

Our Common Interest
The Report of the Commission for Africa

Recommendations

- A. Governance and Capacity-Building
- **B. Peace and Security**
- C. Leaving No-One Out: Investing in People
- **D. Growth and Poverty Reduction**
- E. Trade
- F. Resources
- G. How to Make All This Happen

Recommendations

Africa has begun to make progress in the long battle against poverty. But to sustain that will require a stronger partnership between African nations and those of the rich world. That means action, and change, on both sides.

Africa must take the lead in this partnership, take on responsibility for its problems and take ownership of the solutions – which are far more likely to work if they spring from African insights and judgments than if they are imposed from outside. The international community, for its part, must cease to do those things by which it harms or disadvantages the world's poorest people. It must do what it can to support the reforms which are underway in Africa; these must accelerate significantly if the continent is to prosper and poor people are to share in that prosperity. It must support Africa's regional initiatives, including the African Union and its NEPAD programme, to work together to generate and promote these reforms.

Some of our recommendations – on infrastructure, on health, on education – require significant transfers of money from the developed world to Africa. Others –underpinned by new approaches to African cultures – require changes to behaviour, ways of working and priorities. Others call on the international community to stop doing things which damage Africa. All these should be seen as an integrated package. Partners must work together to implement this package with commitment, perseverance and speed, each focusing on how they can make the most effective contribution.

A: Recommendations on Governance and Capacity-Building

Weak governance has blighted the development of many parts of Africa to date. Weak governance can include bad government policies and an economic and political climate which discourages people from investing. It can also include corruption and bureaucratic systems that are not open to scrutiny and therefore are not answerable to the public. And it includes a lack of accountability and weakness in mechanisms to ensure that people's voices are heard and their rights upheld, such as parliaments, the media and the justice system. At the core of the governance problem in many parts of Africa is the sheer lack of capacity of national and local government ministries, and the problems of recruiting and keeping skilled staff, equipped and motivated to do their job. The continent's regional and pan-African organisations, including the African Union and its NEPAD programme, which are so important to Africa's future, also need strengthening.

Investing in capacity-building

- Developed countries should give strong support both political and financial to Africa's efforts to strengthen pan-African and regional bodies and programmes, including the African Peer Review Mechanism.
- African governments should draw up comprehensive capacity-building strategies. Donors should invest in these, making sure that their efforts are fully aligned with these strategies rather than with their own competing priorities and procedures.
- Skilled professionals are key to building improvements in the administration and technical ability which Africa so gravely lacks. The international community should commit in 2005 to provide US\$500 million a year, over 10 years, to revitalise Africa's institutions of higher education and up to US\$3 billion over 10 years to develop centers of excellence in science and technology, including African institutes of technology.

Increasing accountability and transparency

- Parliaments in both developed and other developing countries should establish partnerships to strengthen parliaments in Africa, including the pan-African parliament.
- Independent media institutions, public service broadcasters, civil society and the private sector, with support from governments, should form a consortium of partners, in Africa and outside, to provide funds and expertise to create an African media development facility.
- Developed country governments, company shareholders and consumers should put pressure on companies to be more transparent in their activities in developing countries and to adhere to international codes and standards for behaviour.

- The international community should give strong political and financial support to schemes such as the Extractive Industries Transparency Initiative (EITI) to increase the transparency of payments made to, and received by, governments and should encourage its acceptance by all resource-rich African countries. It should support the development of criteria and a means of validating EITI implementation; and support and fund capacity building among public servants as well as civil society, by contributing to the EITI Multi-donor Trust Fund.
- Principles of transparency such as those in EITI should be extended to other natural resource sectors, including forestry and fisheries.
- Timber importing countries should ensure they do not trade in illegally acquired forest products and should procure only legally sourced timber and products.

Corruption

Corruption is a systemic challenge facing many African leaders. They must demonstrate renewed political will to fight it at all levels in the economy and society. Many African nations have begun this task. Increased transparency by African governments will assist this. But fighting corruption involves tackling those who offer bribes as well as those who take them.

- Developed countries should encourage their Export Credit Agencies (ECAs) to be more transparent, and to require higher standards of transparency in their support for projects in developing countries. Developed countries should also fully implement the Action Statement on Bribery and Officially Supported Export Credits agreed by members of the industrialised nations group, the OECD.
- Countries and territories with significant financial centres should take, as a matter of urgency, all necessary legal and administrative measures to repatriate illicitly acquired state funds and assets. We call on G8 countries to make specific commitments in 2005 and to report back on progress, including sums repatriated, in 2006.
- All states should ratify and implement the UN Convention against Corruption during 2005 and should encourage more transparent procurement policies in both Africa and the developed world, particularly in the areas of construction and engineering.

Strengthen information systems

• Good information is essential to informed policy making and effective delivery. Donors should provide the additional amount required to help Africa improve systems to collect and analyse statistics, to meet criteria normally regarded as an acceptable minimum (estimated at about an additional US\$60million per year).

B: Recommendations on Peace and Security

The right to life and security is the most basic of human rights. Without increased investment in conflict prevention, Africa will not make the rapid acceleration in development that its people seek. Responsibility for resolving conflict in Africa should lie primarily with Africans, but there is much more the developed world can do to strengthen conflict prevention. Investing in development is itself an investment in peace and security.

Tackling the causes of conflict, and building the capacity to manage them

- To make aid more effective at reducing conflict, all donors, the international financial institutions, and the United Nations should be required to use assessments of how to reduce the risk of violent conflict and improve human security in formulating their country and regional assistance strategies.
- As a matter of priority and no later than 2006, the international community should open negotiations on an international Arms Trade Treaty (ATT).
- The international community must also adopt more effective and legally-binding agreements on territorial and extra-territorial arms brokering, and common standards on monitoring and enforcement. These agreements could be integrated into a comprehensive ATT.
- To speed up action to control the trade in natural resources that fund wars, the international community should:
- agree a common definition of 'conflict resources', for global endorsement through the United Nations;
- create a permanent Expert Panel within the UN to monitor the links between natural resource extraction and violent conflict and the implementation of sanctions. The panel should be empowered to recommend enforcement measures to the UN Security Council.
- OECD countries should promote the development and full implementation of clear and comprehensive guidelines for companies operating in areas at risk of violent conflict, for incorporation into the OECD Guidelines on Multinational Enterprises.

Building regional and global capacity to prevent and resolve conflict

The international community must honour existing commitments to strengthen African peacekeeping capacity, including support for training and logistics. But it must move beyond this to increase investment in more effective prevention and non-military means to resolve conflict.

- To enable the AU to act quickly and effectively to prevent and resolve violent conflict, donors should agree to fund at least 50 per cent of the AU's Peace Fund from 2005 onwards. As far as possible, and in return for the implementation of effective financial accountability by the AU, these contributions ought to be unearmarked and provided jointly on an annual basis. Where funds are provided directly to RECs, these should also be co-ordinated and, where possible, unearmarked.
- In 2005, the UN and regional organisations must take steps to clarify their respective roles and responsibilities, and the criteria for taking action to prevent and resolve conflict. They must also establish effective co-ordination mechanisms.
- In 2005, the UN Security Council should establish the UN Peacebuilding Commission, as proposed by the United Nations High Level Panel on Threats, Challenges and Change. It should have the powers and resources required to fulfil its mandate to prevent violent conflict, and co-ordinate post-conflict reconstruction.

Post-conflict peacebuilding

As well as supporting the UN Peacebuilding Commission to improve the coordination of post-conflict peacebuilding, we recommend further measures:

• Donors should fund the rapid clearance of arrears for post-conflict countries in Africa to enable early access to concessional financing from international financial institutions. In line with this report's recommendations on aid quality, they should also allocate long-term and predictable grant financing sufficient to meet the reconstruction needs of post-conflict countries.

C: Recommendations on Leaving No-One Out: Investing in People

There is no substitute for the large increase in resources that are required to reverse years of chronic under-investment in education, health and social protection. Effective use of these large new resource flows will require comprehensive plans for delivery and for monitoring results. To this end, African governments must continue to strengthen governance and ensure the participation of ordinary people and local communities in decisions on development. For its part, the international community must deliver what it has promised. Both African governments and international donors must ensure that opportunities are available to all.

Education

- Donors and African governments should meet their commitments to achieve Education for All, ensuring that every child in Africa goes to school. Donors should provide an additional US\$ 7-8 billion per year as African governments develop comprehensive national plans to deliver quality education.
- In their national plans African governments must identify measures to get girls as well as boys into school with proper allocation of resources. Donors should meet these additional costs.
- African governments should undertake to remove school fees for basic education, and donors should fund this until countries can afford these costs themselves.
- To ensure that high quality education is delivered, African governments must invest in teacher training, retention of staff and professional development. Teacher/child ratios should be brought to under 1:40 in basic education. Donors should commit to predictable long-term funding to enable this.
- Education should provide relevant skills for contemporary Africa. Donors should fund regional networks to support African governments in the development of more appropriate curricula at all levels.

Health

- African governments should invest in rebuilding systems to deliver public health services. Donors should provide US\$7 billion over five years for this, behind the Health Strategy and Initial Programme of Action of the African Union's NEPAD Programme.
- Donors and African governments should urgently invest in training and retention to ensure there are an additional one million health workers by 2015.

- African governments should meet their commitment to allocate 15 per cent of annual budgets to health and put in place strategies for the effective delivery of health services. Donors should increase their funding to support these strategies, making up the shortfall, from an additional US\$10 billion annually immediately and rising to US\$20 billion annually by 2015. The assistance should go predominantly through national budgets.
- Where African governments remove fees for basic healthcare as part of reform, donors should make a long-term commitment to fill the financing gap until countries can take on these costs.
- Donors should fully fund the Global Fund to Fight AIDS, Tuberculosis and Malaria.
- Donors should commit to full funding of the Global Alliance for Vaccines and Immunisation (GAVI) through the International Financing Facility for Immunisation. They should also meet their commitments to the Polio Eradication Initiative to eradicate polio in 2005.
- The World Health Organization's 'Two diseases, one patient' strategy should be supported to provide integrated TB and HIV care.
- African governments and donors should work together to ensure that every pregnant mother and every child has a long lasting insecticide treated net and is provided with effective malaria drugs.
- Donors should ensure that there is adequate funding for the treatment and prevention of parasitic diseases and micronutrient deficiency. Governments and global health partnerships should ensure that this is integrated into public health campaigns by 2006.
- African governments must show strong leadership in promoting women's and men's right to sexual and reproductive health. Donors should do all they can to enable universal access to sexual and reproductive health services.
- Donors should develop incentives for research and development in health that meet Africa's needs. They must set up advance purchase agreements for medicines. They should increase direct funding of research led by Africa, coordinated by the Regional Economic Communities and in collaboration with the global health partnerships.

Water and sanitation

• Starting in 2005, donors must reverse the decline in aid for water supply and sanitation, to enable African governments to achieve the Africa Water Vision commitment to reduce by 75 per cent the proportion of people without access to safe water and sanitation by 2015. The G8 should report back by 2007 on implementation of the G8 Water Action Plan agreed in 2003.

HIV and AIDS

- The international community must reach a global agreement in 2005 to harmonise the current disparate response to HIV and AIDS. This must be in support of bold and comprehensive strategies by African governments that take account of power relationships between men, women and young people.
- As agreed in the UNGASS Declaration of Commitment on HIV and AIDS, African governments and the international community should work together urgently to deliver the right of people to prevention, treatment and care. Donors should meet the immediate needs and increase their contribution to at least US\$10 billion annually within five years.

Protecting the most vulnerable

- African governments should develop social protection strategies for orphans and vulnerable children, supporting their extended families and communities. Donors should commit to long-term, predictable funding of these strategies with US\$2 billion a year immediately, rising to US\$5 to 6 billion a year by 2015.
- Donors should support the African Union's NEPAD Programme to develop a rights and inclusion framework and support countries to develop social protection strategies by 2007.
- Donors and African governments should endorse and implement the UN Framework for the Protection, Care and Support of the Orphans and Vulnerable Children
- Donors and African governments should provide direct budgetary support to pan-African organisations to support their work in protecting women and children's rights.

D: Recommendations on Growth and Poverty Reduction

Poverty in Africa will continue to rise unless there is greater economic growth – and of a kind in which poor people can participate. And none should be excluded. Policy makers must always consider the impact of policies on poor people. The package of proposals set out in this and other chapters should enable sub-Saharan African countries to achieve and sustain growth rates of seven per cent by 2010. And they will also boost the participation of poor people in the opportunities created by growth. In so doing they will work to reduce income inequality, which can undermine the impact of growth on poverty. Our proposals here are divided in two. The first set relates primarily to promoting growth. Faster growth and greater poverty reduction require major investment in infrastructure, agriculture, urban development, the creation of a climate which fosters investment, and policies which take careful account of the environment and climate change. Growth will be driven by the private sector, but government creates the conditions for this – the challenge is to build a strong partnership. The second set of proposals relates to promoting poor people's participation in that growth. In this, particular emphasis should be placed on much stronger opportunities and rights for women, who are often key to small enterprise growth. Young people need job opportunities. The business community can also play a part in these areas.

Promoting Growth

Africa needs an additional US\$20 billion a year investment in infrastructure. To support this, developed countries should provide an extra US\$10 billion a year up to 2010 and, subject to review, a further increase to US\$20 billion a year in the following five years. This should support African regional, national, urban and rural infrastructure priorities – ranging from rural roads and slum upgrading to information and communication technology and the infrastructure needed to support greater integration of Africa's regions and to enable Africa to break into world markets.

African governments must unleash the strong entrepreneurial spirit of Africa's people. To promote this, donor governments and the private sector should coordinate their efforts behind the proposed Investment Climate Facility of the African Union's NEPAD programme. This requires US\$550 million from donors and the private sector over seven years to identify and overcome the obstacles to doing business. In addition, developed countries should support a fund of the Multilateral Investment Guarantee Agency, the world's public agency for risk-bearing, to insure foreign and domestic investors in post-conflict countries in Africa. Support should also be extended to domestic investors across sub-Saharan Africa.

As part of a wider set of measures to promote agricultural and rural development, Africa must double the area of arable land under irrigation by 2015. Donors should support this, initially focusing on funding a 50 per cent increase by 2010, with an emphasis on smallscale irrigation. Other measures include improving the investment climate; rural infrastructure; research and the spread of new agricultural techniques; security of tenure and land rights, particularly for women; and investment in small towns to encourage the growth of local and regional markets.

Poor people's participation in growth

Developed countries should set up a US\$100 million Africa Enterprise Challenge Fund to support private sector initiatives that contribute to small enterprise development by giving them better access to markets. The Fund will encourage new partnerships in the financial and non-financial sectors and contribute to the African Union's objectives of promoting job creation for young people and women's entrepreneurship.

African governments must take the lead in promoting employment for young people, both women and men, in their policies for growth. Donors should assist African governments in formulating and implementing national action plans on employment through the Youth Employment Network, as endorsed by the African Union.

Promoting the role of business

The Commission calls for a sea change in the way the business community, both domestic and international, engages in the development process in Africa. Businesses must sign up to leading codes of good social and environmental conduct, including on corruption and transparency, and focus their efforts on coordinated action to tackle poverty – working in partnership with each other, with donors, with national governments, and with civil society, including trades unions. In support of this, developed countries should support the UNDP Growing Sustainable Business initiative in the region. For their part, donors and African governments must develop more effective partnerships with the private sector.

The environment and climate change

In support of the Environment Initiative of the African Union's NEPAD programme, donors should strengthen environmental considerations in all their programmes. Donor governments and international institutions, including the World Bank, the UN Environment Programme (UNEP) and the UN Development Programme (UNDP), should encourage the inclusion of environmental sustainability in African government's poverty reduction strategies. These should include indicators for monitoring environmental performance.

Developed countries should set targets for greater use of new cleaner energy technologies to stimulate the global market and encourage their use in developing countries. Donors should work to improve the climate observation network through the Global Climate Observation System, bilateral support, and a co-ordinated capacity building programme between donor and African research institutions. From 2008, donors should make climate variability and climate change risk factors an integral part of their project planning and assessment. They should meet their commitments on funding to help African countries adapt to the risks and impacts of climate change.

E: Recommendations on Trade

Increased trade is vital to increased growth. Africa's share of world trade has slumped to just two per cent from six per cent twenty years ago, and Africa has fallen behind its competitors. Africa faces a huge challenge if it is to reverse this and catch up. African governments must drive this process and be allowed to develop their own trade policies.

Action in three key areas by African countries and the international community, working together, could make this happen by: supporting African-owned strategies for building the capacity to trade; dismantling the rich world's trade barriers through the Doha Round of world trade negotiations; and providing transitional support to help Africa adjust to new trading regimes.

Improving Africa's capacity to trade

- And Africa must increase its capacity to trade. It should remove its own internal trade barriers between one African country and another. Measures to facilitate trade will be key, including reform of customs and other regulations. And it must increase efforts to achieve greater economic efficiency through integration and increased co-operation within African regions. Some of these steps will be relatively easy and low cost.
- Africa should do more to improve the economic environment for farmers and firms, backed up by major investments of aid from international donors to ensure Africa can produce and trade competitively. Funding for infrastructure should, in part, be spent on improving African transport and communications to bring down costs.

Improving Africa's access to the markets of the rich world

- Developed countries should ensure the Doha Round of world trade talks makes development its absolute priority at the December 2005 meetings of the WTO in Hong Kong. The Doha talks should conclude no later than the end of 2006 in order to make an early difference to Africa and other developing countries.
- Rich countries must agree to eliminate immediately trade-distorting support to cotton and sugar, and commit by 2010 to end all export subsidies and all trade-distorting support in agriculture when they meet in Hong Kong. At the conclusion of the Doha talks they should agree to reduce progressively all tariffs to zero by 2015, and reduce non-tariff barriers. By doing this they will cut massive wasteful spending, and provide huge benefits to their own public, and to Africa and other developing countries.
- Higher-income developing countries should also do more to reduce their tariffs and other barriers to trade with Africa.

- In making development a priority in trade talks, including in the new trade agreements Europe is currently negotiating with Africa, liberalisation must not be forced on Africa through trade or aid conditions and must be done in a way that reduces reciprocal demands to a minimum. Individual African countries should be allowed to sequence their own trade reforms, at their own pace, in line with their own poverty reduction and development plans. Additional financial assistance should be provided to support developing countries in building the capacity they need to trade and adjust to more open markets.
- Special and Differential Treatment must be made to work better for Africa and other developing countries, by making resort to legal disputes conditional on assessing development concerns. A review of Article XXIV of the General Agreement on Tariffs and Trade in order to reduce requirements for reciprocity and increase focus on development priorities may be useful.
- Although Africa wants to meet developed country product standards, it is struggling to meet the costs of doing so. Rich countries should apply a development test, including an impact assessment, when designing these standards, to minimise the barriers they may create, and urgently provide help to meet them.

Helping Africa adjust to new trade regimes

It will take time to build Africa's capacity to trade, and to deliver reform in the Doha Round. During this period, Africa will need transitional support if it is to make progress.

- Developed countries should remove all barriers to all exports from low-income sub-Saharan countries, by extending quota and duty-free access to all of them. This will cost developed countries very little. They should cease to apply rules-of-origin requirements in a way designed to hinder rather than help African exporters, by allowing Africa to source inputs from anywhere in the world, and requiring only that they add a minimum of 10 per cent of value in their processing. Europe's new trade agreements with Africa must move quickly on this. If all developed countries extended quota and duty free access to all low-income sub-Saharan African countries this could raise annual incomes in sub-Saharan Africa by up to \$5 billion.
- Rich countries should also provide aid to help African economies adjust to a more open global trade regime, and to enhance the benefits to and limit the detrimental impacts on poor people.

F: Recommendations on Resources

To increase the growth rate in Africa, and to make strong progress towards the Millennium Development Goals, the volume and quality of external aid to sub-Saharan Africa must change radically. Aid to sub-Saharan Africa should increase by US\$25 billion per annum over the next three to five years. This must be accompanied by a radical change in the way donors behave and deliver assistance, and by continued strong improvements in governance in African countries. We show that in these circumstances this increase in aid can be used effectively. Additional finance should be raised in various ways, including the immediate launch of the International Finance Facility.

Aid quality

- To improve the quality of aid an annual discussion should take place between the Development Ministers of the OECD countries and African Finance Ministers, along with representatives of civil society and international organisations. This should consider aid allocation criteria and make suggestions for a better distribution, including between middle and low income countries. In countries where governance and institutions are weaker, donors should seek to provide adequate and effective flows through appropriate channels, bearing in mind the need to avoid undermining national systems and/or long-term sustainability.
- Aid should be untied, predictable, harmonised, and linked to the decision-making and budget processes of the country receiving it. The length of the commitment should be related to the purpose: for example, aid for infrastructure and public expenditure support should be committed for terms longer than aid for technical assistance.
- Aid to Africa should be mainly in the form of grants.
- The use of policy conditionality associated with external assistance should be strongly reduced. Ways of strengthening mutual accountability, and of monitoring implementation, should be put in place. The activities of the IFIs and donors should support and not undermine, institutions of accountability in African countries, for example by helping countries to strengthen international codes and standards and by avoiding heavy burdens of reporting.
- Through a new facility, donors should help African countries to address problems caused by commodity-related shocks and natural disasters.

Aid quantity

• Aid to sub-Saharan Africa should be doubled, that is, increased by US\$25 billion per annum, over the next three to five years to complement rising levels of domestic revenue arising from growth and from better governance. Following a review of progress towards the end of this period, a further US\$25 billion per annum should be provided, building on changes in the quality of aid and improvements in governance.

Debt relief

• For poor countries in sub-Saharan Africa which need it, the objective must be 100 per cent debt cancellation as soon as possible. This must be part of a financing package for these countries to achieve the MDGs, as promised in Monterrey and Kananaskis.

The key criterion should be that the money be used to deliver development, economic growth and the reduction of poverty for countries actively promoting good governance.

- Accordingly, work should begin immediately to establish a transparent debt compact to include all sub-Saharan African low-income countries, including those excluded from current schemes. It should cancel debt stock and debt service by up to 100 per cent, and cover multilateral and bilateral debt.
- As an urgent measure, financing should immediately be put in place to provide 100 per cent multilateral debt service cancellation, where this is necessary to achieve the MDGs.

Financing mechanisms

- Donor countries should commit immediately to their fair share of the additional US\$25 billion per annum necessary for Africa.
- Ways of financing the doubling of aid to Africa should include the immediate launch of the International Finance Facility.
- Rich countries should aim to spend 0.7 per cent of their annual income on aid, with plans specified for meeting this target.
- Further work should be undertaken to develop workable proposals for specific international levies to raise additional finance (for example from compulsory or voluntary charges on airline tickets).

G: Recommendations on How to Make All This Happen

If Africa is to take responsibility for its own development, it must be given greater influence in decision-making which affects it most directly. It must have a stronger voice in international forums. And it must be able to exert much greater pressure on the rich world to honour its commitments to the poor people of Africa. An independent monitoring system must be established to make sure this happens.

Strengthening the African multilateral institutions

- Shareholders of the African Development Bank should aim to make the African Development Bank the pre-eminent financing institution in Africa within 10 years. Proposals should be put forward by the new president within six months of taking office. Shareholders should provide strong support for their implementation.
- Strong support should be provided for the further enhancement of the role of the Economic Commission for Africa.

Changing the multilateral organisations Strategy

- The management of the World Bank, the IMF, and the WTO should give greater priority to accelerating Africa's development. Proposals to do so should be presented to the Boards of Governors of the World Bank and IMF (preferably at the 2005 Annual Meetings of the two institutions, but certainly no later than the 2006 Spring Meetings) and the WTO's 2005 Ministerial.
- The UN Secretary General and the UN Development Group should strengthen the coordination of UN agencies, funds and programmes at country level, to improve their impact.

Voice

- African countries should be given a greater voice in the multilateral institutions, most notably through greater representation on the boards of the World Bank and IMF.
- Strategic leadership and decision-making in the IMF and World Bank must be the responsibility of the political leadership of member countries. To this end, a decision making Council, consisting of political representatives of member countries, should be established for each institution.
- Appointments of the heads of international institutions should be decided upon by open competition which looks for the best candidate rather than by traditions which limit these appointments by nationality.
- In each recipient country, the government and donors should set up monitoring groups to assess the quality of donor assistance and co-ordination.
- The UN Security Council should be expanded to include greater African representation.

Putting in place effective independent monitoring mechanisms

• To add extra momentum to the delivery of the Commission's recommendations, an independent mechanism, which reflects the consultative approach of the Commission, should be established to monitor and report on progress. This could be led by two distinguished and influential figures who carry weight in the international community, one African and one from the donor community, who could produce a short annual report. They should be supported by a small unit within an existing African or international institution.