

## FINAL DRAFT AFRICAN CONSENSUS AND POSITION ON DEVELOPMENT EFFECTIVENESS

Sept 2011 version

### AID REFORM FOR AFRICA'S DEVELOPMENT

#### Fourth High Level Forum on Aid Effectiveness, Busan

##### Preamble

- 1. We, the representatives<sup>1</sup> of the Member States of the African Union, Parliaments, Regional Economic Communities and institutions/organizations, Civil Society including Women and Youth groups, Business and Academia are presenting for the first time, a common Position and Consensus on Development Effectiveness in Africa;**
- 2. *Underscoring*** that Africa is inspiring change through comprehensive political and socio-economic reforms driven by the shared prime values of ownership, leadership and partnerships in the transformation agenda, based on the African Union vision of “an integrated, forward-looking, prosperous, dynamic and peaceful Africa, representing a dynamic force in global arena”;
- 3. *Reiterating*** that the Continent is an indispensable resource that has served all mankind with global public goods for so many centuries and that it brings to the world indisputable human and natural assets which include the rich complex of mineral, oil and gas deposits as well as the ecological lung provided by its rain forests;
- 4. *Emphasizing*** that the Continent, over the last decade, has been recording unprecedented high growth rates while making significant progress in governance policies leading to sound macro-economic performance despite the adverse impact of the current global financial and economic crises;
- 5. *Noting*** that democratic, just and accountable governance is pivotal to the attainment of Africa's development effectiveness agenda, including the critical role of African State and non-state actors;
- 6. *Recognizing and reinforcing*** the ultimate and indispensable need for Africa to take full responsibility for its own development, through the effective utilization of both internal and external resources, to attain the Africa's development priorities, Millennium Development Goals (MDGs), as well as, other international and regional developmental targets;
- 7. *Recognizing further*** that human rights, gender equality, women and youth empowerment and social justice are cornerstones of an inclusive development effectiveness agenda for the achievement of Africa's transformation;

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<sup>1</sup> Under the umbrella of Africa Platform for Development Effectiveness (APDev), the African Union established a Continent-wide coordinating and coalition building mechanism aimed at mobilizing and consolidating African participation and voice, towards articulating positions on the inter-related themes of AE and SSC with CD as core driver. In 2010, the 1<sup>st</sup> and 2<sup>nd</sup> Africa Regional Meetings which convened in Pretoria and Tunis, and the 3<sup>rd</sup> Meeting in 2011 in Addis Ababa, came up with the key messages contained in this Position Paper

8. **Acknowledging** that Official Development Assistance (ODA) continues to play a role in development financing in the short-to-medium terms and that African countries are intensifying efforts to enhance domestic resource mobilization and reduce reliance on Aid in the long run<sup>2</sup>;
9. **Further recognizing** the improvements in Africa's natural resources management particularly through the current policy focus on increasing the Continent's capability on value addition, as a means to reduce Africa's dependence on Aid;
10. **Noting** that the frontiers of development are being re-defined by new opportunities, emerging actors and creative relationships, through increasing South-South exchanges which have given rise to new orientations, innovations and non-traditional forms of development partnerships at all levels;
11. **Further noting** that Africa's interface with the evolving global development cooperation architecture requires as its central ethos, genuine and value-driven partnerships requiring the re-prioritization of relationships aligned to rights-based approaches, transparency and the re-positioning of global structures and targets, towards creating sustainable conditions for Africa's long-term development, wealth creation and prosperity;
12. **Also cognizant** that while we live in a highly integrated global economy, regional integration is a fundamental tool for ensuring aid and development effectiveness in Africa, and that advances in the Continent's productive capabilities will not happen in isolation, hence the Continent is poised to emerge as a new growth pole on the basis of strong sub-regional prospects for mutually beneficial economic relationships in addressing existing global imbalances and national priorities;
13. **Recognizing** the importance of taking forward global consensus reflected especially in the 2005 Paris Declaration (PD) on Aid Effectiveness and the 2008 Accra Agenda for Action (AAA) for uniform standards and common basis of engagement on the quality and management of Aid delivery, and urging all Parties give due attention to the Unfinished Aid agenda within the context of overall development;
14. **Reaffirm** Africa's commitment to the transformation of its economies to achieve shared and inclusive growth by leveraging national, regional and global resources, as well as, new partnerships thereby contributing to global growth and urging development partners to support and work within this multi-layered linkage and priority;
15. **Appreciating** the increasingly prominent role that the domestic private sector in Africa is playing in advancing economic development on the Continent, facilitating in particular, Southern-led technology exchanges and investments, expanding the domestic tax base, responding to consumer demands and creating jobs especially for the African Youth and Women;
16. **Reiterate** our political resolve and commitment to capacity development towards enhancing Africa's inclusive growth and development results at the country and regional levels taking into account that development is nothing but a process of empowerment and self-reliance;

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<sup>2</sup> Second Joint AU Conference of Ministers of Economy and Finance and ECA Conference of Ministers of Finance, Planning and Economic Development – Cairo, Egypt, June 2009

3. Reference to "countries" as used is inclusive of domestic stakeholders and supportive regional organizations as these have direct influence on national development

***We Hereby;***

17. **Call upon** Africa's development partners, in attending to the unfinished Aid agenda, to align their support to the Continent's priorities, thereby ensuring that Aid complements domestic financing and other alternative sources for effective development;
18. **Call on** African countries to scale up policies that look "*beyond Aid*" through effective and innovative use of domestic resources and development of appropriate implementing capacities, with the private sector playing a key role;
19. **Reiterate**, therefore, that the global development cooperation dialogue in Busan should shift from Aid effectiveness to development effectiveness for inclusivity, equity, gender equality, environmental sustainability and better development results.

**Key Priorities for Development Effectiveness**

20. Africa's overarching objective is to attain Development Effectiveness by optimizing the management and utilization of all policies, resources and processes. In the African context, for Aid to be effective, it must be fully integrated in the larger development context.
21. Therefore, Africa's key priorities for the realization of Development Effectiveness focus on:

- a. **The unfinished Aid Effectiveness agenda:** An accelerated and comprehensive delivery of outstanding commitments by development partners under the frameworks of the Paris Declaration and Accra Agenda for Action is important. In particular, commitments around the use of country systems, elimination of conditionality, promotion of transparency, aid predictability and mutual accountability must be fully implemented. Further, as stated in the AAA, the achievement of gender equality, human rights, environmental sustainability, must inform the development effectiveness agenda.

There is an imperative for African countries, regional organizations and development partners to find innovative ways to direct Aid towards developing capacity for domestic resource mobilization. Accordingly, Aid should work with other instruments to effectively support development results. Essentially, to scale up the development impact of aid interventions, Africa reinforces the urgency to reframe the Aid delivery model for a more robust and context-relevant one that mirrors Africa's development landscape. The Continent therefore calls on the full support of its development partners in working towards attaining this objective in Busan and beyond. This calls for the alignment of aid to both national and regional priorities.

- b. **Capacity for Development Effectiveness:** Capacity Development (CD) is critical for achieving Africa's renewal based on clear vision, strategic planning, effective and accountable leadership and capable institutions at all levels. It constitutes the 'how' for the Continent to exit from Aid dependency towards self sufficiency and sustainable development. Africa's development therefore hinges on enhancing available human and institutional assets in adding value to the abundant natural resources and building of sustainable economies. Thus, capable public and private sectors will drive the turnaround of Africa's economy;

- c. **Regional dimension of Development Effectiveness:** Africa has strongly embraced a regional integration approach to securing its development goals based on inter and intra-African partnerships and solidarity in the pursuit of common priorities. Hence, the call for a clear incorporation of the regional dimension to Aid Effectiveness where the essential role of Africa's Regional Economic Communities (RECs) and organizations as primary mechanisms for South-South cooperation within the African Union architecture is reinforced. Regional investments in key priority sectors require the expansion of innovative financing mechanisms such as the leveraging of ODA to mobilize private financing resources and the possibility for multilateral institutions to directly support regional organizations particularly the RECs. Strengthening the capacity of RECs is a major prerequisite to achieving development effectiveness in Africa. The emerging global architecture will need to reflect the regional level.
  - d. **South-South Cooperation:** New forms of South-South Cooperation are evolving as the most promising partnership approach to support African-owned and led processes of building and managing a knowledge economy for development, as well as, solidarity amongst developing countries. This fosters institutionalized space for peer review and mutual learning drawing on experiences among African countries and other Southern partners, including emerging economies. To this effect, Africa lends stronger support for horizontal and triangular partnerships.
  - e. **"Beyond Aid":** Africa undertakes to utilize self-organizing 'beyond Aid' mechanisms to reduce Aid reliance and stimulate a strong and varied development financial base for sustainability. Development assistance should particularly be directed to Africa's real economy to enhance the present growth path, while ensuring the full involvement and participation of an empowered private sector. In addition, Development partners should take stronger actions to prevent illicit flows of capital from Africa into their territories and ensure that tax havens are eliminated. This requires the enforcement of policies in developed countries towards an effective repatriation of African resources. These resources are an important source of development finance for Africa.
  - f. **Towards a new development cooperation architecture:** Africa is committed to building and strengthening coalitions that will consolidate Southern-led cooperation at the intra and inter-regional levels. Realizing Africa's Development Effectiveness agenda therefore depends on forging creative partnerships that will promote more inclusive, equitable and sustainable forms of development cooperation. This new architecture also calls for the adoption of robust African driven mechanisms to monitor progress and outcomes post-HLF4. It is fundamental that the emerging mechanism does not serve to further marginalize Africa. Therefore the architecture should reflect the Continent's realities and specific development organization including the regional dimension.
- 22.** Overall, Aid should help build, nurture, harness and utilize African capacities in strengthening country and regional systems for development that is effective and can; stimulate inclusive and citizen-centred growth, target the productive sectors (especially small and medium scale enterprises), agriculture and food security, infrastructure, trade and market access, extractive Industries, regional integration, domestic and foreign direct investment, education, environmental sustainability, and science and technology, with a specific focus on marginal groups, particularly women and youth.
- 23.** Africa underscores that at the centre of Aid delivery should be a more systematic improvement of individual and institutional capacity, supported by enabling policy frameworks; focusing on the harnessing of local capacities and strengthening of Africa's development finance institutions, African

research institutions and universities towards adding value to the Continent's abundant natural resources.

### The Unfinished Aid Effectiveness Agenda

24. Aid resources play a catalytic role in the pursuit of Development Effectiveness by adding value to national efforts through investments in human development, and productive sectors, with special attention to agriculture and food security, infrastructure, trade and investment, knowledge production and social inclusion.
25. Many development partners are yet to meet their commitment to provide 0.7% of GNI as ODA. At the same time, ODA flows are declining in certain countries and regions as a consequence of the global financial and economic crisis creating donor orphans. Fully meeting their outstanding commitments, in accordance to the 2002 Monterrey Consensus, and G8 Gleneagles Summit (2005) is key to raising the levels of aid flows. Therefore, Aid reform agenda remains critical to Africa's development effectiveness agenda. Development planning, implementation and monitoring framework should therefore be nationally owned and should be used by all development partners for coordinating their support.
26. Corruption is a recurring challenge to Africa's political and economic governance reform efforts, including better Aid delivery. Many African governments have adopted appropriate legislative and specific anti-corruption policy measures to address the abuse, embezzlement or misappropriation of aid resources. This is a critical part of renewed efforts to fight corruption in all its ramifications having established the necessary conditions and systems to foster transparency and accountability in the management of public resources including Aid. At the continental level, the Member States of the African Union adopted the Convention on Preventing and Combating Corruption<sup>3</sup> in furtherance of the principles of democratic ownership, rule of law and good governance. Development partners should complement African efforts by taking stronger and decisive actions to combat tax havens, and preventing illicit capital flows from Africa and recovery of proceeds resulting from financial malpractices of multinational corporations operating in the Continent.
27. In this regard, we:
  - a. **Reaffirm** the primacy of the African country in determining, owning and leading its development agenda ;
  - b. **Recognize** that Africa's economic transformation and diversification requires a fine balance between a capable and well-resourced private sector; an active citizenry and an effective accountable and developmental state that add value to the real economy as an engine for sustainable and inclusive development;
  - c. **Resolve** to programme and manage aid more effectively to achieve development results, accountability and transparency, including through building of strong institutions for accountability, oversight and implementation and the promotion of greater participation of parliament, civil society and private sector in defining and implementing the development agenda;
  - d. **Emphasize** that Mutual Accountability framework must embrace the set up and strengthening of African-owned aid information, broad-based ownership of the management and monitoring

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<sup>3</sup> 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

systems, creation of dialogue frameworks between stakeholders and the integration of human rights and gender equality;

- e. **Recognize** the need for strengthening and deepening domestic accountability, creation of enabling environment for stakeholders including civil society organizations, achievement of gender equality, youth empowerment, human rights and environmental protection as cornerstones for development effectiveness.

**28. Thereby, we:**

1. **Reiterate** the overarching demand for development partners to honour their ODA commitment to the levels of 0.7 GNP and beyond
2. **Emphasize** the need for global political commitment at the highest level on the unfinished aid agenda
3. **Underscore** the need for concrete action plan from the development partners in fulfilling the unfinished aid effectiveness agenda including but not limited to the use of country systems, harmonization, aid predictability, alignment, mutual accountability and transparency and elimination of conditionalities.
4. **Call** on development partners, to be responsive to national and regional contexts and needs. Harmonization of policies and procedures at the international level, including through greater delegation of authority to the country or regional offices; use of country and regional systems and procedures and alignment remains paramount. Special attention and support should be given to post-conflict and fragile states.
5. Also call upon development partners to complement African efforts in overcoming the corruption challenge by taking decisive actions on recovery of illicit capital flows from Africa particularly proceeds from the financial malpractices of multinational corporations operating in the Continent.

- 29. Further call** for concerted efforts towards the adoption of mutual accountability assessment framework, building on mutual trust and strengthening of capacities of all stakeholders in the next dispensation of development effectiveness.

**Capacity for Development Effectiveness**

30. Africa requires 'transformational capacities' for leadership, inclusiveness and effective institutions to adequately respond to its renewal and growth agenda. Building effective and accountable states capable of translating development policies into practice, aligning Aid resources with national priorities and delivering sectoral, national and regional development results is therefore a critical aspect of creating sustainable conditions for development.
- 30.** Overall, capacity development is the core vehicle to actualize the Continent's exit strategy from Aid and take full control of its agenda for development. The Continent has recognized Capacity Development as an agenda in its own right and has set its own priorities through the Capacity Development Strategic Framework (CDSF) adopted by the 14<sup>th</sup> African Union Summit of February 2010, as Africa's common reference and policy guide on building, harnessing, nurturing, utilizing, adding value and retaining capacity.

31. Africa is thereby committed to transforming its leadership at both political and technical levels, while empowering the citizens by effectively utilizing the African potential, skills and resources for domestic and continental growth, as well as, renewal. This is achievable through evidence-based knowledge innovation and enhancing the competency of capacity developers, all geared at integrated planning and implementation capacities for enhanced results. Importantly, a fully engaged and empowered citizenry with capacity to own and spearhead development will demand greater accountability and transparency from state institutions and other non-state actors. Therefore, a topmost priority is to develop the capacities for demand in shifting the development trajectory.
32. Additionally, for Africa's progressive agenda to be realized, nurturing performance-enhancing institutions, including gender and youth structures, is critical in transforming the Continent through sustainable results. For effective development, Aid should therefore be aligned with this high priority towards enhancing systems and processes that drive development.
33. Accordingly, we:
- a. **Affirm** that, as standard, ALL investments into development should guarantee and achieve capacity development outcomes and results. Capacity development should therefore be a core measure in assessing the impact and results of aid for development in Africa, hence the need to design and institutionalize capacity development indicators;
  - b. **Reiterate** that delivering aid through country systems and strengthening development institutions (government and non-government) is central to building national capacity for managing development finance and delivering results;
  - c. **Urge** our development partners to support the achievement of fiscal transparency and strengthening the oversight function of parliaments, civil society and private sector, for greater accountability of programming and use of development (Aid and non-Aid) resources;
  - d. **Reiterate further** that capacity development is essential to support post-conflict states in their peace and state-building processes and **call for** coordinated global and humanitarian efforts focused on harnessing and utilizing requisite local and regional capacities as first preference, as this will allow for the promotion of local ownership and leadership in the transition from fragility to agility;
  - e. **Further urge** our development partners to support African institutions' capacity development programmes and projects through triangular cooperation, with a view to foster intra-Africa South-South exchanges for the effective deployment of African skills and potentials.

<b>Regional dimension of development effectiveness</b>
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34. Regional integration remains high on the Continent's political and economic agenda. Of particular significance is the need to develop regional markets to build economies of scale and competitiveness which is fundamental to Africa's future development. The contribution of regional organizations to development effectiveness must ensure the principles of complementarity, variable geometry, subsidiarity and policy/regulatory coherence at national, regional and continental levels. The same applies to the interventions and support of the different types of international organizations. Regional

aid management shall include effective monitoring mechanisms that enhance mutual accountability for transparency, predictability, ownership, alignment and the use of own systems and procedures.

**35.** The full maximization of the intra-regional dynamic of South-South Cooperation in addressing development is equally important. Therefore, African countries and development partners should invest more in aligning to and implementing regional initiatives especially the 1991 Abuja Treaty establishing the African Economic Community and the 1980 Lagos Plan of Action to spur development effectiveness. The regional level is an important building block for Africa's own defined development path.

**36. Therefore, we:**

- a. **Reiterate** our commitment to fully implement the provisions of the Abuja Treaty and Lagos Plan of Action;
- b. **Undertake** to strengthen the capacity of the Regional Economic Communities (RECs) to formulate and implement clear and coherent plans and initiatives, including the putting in place legal, administrative and regulatory systems to function effectively;
- c. **Commit** to develop effective cost and burden-sharing arrangements and increase implementation at the national level of regional policies;

**37. In this view, we:**

- a. **Call for** the urgent incorporation of the regional dimension in the Aid Effectiveness agenda for development approaches and Aid delivery that reinforces the essential role of Africa's RECs and similar regional organizations;
- b. **Reiterate** that the policies of the international community should support regional integration in Africa by seeking to strengthen the capacities of regional institutions and working with the African private sector to encourage the formation of sustainable regional value-chains;
- c. **Restate** the urgency to honor the conclusions of a development-oriented WTO Doha Development Round as complementary to the benefits of regional integration in view of the above;
- d. **Urge** development partners to identify new ways of planning, financing and implementing programmes and projects at the regional level, for example, through the establishment of regionally pooled and basket funds, comprising both domestic and external resources;
- e. **Further call for** the emergency of a global partnership linked to both the national and regional development imperatives in Africa and based on mutual interest.

#### **Cross-continental Partnerships and the New Development Cooperation Architecture**

**38.** Importantly, Africa remains committed to building value and results-driven partnerships based on equality, mutual respect, trust and accountability, and in support of actualizing its development vision. The most promising pathway to development effectiveness is one that includes the engagement and inputs from all sectors of the African society with support by development partners. It is only through such creative partnerships that we can secure transformation.

**39.** This new Aid architecture requires a stronger Africa, hinged on the strength of self-organization and capable of managing its partnerships. For this purpose, the African voice will continue to be mobilized

and consolidated through the coordinating mechanisms of the African Union so as unite the Continent on shared values and priorities in addressing current global imbalances.

40. Emphasis is on cross-continental partnerships and the development cooperation architecture to build on what already exists on the ground in Africa and add value to that. Africa is abundant with human, institutional and mineral resources; these require harnessing, effective deployment and nurturing. A starting point is for all development partners to support the implementation of existing Continental policy sectoral frameworks<sup>4</sup> developed on consensual basis and adopted by the African Union.
41. In addition, Africa should construct resilient coordination mechanisms to enable the South to engage in the new architecture. For this to be sustainable adequate capacity development is the key. This is essential as the second generation of SSC involves varied global assets and flows, thereby requiring better coherence and coordination. Within the Southern-led process emphasis should be on innovation space for regional and multi-lateral institutions to support South-South exchanges. As a result, there is need for Africa to invest in designing corresponding indicators of ownership. In securing ownership African countries must enhance capacities for demand and identification of needs for SSC to benefit overall development.
42. Africa is also committed to strengthening regional parliaments including the Pan African Parliament (PAP). These infant regional and continental legislatures are strategically placed to advocate and promote regional and continental legislative harmonisation in favour of integration and overall development.
43. **Transformative partnership:** The new compact should be based on a “transformative partnership” which prioritizes the following through enhanced triangular cooperation options – North-South and South-South collective action and enhanced African or domestic private sector engagement with development as a key focus – as distinct from multinationals or their Africa based subsidiaries.
44. Globally inclusive standards of engagement – for both Northern and Southern prospective development partners should include:
  - a. Strong system of African expertise and experience exchanges, with attributive value, to facilitate engagement and sharing of intra-African knowledge, know-how and technical resources;
  - b. Strengthen existing, emerging and anticipated-African led processes of regional cooperation and integration;
  - c. Institutionalize mutual accountability and ownership as cross-cutting principles – including shared milestone creation for development effectiveness and the monitoring and evaluation process around related programmes of action;
  - d. Expanded focus on domestic wealth and capital formation;
  - e. Develop and capacitate purposeful leadership and a developmental-coalition of African States, citizens and the private sector.

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<sup>4</sup> These include the African Peer Review Mechanism (APRM); Comprehensive Africa Agriculture Development Programme (CAADP); Programme for Infrastructure Development in Africa (PIDA); Consolidated Plan of Action for Science and Technology; Environment Action Plan (EAP); Minimum Integration Plan (MIP); Sub-Regional Environment Action Plans (SREAPs); African Action Plan: 2010-2015; Africa-wide Capacity Development Strategic Framework (CDSF); African Mining Vision, AU Social Development Framework; AU Gender Policy and African Women’s Decade.

45. For added coherence, effective accountability and local ownership for increased sustainability are important principles to guide the approach and framework of the “new” development cooperation architecture through a global “compact” that defines “development assistance good practice” and governs all relationships between countries, regional organizations and development partners. This could form the basis for a new paradigm in development cooperation, assistance and partnership.

46. *With this in mind, we:*

- a. **Resolve** to gather and share African experiences on common sectoral and thematic agendas through the creation and support of learning platforms and networks among countries and across sub-regions, including monitoring and evaluation mechanisms of processes and results that reflect African realities and are tailored to the Continent’s needs and priorities;
- b. **Underscore** that a competitive market in development assistance, based on genuine partnerships focused on capacity development, is in Africa’s interest. The second generation of South-South cooperation, in particular with the BRICs, is complementary to that of traditional development partners and is seen as an opportunity;
- c. **Commit** to building and strengthening coalitions that will promote South-South cooperation to leverage resources for mutual learning so that African know-how, good practices and innovation can more efficiently contribute to global development thinking and actions;
- d. **Undertake** to assess the true costs and benefits of offers of development assistance by clarifying partnership objectives and verifying the quality of the processes and outcomes of the partnerships;
- e. **In this regard, drawing on existing measures, undertake** to put in place a consolidated ‘African Charter<sup>5</sup>’ to complement existing national systems, which will specifically articulate ‘development assistance good practice’ to govern all relationships between Africa and Northern or Southern development partners. This will allow for the creation of norms that incorporate Africa’s current reality, partnership principles and aims, and serve as a basis for a new paradigm to promote effective development cooperation.

47. *Thereby, we:*

- a. **Call** for transformative trilateral and triangular partnerships between the South and North, and between the South and South, that are supportive of existing development initiatives and priorities driven by the African Union and its NEPAD Programme and add value to Africa’s natural resources;
- b. **Urge** our development partners to emphasize regional integration as part of bilateral and multi-lateral cooperation, when engaging with the Continent;
- c. **Call** for a fundamental reform of the global governance framework that integrates the effective representation and adequate participation of Africa, particularly in the Group of 20 (G20) the IMF, the World Bank, the UN Security Council and the World Trade Organization.

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<sup>5</sup> The NEPAD “will establish a forum of African countries so as to develop a common African position on ODA reform, and to engage with the Development Assistance Committee (DAC) of the OECD and other donors in developing a charter underpinning the development partnership. This charter will identify the Economic Governance Initiative as a prerequisite for enhancing the capacity of African Countries ...” NEPAD, 2001, para 148.

## The Post-Busan Agenda

48. The post-Busan Agenda for Africa is in essence a programme to reduce Aid dependency and ultimately exit Aid towards development effectiveness. Consequently, the agenda should not be viewed as something new, but rather a consolidation of existing African positions on inclusive development and development cooperation that have emerged over the last decades.
49. The Post Busan framework should be designed to address current challenges, pre-empt new ones emerging within the global development landscape. Overall, the African development agenda focusing on the next decade must lead to a substantial reduction on aid dependency anchored on human and institutional capacity development for service and productive sector growth. The focus should, therefore, be on both resilience and adaptability for long-term sustainability in the African development process.
50. Principally, Africa is seeking a new consensus frame for a global development partnership which is essentially driven by localized systems. The changes in the global development environment demand that we critically review existing structures for managing aid and jointly develop **new international development cooperation architecture** to adequately and promptly address the unfinished Aid agenda, within the development effectiveness framework.
51. This will help in making development cooperation more inclusive by involving all cooperation providers and demand-based needs of receiving partners, as active participants in the design, functioning, monitoring and evaluation of the new system. This means that the High Level Forum in Busan must be seen as part of a longer term consideration of modernizing the frame and systems of aid delivery.
52. The new cooperation system must build on the experiences gained through existing mechanisms with due recognition of universally acceptable principles to govern development cooperation and contributions of South-South and triangular cooperation through horizontal partnerships alongside North-South cooperation. These efforts should not shy away from explicitly addressing current and entrenched global imbalances, which serve to continuously marginalize Africa.
53. This embraces global initiatives around Aid for Trade and Climate Financing, etc, which call for more coordinated actions within the new architecture through working closely with specialized national and regional institutions in the respective fields. This is in recognition that regional organizations contribute added value to aid and development effectiveness, particularly focusing on productive sectors, notably - mining, agriculture and manufacturing sectors that span national boundaries, including use of innovative financing mechanisms. This will ensure complementarity.
54. The new architecture requires an effective mechanism to monitor progress and assess outcomes. The OECD/DAC has gained experience in conducting the monitoring surveys, which have generated useful field evidence. Building on this experience, we call for the establishment of a more inclusive, compact and strategically-oriented monitoring mechanism with strong Southern leadership and ownership for learning and Africa's continuous improvement. An essential characteristic of this frame is an explicit formal interface with developing regions and their legitimate institutions for voice and participation.

In addition, an African framework and compact aimed at cooperation effectiveness will serve as a basis for the new paradigm in development assistance to govern related engagement and interaction.

55. In consolidating Africa's defined and shared development trajectory, the post-Busan agenda should focus on the following four (4) primary concerns of governing aid for Development Effectiveness:
- a. Making development cooperation and aid responsive to Africa's desire to ensure structural transformation within its economy and achieving diversification, with a focus on beneficiation and domestic capital formation, thereby stimulating growth and expansion to create employment, especially for the youth;
  - b. Development cooperation and aid should reinforce and strengthen regional economic, social and political integration.
  - c. More specifically, the governance of development effectiveness goes beyond the token inclusion of Africa in existing global forums, wherein the leadership and ownership of African development processes by African institutions, citizens and private sectors is essential. Hence the need for aid delivery approaches to help secure capacities for the same as a primary result. Therefore, alongside with other actors, heads of RECs and organizations should be signatories to the BOD as they consistently engage with countries at national and regional development.

**54. Key to this objective includes:**

- a. Reducing Aid Dependency: Need to outline an effective strategy through inclusive private sector development, human resource capital base growth and to tap onto existing resources of African and international foundations;
- b. Transformative Partnership Within Africa: strengthening the effectiveness of RECs as well as inter and intra regional partnerships which signifies the intra-African dimensions of South-South Cooperation;
- c. Reforming Global Governance – strengthening Africa's adequate representation, voice and influence in global governance institutions and processes;
- d. Mutual Accountability- including political, technical and social accountability at all levels along the lines of existing African governance instruments such as the African Peer Review Mechanism (APRM). A clear message on Africa's commitment to designing its mutual accountability systems and standards to guide role and impact of Aid in Development Effectiveness.
- e. Ensuring synergies of all global development policies to ensure that internationally acceptable instruments governing the aid regimes are not undermined.
- f. Urgent need to follow up on unfulfilled development partners' commitments from Paris and Accra to guarantee value-based partnership, national ownership, aid transparency, increased quality, quantity and predictability;

**In promoting development effectiveness, the Continent is making efforts towards:**

- I. Institutionalizing an appropriate and shared framework on Development Effectiveness and Aid Management underpinned by values as underscored by the African Union Constitutive Act;
- II. Strengthening the multi-stakeholder ownership of the DE agenda<sup>6</sup> and African representation and unified positions and consensus in global forums;

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<sup>6</sup> Through existing mechanisms such as the Africa Platform for Development Effectiveness (APDev)

- III. Increased focus on intra African South-South cooperation as well as broader South-South cooperation;
- IV. Increase investment in human capital development, infrastructure and institutional effectiveness as well as regional value chain development
- V. Strengthening and empowering regional institutions and RECs' capacity to implement and monitor existing African priorities;
- VI. Creating the enabling investment regimes to promote both domestic and foreign investors including the African Diaspora, as well as Increased investment in continental research, knowledge development, and management and dissemination capacities;
- VII. Put in place processes and mechanisms that ensure that African institutions work in a more coordinated and coherent manner in the promotion and defense of collective interests;
- VIII. Strengthen public and private sector capacity for growth, retention and utilization by prioritizing the role of the developmental State responsive and socially accountable private sectors;

As a cross-cutting mechanism for DE implementation, the establishment of locally driven and regionally linked global M and E systems is essential. In this regard, there is need for greater balance between behavioural and institutional change. The M and E systems will help foster alignment, quality and effective coordination between providing and receiving Southern partners. South-South exchanges have the potential to enhance social and economic capital development through the establishment of multi-stakeholder networks essential for tracking progress and carrying forward innovation beyond the life span of individual programmes and projects.

For the expected historic change in Africa to be a reality, the Continent and its development partners must act in sync towards the desired paradigm shift away from managing poverty to economic transformation by utilizing the emerging abundant opportunities in the new Africa for a budding growth pole that plays a significant role in the integrated global economy. This will definitely advance development effectiveness in all its ramifications.

The centrality of capacity development as the vehicle to development effectiveness in Africa demands capacity development outcomes are secured from the use of both aid and domestic resources as standard practice. Therefore, CD indicators become a must in measuring Post-Busan commitments and agenda; hence the need for more organized and coordinated African voice and participation for ownership and leadership.

The new development cooperation architecture should be based on an intrinsic involvement of countries for domestic development. This calls for a partnership framework that respects Africa's endogenous systems and assets at national and regional levels. Development partners' interface with Africa should serve to consolidate the continued mobilization of emerging regional and national systems and processes such as APDev<sup>7</sup> for localized and more effective knowledge sharing. This should also form the basis for monitoring and evaluating progress of Post-Busan commitments on AE and DE.

*Addis Ababa, September 30, 2011*

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<sup>7</sup> The NEPAD "will establish a forum of African countries so as to develop a common African position on ODA reform, and to engage with the Development Assistance Committee (DAC) of the OECD ....."  
**NEPAD, 2001, para 148. Among specific "Actions"** – "constitute an ODA forum for developing a common African position on ODA reform, as a counterpart to the OECD/DAC structure....."para 149