



PRESS RELEASE

Support African development plan with more aid and trade, Annan urges UN

UNITED NATIONS, NEW YORK, 16 September 2002 — The international community this week begins a month-long special session of the UN General Assembly that will determine its support for Africa's new development programme.

In a major break with the past, UN Secretary-General Kofi Annan is recommending endorsement of Africa's own initiative, the New Partnership for Africa's Development (NEPAD), instead of another UN-sponsored programme. For the New Partnership to succeed, Mr. Annan emphasizes, both African governments and the world's richest countries must adhere to their commitments. In particular, he proposed, developed countries should double the aid they provide to Africa and open their markets to more African goods.

The Secretary-General's recommendations, in a report to the General Assembly, bolster efforts by African leaders to secure UN backing for the New Partnership. On Monday, 16 September, four African presidents — Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria, Abdoulaye Wade of Senegal and Abdelaziz Bouteflika of Algeria — will formally present NEPAD to the UN (3 p.m., at the Trusteeship Council).

UN delegations will then reconvene twice more (24-26 September and 7-11 October) to consider the report of the Secretary-General and the findings of an independent panel of eminent personalities, chaired by Ghana's former finance minister Kwesi Botchwey, which evaluated the just-concluded UN New Agenda for the Development of Africa (UN-NADAF). Representatives of African and other non-governmental organizations will participate in these sessions. In addition, a series of NGO panel discussions will be held from 23-27 September, on such topics as conflict prevention, poverty eradication, governance and NEPAD implementation. Finally, the General Assembly will convene on 17-18 October, to adopt a framework for the future.

That future should revolve around NEPAD, Mr. Annan argues. "African countries, with the involvement of civil society, should be allowed to design, direct and implement their policies and programmes



consistent with their needs and circumstances,” he says.

As adopted last year by African heads of state, NEPAD seeks to promote peace, democracy and good governance, to enhance economic and corporate management, and to foster stronger cooperation and integration among African countries. It places a high priority on improving the continent’s physical infrastructure, the education and health of its people, agricultural output and the diversification of economic activities.

“The launching of the New Partnership reinforces Africa’s resolve to chart its development course,” Mr. Annan says. “The confluence of African leadership and ownership of the New Partnership, the strong expression of support by the international community for the New Partnership and the commitment of the United Nations system to offering a coordinated and coherent response to the needs of the New Partnership provides fresh momentum for Africa’s development.”

African Commitment

NEPAD, African leaders have argued, rests above all on their own engagement to actively mobilize the necessary energies and resources, as much as possible from within the continent itself. This sense of African ownership, Mr. Annan points out, “is an important ingredient which stimulates commitment, inspires confidence and enhances the prospects of active implementation.”

African countries can take a series of specific steps to further ensure that NEPAD is implemented. The Secretary-General proposes that African countries:

- integrate the priorities of NEPAD into their national development plans and regional cooperation strategies
- establish NEPAD focal points within governments, to help monitor the New Partnership’s implementation, gather and exchange information, promote public awareness and foster coordinated action
- allocate substantial financial resources from their capital budgets to the priority areas identified in NEPAD
- make special efforts to strengthen their capacity to negotiate and manage foreign aid
- commit resources and develop technical expertise to manage the African Peer Review Mechanism, by which African governments will monitor each other’s adherence to voluntary standards of financial transparency, accountability and integrity.

One of the weaknesses of African economies, Mr. Annan notes, has been their heavy reliance on primary commodities. This has contributed to the low levels of trade among African countries, the declining share of Africa’s exports in world trade, an inability to take full advantage of new market openings and a growing dependence on aid and debt financing. Although the UN-NADAF emphasized the importance of economic diversification, there has been scant progress over the past decade. “African countries,” Mr. Annan suggests, “must exert great effort towards diversification within the New Partnership, in particular by creating an enabling environment for industrial development.”



International Support

NEPAD's success will also require stronger support — partnership — from the international community. Growing international interest, as expressed at the Group of Eight summit in Canada in June, “needs to be buttressed by tangible actions,” Mr. Annan emphasizes. Action is especially important in four areas: trade, aid, debt and capacity-building.

Trade:

Much more needs to be done to eliminate trade barriers that continue to impede African exports. These obstacles include agricultural subsidies in developed countries that tend to flood world markets with surplus food supplies and hinder the export of African farm produce, along with other tariff and non-tariff barriers. NEPAD's implementation, Mr. Annan says, would benefit from “a renewed and strengthened commitment by the developed nations to eliminating the various constraints on the export of Africa's processed, semi-processed and agricultural goods.” In addition, more international support is needed to help remove Africa's “supply-side constraints,” that is, support its efforts to produce and export a more diversified range of goods. This will help Africa take better advantage of existing market opportunities, and thereby earn more from its exports.

Aid:

Recent pledges of more aid by donor countries, especially at the March 2002 UN-sponsored International Conference on Financing for Development in Monterrey, Mexico, will help reverse the recent trend toward declining aid. But set against the magnitude of the tasks facing Africa, those measures may be insufficient, Mr. Annan observes. To meet the challenge, he estimates, “aid to Africa would need to be at least doubled.” (In 2000, aid to Africa amounted to \$15.7 bn, with \$12.7 bn going to sub-Saharan Africa.) This aid would help Africa boost its investments in education, health and infrastructure, in turn stimulating productivity and economic growth, which are essential for poverty reduction. Both donors and recipients should more effectively use the aid that is available, and donor countries could help African governments better manage their assistance by reducing donor reporting and performance requirements.

Debt:

“Faster, deeper and broader” debt relief is required under the Heavily Indebted Poor Countries initiative (HIPC) currently being implemented by the World Bank and the International Monetary Fund, Mr. Annan says. The financial resources committed to the initiative should be increased, and HIPC's debt sustainability analysis — which determines the amount of debt relief each country actually receives — should be based on “more realistic projections” of the country's future export earnings.

Capacity-building:

For a long time, Mr. Annan notes, “technical assistance” — the use of foreign consultants paid out of aid allocations — has accounted for a significant share of bilateral aid to Africa. It would be better to redirect such resources toward human and institutional capacity-building in Africa, he suggests. There is no better time to develop African expertise and skills “than now, when the implementation of the New Partnership, an African-owned and African-led programme, is under way.”



Enhancing UN Effectiveness

As part of the international community, the United Nations itself can play an important role in helping ensure NEPAD's effective implementation. It already is very active in promoting peace and development in Africa, and its agencies and organizations have accumulated considerable experience in contributing to Africa's development. However, as the report of the independent panel stressed, coordination and collaboration among UN agencies working in Africa should be further strengthened.

Mr. Annan notes that the New Partnership was designed as an integrated framework, linking issues of peace and security with governance and development. Therefore, the UN system response "requires a comprehensive approach that encompasses peace and security, humanitarian, human rights, economic and social issues."

Different UN agencies working in the same African country should continue to improve their coordination, with special attention to reducing the burden of coordination on the government. Inter-agency regional consultations, convened by the UN Economic Commission for Africa, already have begun to focus their work around the priorities of NEPAD.

At the UN system level, Mr. Annan cites the independent panel's recommendation that the Security Council and the Economic and Social Council hold periodic joint meetings on Africa, since peace, security and development are so integrally related. In response to the panel's emphasis on international advocacy for Africa, the Secretary-General notes that Africa's special concerns have been highlighted in the declarations of the various global conferences held in recent years, as well as in the UN Millennium Declaration. "It is vitally important," Mr. Annan says, "that the United Nations system remains in the vanguard of advocacy for international support for Africa's development."

With the emergence of NEPAD and the favourable response it has already received internationally, a new opportunity has now opened up to help advance Africa's development prospects, Mr. Annan concludes. African countries and the international community, including the UN, "must seize that opportunity in a creative and collaborative manner.

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