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# Support Africa's own development initiative, an independent panel advises the UN

**UNITED NATIONS, NEW YORK, 11 June 2002** – After surveying another decade of “poor economic performance” in Africa, an independent panel today called on the United Nations to throw its weight behind African leaders’ new home-grown strategy, the New Partnership for Africa’s Development (NEPAD).

Recent international agreements to promote peace and development in Africa have essentially failed, the panel concluded. Some 80 million more Africans live in poverty today than at the start of the 1990s. Rather than negotiate another international compact when the UN General Assembly convenes in September to evaluate Africa’s progress and map out future support for the continent, the UN and the international community should support “the region’s own development initiative.”

The twelve-member panel of eminent personalities, named by UN Secretary-General Kofi Annan and chaired by Ghana’s former finance minister Kwesi Botchwey, found that Africa has made some impressive strides in democratization in recent years, but a sharp drop in development aid, unfavourable markets for African exports, devastating conflicts and continuing poor governance have greatly hindered progress.

As a result, the now-concluded UN New Agenda for the Development of Africa (UN-NADAF) could not achieve the basic aims set when the General Assembly adopted it in December 1991. For NEPAD and other efforts to have greater success in the future, the panel argued, rich countries need to increase their aid commitments, provide greater debt relief and open their markets to African exports. The UN itself will need to increase and better coordinate its support for Africa. And African governments must do more to end Africa’s conflicts and further democratize their societies.

## A Disappointing Decade

### **Economic growth**

To provide the minimum economic conditions for development and poverty reduction in Africa, the UN-NADAF set a target of at least 6 per cent in average annual economic growth during the decade following its adoption by the General Assembly in December 1991. Yet throughout much of that period, economic growth in Africa averaged



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only about 3 per cent, “a very disappointing result,” the panel reported.

### **Aid**

To reach the 6 per cent level, the drafters of the New Agenda believed that a minimum of \$30 bn in net official development assistance (ODA) would be required from the donor countries in 1992. Moreover, that ODA would need to grow by an average of 4 per cent a year. Instead, aid to Africa fell from \$28.6 bn in 1990 to \$16.4 bn in 2000, a decline of 43 per cent.

### **Debt**

Debt reduction efforts also were limited. Of the 33 African countries eligible for the Heavily Indebted Poor Countries (HIPC) initiative, launched by the World Bank and International Monetary Fund in 1996, only 10 had their actual debt servicing suspended by December 2001, and of those, only four had major portions of their debts effectively cancelled by April 2002.

### **Trade**

During a decade of rapidly expanding global trade, African opportunities for trade increased very slowly. In part, this was because African economies continued to rely on a very narrow range of primary commodity exports, while much of the expansion in global trade involved manufactured exports. Only 18.4 per cent of Africa’s exports are manufactured goods, while oil comprises 54.7 per cent and other primary commodities 26.6 per cent.

### **Policies**

Liberalization, privatization and market-based reforms helped improve the macroeconomic situation in Africa somewhat, the panel believed. In particular, those reforms contributed to reducing inflation. “But overall, the adjustment programmes had serious adverse effects on social conditions and failed to restore growth.” Very few African countries were able to attract investments, in spite of improvements in the investment climate. Foreign direct investment not only remained negligible, but also was concentrated in just a few countries, mainly in oil and other extractive industries.

### **Political factors**

The continent’s economic crisis was aggravated by “despotism and corruption,” as well as by the proliferation of wars and civil strife, the panel found. On the bright side, many African countries made significant strides in democratizing their political systems during the 1990s. Civil society flourished in much of the continent, reflected in the growth of non-governmental organizations. The transformation of the Organization of African Unity (OAU) into the new African Union, along with numerous other regional initiatives, reflect a growing commitment by African countries to better coordinate and integrate their economies, transport systems and political relations.

### **Human dimension**

The human dimension of Africa’s development “witnessed mixed performance” during the UN-NADAF period, the panel reported:

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- There have been slight improvements in enrolment in primary and secondary education compared to the 1980s. But these were insufficient to reverse the setbacks of the previous decade. Moreover, “in countries with adjustment programmes, governments were forced to slash already meagre education budgets and transfers to families.”
- Throughout the 1990s and into the early years of this decade, the spread of major diseases, especially HIV/AIDS, have overwhelmed health systems in most of Africa. Governments cut already inadequate health budgets and shifted much of the cost of health care from public services to individuals. However, the panel noted, in April 2001 African countries committed themselves to allocating 15 per cent of their annual budgets to improving the health sector.
- Women throughout Africa have formed networks and partnerships to improve their conditions and opportunities. As a result, gender equality considerations have begun to be taken into account in Africa policies, programmes and administrative and financial procedures. However, women’s representation in parliaments and other decision-making bodies remains low, while in most countries girls’ enrolment in school lags significantly behind that of boys’ enrolment.

### Lessons for Success

Examining the reasons for Africa’s mixed performance during the past decade, the panel highlighted a number of lessons that point to the conditions for success in the future. In fact, a number of African countries experienced relative peace, sound development policies and improved international support, showing that the continent is not doomed to failure.

#### Peace

As the experiences of the 1990s have demonstrated, achieving peace and security must be “the primary responsibility and highest priority of African countries, individually and collectively.” The panel commended the actions of the OAU/African Union and the UN in this direction, and urged the international community to support such peace efforts, including by curtailing arms sales to the continent.

#### African ownership

Another lesson of the past decade is the need to avoid an “overriding reliance on liberalization, privatization and market-based reforms.” The panelists believed that such reliance had distinct limits and in many cases “proved counter-productive in accelerating development and alleviating poverty.” Instead, every African country “must evolve its own development strategy.” Donors and international financial institutions should in turn “do more than pay lip service to African ownership... Democracy is undermined if elected African governments have policies imposed from outside, leaving their democratic institutions without any real choices.”

#### Donor commitments

Donors must also keep their commitments. “Africans have come to embrace improved standards of governance





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as a fundamental condition of economic development,” the panel observed. “Donors also have an obligation to deliver on the promises they make regarding financial support.” In particular, this should include:

- accelerated and increased debt relief, including “complete debt cancellation for countries with a track record of good policies and a transparent democratic environment,”
- genuine market access for goods produced in Africa,
- and increased aid “without conditionalities,” except those that the countries themselves adopt as benchmarks for performance. Donors may continue to engage in negotiations with African countries about their economic policies, but should give “primacy” to the countries’ leaders in that negotiating process.

### UN effectiveness

The panel pointed to the need to increase the efficiency and relevance of the UN’s own Africa-related activities. The panel recommended two major steps: (1) that the UN be given adequate financial means to act in Africa, both through greater contributions to the organization as a whole and through reallocation of resources within some agencies’ regional priorities, and (2) that the UN and its agencies work together more closely, including at the country level. Globally, the UN’s advocacy role for Africa – which the panel commended – must be strengthened. Responsibility for the harmonization and consistency of UN mobilization on behalf of Africa “should be placed under a single authority with the means to exercise it.”

### Africa’s Framework

Mandated to consider whether the UN should develop another agenda or programme to extend or follow UN-NADAF, the panel recommended instead that the New Partnership for Africa’s Development “be adopted by the UN system as the framework for its African support efforts.” The panel noted, however, that NEPAD is “still an evolving process.” While it has won considerable endorsement by the international community, greater consensus needs to be achieved on NEPAD’s priorities through intensive engagement with African democratic institutions and civil society. This is essential for signalling “a clear break with orthodoxies that have failed in the past.”

NEPAD remains fragile, the panel concluded. It has yet to be translated into national or regional policies. Most seriously, it depends substantially on external assistance to implement a number of its aspirations. Donors, the panel argued, should play a partnership role within the NEPAD framework, “with a renewed commitment to the assurance of African leadership and the avoidance of a return to old-style conditionality that has been counter-productive in the past.”

“Peer reviews” are already being developed among the major donor countries, to better monitor their own aid policies and practices. The panel recommended that such reviews be extended “to include all policies having an impact on Africa, in particular those relating to trade and agriculture.” It also suggested that donors consider involving African countries in these reviews, and that the peer review mechanisms “should also apply to the United Nations system.”

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**For further information or**

**Please contact**

- the executive summary of the report
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