existing tools and sectoral and multi-sector platforms as CAADP, PIDA, Environment Action Plan and Sub-Regional Environment Action

⁵⁵ Report of the International Conference on Financing for Development, Monterrey, Mexico, March 2002

Plans (SREAPs), CDSF, CAP for Science and Technology, AU Minimum Integration Programme (MIP) and its related Action Plans; the AU-NEPAD African Action Plan (AAP) and Africa Platform for Development Effectiveness to mention a few. The AAP is of great importance in the partnership engagement with the G8 and OECD countries as an instrument in promoting regional integration through Africa's defined priority programmes/projects.

120. Indeed, Africa will devote more attention to raising domestic resources for its own development while calling for support from development partners to fund new initiatives such as the African Integration Facility and Africa Integration Fund under the umbrella of the AU. The partnership will be enhanced by finding innovative ways to finance development in Africa both through domestic resources and initiatives like the financial transaction tax⁵⁶ through the leadership of G8 members like France and Germany. The support of development partners in Africa's domestic resource mobilization efforts, particularly in the area of tax collection and administration, is crucial to reduce aid dependency and foster increased public accountability to its national stakeholders.
121. Sustaining the national, regional, continental and global support for Africa's reform agenda is crucial. Support for the work of the African Union, its NEPAD Programme and RECs is necessary in this context. Thus, G8/Africa partnership becomes an essential ingredient of this sustainability axis, which draws on African leadership, ownership and self-reliance. The new crop of elected African leaders, at the beginning of the Century, recognized this important strategy and re-worked their intra-regional systems by coming up with the African Union to replace the OAU and NEPAD as the socio-economic blueprint to address the challenges of the 21st Century. By putting in place these new continental mechanisms, and internally, embracing good governance in all its ramifications, as the core sustainable condition for development, Africa adopted transformation in its totality. This, however, required re-energizing the partnership with the G8 and OECD, based on the lessons learned and knowledge exchanged over the past decade.
122. **Emerging opportunities and challenges - Climate change and climate variability coupled with high population growth rates and urbanization leading to high unemployment present challenges not peculiar to Africa. The continent is striving to address these emerging challenges given its vulnerability to poverty and food security.** However, Africa is exploring the opportunities presented through climate finance. The global financial crisis and recent earthquake and tsunami in Japan may prolong Africa's full recovery. The emerging economies and strength of South-South Cooperation is a major arena of strategic partnership in support of Africa's development. The G20 is a firm expression in this regard serving as the premier forum on international economic cooperation in the wake of the global crisis in 2008.
123. **In sum total, Africa is committed to engaging the G8 in a real partnership that is anchored on the principles and core values of equality, mutual respect, responsibility and accountability. Considerable progress is being made in consolidating political and socio-economic reforms which started at the beginning of the new Millennium.**

⁵⁶ Financial transaction tax will be on all transactions & their derivatives—stocks, bonds, commodities, foreign currency, including futures, swaps & options. A small levy is imposed on every sale. At a low rate of 0.05%, a global transaction tax can raise \$400 billion each year. France, Germany and some EU members plan to implement such a tax in 2011 which could raise \$20 to 30 billion annually.(Oxfam)

Challenges in the Partnership

Building a New Aid Architecture

124. In recognition of the pressing need to address the challenges of international aid architecture, the G8 agreed in 2005 to implement the commitments made in the Paris Declaration and the Accra Agenda for Action on Aid Effectiveness. Conditionality is still a serious challenge and progress on this commitment has been limited, despite the pledge to improve performance in this area at the Accra III High Level Forum on Aid Effectiveness in 2008. Improvements in transparency have been slow to materialise, and progress on donor commitments to improve accountability to developing countries by establishing mutual accountability mechanisms is weak. The G8 needs to focus on the use and strengthening of African country capabilities, through integrated support to developing and nurturing requisite capacities at national and regional levels. This will help to define and measure results and reduce transaction costs in aid delivery instead of current attention to the G8 country driven framework. It is important not to divert aid from longer term programmes towards quick 'win'; short term programmes, while Africa underlines the continued need for its partnership with the G8 and other development partners to be based on African priorities and interests.
125. Despite the G8's affirmation that it is firmly committed to implement the commitments on aid effectiveness, the political will necessary to meet the agreed targets later in 2010 has not been sufficient. To ensure that ODA is beneficial and impactful to the development paths of African countries, it is vital that the G8 honours and respects their commitments in this regard. ODA not fully addressing growth. **The G8 countries now have to ensure that forward-looking strategies for reaching the unmet Gleneagles commitment to provide US\$25 billion in aid to Africa are in place by 2011. Further the notion of aid effectiveness must also include a regional and continental dimension in terms of the institutions that G8 partners support and their specific priorities.**

Accountability Framework

Consequent upon concerns raised by the African side on the insufficient delivery of partnership commitments at the 2007 Heiligendamm G8 Summit, the Hokkaido Toyako Summit in 2008 endorsed the reactivation of the G8-Africa Follow-Up Mechanism. The mechanism proposed a consistent and effective interface between Africa and the G8. It is imperative that the findings of the accountability reports undertaken by the G8 and Africa are used to define new strategies for delivering on the commitments particularly that to increase ODA by US\$25 billion to Africa. It is important to ensure there is consistency of issues from one G8 Summit to the next over and above the focus of the host country. Monitoring of the partnership should involve both parties and address their respective commitment and delivery.

126. In 2009 in L'Aquila, the G8 pledged "to improve transparency and effectiveness by strengthening accountability with respect to G8 individual and collective commitments with regard to development and development-related goals". Positively, a preliminary report was provided in Italy while the 2010 Muskoka Accountability Report was delivered as the 'broader, comprehensive and consistent methodology for reporting with a focus on our activities in development and development-related areas and with attention to results'.

Africa welcomes this positive step as the continent leaders affirmed during the 15th AU Summit in Kampala, Uganda. Africa looks forward to the next G8 accountability report to focus on Health and Food security. To this end, a joint credible and robust monitoring and evaluation mechanism needs to be put in place as a matter of priority.

127. Mutual accountability and monitoring and evaluation of commitments for mutual learning and continuous improvements will contribute immensely to the partnership goals agreed to in 2001 in Genoa. African leaders reiterated, at the 21st NEPAD HSGOC in Sirte, Libya in July 2009, the need for G8 action towards reactivating and strengthening G8/Africa follow-up mechanisms as agreed upon at the 2007 G8/Africa Outreach in Heiligendamm, Germany. In this respect, the AU-NEPAD African Action Plan (AAP) was re-affirmed as the basis for Africa's engagement with the G8, while they called for G8 leaders to help in facilitating better access to concessional loans by African countries for the purpose of economic growth within the context of prudent macroeconomic management that the continent has been pursuing.
128. **Mutual accountability and the Africa Partnership Forum (APF):** This spirit of shared responsibility for development effectiveness is firmly embedded in the AU-NEPAD vision, creating an environment for mutual accountability that can enhance the credibility of commitments undertaken by both Africa and its partners. Over a series of engagements through the Africa Partnership Forum (APF), the G8 and OECD partners reached common understanding and agreement on the importance of the concept of mutual accountability. The APF is expected to serve as one such high level monitoring mechanism developed to operationalize implement and coordinate mutual accountability focusing on Africa.
129. In effect, the role and functioning of the APF as a unique forum combining high level political representation and a broad range of stakeholders, to catalyzing and supporting action on both the African and G8/OECD sides of the partnership in support of Africa's development remains essential to the partnership. In taking forward mutual accountability within the G8/Africa framework, the Forum's expected key role in monitoring the delivery of commitments by both sides of the partnership needs to be revived in line with the APF reform process agreed to in Rome in June 2009. Also, the role of G8/AU-NEPAD Personal Representatives will enrich this process and ensure continuity in adherence to the partnership principles.
130. Practically, it is critical that Africa and G8 as partners continue to monitor and evaluate their delivery mechanisms directed at strengthening the partnership and eliminating persistent challenges of fulfillment of commitments. This will assist to embolden the African-led and owned engagement process, thereby promoting the implementation of the continent's development priorities. Full and effective accountability by both sides will further strengthen the partnership and help translate African development objectives into concrete development results.

THE WAY FORWARD

131. **Africa's renewal is a major agenda that requires the continued active support of the international community. The strides being made by national governments, regional and continental bodies in transforming Africa to a modern and growth-induced economy will be a positive step for global prosperity. Certainly, the primary responsibility for Africa's**

development rests within it. However, an effective and inclusive partnership with the international community including the G8 needs to be translated into desired impact. Thus, it is crucial that the cooperation architecture is addressed, and G8 and Africa return to showing fundamental respect for the partnership principles expounded with such hope and promise over the past decade. Delivery on commitments is of utmost importance to the partnership. The global crisis notwithstanding, the G8 countries should urgently meet their commitments individually and collectively, relating to the quality, quantity, predictability and timely delivery of ODA to Africa.

132. Overall, the Africa-G8 engagement covers symmetry of development initiatives, contextualizing the changing balance in global political and economic cooperation. To this effect, the African Union has called for a coherent, systematized and institutionalized engagement with the G8, as a step forward towards re-framing the relationship and ensuring adequate representation and African voice in the emerging global governance structures.

Priority Actions and Key Messages

133. First and foremost, African Leaders re-affirm their dedication to a genuine partnership with the G8. The Continent seeks an active partnership based on mutual respect for accountability and collective responsibility, driven by political will and common understanding. Critically, the G8 has contributed immensely to placing key African development issues on the front burner of global political agenda in the last ten years. While a number of positive results have been achieved over the last decade, poor delivery of commitments in some cases has severely constrained the benefits and sustainability of the partnership.
134. Undoubtedly, many African countries are making steady and remarkable progress in political and socio-economic reforms, with the development landscape changing positively. This change is in terms of improvement in good governance, better conflict management systems and peace, stability and security. The result is mixed, and a lot still needs to be done to meet continental development goals. In this respect, continued G8 support is essential for Africa's renewal to take firm hold.
135. Growing gains being made under the auspices of the African Peace and Security Architecture requires the full support of the G8. Predictable multi-year programming with emphasis on reconstruction and development for post-conflict countries should be a major component of future support. Africa has identified as pivotal the assistance of the G8 and permanent members of the UN Security Council to provide logistical support for the African Standby Force and AU led missions especially in Somalia and Darfur. The accomplishments being achieved on the continent through peace-making and peace-enforcement under the African Union will be further consolidated by global support.
136. The African Peer Review Mechanism (APRM) serves as a unique, credible and strong continental platform and model promoting the strengthening of good governance in all its ramifications. African in origin, inspired and owned, the experiences from the APRM implementation process are very encouraging, making it possible for the current 30 member countries to benchmark good governance on shared African and global norms and standards. Through the APRM, African citizens are actively participating in the evaluation of how they are governed.

137. Indeed, APRM is show-casing African innovative thinking in governance, an area where the rest of the world can learn useful lessons from the Continent. More countries are strongly urged to join the APRM. Partnership support especially by G8 members, for the implementation of outcomes of peer-reviewed processes enshrined in the NPoAs will further help to strengthen the Mechanism.
138. Alongside political governance, good progress is being made in the Continent through sound and pro-market economic and corporate governance including public financial management. Notably, this has led to marked improvements in budgetary management, tax systems, reduction in costs of doing business, support services for policy coordination, contract enforcement, public sector accountability and transparency, as well as, a more conducive environment for private investment and growth.⁵⁷ Accordingly, the G8 should step up support for entrepreneurship and private sector development as well as the promotion of PPPs in line with its various pledges including the 2007 Heiligendamm commitment on Growth and Responsibility in Africa. The initiative on 'Partnership for Making Finance Work in Africa' should help scale-up provision of Aid resources to develop solid financial sector capacities in public and private sectors. Further, the Heiligendamm pledge to individually and collectively continue to support the Investment Climate Facility (ICF), the NEPAD-OECD Africa Investment Initiative and others need to be concretized.
139. Since the turn of the Millennium, Africa has been growing at a relatively fast rate by world standards until its growth path was interrupted by the global financial and economic crisis. However, the Continent is still capable of achieving a strong recovery and return to previous and higher levels of performance. This is particularly doable with partnership support to shore up Africa's positive average growth, macro-economic policy reforms and modest gains in domestic resource mobilization as a main component of development finance. G8 support in adequately utilizing evolving innovative and viable financing mechanisms such as carbon financing will be essential to African efforts.
140. Corruption continues to be retrogressive to Africa's development aspirations. The anti-corruption measures put in place in many African countries are gradually becoming effective. However, corruption remains a source of great concern to good governance efforts. On its part, the G8 needs to live by its commitment to actively work within the UN to neutralize the role of 'conflict resources' in fuelling crisis⁵⁸ and establish effective mechanisms in G8 countries to facilitate recovery of stolen assets.
141. Collectively, the G8 is significantly off-course to meet its 2005 Gleneagles commitment to substantially increase Aid to Africa. Over the course of the past decade, the gap between the promises of the G8 and Africa's other development partners on ODA remains wide. Though ODA to Africa increased from US\$29.5 billion in 2004 to an estimated US\$ 46 billion in 2010 (around US\$40 billion in 2004 prices), it is still far below the commitment of the projected sum of US\$ 64 billion (using 2010 prices). By this, Africa has received only about half of the increase implied

⁵⁷ African Governance Report II 2009, UNECA

⁵⁸ 2010 Muskoka Accountability report – Gleneagles, Heiligendamm, Kananaskis Summits pledges

based on the 2005 commitment⁵⁹, resulting in a large shortfall of estimated at about US\$18 billion in 2010 prices.

142. More appreciably, G8 partners need to consistently set out or agree on detailed plans as to how to monitor the ODA increase of US\$25 billion and sectoral commitments, made at the various Summits particularly Gleneagles. However, G8 effort to account for the delivery of its commitments on a global scale through the 2010 Muskoka Accountability Report is well acknowledged by Africa as a major step in the right direction. Bridging the gap in delivering commitments by both sides will adequately address issues of quality, quantity, predictability and timely delivery of ODA to Africa, without conditions that limit the policy and implementation space available to African countries. Indeed, this will lend the essential partnership support to Africa's reforms.
143. Accordingly, Africa is underscoring the essence of honouring the development-related commitments by many developed countries on the pledge to achieve the target of 0.7% of gross national income for ODA to developing countries by 2015 and to reach the level of at least 0.5% of GNI for ODA by 2010, as well as the target of 0.15% to 0.20% of GNI for ODA to LDCs, many of which are African.⁶⁰
144. The spirit of shared responsibility for development effectiveness is firmly embedded in the AU-NEPAD vision, creating an environment for mutual accountability that can enhance the credibility of commitments undertaken by both Africa and its partners.⁶¹ African leaders have underscored the paramount importance of mutual accountability by welcoming various accountability mechanisms being put in place within the continent's partnership equation.
145. The regular monitoring and evaluation of the Africa-G8 partnership is paramount for sustainability. Follow-up mechanisms embracing policy makers from the continent and development partners will serve the cooperation better. Both sides of the partnership should, therefore, work towards strengthening the Africa Partnership Forum (APF) as a catalyzing vehicle and high-level follow up mechanism to promote mutual accountability. The dialogue amongst the African Personal Representatives (APRs) in the G8/AU-NEPAD context should be encouraged and intensified. The APF reform process should continue to receive the full support of the African and G8/OECD policy makers working on development cooperation. This will contribute to the effective monitoring of the delivery of commitments within partnership. Africa, therefore, urges stronger commitment by development partners to making the APF more effective and responsive to African concerns and interests at the global level.⁶²
146. The firm commitment by both sides to accelerate Aid effectiveness by implementing the Paris Declaration and Accra Agenda for Action (AAA) requires special attention. Focusing on developing capacities through use and strengthening of country systems for development effectiveness is critical as highlighted in the AAA. Many G8 and OECD member countries are still lagging behind in fully adhering to the AE principles of ownership and accountability; alignment and harmonization; as well as results-based management. In essence, concrete efforts should be

⁵⁹ 2011 MRDE Interim report

⁶⁰ ⁶⁰ 64th UN General Assembly session, Resolution 64/258 on NEPAD: Progress in implementation & international support, p 5, para

⁶¹ 4th APF Mutual Accountability paper

⁶² Conclusions of the 21st NEPAD HSGOC, Sirte, Libya, July 2009

made by the G8 and other development partners to untie Aid, disburse Aid in a timely and predictable fashion, increase harmonization and donor-coordination, including use of programme-based approaches.⁶³ Accordingly, partners are urged to embrace greater transparency in reporting Aid commitments and further aligning their support efforts to national and continental sector-defined policy frameworks.

147. Importantly, the AU and NEPAD recently established the Africa Platform for Development Effectiveness (APDev) as an organizing mechanism and multi-stakeholder forum focusing on Aid Effectiveness, South-South partnerships with Capacity Development as the core driver to achieve better development results. The APDev is premised on the AU-NEPAD strategy on Capacity Development - the CDSF, focusing on the strengthening of country systems to effectively utilise Aid as one of the sources of finance for Development Effectiveness. Primarily, the Platform meets the NEPAD objective to systematically engage OECD/DAC in the reform of the Aid architecture from an African perspective.
148. The external debt burden is still a cause of concern for a number of African countries. It is recognized that the G8 has registered some positive measures regarding debt relief for Africa by honouring most of its commitments entered into under the G8 Kananaskis Africa Action Plan and at Gleneagles. However, extra efforts should be directed to assisting African LDCs. Africa is reiterating the call for a comprehensive and sustainable solution to the external debt crisis, through cancellation or restructuring as appropriate or on a case-by-case basis, for heavily indebted African countries with unsustainable debt burdens, not part of HIPCs.⁶⁴
149. Africa remains vulnerable to external shocks, with the global recession and climate change raising new and long-term challenges. The international development community including the G8 should continue to support African countries in promoting and maintaining macroeconomic stability to help attract investments and promote policies conducive to domestic and foreign investments. Additional private financial flows will assist African private sector towards facilitating the required technology transfer on favourable terms.⁶⁵ Though the African economy showed remarkable resilience in the face of the global financial and economic crisis, the continent's dependency on the export of natural resources and primary commodities is a grave challenge that should be addressed. This over-reliance on a few commodities and limited sectors underscores the need for much greater economic diversification in Africa. Constructive collaboration between the public and private sectors through PPPs and development partners' assistance will further promote the diversification of African economies⁶⁶.
150. Good progress made by Africa in its transformation agenda particularly in designing and implementing priority-sector programmes and projects needs to be scaled up with infrastructure given adequate attention by African countries and development partners. Developing national and cross-border infrastructure to boost growth and trade and market integration requires global support including that of the G8. The Programme for Infrastructure Development in Africa (PIDA)

⁶³ 2010 Muskoka Accountability Report – Annex Two on Aid and Aid Effectiveness

⁶⁴ 64th UN General Assembly session – Resolution 64/258 on NEPAD: Progress in implementation and international support

⁶⁵ *ibid*

⁶⁶ 2010 OECD/OSAA/NEPAD study identifies 6 major "drivers" of diversification: business-friendly environment; greater capital access; local processing of natural resources; regional markets & integration; developing human & institutional capacities; broader international cooperation

provides the continent-wide integrated framework to advance regional infrastructure along with the AU-NEPAD African Action Plan: 2010-2015 and the Infrastructure Consortium (ICA). These are vehicles aimed at promoting the AU commitment to regional integration through the RECs as pillars and building blocks.

151. To help catalyze action in Africa's infrastructure sector, the Presidential Infrastructure Champion Initiative adopted in January 2011 by the 16th AU Summit is a key landmark. The Initiative focuses on the political championing and sponsoring of specific regional infrastructure projects with potential impact on economic integration. This testifies to African leaders' commitment and political will to continue to drive the growth of the infrastructure sector. Likewise, the recently approved Institutional Architecture for Infrastructure Development in Africa (IAIDA) by the AU will go a long way in delineating roles and responsibilities to facilitate the implementation of multi-country infrastructure projects.
152. Continued partnership support especially by the G8 is critical to ensure that Africa attains the MDGs. The continent welcomes G8 action to actualize the commitment to fully mobilize support for the Global Fund to Fight AIDS, TB and Malaria, and the Global Alliance for Vaccines and Immunisation in accordance with the 2006 St. Petersburg Summit outcome. Extra efforts need to be exerted by G8 and other development partners in the committed areas of fighting infectious diseases, including HIV/AIDS and support for Africa's health financing and strengthening of health systems.
153. Agriculture and food security is a fast changing sector in Africa. The commitment by African leaders to raise their budget expenditure for agriculture to 10% per year and target 6% annual growth rate for the sector is steadily being realized, with at least 10 countries meeting or exceeding the target in 2009 and a further 9 countries are close to the Maputo benchmark.⁶⁷ These are modest gains and Africa needs to accelerate its efforts in attaining these targets. Likewise, the positive trend of increased ODA to agriculture should be stepped up. Indeed, CAADP has pioneered a new way of conducting business in policy-making and agriculture programme implementation wherein African national governments, civil society, development partners and all stakeholders work together, under African leadership, to grow Africa's agricultural sector.
154. African Governments need to renew their Maputo commitment by actual increase of domestic resources targeting agriculture. This implies the strengthened monitoring of agriculture sector budgets and enhancing the climate for private investment in agriculture. On its part, the G8 can substantially enhance its support for agriculture and food security in the spirit of L'Aquila by increasing the levels of development assistance targeting African agriculture through: rebalancing the flow of resources towards long term sustainable agricultural production and harmonize and enhancing the efficiency of assistance committed to African agriculture.
155. Development partners, the G8 inclusive, should go beyond a focus on primary education to providing greater investment in tertiary education in support of Africa's efforts to build the skills and develop capacities necessary for transformation. It is important that partnership support

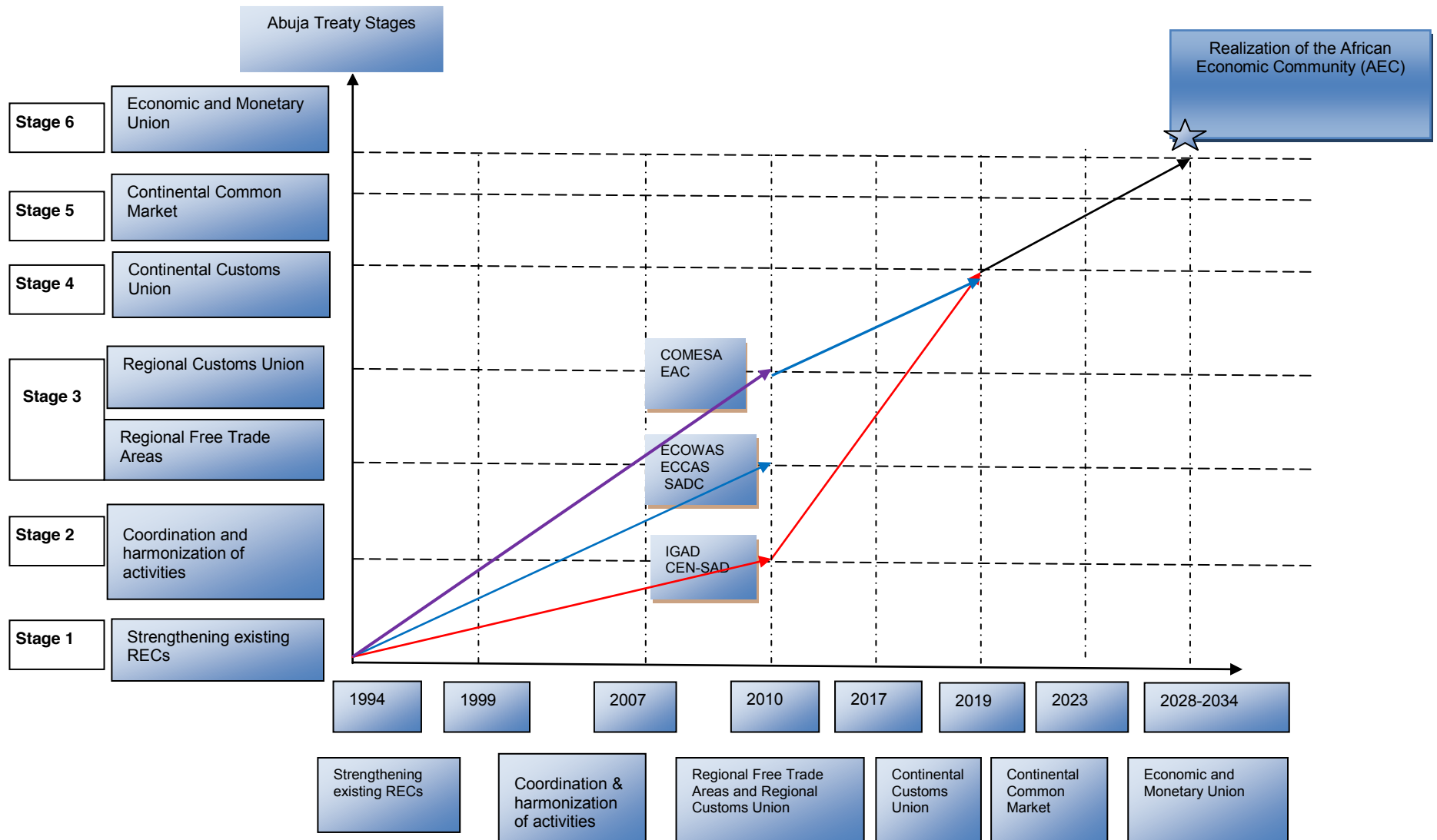
⁶⁷ Communiqué of the 6th CAADP Partnership Platform meeting, April 2010

should shift from mere training to enhancing and effectively utilizing African capacities by developing systems, processes and institutions to drive the Continent's agenda. In this regard, G8 support to the AU Pan African University (PAU) should be a means of helping the Continent revitalize African Higher Education.

156. There is little progress on fulfilling the commitments of advanced developed economies in the context of the Doha Development Round relating to a new and equitable multilateral trade regime. Development partners should therefore inject political will and momentum in order to agree on a specific timetable for reaching an early, ambitious and balanced conclusion to the WTO Doha Development Round. In this context, they should continue to resist protectionist measures, and take action to dismantle restrictive trade measures.
157. Africa reiterates the need for a systemized and institutionalized partnership engagement with the G8. Indeed, a paradigm shift that gives adequate recognition to its potential for growth. It can serve as a contributor to the global economic recovery, through effective representation and participation in the global development processes including the G20. In this vein, African leaders have welcomed the G20 Seoul Development Consensus on Shared growth and the priority attention to Infrastructure through the G20 High-level Panel and the G20 multi-year action plan as key pillars for achieving inclusive, sustainable and resilient growth⁶⁸.
158. Given that the current global financial and economic crisis presents both challenges and opportunities for Africa's lasting growth and transformation, the continent needs to embrace a new strategic approach premised on sustained partnership dialogue and actions for development effectiveness. Thus, it is important that the desired paradigm shift from poverty management to economic transformation is amplified to enable Africa to emerge as a new growth pole to address existing global imbalances and play a significant role in the integrated world economy.
159. At this critical juncture in Africa's transformation course, the future of the continent is bright despite some political and socio-economic drawbacks. More than ever before, Africans are exuding new forms of optimism about the prospects for growth and development. It is in this context that Africa re-states its commitment to strengthening its partnership with the G8. A strong and prosperous Africa will be key player to promoting global security, balanced, inclusive growth and sustainable development.

⁶⁸ Decision of the 16th AU Summit on NEPAD, January 2011, Addis Ababa, Ethiopia

Annex 1: Status of Integration in Africa - Implementation of the Abuja Treaty on African Economic Community



Source: African Union Commission, 2010

Annex 2: African Progress towards attaining the Millennium Development Goals (MDGs)

MDG - Goals	Targets and Indicators	Progress
Goal 1: Eradicate extreme poverty and hunger	Target 1A: Halve between 1990 and 2015 the proportion of people whose income is less than USD 1 a day:	<ul style="list-style-type: none"> - African poverty is declining due in large measure to improvements in governance, the cessation of conflicts and positive growth - Without significant effort and resources, Africa is unlikely to meet the goal.
	Target 1B: Achieve full and productive employment and decent work for all, including women and young people:	<ul style="list-style-type: none"> - There have been positive trends in the labour productivity growth rate, with some countries increasing their productivity levels by as much as 38% - Employment-to-population ratio stagnated between 1991 and 2007.
	Target 1C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger:	<ul style="list-style-type: none"> - A number of countries have also reduced the prevalence of underweight children over the period 1990–1999 to 2000–2009. - The proportion of undernourished population has been falling steadily in all sub-regions except Central Africa. West Africa is on track to meet the target of halving the proportion of its undernourished population.
Goal 2: Achieve universal primary education	Target 2A: Ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary schooling:	<ul style="list-style-type: none"> - African countries continue to perform well on most of the education targets. - Disaggregation of data by sex reveals a gap between men and women in literacy rates in as high as 22 percentage points higher for men than for women.
Goal 3: Promote gender equality and empower women	Target 3A: Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels of education no later than 2015:	<ul style="list-style-type: none"> - Gender parity in primary education is likely to be achieved by most countries, unfortunately, parity decreases in secondary education, and the gap is widest in tertiary education; - From the baseline year of 1990, there has been a continuing upward trend in the proportion of women in African national parliaments
Goal 4: Reduce child mortality	Target 4A: Reduce by two-thirds between 1990 and 2015 the under-five mortality rate (U5MR):	<ul style="list-style-type: none"> - The U5MR declined by 21 percent from 168 deaths per 1,000 live births in 1990 to 132 deaths per 1,000 live births in 2008. The rate of progress is insufficient to attain this target. - Infant Mortality Rates (IMR), shows a declining trend in most African countries between 1990 and 2008;
Goal 5: Improve maternal health	Target 5A: Reduce by three-quarters, between 1990 and 2015, the Maternal Mortality Ratio (MMR):	<ul style="list-style-type: none"> - Africa has registered an overall decline for this target between 1980 and 2008. The slow rate of progress is not sufficient to achieve the overall goal by the target date.
	Target 5B: Achieve universal access to reproductive health by 2015::	<ul style="list-style-type: none"> - Most African countries are unlikely to achieve the target as only ten countries have reached a contraceptive prevalence rate above 50 percent - Antenatal care coverage across Africa has seen steady improvements. Of the total 53 African countries, 18 countries reported a rate of 90 percent and above.
Goal 6: Combat HIV, AIDS, malaria, and other major diseases	Target 6A: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS:	<ul style="list-style-type: none"> - Decrease in HIV prevalence and mortality rates since 2007 persists and the HIV/AIDS-related mortality rate has not increased, but appears to have stabilized; - Cumulatively, the number of adults and children newly infected with HIV decreased by 17.4 percent between 2001 and 2008.
	Target 6B: Achieve by 2010 universal access to treatment for HIV/AIDS for all those who need it:	<ul style="list-style-type: none"> - As of December 2008, 3 million Africans (adults and children) were estimated to be receiving antiretroviral therapy (ART) representing 44 percent of the estimated total in need of such services. Compared to five years earlier, the estimated regional

		<p>coverage was just 2 percent.</p> <ul style="list-style-type: none"> - Nevertheless, 1.4 million people died of AIDS in the past year alone.
	<p>Target 6C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases:</p>	<ul style="list-style-type: none"> - Malaria remains a major cause of childhood deaths in Africa, with children under five accounting for about 85 percent of all malaria deaths in the continent. - Tuberculosis (TB) remains a significant health risk and major cause of death in Africa and target are unlikely to be met by 2015.
<p>Goal 7: Ensure environmental Sustainability</p>	<p>Target 7A: Integrate the principles off sustainable development into country policies and programs and reverse the loss of environmental resources.</p>	<ul style="list-style-type: none"> - Many countries have yet to fully include environmental sustainability in their national development plans and are failing to honor commitments made at the World Summit on Sustainable Development (WSSD), including the Environment Initiative of the NEPAD;
	<p>Target 7b: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss:</p>	<ul style="list-style-type: none"> - Between 2000 and 2005, Africa was losing its forests at an annual rate of 4.1 percent, although this was a slight improvement on the 4.4 percentage loss reported for the period 1990–2000. - Carbon dioxide emissions decreased in most African countries between 1990 and 2006, although in some countries emissions increased by more than 0.50 metric tones;
	<p>Target 7C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation:</p>	<ul style="list-style-type: none"> - Physical water scarcity - characterized by severe environmental degradation, declining groundwater, and water allocations – is on the increase.
	<p>Target 7D: By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers:</p>	<ul style="list-style-type: none"> - The urban–rural divide in access to an improved water source continues to pose a policy challenge. Nonetheless, the proportion of rural households with improved access to drinking water sources increased from 54 to 65 percent during the period 1990–2006; - In Africa, excluding North Africa, the proportion of the population deprived of shelter decreased from 71 to 62 percent between 1990 and 2005. In North Africa, the proportion more than halved from 36 to 15 percent; and
<p>Goal 8: Develop a global partnership for development</p>	<p>Target 8A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system:</p>	<ul style="list-style-type: none"> - Net Official Development Assistance (ODA) to Africa rose in 2008 in spite of the global financial and economic crisis. However, this was far below the commitment of 0.7 percent of GNI by OECD countries; - The WTO negotiations, which stalled in 2005, have remained so in 2010.
	<p>Target 8b: Address the special needs of the least developed countries</p>	<ul style="list-style-type: none"> - While ODA to Africa has been increasing since 2004, the continent's development partners have not met in full their aid commitments. Further, OECD/DAC ODA to the Least Developed Countries (LDCs), most of which are in Africa, continues to fall short of the 0.15–0.20 percent target commitment set in the Brussels Program of Action (BPoA); - Average tariffs imposed by developed countries on imports from Africa excluding North Africa, have fallen since 2000.
	<p>Target 8C: Address the special needs of Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS)</p>	<ul style="list-style-type: none"> - ODA received in African LLDCs as a percentage of their GNI decreased by 4.5 percent between 2007 and 2008. However, a close look at the net ODA received shows that it actually increased in 80 percent of the LLDCs and was mostly directed at health, education, and water; - For most of the HIPCs, ODA received as a percentage of their GNI increased from 2005 after the introduction of the Multilateral Debt Relief Initiative (MDRI).
	<p>Target 8D: Deal comprehensively with the</p>	<ul style="list-style-type: none"> - Africa's creditors continue to provide debt relief under the HIPC initiative and the

	<p>debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</p>	<p>Multilateral Debt Relief Initiative (MDRI).</p> <ul style="list-style-type: none"> - Debt service as a percentage of exports of goods and services for the rest of Africa, except North Africa, declined steadily from close to 29.3 percent in 1995 to 12.8 percent in 2008.
	<p>Target 8E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries:</p>	<ul style="list-style-type: none"> - The memory of serious shortages of essential medicines in Africa in the 1990s has receded. - Evidence from many African countries suggests that there are significant supply gaps in both the public and non-governmental healthcare provision sectors.
	<p>Target 8F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications:</p>	<ul style="list-style-type: none"> - The number of fixed telephone lines per 100 population in Africa stagnated between 2006 and 2007. - Mobile telephony continues to grow very rapidly on the continent. Cellular subscribers increased between 2006 and 2008 in all African countries.

Source: Assessing Progress in Africa toward the Millennium Development Goals: MDG Report 2010

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