

The role of the EU in relation to NePAD (19 May 2004)

This conference is part of a the Dutch campaign '*Europe in the World*', initiated by the NGO-EU Presidency campaign, in which NiZA participates.



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Netherlands institute for Southern Africa

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Program of conference: The role of the EU in Relation to NePAD

Wednesday 19th of May 2004, Felix Meritis, Keizersgracht 324, Amsterdam, The Netherlands

Part 1: Introduction of theme and guestspeakers

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|-------------------|--|
| 13.00 – 13.30 hrs | : Reception and registration participants |
| 13.30 – 13.35 hrs | : Welcoming by Peter Hermes (Director NiZA) - NePAD and NiZA |
| 13.35 – 13.40 hrs | : Introduction of the Dutch campaign ‘Europe in the World’ by Elisabeth van der Steenhoven (campaign co-ordinator) |
| 13.40 – 13.50 hrs | : Introduction by Chairperson Thea Fierens - Introduction on Dutch policy on NePAD - Introduction guest speakers - Set-up for the afternoon |

Part 2: General Information about NePAD and the EU – guided by Thea Fierens

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|-------------------|--|
| 13.50 – 14.00 hrs | : NePAD Secretariat – Ms Change Short introduction on NePAD - What is NePAD? - Why NePAD? - The relationship between NePAD and the African Union - What are its important principles or programmes. |
| 14.00 – 14.10 hrs | : European Commission – Mr. Boidin EU and NePAD - Importance of NePAD for the EU? - Political framework for dialogue |
| 14.10 – 14.20 hrs | : Transparency International – Mr Balia - Civil Society and NePAD |
| 14.20 – 14.25 hrs | : Wrap up chairperson (5 min) |

Part 2: African Peer Review Mechanism – guided by Thea Fierens (75 min)

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| 14.45 – 14.55 hrs | : NePAD Secretariat – Ms. Change (10 min) - Short introduction on APRM- in terms of its mandate, purpose, principles- and its relation to AU) |
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Conference: the role of the EU in relation to NePAD

- How far is its actual implementation up to date, its structures, countries etc.
- 14.55 – 15.05 hrs : Transparency International – Mr Balia (10 min)
- Strong and weak points APRM
 - How democratic and transparent is APRM?
 - Recommendations for improvement
- 15.05 – 15.15 hrs : European Commission – Mr. Boidin (10 min)
- How does EU perceives APRM?
 - Recommendation for improvement?
- 15.15 – 15.45 hrs : Questions from the audience (30 min) :
- 15.45 – 16.00 hrs : Wrap up by chairperson (15 min)
- proposal of at least two concrete recommendations for the Dutch government

1 Introduction on theme and guestspeakers

1.1 Welcome by Peter Hermes, Director of NiZA

How NePAD focuses on poverty reduction through economic growth.

According to the recent figures, poverty has almost doubled with twice the number of people now living below the poverty line. But key to growth is also democracy and transparency.

The speaker described how the African Peer Review Mechanism (APRM) can potentially be a strong tool to measure NePAD's goals. Support for it is growing rapidly both inside and outside of Africa – including the IMF, G8 and EU.

It's believed that NePAD will dominate the economic agenda in the coming years. But crucial is the involvement of African civil society and the population in general. There is to date a distinct lack of public consultation. It preaches participation, but until now it is very much a top down initiative.

NiZa is determined to help strengthen the capacity of civil society in playing a relevant role in NePAD. The first phase has been completed and the second stage will begin in July. Important here is the role of the African Union (AU). The EU regards itself an important partner. Especially for the peace and security mechanism.

We cannot stress enough that NePAD is *not* purely about economics, but how transparent the whole process is and how the EU can help improve this.

1.2 Presentation EU-NGO Network by Elisabeth van der Steenhoven, campaign coordinator NCDO

For years development NGOs in central European countries such as Slovakia and Poland have been working with several African countries (Angola and Mozambique for instance) on development cooperation, raising funds and also working on development education.

The EU gives 60% of *all* official development aid in the world and is one of the largest multi-lateral donors. It is also the largest humanitarian donor in the world.

However, a warning shot was fired: NGOs should avoid only looking out for national or European interests.

The Netherlands will shortly hold the presidency of the EU. In years gone by countries holding this post have often panicked, in albeit a positive way, when first taking over the presidency in regard to helping Africa. But after a while the initial enthusiasm has died down and the issues have been left trailing behind.

To avoid this, the Dutch have been working very closely with Irish organisations (Ireland is handing over the EU presidency) to maintain and continue schemes. Holland will then pass this along to Luxembourg and then the UK in order to maintain a chain of help.

The Irish, for instance, have been focussing on human security. The Dutch objectives are to follow up human security but also to raise the positive and negative role of the EU as seen by the Dutch public.

Crucially, the EU should respect all the treaties it has previously signed.

1.3 Introduction by chairperson Thea Fierens, Member of Dutch Parliament for Social Democrats (PvdA)

The address was opened by explaining that since The Netherlands is about to take over the chair of the EU Presidency, it presents a chance for the Dutch to make a good connection between development cooperation and the European Union.

The recent enlargement to 25 countries is a real challenge and has made things more complex, so co-ordination is vital.

There are strong opinions – both pro and con – for NePAD, most of which will be debated today. The reality probably lies somewhere in between.

The second issue the speaker turned to - Dutch policy on NePAD .

The speaker began by saying that there was in fact yet no clear policy, rather an open mind to the idea. In her opinion, she really believes NePAD should be given a fair chance. Above all, the organisation has to tackle democracy and transparency. For this, NePAD has to take some new steps to move away from its top-down structure.

A government ideally should have strong aims on human rights, on poverty and sustainable economic development. But listen to the voices of the poor, which to date have been ignored.

In essence: alliances are key.

However, it was then stressed that it is better if the Western World adopt a humble and modest role. The address was summoned up as follows: *“none of us wants to live in a world with poor people.”*

2 General Information about NePAD and the EU

2.1 Ms. Evelynne Change, Coordinator for Corporate Governance of the African Peer Review Mechanism, NePAD Secretariat

The speaker has recently authored a book chapter entitled “Development of Sound Financial Systems in Africa: A Public & Private Sector Challenge”.

Her address was headed “The New Partnership For Africa’s Development”. It was emphasised that NePAD is most of all a vision and strategic framework for Africa’s renewal. Moreover, it is a pledge by African leaders that is based on a common vision and firm and shared conviction to address the challenges facing the African continent. But there are challenges facing its people. There are persistent political conflicts; escalating poverty levels – where more-than 300 million citizens live on under \$1 a day; there is widespread under-development; and there is continued marginalisation of this great continent.

Therefore NePAD’s primary objectives should be to eradicate poverty; enable countries to originally and collectively enter a path to sustainable development; stop the marginalisation of the continent, indeed enhance its full integration into the global economy; and accelerate the empowerment of women.

The speaker then turned her attention to key principles. These include the need for African ownership, responsibility and leadership; self-reliant growth and development; a new partnership with developed countries and multilateral institutions based on mutual respect; and lastly, a comprehensive approach to development.

The next issue to be addressed - the operational structure of NePAD.

In essence it is a membership of 20 countries, the Heads of State and Government Implementation Committee (HSGIC), the NePAD Steering Committee and the NePAD Secretariat. Key programmes and projects outlined during the speech include peace and security; democracy; health; agriculture; market access; education; and infrastructure.

The address was concluded by squarely facing up to future challenges. Key here is strengthening the capacity of various African institutions; broadening political leadership and ownership by the African people; engaging the private sector; and illustrating success stories that can quickly be appreciated.

2.2 Mr. Jean Claude Boidin, Head of Unit of NePAD and Pan-African Affairs, Directorate for Development, European Commission

Mr. Boidin is specialised in development economics and has worked in West Africa, Ethiopia and latterly South Africa. He now heads a team that deals with horizontal and pan-African issues – including the African Union (AU), NEPAD and EU-Africa dialogue.

Key to his speech - how does the EU perceive NePAD?

In essence the three Cs: Change, Chance and Challenge; to recognise certain strong values. NePAD is a *chance* for the EU. There have been 40 years of intense activity with Africa – but these 40 years have mostly been a disappointment. There is now a chance to finally back NePAD. The idea of *challenge* throws up a series of difficult questions to address. Is the EU equipped to deal with peace and security ? Or is this better left to nation states or the USA ? Perhaps, the speaker argued, the biggest challenge to NePAD is to review the coherence of existing EU policies. Crucial is that it must act as a union and not individual nation states.

But NePAD is not an institution – it has no legal personality. Neither is it a partner *per se*. It is more a collective will. And most certainly is not a bank account.

The speaker outlined how peace and security is considered a prerequisite for development, adding there must be a collective commitment to good governance and the importance of regional integration. He ended by outlining the various frameworks for dialogue;

- There has been G8-NePAD dialogue since 2001
- EU-Africa talks began back in 2000

- and there has been an Africa Partnership Forum since 2003.

2.3 Mr. Daryl Balia, Chairman of Transparency International South Africa

Mr. Balia's work is to investigate, monitor and evaluate personnel and public administration practices in the South African public service.

The speaker opened his address by explaining that Transparency International is a Berlin-based organisation formed a decade ago and with offices in nearly 100 countries. Their main purpose is to curb corruption by mobilising a global coalition to promote and strengthen international and national integrity systems. Transparency International considers the drive against corruption to be truly global and goes beyond social, political, economic and cultural systems. The organisation is politically non-partisan.

The speaker went on to explain how recent efforts of both African and western leaders have emphasised the need to move the continent forward and towards social and economic development. This should eradicate growing and rampant continental poverty and its various guises.

The search for a suitable policy document led to the Millennium Partnership for the African Recovery Programme (MAP) and the OMEGA plan.

These were later merged to make the New African Initiative (NAI).

Subsequently came the New Partnership for Africa's Development (NePAD) which offers a framework for the newly formed African Union to operate.

The speaker emphasised how this new organisation is both a comprehensive and integrated programme for the socio-economic and socio-political development of Africa. But he voiced concern at how Transparency International feels the process of consultation in the formation of NePAD was severely flawed and has since presented numerous problems about its ownership.

The speaker feels NePAD relies too heavily on funds coming from the G8 nations. Further, the idea of the rich nations giving to the poor simply perpetuates ideologies of development superiority and cultural inferiority. Mechanisms within NePAD to monitor participation, good governance and transparency are weak. Attention was drawn to the fact that it has clearly been seen that African governments are unable to police each other.

So what, it was asked, can redeem NePAD ?

- Mutual support to develop national economies?
- Or perhaps intra-Africa trade?
- Maybe even to gain control of capital created in Africa so that it remains at the service of Africa?
- But one of the key questions to be confronted is how do African governments prioritise their expenditure ?
- And how to address investors' perceptions that Africa is a high risk investment destination?

The speaker went on to detail how it is the aim of the United Nations to half poverty by the year 2015, meaning sub-Saharan African economies will need to achieve an estimated 7% annual growth rate.

Another key element is what is termed “assets recovery” – or the repatriation of stolen wealth as vital to African development.

The speaker ended on an optimistic note by saying NePAD *can* make a difference, but only if it is followed through by African leaders who see their ultimate source of authority to be their own people. But he did add that it's time to re-evaluate previous EU schemes and plans which in the past have failed miserably!

Before the break, the spokesperson Thea Fierens summarised events so far as

“Those people who criticise Nepad simply see it as a bank account!”

3 African Peer Review Mechanism

3.1 Ms. Evelynne Change, Coordinator for Corporate Governance of the African Peer Review Mechanism, NePAD Secretariat

The APRM is a self-monitoring mechanism, where the overall responsibility is vested in the Committee of Participating Heads of State and Government of the Member States. A panel of eminent persons oversees the conduct of the APRM process and its integrity. The purpose here is to entail periodic reviews of the policies and practices to check whether progress is being made towards achieving their goals.

The speaker detailed how the APRM process is designed to be both open and participatory, and is further guided by the principles of transparency, accountability, technical competence, credibility and freedom from political manipulation.

The APR process comes in five stages –

- from establishing the national focal point and sending out a questionnaire
- to visiting the country
- drafting a report
- submission of the country review team's report
- finally, making public the report and related actions.

It was added that given that some countries are at different stages of development, allowance has also been made for a preliminary phase known as “Country Support Mission”.

So where are we now? The APR Forum had its first ever meeting in Kigali in February of this year. A timeline was agreed, including two country reviews to be undertaken quarterly; and country support missions to be sent to all 16 nations by March 2005. Kenya, Rwanda, Ghana and Mauritius are first on the list.

To end, the speaker identified a challenge that lies ahead – *the incentive for countries to join the APRM, the problem of the “carrot and stick” approach.*

3.2 Mr. Daryl Balia, Chairman of Transparency International South Africa

Talking about NePAD the most innovative aspect is the Peer Review Mechanism. One of the principal objectives of the action plan is the smooth and efficient implementation of the APRM itself.

APRM is self-monitoring by participating states to ensure policies and practices of those states conform to agreed political, economic and corporate governance, international values, codes and standards. But the concept of peer review is not unique – a model was established for example by the OECD.

The NePAD Heads Of State Implementation Committee have appointed a six member panel to oversee its introduction. These six are:

- Professor Adebayo Adedeji of Nigeria and
- Ms Marie Angeline Savanae representing West Africa
- Professor Bethuel Kiplagat representing East Africa,
- Dr Graca Machel and Mr Chris Stals from Southern Africa
- Dr Dorothy Njeuma of Cameroon.

The countries which have to date signed the Memorandum of Understanding are: Algeria, Cameroon, Ethiopia, Ghana, Mali, Nigeria, Senegal, Uganda, Burkina Faso, Republic of Congo, Gabon, Kenya, Mozambique, Rwanda and South Africa.

The speaker argued that the APRM has the potential to replace intrusive role that Western nations have increasingly played in promoting political and economic reforms in the region. He cited Canada, which is seeking to boost aid to Africa, as insisting that such aid be conditional.

The argument then followed that African leaders cannot and should not be left to resolve among themselves the lingering questions about their adherence to standards of good governance. It was felt that as one of the few active and organised civil society formations active in Africa, Transparency International are uniquely placed to exercise

a “watchdog” role. It is our business, he said, to hold our leaders accountable to the highest standards of conduct in public life. When injustice to the poor becomes the order of the day, when leaders live in the lap of luxury at the expense of their own people, the world of Transparency International will unite to sound its voice of protest and act as a catalyst for change.

The speaker felt that it seems to be in our best interests to first build and organise ourselves to function more effectively across the continent as an anti-corruption movement before looking beyond ourselves.

In his opinion, the biggest problem to date with NePAD is the fact that no constituency or legitimate forum of civil society anywhere in Africa is known to have contributed to its formulation or execution. African leaders, he said, have chosen to ignore our protests for how else are we to interpret their silence over this matter.

But a note of caution might be in order for those advocates of uncontested, free and open markets. We are being told that NePAD will not succeed if big business is not involved, if there is no connection between business and government.

However, it is quite misleading to espouse the view that big business will be the engine for Africa’s economic salvation – especially if one looks at history to understand the role that colonial governments and multi-national corporations have played in the under-development of Africa.

The speaker concluded that one of the central challenges for Africa that remain for the deeming of democracy is the building of key institutions of democratic governance. He argued the peoples of Africa, their voices, their hopes, their opinions, their protests, their joys and their struggles must be given room and space to come alive in this new dawn for Africa !

3.3 Mr. Jean Claude Boidin, Head of Unit of NePAD and Pan-African Affairs, Directorate for Development, European Commission

The speaker concluded that the APRM is a very ambitious process – indeed, there is no other peer review of comparable scope or ambition. Ownership of the whole process is a key element.

The outcomes of the APRM, once made public, will influence – most likely in a positive way – the assessment of Africa by external partners.

As for improvement, he had several recommendations. Yet in essence, the EU would rather refrain from formulating recommendations to African countries – the APRM is a fully African-owned process. As it's just started to operate, it's too early to assess it. The EC welcomes the launch of the process, and hopes that other African countries will join. But key is the *voluntary* nature of the APRM which should be maintained all along.

Moving ahead, the speaker said the quality of first reviews will be critical for the perception of the APRM, both within and outside of Africa.

Summing up, he hoped that the APRM would bring real improvement in governance in Africa – and not just at state level. Local governments and regional groupings can also benefit. In short, once African countries have gained solid experience through the APRM, they will be invited to take a more visible role in other reviews – for instance, the UN Commission for Human Rights, or the the OECD Joint Reviews).

4 Recommendations and conclusions from guestspeakers

Mr. Daryl Balia, Chairman of Transparency International South-Africa

1. African leaders and the NePAD Secretariat should actively explore ways of participation for civil society organisations in the NePAD process on national and regional level, and learn from the involvement of organisations representing the population.
2. The European Union should actively and financially support the involvement of civil society organisations in the NePAD process.

Ms. Evelynne Change, Coordinator for Corporate Governance of the African Peer Review Mechanism, NePAD Secretariat

1. Civil society should organise powerful platforms for discussions, and for the exchange of information concerning NePAD.
2. Civil society should look for agreement on the different issues of the NePAD process and form a more joint position and strategies on NePAD.

Mr. Jean Claude Boidin, Head of Unit of NePAD and Pan- African Affairs, Directorate for Development, European Commission

1. The EU should better be modest in their comments on the APRM process. It is a very ambitious plan and there is still a long way to go for Europe on peer reviewing.
2. The APRM should be seen as a growing process, not as a conditionality for European aid.