

# **Freedom, Prosperity, and Security**

## **The G8 Partnership with Africa: Sea Island 2004 and Beyond**

*A Council on Foreign Relations Special Report*

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## CONTENTS

Foreword	iv
Acknowledgments	v
Introduction	1
U.S. Interests in the Africa Partnership	4
Evaluating African Performance	6
Evaluating G8 Performance on Its Africa Action Plan Pledges	9
Promoting Freedom	9
Ensuring Prosperity	14
Security	23
Monitoring Implementation	28
Conclusion	30
Appendixes	31
Appendix A: G8-Africa Partnership Project Meetings and Presentations	32
Appendix B: Members of the G8-Africa Partnership Project	34
Appendix C: Commissioned Papers	36
Appendix D: The Africa Policy Studies Program	37

## FOREWORD

The United States hosts the summit of the G8 group of advanced industrialized countries this year at Sea Island, Georgia. At the past three summits, G8 leaders gave special attention to Africa. To help make sure this emphasis is maintained, the Council on Foreign Relations established the G8-Africa Partnership Project under the auspices of the Africa Policy Studies Program. The project, which is directed by Ralph Bunche Senior Fellow Princeton N. Lyman, was conducted in collaboration with the Royal Institute for International Affairs, Chatham House, in the United Kingdom. A roundtable of experts, co-chaired by J. Brian Atwood and Robert S. Browne, was organized to examine the commitments made at the G8 meetings at Kananaskis in 2002 and Evian in 2003 under the Africa Action Plan (AAP) and to assess progress toward achieving them. Papers were commissioned on major elements of the AAP. The roundtable held meetings in Washington, DC, New York City, and London to deliberate these matters. The lists of participants and papers prepared for these meetings are provided in the appendixes.

The project report is framed by the decision of the United States to focus the Sea Island summit around three themes: freedom, prosperity, and security. It evaluates African and G8 performance in light of past commitments in the AAP that fit into these three areas and highlights issues that require further attention. It emphasizes the importance of maintaining Africa on the G8 agenda to avoid any downgrading of the G8-Africa commitments of the last two years.

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*Richard N. Haass*  
President  
Council on Foreign Relations

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I would like to thank the co-chairs of the G8-Africa Partnership project, J. Brian Atwood and Robert S. Browne, for their support and enthusiasm for the idea from the beginning. They helped to launch the group and assemble the distinguished experts that advised the project. These experts are listed in Appendix B along with the illustrious speakers who graced our roundtables.

Several of our colleagues at the Council on Foreign Relations made this project possible. Richard N. Haass, James M. Lindsay, and Lee A. Feinstein contributed valuable insights to the report. Patricia Dorff and Jennifer Anmuth were helpful and efficient in publishing the report.

Alex Vines, director of the Africa Program at the Royal Institute for International Affairs, Chatham House, graciously hosted two meetings in London on the G8-Africa Partnership.

I would also like to thank Kwaku Nuamah, the principal drafter of this report, who did a wonderful job of listening to the perspectives of all our experts. Odette Boya was the overall coordinator of our meetings and made excellent editorial contributions to this report.

Finally, I want to join Richard Haass in thanking the United Kingdom's Department for International Development (DFID) and Citigroup for their support of our project.

*Princeton N. Lyman*  
Project Director



## INTRODUCTION

The United States will host the G8 Summit at Sea Island, Georgia, in June 2004. Many urgent and critical international issues need to be discussed at the summit, especially developments in the Middle East and in the worldwide war on terrorism. It will be important, however, that the summit also maintain the momentum of the past three years in the G8-Africa partnership. This will reinforce the work of African leaders who are championing democracy, human rights, and good governance. Africa, moreover, figures prominently in the three global issues the United States has selected for the summit: freedom, security, and prosperity.

It now appears that the United States will invite a group of African leaders to confer with the G8, following the practice of the last three years. The United States is also proposing that the G8 address several items that bear on Africa at the summit, including food security, transparency in the oil and mineral sectors, peace support, and debt relief for post-conflict countries. These items do not encompass the breadth of issues in the G8's Africa Action Plan (AAP), described below, however, nor do they substitute for commitment to the long-term overall partnership that has been at the heart of the G8-Africa relationship in the past three years.

The U.S. decision to invite African leaders is a good step in this direction. Symbolically, it sends the message that African issues remain high on the G8 agenda. Substantively, it allows African leaders to speak directly with the G8 members on issues of peace and security, trade, and democracy. The United States should go further and specifically incorporate African issues into the G8 discussion of the three themes of the summit. It should also reiterate the G8 commitment to the AAP and to a full review of it at the next G8 Summit, to be held in the United Kingdom in 2005.

The G8's special attention to Africa has been warranted by the particular problems Africa poses for the international community. Africa's marginalization and persistent widespread poverty represent a major moral responsibility for the wealthy countries. Africa remains basically outside the global trading and investment system. At the end of the 1990s, a decade of globalization in finance and trade, sub-Saharan Africa still accounted for less than 2 percent of world trade and received less than 1 percent of

global capital flows.<sup>1</sup> A majority of the least-developed countries are in Africa, and even once “middle-income” countries such as Nigeria have suffered severe declines in per capita gross national product in the last fifteen years. Finally, the HIV/AIDS pandemic has hit sub-Saharan Africa hardest of any region. Some 3.2 million children, of whom approximately 90 percent reside in sub-Saharan Africa, are living with HIV/AIDS.<sup>2</sup> With nearly thirty million people infected and more than ten million orphaned by the disease, the continent faces a potential catastrophe unless major action is taken.

Africa affects the G8’s global interests in security. Conflicts in Africa, such as those in Sudan, Liberia, Sierra Leone, and the Democratic Republic of the Congo (DRC), have created enormous humanitarian crises and strained international peacekeeping capacities. G8 members—France, the United Kingdom, and the United States—have each had to deploy peacekeeping troops to the continent in the past three years. UN peacekeeping costs in Africa, meanwhile, have driven the UN budget for this purpose to nearly \$4 billion, posing serious budget problems for G8 members. Finally, in this milieu of conflict and weak governments, terrorist cells were able to develop that led to the bombings of American and Israeli facilities in East Africa—in which thousands of Africans died—and to the growth of illegal financial and arms-trading activities elsewhere on the continent.

Africa’s poverty, marginalization, and security all impinge on the well-being and security of the G8 countries. As a recent Independent Task Force report of the Council on Foreign Relations stated,

Democratic federalism can hardly be expected to flourish when people lack the capacity to feed, clothe, house, and otherwise sustain themselves. ... *Americans and Europeans cannot enjoy these privileges in an interconnected world without encouraging their diffusion elsewhere.* The architects of the Marshall Plan knew that without recovery there could be neither security nor law within Europe. The beneficiaries of the Marshall Plan—who include both Europeans and Americans—have every reason to understand that this principle applies today throughout the world.<sup>3</sup>

The G8-Africa Partnership, begun in 2001, reflects these concerns. It is still at an early stage. As this report will document, both Africans and G8 members have made

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<sup>1</sup> “A Ten-Year Strategy for Increasing Capital Flows to Africa,” *A Report of the Commission on Capital Flows to Africa*, June 2003.

<sup>2</sup> See chart at [http://www.globalhealth.org/view\\_top.php3?id=226](http://www.globalhealth.org/view_top.php3?id=226).

<sup>3</sup> *Renewing the Atlantic Partnership*, Council on Foreign Relations, New York, 2004. Full text available at <http://www.cfr.org>.



progress in meeting their commitments under the AAP. But implementation of most programs is just getting under way. African commitments to improved governance and economic reform remain tenuous in a number of countries. And for the G8, in areas such as trade, security assistance, and debt relief, much greater effort is needed. Thus strong political impetus from the G8 leaders is essential to maintaining momentum and reinforcing commitments.

The United States, as host and in setting the agenda of the meeting, is in a particularly strong position to achieve this momentum at Sea Island. There are many other issues on the U.S. agenda: the Middle East, worldwide terrorism, economic growth, and trade. But in the ways described above—inviting African leaders, incorporating Africa within the three themes of the meeting, and reiterating commitment to the AAP—the United States will lay the foundation for further progress on the AAP in the coming year and for a full summit review of it in 2005.

## U.S. INTERESTS IN THE AFRICA PARTNERSHIP

The United States would derive particular advantage from maintaining a strong G8 focus on Africa at the U.S.-hosted summit. Africa has relevance for all three global themes selected for the G8 meeting by the United States. Furthermore, the United States can showcase a strong record of achievement in relation to the G8's AAP, a record with which to mobilize greater effort from its G8 partners.

Security concerns are becoming especially important in Africa. As President George W. Bush recognized during his trip to Africa last July, al-Qaeda has already infiltrated Africa and carried out several terrorist attacks on American, Israeli, and African establishments. The president's \$100 million commitment for antiterrorism programs in East Africa is testimony to the importance of this threat. In the past few months, American military advisers and logistical assistance have been provided to African states in the Sahel region of West Africa to chase down and destroy terrorist operatives coming out of Algeria. The threat should engage America's G8 partners. The deputy commander of the U.S. European Command, General Charles Wald, recently told a gathering in Washington, "Terrorists training in the Sahel can be in the United States or Europe in a matter of hours."

With regard to prosperity, Africa, home to 40 out of the 147 members of the World Trade Organization (WTO), plays a significant role in the Doha round, the current multilateral trade negotiations actively promoted by the United States. African support was key to U.S. success in initiating the Doha round in 2001. The African caucus was equally critical, however, along with other developing countries, in the failure to reach agreement at the last meeting in the round at Cancún, when the U.S. and European offers on agricultural subsidies were deemed insufficient. The G8's reiteration of its commitment in the AAP to promoting African trade and development will be important in maintaining a constructive tone in these negotiations and progress toward a final agreement.

Africa is also fast emerging as a significant supplier of U.S. energy needs and a major contributor to the worldwide diversity of supply. Central and West Africa will account for one in four new barrels of oil to come on the global market in the next five

years.<sup>4</sup> Reports estimate that the region could supply up to 20 percent or more of U.S. imported oil in the next ten years. Natural gas from Africa could become equally important as liquefied natural gas facilities are further developed in Nigeria and elsewhere along the West African coast.

Finally, as detailed below, Africa has been moving steadily toward greater democracy across the continent. Several nations in Africa—Senegal, Mali, and Niger—provide examples of democracy in Muslim countries, a subject of major interest to the United States elsewhere in the Muslim world. Two primarily Muslim countries—Senegal and Mauritania—and Nigeria, with more than sixty-five million Muslims, have diplomatic relations with Israel, providing an example of outreach across the barrier to acceptance of Israel in the Islamic world. Countries experiencing religious tension between Muslims and Christians, as in Nigeria, bear watching in terms of the possible exploitation of these differences by extremist elements.

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<sup>4</sup> E. Ebel and D. L. Goldwyn, “Crafting a U.S. Energy Policy for Africa,” *Report of the Africa Policy Advisory Panel*, Center for Strategic and International Studies, Washington, DC, 2004.

## EVALUATING AFRICAN PERFORMANCE

Africa's plight is a matter for global concern. Abysmal economic growth rates and intractable webs of conflict, famine, and disease have contributed to falling standards of living for millions of Africans at a period when unprecedented advances in science and technology are fueling growth in most societies elsewhere. Yet several African success stories in the recent past should serve as a basis of optimism. With particular reference to the AAP, African states have taken several steps to strengthen governance, economic development, and their capacity for conflict resolution.

The Organization of African Unity, formed in 1963 largely as a political body to advance the cause of independence in Africa, has been transformed into the African Union (AU), an organization more focused on governance, peacemaking, and economic development. The AU has established an African Parliament and agreed on a peace and security organ. Under the leadership of Presidents Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria, Abdelaziz Bouteflika of Algeria, and Abdoulaye Wade of Senegal, Africans also developed the New Partnership for African Development (NEPAD), which has been formally adopted by the AU. NEPAD sets forth specific objectives for governance, human rights, sound economic policies, subregional economic cooperation, and the basis for trade and aid partnership with the international community. NEPAD was first presented to the G8 at Genoa in 2001, where it received strong endorsement. NEPAD subsequently provided the basis for African commitments under the AAP.

African fulfillment of its commitments has been mixed. In most cases, the commitments are of such a long-term character that they cannot be fully evaluated. A key element of NEPAD, and the one that perhaps has attracted the most attention, is the African Peer Review Mechanism (APRM). African countries that agree to the APRM procedure will be evaluated by a group of experts on their commitment to and implementation of NEPAD objectives. In July 2003, the African Peer Review Panel was inaugurated. Since then it has established rules and procedures, a work program and budget, a provisional list of partner institutions, guidelines for countries participating in the review process, and a set of questions for countries to answer in the four thematic areas of the APRM: democracy and political governance, economic governance and management, corporate governance, and socioeconomic development. So far nineteen out

of fifty-three members of the AU have volunteered for such review. The first review began in Ghana in April 2004 to be followed by reviews in Kenya, Mauritius, and Rwanda.

It is too early to judge the quality of the review process, its influence on those countries reviewed, or whether more African countries will agree to participate. The AU and NEPAD come under severe criticism in some quarters, moreover, for not addressing effectively the deteriorating political and human rights situation in Zimbabwe, where seemingly every NEPAD principle is being violated. Africans respond that NEPAD should be judged not by the immediate case of Zimbabwe but rather as a building-block process, and by progress over time toward full adherence to its basic principles.

While not reversing the negative developments in Zimbabwe, African leaders have moved quickly to reverse coups against elected leaders in smaller countries. Over the last two years, coups were reversed in Guinea-Bissau and São Tomé and Príncipe after intervention by the leaders of Nigeria, Ghana, and Senegal. South Africa, Zimbabwe, and Angola helped thwart an attempted coup in Equatorial Guinea by foreign mercenaries. Moreover, the AU has adopted several measures to discourage the unconstitutional overthrow of elected leaders. At its 1999 Algiers meeting, the AU pledged to bar governments that seized power in coups d'état from future summits. This was reinforced at Lomé in 2000 with a decision to proscribe cooperation with coup plotters on the continent.

NEPAD commitments in such fields as agriculture, health, and the environment are similarly in early stages of implementation. General plans and commitments have been formulated in each field, but little exists yet to judge. For example, African countries have committed to the Comprehensive Africa Agriculture Development Program, which sets priorities and calls for African countries to allocate at least 10 percent of national budgetary resources to agriculture within five years. Many African countries, however, will not meet even this modest commitment in the time frame proposed. African countries have committed to spend 15 percent of their budgets on health. There again, the results are mixed. More concrete progress has been achieved in infrastructure development. NEPAD's action plan in this field was developed in conjunction with the African Development Bank, the World Bank, and the European

Development Fund. The World Bank has approved funding for two of the projects: the Southern Africa power market and the Southern Africa regional gas project.

NEPAD looks to the G8 and developed countries for both debt relief and additional assistance to help it meet its development goals. The assistance target is for \$64 billion in additional assistance per year, more than triple current levels, to jump-start economic growth. Some believe that planning on such increases is unrealistic and serves to distort priorities and divert attention from more likely and practical programming. African leaders argue that this represents a logical framework and realistic allocation of responsibilities. Most of the responsibility for development rests with Africa, but at no time in history, they argue, could such a vast program of development as needed in Africa—in essence, meeting the UN's Millennium Development Goals of halving poverty by 2015—be achieved without significant outside help. Africa's poverty is especially relevant in this regard.

On conflict resolution, Africa has taken strong initiatives with concrete results. South Africa has played the leading role, in conjunction with other concerned African countries, in ending a war in the DRC that cost four million lives. This extremely complex peace process involved negotiating the withdrawal of troops from several neighboring African countries, the cessation of armed conflict among competing internal forces, and the establishment of a coalition government. South Africa also contributed emergency troops, along with troops from Europe, to stop massacres in the northeastern part of the country when UN peacekeepers were unable to do so. South Africa also has led the peacemaking effort in Burundi, where a Rwanda-like ethnic explosion threatened. The AU has sent a peacekeeping mission to Burundi, drawn from Ethiopia, Mozambique, and South Africa, and is seeking UN support for a broader peacekeeping effort. Kenya plays an important role in the negotiations to end the civil war in Sudan, and to find a solution to the failed state of Somalia. The Economic Community of West African States (ECOWAS) played the principal political role in engineering the departure of President Charles Taylor, essential to ending the civil war in Liberia, and the formation of an interim administration. ECOWAS then provided several thousand peacekeepers in advance of a UN force in Liberia.

In sum, Africa has made progress on the institutional aspects of NEPAD and on fairly specific plans to achieve its development objectives. Implementation in these areas remains to be judged over time. Africa has played a major role in bringing about an end

to some of the devastating conflicts on the continent. African countries have been willing to commit peacekeepers in several situations ahead of broader international involvement and support. African leaders have also acted quickly to reverse some efforts to unseat democratically elected governments.

## EVALUATING G8 PERFORMANCE ON ITS AFRICA ACTION PLAN PLEDGES

The following assessment does not cover the entirety of the G8's Africa Action Plan, which has 132 specific, concrete, future-oriented commitments. Rather, it focuses on those commitments that correspond most closely to the three themes the United States has selected for the summit: freedom, prosperity, and security. It is designed to provide the basis for incorporating Africa into the discussion of these themes at Sea Island.

The assessment is also necessarily preliminary. The AAP is only two years old. Most of the steps taken to date are commitments of resources or other initiatives. Their effectiveness and impact cannot be assessed yet. We can, however, get a picture of the response by the G8 members and whether it begins to match the problems the AAP is designed to address.

### PROMOTING FREEDOM

The G8 partners have made several important pledges in support of good governance and institutional reform in Africa. Weak institutions and a checkered commitment to democracy and accountable governance were major obstacles to economic growth and sociopolitical development in the first three decades of independent statehood. With the proclamation of NEPAD, African leaders signaled their intention to chart a new course toward prosperity and freedom with the help of external partners. They enshrined good governance and accountability as essential elements of NEPAD and invited G8 assistance in pursuing its goals. The G8 partners' response was overwhelmingly positive. The AAP pledged support for NEPAD's democracy and good governance objectives. It also promised support for anti-corruption efforts, respect for human rights, and policies that promote gender equality and empower women. Even more significant, the G8 also pledged support for the APRM, the principal device adopted by the African leaders to assess progress and encourage the kinds of reforms needed to sustain democracy and good governance on the continent.

#### *What Has Been Done?*

Bilaterally and collectively, the G8 countries have made significant efforts to fulfill these pledges. On the bilateral front, the United States, for instance, has contributed substantial



funds and technical expertise to support programs that enhance transparency and good governance on the continent. Washington, for example, launched the Africa Anti-Corruption Initiative to support indigenous anti-corruption efforts on the continent. The initiative, which is budgeted at \$36 million over five years, will strengthen institutions of accountable governance by assisting reforming African states in combating public- and private-sector corruption and helping establish best practices for improving transparency and accountability.<sup>5</sup> Furthermore, the Bush administration, as a sign of its commitments to democracy worldwide, made good governance and accountability the central yardsticks for disbursements from the Millennium Challenge Account (MCA). The MCA, which will draw a budget of \$1.3 billion in new money for fiscal year (FY) 2004 and is expected to total \$5 billion in FY 2006, rewards countries that demonstrate a commitment to “ruling justly, investing in people, and establishing economic freedom.” Eight African states—Senegal, Mali, Benin, Cape Verde, Ghana, Mozambique, Lesotho, and Madagascar—have been selected in the first year to submit proposals under this new fund.

The Canadian government has launched the \$500 million Canada Fund for Africa (CFA) to complement its development initiatives for Africa, which are expected to total more than \$6 billion over the next five years. Fifteen percent of this funding is directed toward governance, peace, and security programming.<sup>6</sup> The CFA has facilitated the sharing of African and Canadian skills and knowledge on public-service reform and decentralization, two major steps in enhancing the effectiveness of local government structures on the continent. In addition, Ottawa is working with such partners as the African Union of Local Authorities and the Federation of Canadian Municipalities to explore new ways of providing basic services in needy communities. One \$6 million project will help improve local governments’ capacity to deliver amenities such as water, sanitation, and health services to the poor. Ottawa has also earmarked new funding for governance-related projects that enhance the work of parliaments, enhance public-sector governance, and promote gender equality. For example, \$9 million has been earmarked for improving the capacity of African legislatures as effective forums of representation.

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<sup>5</sup> See document at [http://www.usaid.gov/locations/sub-saharan\\_africa/initiatives/anti\\_corruption.html](http://www.usaid.gov/locations/sub-saharan_africa/initiatives/anti_corruption.html).

<sup>6</sup> See document at <http://www.acdi-cida.gc.ca/canadafundforafrica>.

Another \$28 million has been committed to improving public-sector governance and transparency through the African Capacity-Building Foundation.

In the United Kingdom, Prime Minister Tony Blair has made good governance in Africa a core priority in international development assistance. The UK Department for International Development (DFID) has focused particularly on strengthening regional institutions such as the UN Economic Commission for Africa (ECA) as a way of enhancing the role of such institutions in promoting good governance on the continent. The ECA, for instance, has become a major provider of technical and analytical support to the NEPAD process and currently publishes the *African Governance Report*—a comprehensive assessment of governance in Africa countries. The UK government also funds several initiatives dedicated to fighting corruption in countries such as Sierra Leone, Malawi, Uganda, Nigeria, Zambia, and Mozambique. It has also provided active support for the work of the East and Southern Africa Anti-Money Laundering Group and the Extractive Industries Transparency Initiative. In addition to being welcomed by many G8 governments and the World Bank, the latter initiative has received the support of a growing number of African governments, including those of Nigeria, Sierra Leone, Ghana, and the DRC.

Other G8 partners, particularly Germany, have also devoted significant levels of their development assistance budgets to projects that enhance democracy, human rights, and freedoms in Africa. The German government has cited as a top priority in its external development strategy the promotion of good governance, women's empowerment, and respect for human rights in Africa. Funding for projects in these areas has been channeled through direct government assistance and various German *Stiftungen* (political party foundations) currently operating in Africa.

More modest contributions have also come from Italy and France. Italy currently funds a triennial conference involving the chairmen of African parliaments and has allotted €4 million toward strengthening parliamentary institutions in Africa.

France appears willing to broaden the scope of its development assistance to include democracy-related issues and has already provided some assistance toward projects dedicated to judicial and parliamentary reform, improving public administration via decentralization, and strengthening the role of Africa's news media as agents of democracy. Democratization and human rights have also emerged as important aspects of Japan's development assistance policy toward Africa. That country's official

development assistance (ODA) charter stipulates that “full attention should be paid to efforts for promoting democratization and the introduction of a market-oriented economy and the situation regarding the securing of basic human rights and freedoms in the recipient country.”<sup>7</sup> Although much more remains to be done on implementation, aid agencies such as the Japanese International Cooperation Agency are beginning actively to pursue good governance and greater respect for human rights as essential components of development activities in Africa.<sup>8</sup>

Collectively, the G8 governments have also supported governance and institutional development in Africa through support for several projects executed by international financial institutions such as the World Bank and the International Monetary Fund (IMF), two organizations that have invested substantial resources toward enhancing institutional effectiveness and improving economic governance in Africa. The continent is currently the largest beneficiary of such assistance from the IMF, and the World Bank devotes about 19 percent of its total Africa funding to activities that promote the rule of law, gender equality, and enhanced public administration on the continent.<sup>9</sup>

### *Challenges and Recommendations*

Despite these contributions, the commitments to better governance and democracy are not being sustained in all cases, and some G8 members can do more. France, Japan, and Italy, in particular, should raise the profile of democracy and institutional development on their assistance agenda. Although the U.S. government has traditionally considered democracy a high priority on its global agenda, it has not placed consistent emphasis on funding programs that support democracy and good governance in Africa.<sup>10</sup> Presumably, this slide reflects changes in priorities resulting from September 11, the war on terrorism, and increased spending on HIV/AIDS. Nevertheless, the importance of good governance in maintaining stability and enabling economic development argues for maintaining strong commitments in this area.

Another challenge is to increase G8 support to NEPAD and the APRM. These initiatives have great potential for promoting democracy, human rights, and institutional

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<sup>7</sup> See document at <http://www.mofa.go.jp/policy/oda/category/democratiz/1999/partner.html>.

<sup>8</sup> See document at <http://www.jica.go.jp/english/activities/regions/09afr.html>.

<sup>9</sup> See document at <http://www.worldbank.org/annualreport/2003/table/5-1.htm>.

<sup>10</sup> Edward McMahon, “Commitment to Democracy and Institutional Reform: The G8 Performance,” paper presented at the Council on Foreign Relations, New York, March 25, 2004.

development in Africa. Realizing this potential, however, depends not only on the credibility of the peer review process, but also on the availability of resources to ensure continuity and a reasonable degree of insulation from governmental control of that process. Both issues pose challenges for the G8 partners. The issue of funding, for instance, is one that is still being debated in African political circles. Many perceive external funding as potentially undermining the homegrown credentials of the APRM. Nonetheless, the African political terrain is littered with good initiatives that floundered for want of sufficient funding from subscribing states. Moreover, there is concern in some nongovernmental circles that funding solely from African governments for the peer review process might rob it of its independence and render it useless as a yardstick for evaluating commitment to reform. The G8, therefore, needs to find a middle ground that enables it to strengthen, through funding and technical support, the work of the APRM without undermining the African ownership essential to ensuring that the mechanism becomes effective. One strategy might be channeling bilateral and multilateral support through African organizations such as the African Capacity-Building Foundation, and the African Development Forum, as well as through the ECA. The APRM is also establishing a trust fund that should enable donors to help provide the short-term resources needed to get the initiatives off the ground without compromising African ownership. The APRM can also draw on the experience of the Development Assistance Committee of the Organization for Economic Cooperation and Development, which offers excellent and to some extent standardized economic analyses of development programs for use in peer reviews of its members—in other words, a long-standing peer review process for donors

#### ENSURING PROSPERITY: TRADE, AID, DEBT RELIEF, AND INVESTMENT PROMOTION

In the AAP, the G8 countries committed themselves to foster trade, investment, economic growth, and sustainable development in Africa. Specific pledges include helping Africa attract investment, providing support for capacity-building and transfer of expertise for infrastructure development, helping to provide greater market access for African products, and increasing funding for trade-related technical assistance and capacity-building in Africa. Other commitments included the provision of support for African

efforts to advance regional economic integration and intra-African trade and helping to improve the effectiveness of ODA.

### *Promoting Trade*

*What Has Been Done?* At Kananaskis, the G8 countries promised several measures to help grant Africa greater access to the world market. Toward this end, the G8 partners pledged to conclude by January 1, 2005, negotiations on further trade liberalization in the Doha round of multilateral trade negotiations, “taking full account of the particular circumstances, needs and requirements of developing countries, including in Africa.”<sup>11</sup> Those needs include reducing export subsidies for G8 agricultural products and granting broader market access to African exports. To help Africa further, the G8 also pledged to work toward the “objective of duty-free and quota-free access for all products originating from the least developed countries (LDCs), including African LDCs,” as well as to increase support for projects that aim to improve the quality of trade-related technical assistance and capacity building in Africa.<sup>12</sup>

G8 countries have not been as successful in moving this agenda forward as they have been on other matters. The Doha round of the WTO trade negotiations launched in November 2001 has not achieved the goal of facilitating African exports, especially in the area of agriculture. Talks at the Cancún WTO ministerial meeting in September 2003 failed to resolve the relevant issues of trade-distorting farm supports and subsidies on agricultural exports as well as high tariffs that make it difficult for poor countries to compete. European and American subsidies and tariffs in agriculture are estimated to cost Africa billions of dollars annually in potential export earnings.<sup>13</sup> The Doha round has so far also failed to resolve the issue of high industrial tariffs in other sectors, such as textiles, that are especially important to poor countries. Nevertheless, several G8 countries have explored bilateral means to facilitate trade with Africa. Furthermore, most G8 countries have other long-standing arrangements dedicated to helping Africa grow through trade.

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<sup>11</sup> *The G8 Africa Action Plan*, 2002, available at [http://www.g8.fr/evian/english/navigation/g8\\_documents/archives\\_from\\_previous\\_summits/kananaskis\\_summit\\_-\\_2002/g8\\_africa\\_action\\_plan.html](http://www.g8.fr/evian/english/navigation/g8_documents/archives_from_previous_summits/kananaskis_summit_-_2002/g8_africa_action_plan.html).

<sup>12</sup> *Ibid.*

<sup>13</sup> The United Nations Development Program estimates that crop subsidies by industrialized countries cost developing countries worldwide from \$125 billion to \$310 billion annually in lost sales and lower world prices. UN Department of Public Information, *African Recovery* 17: 4 (January 2004), p.20.

The United States has had a long history of supporting trade development in Africa. The Export-Import Bank, operational in eighteen African states in 1998, was functioning in thirty-four countries by 2001.<sup>14</sup> Within that period, the bank increased the volume of both private- and public-sector credit in sub-Saharan Africa from \$50 million to about \$800 million.<sup>15</sup>

A more recent U.S. initiative, in line with AAP commitments to facilitating African exports, is the Africa Growth and Opportunity Act (AGOA). Passed in 2000, AGOA provides quota- and duty-free access to U.S. markets for most African products, including—though with some restrictions—textiles. To date thirty-seven African countries have been designated as eligible for tariff preferences under the act. Under AGOA, African clothing exports to the United States grew by 46 percent from 2000 to 2001, reaching \$1.1 billion in 2002. This growth rate was surpassed in the first nine months of 2003.<sup>16</sup> It is estimated that AGOA has produced about ninety thousand new jobs in South Africa and nearly seventeen thousand in Lesotho.<sup>17</sup> The Bush administration has proposed to Congress an improved and expanded AGOA, extending the act to 2015 and creating new opportunities for African agricultural exports.

The United States is also negotiating free-trade agreements with Morocco and the Southern Africa Customs Union. Other G8 countries have also adopted various approaches to boosting trade with Africa. The EU, for example, has embarked on a series of regional and subregional trade negotiations to complement existing trade agreements with all Europe's former colonies.

*Challenges and Recommendations.* Progress on agricultural subsidies and tariffs remains a principal issue in G8-Africa trade relations. The G8 should review recent EU and U.S. proposals for addressing trade-distorting agricultural subsidies and high tariffs and discuss them with African leaders invited to the summit to see whether progress can be made. Furthermore, programs such as AGOA, while providing great stimulus for trade, can benefit only those countries that have the capacity to take advantage of the opportunities it supplies. To enhance the productive capacity in more African countries,

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<sup>14</sup> James A. Harmon and Witney Schneidman, "Evaluating G8 Commitment to Prosperity and Economic Development: Investment Promotion and Private Sector Development," paper presented at the Council on Foreign Relations, New York, March 25, 2004.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

the G8 should consider providing technical assistance to spur industrial production, particularly in agro-industrial and small business sectors. Another looming problem is the end of the Multi-fiber Agreement (MFA), which sets regional and country quotas for textile imports. Unless special provision is made for Africa, the MFA's expiration in 2005 will pit incipient African textile producers against seasoned exporters such as China. Developing local capacity in Africa through technical assistance and funding is therefore essential and should be a priority for G8 countries. The G8 countries should also increase their investment in infrastructure and human resource development that will make Africa more competitive.

### *Promoting Investment*

An important contributor to economic growth in Africa is greater investment. Recently the continent's share of foreign direct investment (FDI) has increased slightly from \$11 billion in 2002 to \$14 billion in 2003.<sup>18</sup> These increases, however, reflect several large new investments in the oil sector and have not changed the reality for a majority of African countries that continue to languish in the investment wilderness. Collectively, African states continue to attract the smallest portion of global investment capital—about 1 percent of global FDI flows—largely because of concerns over political instability and inadequate market size. At Kananaskis, the G8 pledged to change this by helping Africa to attract investment, both from within the continent and from abroad. Accordingly, the G8 countries pledged support for African initiatives aimed at “improving the investment climate, including sound economic policies and efforts to improve the security of goods and transactions, consolidate property rights, modernize customs, institute needed legal and judicial reforms, and help mitigate risks for investors.”<sup>19</sup> The partners also pledged to stimulate private investment on the continent through international cooperation, public-private partnership, innovative uses of export credit, and guarantees against political and commercial risks.

*What Has Been Done?* In various ways and through diverse means, the G8 partners have made major contributions toward helping Africa attract a greater share of global

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<sup>18</sup> United Nations, *World Economic Situation and Prospects 2004*, New York, NY, United Nations, 2004, p. 341.

<sup>19</sup> *G8 Africa Action Plan*.

investment. Since 2001 the U.S. government, for instance, has provided more than \$700 million in investment support funds to sub-Saharan Africa through the Overseas Private Investment Corporation. The Canadian government also plans to support Africa with some C\$100 million in government funds matched by the private sector through the Canada Investment Fund for Africa. Italy, for its part, has established a €50 million fund to support joint ventures between the Italian and African private sectors. Other G8 countries have also made significant contributions both bilaterally and through multilateral arrangements. Japan, for instance, is committing up to \$300 million over five years in investment loans to Africa. The European Union has also established a €110 million investment promotion scheme (Proinvest) and a €2.2 billion investment facility under the auspices of the European Investment Bank to support investments in poor countries, the bulk of which are in Africa.

In addition, a joint British-French initiative has been established to promote investment in developing countries with joint financing of €200 million. Africa is expected to receive a majority of that support. The UK government has also teamed up with a private firm, Actis, to promote investment in developing countries. Through this joint venture, the Blair government is committing up to \$500 million per year for investment in Africa, China, and India. It should be mentioned, however, that unless the investment environment improves in African countries, the funds will not be properly used.

A major drawback to investment in Africa has been the poor state of infrastructure. Accordingly, African leaders highlighted as a top priority of NEPAD the development of the requisite infrastructure for economic growth. The G8 partners concurred and pledged at Kananaskis to assist Africa by “facilitating capacity-building and the transfer of expertise for the development of infrastructure projects, with particular attention to regional initiatives.”<sup>20</sup> This pledge has been kept in various ways. The Canadian government, for instance, took the initiative to support the establishment of an infrastructure-related project preparation facility within the African Development Bank. Japan has also committed up to \$1 billion for infrastructure development in Africa since 2003, and the United Kingdom has provided \$100 million to support the work of the

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<sup>20</sup> Ibid.



Emerging Africa Infrastructure Fund, which has already attracted some \$205 million of private-sector investment to help Africa develop its infrastructure.<sup>21</sup>

*Challenges and Recommendations.* Although the G8's record on investment promotion is impressive, much more remains to be done to help Africa attract a greater proportion of global capital flows. Undoubtedly African governments hold the primary responsibility for initiating policies to make their economies attractive to investors. Nonetheless, the G8 partners can do more to assist the continent.

The G8, for instance, should commit more resources to help Africa develop the liquidity, accessibility, and integration of its equity markets. This will facilitate the privatization of government industries and also provide a forum promoting domestic investment. Studies show that Africa's stock markets have grown at a remarkable rate over the last two years.<sup>22</sup> In 2003, markets appreciated more than 30 percent in local currency in Tanzania and Botswana and 100 percent in Ghana. Over the same period, the Johannesburg stock market appreciated 25 percent in U.S. dollars. Moreover, African markets are considered inexpensive compared with those in Latin America, Asia, and the United States, and so can become attractive to investors when given the needed support.<sup>23</sup>

Developing Africa's equity markets would also bring additional benefits by helping to curb the flight of capital, which could otherwise be invested in the domestic economy. Capital flight is a major concern for African states. The ECA has estimated that \$187 billion has left thirty African states over the past twenty-seven years. The G8 can help reverse this outflow by increasing support for the development of equity markets on the continent. Stopping capital flight will help Africa build the requisite capital pools for domestic investment and economic growth.

The G8 should also do more to help build competitive, growth-oriented African companies, especially small and medium-sized enterprises (SMEs), which can take advantage of export opportunities and domestic markets to create jobs. Although some of the G8-sponsored investment activity provides a small amount of investment in SMEs, much more capital and technical assistance is needed to promote this critical sector of the economy and, if possible, on a coordinated basis. Most of the G8 countries have specific

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<sup>21</sup> Harmon and Schneidman, "Evaluating G8 Commitment."

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

programs within their own countries to support SMEs (such as small-business loan programs in France, the United Kingdom, the United States, and Canada); Africa could benefit greatly from development of similar programs.

Another challenge is support for regional economic integration, essential to promoting investment in Africa since it would expand the size of Africa's markets. Africa's fragmented markets are extremely unattractive to most foreign investors at present because they lack the advantages of scale available in larger and better-organized markets. Regional integration efforts will also help eliminate trade barriers and hence lead to greater intra-Africa trade.

### *Aid and Debt Relief*

The G8 partners have also made progress on the twin issues of aid and debt relief. At Kananaskis and Evian, the G8 placed these issues at the top of the development agenda. ODA to Africa has recovered after declining in the 1990s, rising in 2002 to \$18.6 billion from \$17.3 billion the previous year. Collectively, the G8 countries already provide up to three-quarters of all ODA to Africa.

The Bush administration has announced two new special initiatives—the five-year, \$15 billion President's Emergency Program for AIDS Relief and the Millennium Challenge Account, which would increase annual U.S. ODA by \$5 billion, or 50 percent, over the five-year period starting in 2003. Although not directed solely to Africa, these programs will likely boost U.S. assistance to Africa substantially. The MCA is also particularly valuable in linking increased assistance to performance by the recipient country, a principle adopted at the United Nations Monterey Conference and endorsed by many development professionals. Other donors have not followed suit to the same degree.

Africa is a high priority for ODA from other G8 countries such as France and Japan. France, for instance, devotes as much as 46 percent of its overall international assistance to African countries.<sup>24</sup> France assisted Africa to the tune of about €2.34 billion in 2002 and expects its bilateral transfers to reach €3 billion in 2003.<sup>25</sup> Japan devotes 14

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<sup>24</sup> See document at [http://www.france.diplomatie.fr/cooperation/dgcid/direction/page\\_02.html](http://www.france.diplomatie.fr/cooperation/dgcid/direction/page_02.html).

<sup>25</sup> *Implementation Report by Africa Personal Representatives to Leaders on the G8 Africa Action Plan*, Evian, 2003. See document at [http://www.g8.fr/evian/english/navigation/2003\\_g8\\_summit/summit\\_documents/implementation\\_report\\_by\\_africa\\_personal\\_representatives\\_to\\_leaders\\_on\\_the\\_g8\\_african\\_action\\_plan.html](http://www.g8.fr/evian/english/navigation/2003_g8_summit/summit_documents/implementation_report_by_africa_personal_representatives_to_leaders_on_the_g8_african_action_plan.html)

percent of its ODA to sub-Saharan Africa and intends to give greater priority to Africa in disbursements under its \$203 million Trust Fund for Human Security.<sup>26</sup> In addition, Japan also contributes significant sums of money to the Africa Capacity Building Foundation through the Policy Human Resources Development Trust Fund at the World Bank.<sup>27</sup> Moreover, Japan continues to assist Africa by helping to raise funds for basic needs on the continent through conferences such as the Tokyo International Conference on African Development.

The British government has also made major commitments on this issue. In January 2003, for example, the UK Treasury and DFID launched a proposal for an International Finance Facility (IFF), a program designed to aid countries in meeting the Millennium Development Goals. The United States, however, does not support the IFF, in part because it is a lending facility rather than a system of grants—the latter being the U.S. preference. These impressive records notwithstanding, several challenges still need addressing to enhance effective delivery of ODA for Africa.

Debt relief for Africa commands an equally high place on the G8's development agenda. The continent continues to devote substantial portions of its GDP to debt-servicing obligations. Africa made \$11 billion in debt payments in 2002. Debt relief, particularly for the Heavily Indebted Poor Countries (HIPC), is designed to reduce this outflow and help impoverished African states retain more of their incomes for investment in health, education, and other priority development areas. Thirty-four African states currently participate in the HIPC initiative. Many expect significant benefits from debt relief and restructuring.

*Challenges and Recommendations.* The G8 and African nations have different interpretations of the commitments regarding ODA. At a UN meeting in Monterrey, Mexico, in 2002, G8 countries spoke of allocating 50 percent of an expected \$12 billion increase in ODA to Africa. African nations have taken this as a firm commitment. The United States, however, does not accept it as such, interpreting the commitment as one only to consider Africa for such further assistance based on other criteria and competing

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<sup>26</sup> McMahan, "Commitment to Democracy."

<sup>27</sup> Ibid.

demands elsewhere. This issue needs to be clarified before it becomes a major source of contention.

More fundamentally, despite recent increases in ODA, the amounts being provided do not begin to meet the requirements for establishing basic health infrastructure in Africa or for meeting the UN Millennium Development Goal of universal primary education by 2015. According to the World Health Organization, developing basic health services alone for developing countries, a large number of which are in Africa, would require an additional \$27 billion in ODA annually until 2007, and up to \$38 billion over the succeeding eight years. The UN Educational, Scientific, and Cultural Organization estimates that the Millennium Development Goal for education would require another \$5.6 billion annually. In essence, ODA is not nearly sufficient to address Africa's fundamental development objectives and is more than unlikely to meet the NEPAD goal of an additional \$64 billion in assistance per year.

That makes the issue of debt relief along with trade all the more urgent. Despite the progress and promise of HIPC, the process is slow and cumbersome. Only thirteen African countries have benefited to date. Moreover, HIPC does not address the debt problems of African countries that are not among the least developed, such as Nigeria and Kenya. Nigeria currently spends 20 percent of its federal budget on debt servicing, but that figure is expected to rise to 30 percent as unrecorded liabilities are identified. Moreover, not only are Nigeria and Kenya politically and economically important themselves, their development can spur growth in the poorer countries around them. Moreover, a focus on debt relief has masked the beneficial role of debt as low-cost capital in corporate and infrastructure finance. Although sixteen African countries now sport international credit ratings, many of these governments and their public-sector enterprises are constrained from raising nonconcessional debt under their country's HIPC-related agreements with the IMF, potentially increasing the financing costs of public-private partnerships for infrastructure development.

Lack of coordination of aid programs also remains a serious problem. The World Bank recently reported that there are eighty thousand separate aid projects operating in the developing world. In Tanzania alone, forty donors at one point maintained two thousand separate aid projects. The plethora of separate procedures and administrative requirements places an enormous burden on developing countries and, in particular, on the time and attention of key staff needed to direct development efforts. The lack of

coordination also decreases donor effectiveness. World Bank President James Wolfensohn describes the situation this way: “We’re not cooperating. We’re not coordinating. We’re not learning from the experience of others, and in some cases we’re not learning from our own experience.”<sup>28</sup>

Although this problem has been around a long time, with little progress made in the past, better coordination is possible, as demonstrated recently by donors to the worldwide campaign against AIDS. At a meeting in Washington, major donors agreed to each recipient country’s having a single action program to coordinate donations, a single authority that receives the money, and a single system for monitoring and evaluating how it is spent.<sup>29</sup> The same effort needs to be made in other areas of assistance.

Trade, aid, and debt relief together are the key components of an effective G8 commitment to African development. Despite the significant progress that has been made, these remain issues of some contentiousness and unfulfilled promise.

#### SECURITY: PROMOTING PEACE AND STABILITY IN AFRICA

The G8 partners have devoted significant time and resources to helping Africa prevent and manage its destructive conflicts in order to promote social stability and create a more enabling environment for development. At Kananaskis, the G8 partners pledged support for ongoing conflict management efforts in countries such as the DRC, Sudan, Angola, and Sierra Leone; technical and financial support to enhance general conflict-management capacity (including a capacity to undertake peace operations by 2010); and support for effective peace building in societies emerging from or seeking to prevent violent conflicts. These efforts have to include not just reconciliation and reintegration of combatants, but also political and economic reintegration of marginalized groups. The G8 also pledged support for broader security efforts, such as the removal of land mines, checking the flow of illicit weapons, and protecting natural resources during conflicts, as well as providing assistance for war-affected populations.

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<sup>28</sup> UN Department of Public Information, *Africa Recovery* 17: 4 (January 2004), p. 18.

<sup>29</sup> Elizabeth Becker, “Donor Nations Reach Accord for Efficient Use of AIDS Funds,” *New York Times*, April 26, 2004.

The Evian Summit (2003) reiterated these commitments and, focusing specifically on the pledge to provide support for an African capacity, by 2010, for peace operations.<sup>30</sup> G8 leaders outlined a three-step plan of action to (1) create a joint plan for developing African capability to undertake peace support operations; (2) train African peace support forces, including through the development of regional centers of excellence to train military and civilian personnel in conflict prevention and peace support, and (3) better coordinate peacekeeping training initiatives. To buttress these steps, the G8 at Evian recommended several actions, including the holding of annual consultations on capacity building with the AU, other donors, and peace and security institutions; greater support for the UN in its outreach to the AU on security matters; and assisting the AU in developing an African Standby Force modeled after the EU-led Stand-by High Readiness Brigade (SHIRBRIG).

#### *What Has Been Done?*

The G8 countries have made substantial progress on many of the Kananaskis and Evian pledges. Collectively and bilaterally, the partners have supported conflict resolution and capacity development efforts in Africa.

Despite heavy military commitments elsewhere, the G8 countries have intervened directly in some African conflicts to prevent humanitarian crises and join other stakeholders in the search for resolution. The United Kingdom, for instance, provided military troops to Sierra Leone (2000), as did France in Côte d'Ivoire (2002) and the EU in the DRC (2003). The United States positioned forces off the coast of Liberia in the summer of 2003 and sent some ashore to facilitate the introduction of ECOWAS peacekeepers. The United States also provided logistical support to the peacekeeping force.

G8 support for African conflict resolution has also been channeled through the efforts of the AU and regional organizations, as well as through financial assistance, troop contributions, and logistics support for UN peacekeeping missions in Africa. The U.S. support for ECOWAS troops in the summer of 2003, for instance, was essential to successful intervention in Liberia. France, for its part, contributed significantly to the

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<sup>30</sup> See

[http://www.g8.fr/evian/english/navigation/2003\\_g8\\_summit/summit\\_documents/implementation\\_report\\_by\\_africa\\_personal\\_representatives\\_to\\_leaders\\_on\\_the\\_g8\\_african\\_action\\_plan.html](http://www.g8.fr/evian/english/navigation/2003_g8_summit/summit_documents/implementation_report_by_africa_personal_representatives_to_leaders_on_the_g8_african_action_plan.html).

mediation efforts of the Economic and Monetary Community of Central African States (CEMAC) in 2002 to end the conflict in the Central African Republic. G8 countries (and other partners) have also provided support for AU conflict-resolution efforts. In 2003, for instance, the United States, the United Kingdom, and France provided financial support for the AU's peacekeeping mission in Burundi, the organization's first. More recently, in March 2004, AU conflict-management efforts received a boost when the EU announced a €250 million fund to support future peacekeeping operations, as well as to help the organization develop an effective management system.

Another venue by which G8 countries have supported African conflict-resolution efforts is UN peacekeeping missions on the continent. G8 financial and logistical support enhances the effectiveness of such missions, making them more beneficial to the cause of African security.<sup>31</sup> In 2000, for instance, SHIRBRIG played a pivotal role in helping the UN launch its peacekeeping mission in Ethiopia and Eritrea. More, recently, SHIRBRIG played a key role in the successful transfer of ECOWAS peacekeeping duties in Liberia and Côte d'Ivoire to the UN. Additionally, various G8 member countries have contributed in diverse ways to UN peacekeeping missions currently underway in the DRC, Sierra Leone, Ethiopia and Eritrea, Liberia, and Côte d'Ivoire.

The G8 has also assisted Africa in developing its conflict-management capacity through technical assistance and training programs aimed at enhancing the decision-making and operational skills of military and civilian personnel.<sup>32</sup> The U.S. Department of Defense's Africa Center for Strategic Studies, for example, is assisting the ECOWAS Secretariat in evaluating the dynamics of the intervention in Liberia and drawing recommendations for improving future peacekeeping operations. The United States is also developing a new, five-year, \$660 million international peace initiative to help train and equip foreign troops for peacekeeping missions in their own regions.<sup>33</sup> The program, dubbed the Global Peace Operations Initiative, will focus primarily on Africa and strengthen existing plans to train ten battalions per year.

Further G8 assistance in this area has been administered through programs such as the U.S. African Contingency Operations Training and Assistance program, the British

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<sup>31</sup> Victoria Holt, "Evaluating G8 Commitments to Peace and Security in Africa," paper commissioned by the G8-Africa Partnership Project, Council on Foreign Relations, April 2004.

<sup>32</sup> Ibid.

<sup>33</sup> "Bush Plans Foreign Peacekeeping Forces Fund," *Reuters*, April 19, 2004.

Military Advisory and Training Teams program, and France's Reinforcement of African Peace-keeping Capacities program. The governments of Italy, Germany, and Canada have also made significant contributions toward African conflict-management training and capacity development. The Italian government, for instance, brought African and EU leaders and experts together at a 2003 seminar on African conflicts and is currently assisting in training peacekeepers on the continent. German funds facilitated the establishment of the Kofi Annan International Peacekeeping Training Center (KAIPTC) in Ghana. Although other G8 countries, notably Canada, Italy, France, the United Kingdom, and the United States, have also contributed to the work of the KAIPTC, German Chancellor Gerhard Schroeder's presence at the center's inauguration in January 2004 underscores the importance Berlin attaches to the KAIPTC's mission to provide professional training and peacekeeping skills to African soldiers.

Canada, for its part, has devoted Canadian \$25 million (out of the \$500 million Canada Fund for Africa announced at the Kananaskis Summit) to help strengthen African security capacity and to address some of the needs of war-affected populations. Ottawa is also supporting programs geared toward improving the AU's early-warning system and ECOWAS's capacity as a manager of peace operations. In addition, the Canadians in March 2004 signed an agreement to collaborate with ECOWAS on peace and security initiatives and are funding a scholarship program to train West African civilians and military personnel at the KAIPTC.

Further support for training and capacity-building has come from the EU, which is backing AU efforts to improve its conflict-management systems. At the April 2004 EU-Africa ministerial meeting in Dublin, for instance, EU leaders expressed support for the AU's intention to establish an Early-Warning System and plans to create an African Stand-by Force by 2010 to manage complex emergencies.<sup>34</sup>

### *Challenges and Recommendations*

These efforts by the G8 notwithstanding, much remains to be done to help resolve conflicts and build peace in Africa. Strengthening African peacekeeping capacity is especially important because the contributions of G8 members to UN peacekeeping

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<sup>34</sup> Communiqué of the EU-Africa Ministerial in Dublin, Ireland, April 2004. See document at <http://216.239.57.104/search?q=cache:cUDjEyuAWR4J:ue.eu.int/pressData/en/er/79814.pdf+Communiqu%C3%A9+of+the+EU-Africa+Ministerial+in+Dublin,+Ireland,+April+1,+2004.&hl=en>



operations have declined. From 1991 to 1998, the United Kingdom, France, Russia, and the United States were among the top twenty nations contributing troops to UN peacekeeping missions, accounting for about 17 percent of UN peacekeeping personnel. From 1999 to 2003, however, only the United Kingdom and the United States remained in the top twenty, and they contributed less than 4 percent of the total UN peacekeeping personnel. Within the same period, developing countries (including the African countries of Nigeria, Ghana, and Kenya) became the top-ten troop-contributing nations, accounting for nearly 60 percent of the deployed UN peacekeepers from 1999 to 2003.<sup>35</sup>

African regional and subregional organizations are nevertheless still extremely weak in planning, executing, and supporting peacekeeping operations. ECOWAS mission planning, for instance, is hampered by inadequate communications links between the early-warning centers and headquarters.<sup>36</sup> Support systems for troops in the field are poorly organized. The G8 should also take a broader view of African conflicts and explore measures to address the negative role played by governments that undermine regional peace-building efforts and sponsor destructive insurgencies against neighboring states. In addition, the G8 can help African conflict-management institutions and the United Nations enhance recruitment, retention, and effective deployment of troops and civilian police by supporting the standardization of training through a joint certification process for the United Nations, the AU, and regional institutions such as ECOWAS. Programs designed to help African countries deal with the reportedly high prevalence of HIV infection among the military, and the implications for peacekeeping, should receive priority attention. The U.S. European Command has been particularly responsive to this problem, but HIV/AIDS testing, counseling, and treatment are only sporadically available in the continent's military services.

To enhance rapid response, the G8 should also consider supporting the AU's call for the establishment of a UN peacekeeping logistics base in Africa similar to the UN logistics base in Brindisi, Italy—or expanding the capacity of Brindisi to back-stop additional missions in Africa. The African Stand-by Force proposed by the AU deserves further study, with particular attention to compatibility with subregional arrangements as in West Africa.

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<sup>35</sup> Victoria Holt, "Evaluating G8 Commitments."

<sup>36</sup> Jason Ladnier and Patricia Taft, *Fund for Peace*, Washington, DC, March 2004, cited in Victoria Holt, "Evaluating G8 Commitments."

Another area in which the G8 can increase its assistance is the training of police and civil law-enforcement capacities. Conflicts often destroy established systems of law and governance and pose serious threats to human rights and security at the community level. All too often, moreover, as in Nigeria, African governments deploy their militaries to contain civil unrest, when police capability is inadequate to the task. The result is often excessive use of force and serious human rights violations. G8 responses to these problems have been very limited. The United States has provided less than \$3 million toward the restructuring of the security forces in the DRC, even though creating a unified national army is critical to the peace process there. None of the G8 members has provided security assistance to Nigeria. The U.S. Congress has blocked training of the Nigerian military, and no donor is assisting Nigeria's poorly trained and equipped police force. The G8 can also help fund the creation of a UN/AU database of experts on the rule of law to expedite deployment.

Finally, there is still an important role for better-trained and equipped troops from the G8 who can support UN and regional peacekeeping operations. G8 action on this matter will go a long way to ensure that such peacekeeping missions deploy on time and achieve desired results. The United Kingdom's involvement in Sierra Leone, France's in Côte d'Ivoire, and the EU's in the DRC demonstrated the value of the side-by-side deployment of Western and African forces. G8 members such as Japan, Russia, and Germany that have traditionally played less-visible military roles abroad can increase their support for UN peacekeeping by helping meet logistics and transport needs essential to successful peacekeeping. In this vein, all G8 countries should consider participating more fully in the UN Stand-by Arrangements System, in which volunteer countries share information on specified resources that they may volunteer within an agreed response time for UN peacekeeping operations.

#### MONITORING IMPLEMENTATION OF THE AAP

The G8 is not an operational body. Its commitments have to be implemented through the ministries and agencies of the individual governments. But in the case of the AAP, the G8 and African leaders established the Africa Partners Forum. This forum brings together expert representatives from the G8 and Africa to monitor the commitments made under

the AAP. Moreover, to widen support for the AAP, the forum includes representatives of other major donor countries and institutions.

The forum represents a unique instrument created by the G8 and reflects a special commitment to the African partnership. In its initial meetings, the forum commissioned papers on the status of progress in education, HIV/AIDS, economic growth, and peace and security. The United States, however, has pressed the forum to avoid becoming a general “talk shop.” Instead, the United States has proposed that the forum concentrate on one or two specific areas under the AAP, examine the obstacles to progress, and move to eliminate them. The forum will thus focus in depth on food security and peace and security in the coming months.

There is concern in Africa that the forum, as a more or less technical body, will become a substitute for G8 political focus on Africa and thus will weaken the G8 commitment to greater resources, trade concessions, and other still unfulfilled aspects of the partnership. The loss of political focus would also deprive African leaders of direct discussion of their perspectives and concerns with their G8 counterparts. It is too early to judge the validity of these fears. But the African’s concern underlines the importance of the G8 leaders’ reiterating at the Sea Island Summit their commitment to the partnership and to achieving all its objectives, however politically challenging (as with trade) and over whatever time period is required, and reiterating as well their expectations about African progress. Such a statement would also assure African leaders that the G8 remains open to continued dialogue with African leaders at future summits.

## CONCLUSION

The Africa Action Plan represents a unique commitment by the G8 to an especially vulnerable and important area of the developing world. That commitment is justified by Africa's isolation from the overall progress in global economic integration and growth over the last twenty years and the persistent poverty and instability in Africa. The special attention from the G8 has also provided political support and encouragement to African leaders who have developed, championed, and begun to fulfill the principles of NEPAD.

Yet these same leaders fear that the momentum of this partnership will be slowed at the U.S.-hosted summit at Sea Island in 2004. The United States can point to the Africa Partners Forum as a measure of not only the G8's continued commitment to the AAP but also as the creation of a specific mechanism to monitor implementation. And it can take up some issues at the summit that bear upon Africa, such as food security and debt relief for certain post-conflict countries.

But these cannot substitute, symbolically or politically, for the G8 leaders' reiterating the importance they accord to the special overall partnership with Africa. Symbols and substance are both important for keeping the G8-Africa partnership alive and constructive.

The U.S. decision to invite African heads of state to Sea Island provides symbolic recognition and the opportunity for African leaders to discuss their concerns directly. The United States, as host, needs to go further and recognize Africa's relevance to the three global themes under discussion. As much as other regions may dominate the discussion at Sea Island, incorporating Africa into the main agenda will reinforce the importance accorded to those aspects of the AAP that bear directly on these global matters. It will lay a foundation for a full review of the AAP as a major agenda item at the G8 Summit in 2005—not as separate from these three global themes, but as part of them.

## APPENDIXES

## APPENDIX A:

### G8-AFRICA PARTNERSHIP PROJECT MEETINGS AND PRESENTATIONS

February 4, 2004, Roundtable, “Assessing the G8-Africa Relationship,” Council on Foreign Relations, Washington, DC:

CHRIS MULLIN, Member of Parliament and Parliamentary Undersecretary of State for Africa and the Commonwealth, UK Visas, and the FCO’s Information Directorate, Foreign Office, United Kingdom, “UK Perspectives on the G8-Africa Partnership.”

CONSTANCE ANNE PENCE, G8 Coordinator for Undersecretary of State Alan P. Larson, U.S. Department of State, “U.S. Perspectives on the G8-Africa Partnership.”

ROBLE OLHAYE, Ambassador of the Republic of Djibouti and Dean of the African Diplomatic Corps, “Sustaining the G8-Africa Partnership—An African View.”

March 25, 2004, Roundtable, “The G8 Partnership,” Council on Foreign Relations, New York, NY:

IBRAHIM A. GAMBARI, Undersecretary-General and Special Adviser on Africa, United Nations, “Progress in the Implementation of NEPAD: Issues and Perspectives.”

IDRISS JAZAIRY, Ambassador of Algeria, “NEPAD, Democracy, and Africa’s Development.”

April 7, 2004, Meeting, “Africa and the G8: Assessing the G8-Africa Partnership and Recommendations for Sea Island and Beyond,” Royal Institute of International Affairs, Chatham House, London:

SIR NICHOLAS BAYNE, KCMG, Fellow at the International Trade Policy Unit, London School of Economics and Political Science, “Lessons from Past G-8 Summits: The Way Forward.”

GARETH THOMAS, Member of Parliament and Parliamentary Undersecretary of State, Department for International Development, United Kingdom, “The UK Vision for the Africa Action Plan.”

FRANÇOIS CROQUETTE, Embassy of France to the United Kingdom, “French Perspectives on G8-Africa Relations.”

DAVID ANGELL, Department of Foreign Affairs, Canada, “Canadian Perspectives on G8-Africa Relations.”

MARK MALAN, Kofi Annan International Peacekeeping Training Centre, Ghana, “African Peacekeeping and the Challenges for the G8 Action Plan.”

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LAURAH HARRISON-BACHNACK, African Capacity Building Foundation, “Assessing G8-Africa Partnership: Democracy & Governance.”

## APPENDIX B: MEMBERS OF THE G8-AFRICA PARTNERSHIP PROJECT

The G8-Africa Partnership Project is grateful to those who contributed their views and expertise. (This report does not necessarily reflect the views of these individuals or of affiliated institutions.)

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## APPENDIX C: COMMISSIONED PAPERS

“Commitment to Democracy and Institutional Reform: The African Performance,”  
Kwame Boafo-Arthur (University of Ghana)

“Commitment to Democracy and Institutional Reform: The G8 Performance,” Edward R.  
McMahon (University of Vermont)

“Evaluating G8 Commitment to Prosperity and Economic Development: Investment  
Promotion and Private Sector Development,” James A. Harmon (Harmon & Co.) and  
Witney W. Schneidman (Schneidman & Associates International)

“Evaluating G8 Commitment to Prosperity and Economic Development: Trade  
Promotion and Regional Integration,” Margaret C. Lee (Georgetown University)

“Evaluating G8 Commitments to Peace and Security in Africa,” Victoria K. Holt (Henry  
L. Stimson Center)

“An Evaluation of the G8’s Commitment to the Kananaskis Pledges,” John Kirton and  
Ella Kokotsis (University of Toronto)

## APPENDIX D: THE AFRICA POLICY STUDIES PROGRAM

The Africa Policy Studies Program of the Council on Foreign Relations conducts studies, issues reports, and carries out research on important policy issues regarding Africa. Recent studies and publications have addressed the U.S. response to the HIV/AIDS pandemic, the terrorist threat in Africa, U.S. capacity for crisis diplomacy, a retrospective on early UN diplomacy in post-independence Africa, and U.S. policy in Liberia. Visit [www.cfr.org](http://www.cfr.org) for more information.



**CSR APPENDIX**

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# Freedom, Prosperity, and Security

G8 Partnership with Africa:  
Sea Island 2004 and Beyond

**J. BRIAN ATWOOD**  
**ROBERT S. BROWN**

Co-chairs

**PRINCETON N. LYMAN**  
Project Director

CSR NO. 2A, FEBRUARY 2005  
COUNCIL ON FOREIGN RELATIONS

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# CONTENTS

Foreword	iii
Acknowledgments	v
Report Update	1
Appendix A: Commissioned Papers	
Keeping Faith with Africa: Assessing Compliance with the G8's Commitments at Kananaskis and Evian <i>John Kirton and Ella Kokotsis</i>	11
Strengthening the G8-Africa Partnership: African Performance <i>Kwame Boafo-Arthur</i>	34
Assessing G8 Compliance with the Africa Action Plan: Strengthening Institutions and Governance <i>Edward R. McMahon</i>	49
The G8 and Africa: Catalyzing Africa's Private Sector <i>James A. Harmon and Witney W. Schneidman</i>	62
An Assessment of the G8 Commitment to Trade and Regional Integration in Africa <i>Margaret C. Lee</i>	70
Making Conflict Resolution and Prevention in Africa a "Top Priority": The G8 Africa Action Plan and Considerations for Sea Island <i>Victoria K. Holt</i>	92
Appendix B: Members of the G8-Africa Partnership Project	106
Appendix C: G8-Africa Partnership Project Meetings and Presentations	108





## FOREWORD

The Council on Foreign Relations Special Report *Freedom, Prosperity, and Security* was issued in May 2004 on the eve of the G8 summit hosted by the United States at Sea Island, Georgia. The report stressed the importance of maintaining a strong focus on Africa at the G8 and provided an assessment of commitments and progress to date in that relationship.

This report provides a summary of the results of the Sea Island Summit with regard to Africa. Six African nations were invited to meet with the G8 leaders at Sea Island. Several new programs were developed and progress was made on some of the earlier commitments made by the G8.

As part of the original report, the Council on Foreign Relations commissioned a number of studies. Those papers are included in this publication.

The Council on Foreign Relations believes that a focus on the G8-Africa Partnership remains critically important for American foreign policy. This appendix is intended to help maintain that focus and provide a foundation of analysis looking to the G8 summit in 2005, hosted by the United Kingdom, at which Africa is scheduled to be a principal topic.

I wish to express my appreciation to the Department for International Development (DFID) of the United Kingdom and to Citigroup for support of this project.

*Richard N. Haass*  
President  
Council on Foreign Relations



## ACKNOWLEDGMENTS

It is with a heavy heart that I pay homage to the late Robert S. Browne. As co-chairs, J. Brian Atwood and Robert S. Browne assembled the project's distinguished experts and led with enthusiasm and distinction. These experts are listed in Appendix B along with the illustrious speakers who graced our roundtables.

Several of our colleagues at the Council on Foreign Relations made this project possible. Richard N. Haass, James M. Lindsay, and Lee A. Feinstein contributed valuable insights to the original report and this update. Thanks are due to Charifa Clark, who wrote the update of the Sea Island Summit. As always, the Council's publications team, Patricia Dorff and Jennifer Anmuth, were a tremendous resource to us. Special thanks are due to Cheryl Igiri, who oversaw the final publication of this report, and to Sayo Abayomi.

Alex Vines, director of the Africa Program at the Royal Institute for International Affairs, Chatham House, graciously hosted two meetings in London on the G8-Africa Partnership.

I would also like to thank Kwaku Nuamah, the principal drafter of the May 2004 report, who did a wonderful job of listening to the perspectives of all our experts. Odette Boya was the overall coordinator of our meetings and made excellent editorial contributions to the May 2004 report.

Finally, I want to join Richard Haass in thanking the United Kingdom's Department for International Development and Citigroup for their support of our project.

*Princeton N. Lyman*  
Project Director



## REPORT UPDATE

The United States hosted the G8 summit at Sea Island, Georgia, in June 2004. Many urgent and critical international issues were discussed at the summit, especially developments in Iraq, in the Middle East, and in the worldwide war on terrorism. In anticipation of the summit, the Council on Foreign Relations launched a project to continue the momentum of the past three years in the G8-Africa Partnership. The Council's G8-Africa Partnership Project addressed, through several conferences, meetings, and commissioned papers, the work of the G8 and African leaders who champion democracy, human rights, and good governance. Africa, moreover, figured prominently in the three global issues that the United States had selected for the summit: freedom, prosperity, and security. The Council on Foreign Relations Special Report *Freedom, Prosperity, and Security* was published in May 2004.

Following the practice of the last three years, the United States invited African leaders from Algeria, Ghana, Nigeria, Senegal, South Africa, and Uganda to attend the summit at Sea Island. The topics covered, which encompassed several items from the G8 Africa Action Plan (AAP), were trade and development, terrorism, HIV/AIDS, famine, debt, transparency, and peacekeeping operations. Although a majority of the commitments made at the summit require long-term review, the agreements laid a foundation to be assessed at the next summit, to be held in the United Kingdom in July 2005. A summary of the results of the summit follows, geared to the three themes that framed the Sea Island meeting.<sup>1</sup>

### PROMOTING FREEDOM

The G8 partners agreed to continue to support good governance and institutional reform in Africa. Washington, for example, in fiscal year (FY) 2005, will invest \$89.5 million, or 8.7 percent of its program resources, in programs to strengthen democracy and

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<sup>1</sup> This summary is drawn largely from G8 summit materials and related documents.

governance in Africa. U.S. Agency for International Development (USAID) missions will also increase their ties with the Office of Foreign Disaster Assistance (OFDA) and the Office of Transition Initiatives (OTI) to enhance responses to the relief-to-development transition in African countries under stress.<sup>2</sup> Furthermore, the Bush administration will continue its commitment to good governance and accountability in Africa by adding Morocco to the list of countries eligible for aid from the Millennium Challenge Account (MCA) and also adding Zambia, Burkina Faso, and Malawi to the MCA Threshold Program. The MCA, which began with \$1 billion in FY 2004 (and will have a budget of \$1.5 billion in FY 2005), rewards countries that establish sound political, economic, and social policies. Eight additional countries have been selected to submit proposals to the MCA: Senegal, Mali, Benin, Cape Verde, Ghana, Mozambique, Lesotho, and Madagascar.

In the United Kingdom, Prime Minister Tony Blair has reinforced his commitment to international development assistance for Africa. The U.K. Department for International Development (DFID) financed the Girls Education Project, a joint initiative between the DFID, the United Nations Children's Fund (UNICEF), and the Federal Government of Nigeria. This £26 million project will be implemented in close collaboration with the Japan International Cooperation Agency (JICA), the United Nations Educational, Scientific, and Cultural Organization (UNESCO), USAID, and the World Bank.<sup>3</sup>

At Sea Island, the G8 partners also signed worldwide transparency compacts to fight corruption and improve transparency. Nigeria is the first African country to enter into a compact. This anticorruption compact is preventive as well as punitive. It takes up issues of accountability, transparency, and efficiency by grappling with the problems of institutional, economic, political, and social structures.<sup>4</sup> The compact enforces guidelines for public contracting, government investigations, and privatization. Through monitoring public procurement and requiring mid-year reviews, the compact aims to restructure

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<sup>2</sup> See details on the USAID program on Democracy and Governance in Africa at [http://www.usaid.gov/our\\_work/democracy\\_and\\_governance/regions/afr/](http://www.usaid.gov/our_work/democracy_and_governance/regions/afr/).

<sup>3</sup> See "Education Project Launched in Nigeria," *DFID News*, December 9, 2004, available at <http://www.dfid.gov.uk/news/files/countries/africa/nigeria-education-full.asp>.

<sup>4</sup> *Compact to Promote Transparency and Combat Corruption: A New Partnership between G8 and Nigeria*, 2004, available at [http://www.g8usa.gov/d\\_061004h.htm](http://www.g8usa.gov/d_061004h.htm).

Nigerian budget practices. Since the summit, spurred by these reforms, Nigeria published its 2004 budget.

The compact also requires reports on the revenues from Nigeria's extractive industries to be made available to the public. For example, a fiscal responsibility bill was introduced to set limits on how federal, state, and local authorities spend their shares of the country's annual oil revenues. This bill would create a mechanism for placing in reserve surplus oil revenues that are realized if the international oil price rises above the rate budgeted by the government.<sup>5</sup> Nigeria has also signed a contract with an American firm to assist it in instituting an audit of the production, revenue, and budgetary operations in the oil sector and in establishing mechanisms to ensure transparency in the future.

#### ENSURING PROSPERITY: TRADE, AID, DEBT RELIEF, AND INVESTMENT PROMOTION

##### *Promoting Trade*

Although the G8 partners have made individual milestones in trade with Africa, they failed to establish a full long-term commitment on trade issues at Sea Island. In fact, the official summit document, *G8 Leaders' Statement on Trade*, deferred negotiations to the World Trade Organization (WTO) Doha Round talks that took place in July 2004.<sup>6</sup> At that round of talks, the United States and the European Union (EU) pledged to reduce agricultural barriers but to defer specific commitments until December 2005. Cotton, a primary concern of the African countries, was assigned to a WTO subcommittee that will report to a special session on agriculture at that time.

Individual G8 members nevertheless continue to provide assistance to facilitate African trade. The African Growth and Opportunity Act (AGOA) between the United States and the countries of sub-Saharan Africa has created jobs, wealth, and opportunity on both continents. Passed in 2000, AGOA provides quota- and duty-free access to U.S. markets for most African products, including (though with some restrictions) textiles. In

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<sup>5</sup> See <http://www.fmf.gov.ng/>.

<sup>6</sup> See [http://www.wto.org/english/news\\_e/news04\\_e/dda\\_package\\_sum\\_31july04\\_e.htm](http://www.wto.org/english/news_e/news04_e/dda_package_sum_31july04_e.htm).

2003, under AGOA, African exports to the United States increased by 55 percent (totaling more than \$14 billion), and African—and American—businesses saw a 15 percent increase (\$6.7 billion) in exports to sub-Saharan Africa.<sup>7</sup> AGOA, since its enactment, has yielded upwards of \$340 million in investments and produced thousands of jobs in Africa.<sup>8</sup> To date, thirty-eight African countries, including Burkina Faso, which was included in December 2004, have been designated as eligible for tariff preferences under the act.

The Canada Fund for Africa (\$500 million) sponsors the Joint Integrated Technical Assistance Program (JITAP). Implemented by the UN International Trade Centre, the UN Conference on Trade and Development (UNCTAD), and the WTO, the program assists African countries in integrating their economies into the multilateral trading system. The original eight African countries under an earlier pilot phase (Benin, Burkina Faso, Ivory Coast, Ghana, Kenya, Tunisia, Tanzania, and Uganda) plus eight additional countries (Botswana, Cameroon, Malawi, Mali, Mauritania, Mozambique, Senegal, and Zambia) will take part in the current phase of the program. JITAP offers to the program countries training in negotiating, implementing trade agreements, and formulating trade policy, thereby enhancing the pace of their integration into the multilateral trade system.<sup>9</sup>

### *Promoting Investment*

To increase investment and reduce poverty in Africa, the G8 partners at Sea Island developed remittance plans that will encourage cooperation between remittance service providers and local financial institutions, including microfinance entities and credit unions. Individuals' remittances, primarily hundreds of dollars at a time, are steadily increasing; total remittances now approach \$100 billion per year.<sup>10</sup> Clearly, remittances

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<sup>7</sup> Office of the United States Trade Representative, *2004 Comprehensive Report on U.S. Trade and Investment Policy toward Sub-Saharan Africa and the Implementation of the African Growth and Opportunity Act*, May 2004.

<sup>8</sup> See "Bush Signs African Growth and Opportunity Act," July 13, 2004, at <http://www.whitehouse.gov/news/releases/2004/07/20040713-3.html>.

<sup>9</sup> For more details on JITAP see [http://www.acdi-cida.gc.ca/cida\\_ind.nsf/vall/4338F5E317AF400585256D18004E5B5F?OpenDocument](http://www.acdi-cida.gc.ca/cida_ind.nsf/vall/4338F5E317AF400585256D18004E5B5F?OpenDocument).

<sup>10</sup> See *G8 Action Plan: Applying the Power of Entrepreneurship to the Eradication of Poverty*, 2004, available at [http://www.g8usa.gov/d\\_060904a.htm](http://www.g8usa.gov/d_060904a.htm).



can contribute significantly to private-sector development efforts, “enabling families to receive needed capital for education, housing, and small business startups.” The percentage of remittances sent to Africa is unclear because fewer than two-thirds of African countries (and only one-third of sub-Saharan countries) report remittance data. Remittances through informal channels are not captured at all. Documented remittance data, including estimated data, must be taken into account for the G8 partners to properly implement remittance plans agreed upon at Sea Island.

Other pledges from the G8 partners to eradicate poverty include working with the multilateral development banks to enhance lending and technical assistance to small and medium-sized enterprises. These pledges have been set in motion. In December 2004, the African Development Bank signed poverty-reduction loan programs with both Tanzania and Mozambique. These loan programs will reduce the budget constraints for these countries’ governments, deepen their macroeconomic reforms, promote good governance, and enhance the capacity of their public sectors. The G8 partners must coordinate and organize their efforts in order to effectively reduce poverty in Africa.

### *Aid and Debt Relief*

The G8 partners continued making progress in both aid increases and debt relief. The United Kingdom has more than doubled its aid to sub-Saharan Africa in the last seven years, to £760 million, and it plans to reach £1.25 billion in 2007–08.<sup>11</sup> In December 2004, Germany agreed to cancel \$88 million of Ethiopia’s debt, which brings its cancellation since 1993 to \$260 million. The G8 partners have supported initiatives of the World Bank and the International Monetary Fund (IMF), such as the Heavily Indebted Poor Countries (HIPC) program. This program was set up for governments to fulfill three key conditions: (1) complete and satisfactorily implement an agreed-upon Poverty Reduction Strategy for at least one year; (2) maintain a stable macroeconomic environment, as evidenced by satisfactory implementation of an arrangement under the IMF’s Poverty Reduction and Growth Facility (PRGF); and (3) implement major structural and social reforms, particularly in governance, education, health,

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<sup>11</sup> Paul Redfern, “Britain to Push for Africa’s Debt Relief,” *The Nation*, December 10, 2004.

decentralization, and the energy sector.<sup>12</sup> As of September 2004, debt-reduction packages for twenty-seven countries, twenty-three of them in Africa, had been approved, providing a total of \$32 billion in debt-service relief. In December 2004, the African Development Bank released Ghana from up to 80 percent of its annual debt because it completed the HIPC program.

At Sea Island, the life of the HIPC program was extended until the end of 2006. Welcome as this is, many difficult problems still curb the program's benefits. Poor governance or civil conflict still present hurdles for a host of governments. Some HIPCs have debts too large to write off given the program's current funding. The United States has signaled a desire to help Liberia clear its tremendous debt burden and a willingness to cancel the debt it owes to Washington. A U.S. Treasury official warns, however, that "more work needs to be done to improve how the West African country manages its finances."<sup>13</sup> With African countries collectively owing roughly \$300 billion dollars in debt, this issue will be a major concern at the next summit.<sup>14</sup>

#### SECURITY: PROMOTING PEACE AND STABILITY IN AFRICA

With the growing security crises in several African countries, including Sudan, the Democratic Republic of the Congo (DRC), and Ivory Coast, the G8 partners have created peace initiatives and partnered with the United Nations and the African Union (AU) for peace-support operations. The United States has developed a peace initiative to help train and equip foreign troops for peacekeeping missions in their own regions. This Global Peace Operations Initiative, discussed with other G8 partners at Sea Island, has been funded in the FY 2005 omnibus legislation. The Defense Department will be allowed to transfer up to \$80 million to the State Department for the program. The EU has allocated a total of €92 million to meet the needs of people affected by the conflict in the Darfur

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<sup>12</sup> See "Debt Relief under the Heavily Indebted Poor Countries (HIPC) Initiative: A Factsheet," September 2004, available at <http://www.imf.org/external/np/exr/facts/hipc.htm>.

<sup>13</sup> See "Liberia: U.S. Says Willing to Cancel Debt but Warns More Progress Needed," UN Integrated Regional Information Networks, December 9, 2004, available at <http://allafrica.com/stories/200412090015.html>.

<sup>14</sup> See World Bank, *African Development Indicators, 2004* (Washington, DC: The World Bank, 2004).

region of Sudan. This funding is from the recently established Peace Facility for Africa, an initiative that pledges €250 million to address the well-recognized financial and logistical difficulties that many countries in Africa face when trying to deploy international peace-support operations.

In the AAP, the G8 leaders outlined a three-step plan to (1) create a joint plan for developing African capability to undertake peace-support operations; (2) train African peace forces, including through the development of regional centers of excellence to train military and civilian personnel in conflict prevention and peace support; and (3) better coordinate peacekeeping training initiatives.<sup>15</sup> To expand upon these goals, the G8 partners at Sea Island agreed to train and, where appropriate, equip approximately 75,000 troops worldwide by 2010. They agreed to have the logistics plan worked out by the 2005 G8 summit and to establish an international training center.

## CONCLUSION

The G8 summit at Sea Island provided the opportunity for African leaders to discuss their concerns about the urgent and continuous conflicts in Africa. Although topics such as security, peacekeeping, and investment were given more priority than trade and debt relief, the G8-Africa Partnership was acknowledged and reconfirmed.

Since the summit, G8 members and the AU have taken several key steps. The U.S. Congress passed bills renewing AGOA until 2015 and implementing the United States–Morocco Free Trade Agreement, four more countries signed up to join the African Peer Review Mechanism (APRM), and the International Criminal Court will begin investigations into atrocities in the DRC and northern Uganda. The AU has pledged 3,000 peacekeepers for Darfur, and both the EU and the United States have provided financial and logistics support for the deployment. The United Kingdom has announced plans for further increases in aid and debt relief and proposals for extensive financing of

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<sup>15</sup> See “Implementation Report by African Representatives to Leaders on the G8 Africa Action Plan, available at [http://www.g8.fr/evian/english/navigation/2003\\_g8\\_summit/summit\\_documents/implementation\\_report\\_by\\_africa\\_personal\\_representatives\\_to\\_leaders\\_on\\_the\\_g8\\_african\\_action\\_plan.html](http://www.g8.fr/evian/english/navigation/2003_g8_summit/summit_documents/implementation_report_by_africa_personal_representatives_to_leaders_on_the_g8_african_action_plan.html).

both debt relief and development for consideration at the next summit.<sup>16</sup> Also, several G8 partners, including the United States, members of the EU, and Japan, agreed to undertake the elimination of subsidies and to lower tariff barriers at the July 2004 WTO trade talks.

As chair of the 2005 G8 summit, the United Kingdom plans a full review of the AAP as a major agenda item. The leaders will need to expand on the issues mentioned here and include other topics, such as food security and health. Specific new action plans promised at Sea Island will need to be developed further and implemented, in particular the peacekeeping logistics and training agenda, investment plans, and trade negotiations.

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<sup>16</sup> Gordon Brown, "C. Peter McColough Series on International Economics: Gordon Brown, MP, Chancellor of the Exchequer," speech delivered at the Council on Foreign Relations, December 17, 2004, available at [www.cfr.org/press/policy/video\\_transcripts.php](http://www.cfr.org/press/policy/video_transcripts.php).

APPENDIX A:  
COMMISSIONED PAPERS



KEEPING FAITH WITH AFRICA: ASSESSING COMPLIANCE WITH THE G8'S COMMITMENTS AT  
KANANASKIS AND EVIAN

*John Kirton and Ella Kokotsis*

*Introduction*

The G8 Africa Action Plan (AAP), proudly proclaimed by the leaders of the world's major market democracies at their annual Group of Eight (G8) summit held at Kananaskis, Canada, in June 2002, heralded an innovative and ambitious approach to transform the one region that the modernization of the past half-century and the rapid globalization of the previous decade had largely left behind. With its 132 specific, future-oriented commitments, the plan represented by far the greatest attention and collective commitment to Africa from the G8 since the inception of its annual summit at Rambouillet, France, in November 1975. The plan was extraordinarily comprehensive and ambitious, for it included the traditional poverty-reduction instruments of official development assistance (ODA) and debt relief, as well as giving important attention to trade liberalization, foreign direct investment (FDI), the confidence required for capital repatriation, good governance, and conflict prevention.<sup>1</sup> It was innovative, as well: in its inclusion of support for a process of African-designed and delivered peer review, in the G8's first serious attention paid to gender, in its emphasis on eliminating deadly conflict, and in encouraging good governance as the key to poverty reduction.

Perhaps more important, the AAP offered a potential breakthrough in its new spirit of equal partnership between the G8 and the new vanguard democracies of Africa itself. The plan was not the top-down imposition of a G8-constructed initiative but a bottom-up response—and an overwhelmingly supportive one—to the New Partnership for Africa's Development (NEPAD) that had been brought to the same G8 leaders a year earlier at Genoa by the leaders of Africa's major, largely democratic states—Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria, Abdoulaye Wade of Senegal, Abdelaziz Bouteflika of Algeria, and Hosni Mubarak of Egypt. The first four of those African leaders returned to Kananaskis a year later to participate, for the first time in G8 history, as equals with the G8 leaders in a session on Africa, held on the summit's final day. As the summit concluded, these African leaders and United Nations Secretary-General Kofi Annan from Ghana pronounced from the mountaintops of Kananaskis that they were pleased with what the G8 and they together had done.

Has the AAP made any difference? In particular, has it made a difference of the sort that the democratic leaders of the G8 and Africa together desired when they initially constructed and combined their respective plans? To provide a comprehensive and authoritative answer to these questions, it would be necessary to undertake several component analytical tasks. The first is to assess whether the African agenda chosen, particular principles and norms affirmed, and specific commitments made in the two plans and in their fusion constituted an appropriate strategy for securing the intended goals, and if these goals were what Africans themselves really wanted and needed. The second task is to determine if, two years after Kananaskis, the G8 leaders have complied with the spirit of the promises and the letter of the commitments they made in the plan.

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<sup>1</sup> John Kirton and Radoslava Stefanova, eds., *The G8, the United Nations and Conflict Prevention* (Aldershot: Ashgate, 2004).

The third is to assess whether the G8's African partners have lived up to their promises, which were necessary to transform the promises made by the G8 on that Canadian mountain into real change on the African ground, and to ensure that the G8 has lived up to its promises, which were heavily conditioned upon the Africans' keeping theirs. The fourth task is to assess whether other stakeholders in and outside Africa, including other countries, international organizations, political actors, civil society, and the business community, have responded in the intended and in supportive ways. The fifth is to assess whether the G8 AAP at Kananaskis, as reinforced and adjusted by the G8 leaders at their Evian Summit on June 1–3, 2003, and their Sea Island Summit on June 8–10, 2004, remains relevant, in the light of new knowledge and changed conditions in the world today.

This study concentrates on the critical second stage of this process: examining whether the G8 countries have kept the specific commitments they made at Kananaskis in their AAP. It also considers part of the fifth stage, by assessing whether the G8's commitments at Evian were supportive reinforcements, implementing extensions or appropriate adjustments of the plan, and whether the relevant Evian commitments themselves have been complied with, now that the responsibility for chairing and hosting the G8 has passed from France to the United States. This focus provides an essential foundation for the larger assessment task that is required. It is intended to assist the G8 and African leaders and their citizens' in monitoring whether the G8 is on track and in learning what lessons there might be, as a foundation for any corrections or additional actions that could be taken at forthcoming summits. Because the AAP was so ambitious and wide ranging, and because the task of eliminating conflict, installing good governance, and reducing poverty in Africa will take much longer than the two years since Kananaskis to achieve, it is arguably premature to focus too heavily at this time on the on-the-ground changes and the resulting outcomes in Africa itself. It is, however, timely to examine closely whether the G8 countries have at least begun to undertake the instrumental, implementing actions they so boldly and impressively committed themselves to in June 2002 and 2003.

This study thus begins, in part one, by exploring the collective, "decisional" commitments contained in the Kananaskis Summit's AAP, with some contextual consideration of the G8's action with regard to Africa in earlier years and with regard to the commitments in the NEPAD that the African leaders brought. Part two examines the compliance of G8 members with their priority commitments in the plan, both at the six-month mark when the G8 chair passed from Canada to France and at the one-year mark when the 2003 Evian Summit began. Part three addresses the African-related commitments made at the Evian Summit and their relationship to those made at Kananaskis the year before. Part four reviews the interim compliance record of the G8 with the Evian commitments, both overall and with regard to Africa itself. Part five assesses the final Evian compliance record, both on its own and with regard to the Kananaskis results from the year before. Part six offers some conclusions about what this record of G8 commitment and compliance might mean for the prospects of catalyzing useful action on and for Africa both after the U.S.-hosted Sea Island Summit and for the British-hosted 2005 Gleneagles Summit set for July 5–8, 2005.

This analysis concludes that the G8's 2002 Kananaskis Summit, infused by the spirit of solidarity bred by the September 11, 2001, terrorist attacks on a G8 member



country, produced a uniquely high number of innovative and ambitious commitments on Africa. G8 members, however, complied poorly with these Africa-related commitments during the following year, in part due to the distractions and divisions among G8 members arising from the war with Iraq in the spring of 2003. The 2003 Evian Summit made many fewer and far less ambitious, but still substantial and reinforcing, commitments to Africa. One year later, G8 members were complying with their Evian commitments to a moderately higher degree, in part because the divisions over Iraq had begun to fade. This re-emerging spirit of G8 unity, and the United States' historic record of making and keeping Africa-related commitments at G8 summits, suggests there was value in trying to catalyze action on those parts of the AAP that were closest to the themes of security, prosperity, and freedom that President George W. Bush chose as a focus for the G8 summit he hosted in June 2004, and on the road to Gleneagles beyond.

#### *Promises Proudly Made: The G8 Africa Action Plan's Commitments*

The AAP constituted one of the four centerpiece achievements of the Canadian-hosted Kananaskis Summit of June 2002, and it did much to make that summit an overall success.<sup>2</sup> The master grader of summits, Nicholas Bayne, awarded Kananaskis an overall grade of B+, one of the highest in summit history. The G8 Research Group, in its annual Performance Assessment, generally agreed. Kananaskis produced a total of 189 specific, future-oriented commitments, the most in the first twenty-eight years the annual summit had been held, and surpassed only by Evian the following year (see Table 1).

#### The G8 Africa Action Plan Commitments

The importance of the AAP to the overall success of the Kananaskis Summit is seen in the first instance in the components of the G8 Research Group's Performance Assessment. Here, of the nine issue areas evaluated, three received above-average grades: Africa (A-), ODA (B), and the Heavily Indebted Poor Countries (HIPC) initiative at (A), with universal primary education to receive a dismal D+.

A stronger sign of Africa's importance comes from the high proportion of the summit's commitments that were made to the region. The AAP, unveiled on June 27, 2002, contained 132 commitments, or 70 percent of the summit's 189 total commitments. In addition, all three of the commitments in the leaders' statement on HIPCs related to Africa. Of the 12 commitments in the overall Chair's Summary, highlighting what the leaders themselves had discussed and most cared about, fully half related directly to Africa and its poverty-reduction concerns.

#### Comparison with Past G8 Commitments on Africa

Africa accounted for a greater percentage of the commitments made at Kananaskis than at any other summit. Of course, Africa has been a direct part of G8 leaders' commitments at every summit since 1993, with the single exception of 1999. During this time, the G8 countries most committed to Africa as G8 hosts have been Canada (where 73 percent of

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<sup>2</sup> John J. Kirton and Ella Kokotsis, "The G7/G8 Contribution at Kananaskis and Beyond," in Michele Fratianni, ed., *Sustaining Global Growth and Development: G7 and IMF Governance* (Aldershot: Ashgate, 2003), pp. 207–27.

the 2002 summit's total commitments pertained to Africa), Britain (22 percent in 1998), and the United States (9 percent in 1997).

More broadly, the topic of north-south development, along with only macroeconomic policy and international trade, has been part of the agenda at every summit since the start in 1975. But never before Kananaskis had north-south development in general, and Africa in particular, been so central. The first summit at Rambouillet devoted only one of its 14 commitments to the subject, and that only to north-south dialogue. Versailles in 1982 gave it 3 of the 23 commitments, with a focus on the International Development Association (IDA), commodity arrangements, and food. Paris in 1989—the first post-Cold War summit—gave the subject only 3 of its 61 commitments, with the focus now on the highly indebted poorest of the poor. Lyon in 1996—the first “globalization” summit—took a great leap forward, assigning 20 of its 128 commitments to development, and another 3 to the new subject of infectious disease. The violence-scarred 2001 Genoa Summit, which launched NEPAD and thus the AAP, devoted half of its fifty-eight commitments to north-south development, including the two in the G8 Genoa Plan for Africa.

Even against its immediate Genoa precursor, Kananaskis stood apart, raising the portion of commitments devoted to development from 50 percent to 73 percent of a total that was more than three times as large. Kananaskis was the first summit after the September 11, 2001, terrorist attacks on America, and thus faced the need to focus on combating terrorism and weapons proliferation. This made its attention to Africa all the more remarkable. If a highly thematically focused agenda is a cause of summit success and successful implementation, then Kananaskis was the most promising of all time.

#### Comparison with the NEPAD Commitments

Another promising sign for the implementation of the AAP commitments was their strong commonality and convergence with those the African partners had placed in the NEPAD. This was most evident in the overall architecture, where both plans gave conflict reduction and prevention, good governance, trade liberalization, and FDI a prominent place. One notable divergence came with regard to gender, which the G8 alone highlighted for the first time in the history of the summit. There was a similar G8 emphasis on, and NEPAD lack of concern with, civil-society participation. A further divergence came with regard to spending on physical infrastructure, debt relief, trade access, and environmental issues, which stood high on only the Africans' list.<sup>3</sup>

#### *Promises Poorly Kept: Compliance with the G8 Africa Action Plan's Priority Commitments*

At the time the AAP was unveiled, there was a rich debate about the prospects of its timely, reliable implementation and eventual success.<sup>4</sup> Even the sympathetic critics pointed to design flaws and obstacles such as the lack of understanding in and participation from many African countries and African civil society, the differing

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<sup>3</sup> Nicholas Bayne, “Impressions of the Kananaskis Summit, June 26–27, 2002,” in Michele Fratianni, Paolo Savona, and John Kirton, eds., *Sustaining Global Growth and Development: G7 and IMF Challenges and Contributions* (Aldershot: Ashgate, 2003).

<sup>4</sup> Fratianni, Savona, and Kirton, *Sustaining Growth and Development*.

emphasis between the plan and the NEPAD document, and the apparent reservations on the part of African partners about a genuine process of African peer review.<sup>5</sup> Nonetheless, there were several “built-in” implementation mechanisms that promised considerable impact. In addition to the equal participation of the African leaders in the Kananaskis Summit, at the top of the list were the money mobilized, mandates remitted, and institutions created.

### The Built-In Implementation Mechanisms

The first promising built-in mechanism was the sheer amount of money mobilized to put the Kananaskis commitments into effect. As a G8 “fundraiser,” Kananaskis was a \$50 billion summit—the most successful by far in G8 history. Apart from the \$20 billion for the Global Partnership on Weapons and Materials of Mass Destruction, virtually all the rest was dedicated or available to support the G8 Africa Action Plan. The clearest component was the \$6 billion decision that “up to half” of the \$12 billion in new ODA pledges made at the International Conference on Financing for Development held in March 2002 at Monterrey, Mexico, would be devoted to Africa if the plan’s conditions were met. The second component was a new “up to” \$1 billion to top up the HIPC trust fund. The final item was the decision at the preparatory meeting of G7/8 finance ministers in Halifax to provide \$24 billion to fund the thirteenth replenishment of the IDA.

The second mechanism—remit mandates—saw Kananaskis make six specific commitments to return to a subject at the summit the following year. This was the highest in G8 summit history, matched only by the Halifax Summit in 1995. Of the six remit mandates, four were directed at Africa. Together these four mandates asked for a report on the HIPC from the World Bank and the International Monetary Fund (IMF), promised to deliver by 2003 a joint plan with African partners for peace-support operations, pledged to “take the necessary steps to ensure the effective implementation of our [Africa] Action Plan,” and promised to review progress on implementation on the basis of a “final report from our Personal Representatives for Africa” (see Table 2).

The third mechanism was the number of G8 institutions created or instructed to help put the plan into effect. Kananaskis had a record high of eight G8 institutions created, adjusted, or approved, yet only two dealt with Africa. These were “to each establish enhanced Partnerships with African countries whose performance reflects the NEPAD commitments” and to mandate “a task force of senior officials to consult with developing countries, relevant international organizations, and other stakeholders and suggest ways in which the G8 might best support the achievement of these goals” (see Table 3).

At Kananaskis then, Africa was the focus of two-thirds of the money mobilized and mandates remitted to the subsequent summit but was targeted by only a quarter of the directives for institutionalized activity. This latter lacuna was in part offset by the creation of a new forum for G8 ministers of development cooperation, which met for the first time in Windsor, Canada, in September 2002. That meeting produced sixteen

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<sup>5</sup> Simon Maxwell and Karin Christiansen, “‘Negotiation as Simultaneous Equation’: Building a New Partnership with Africa,” *International Affairs* 78:3 (2002), pp. 477–91.

commitments that together very closely mapped the content and emphasis of the AAP. It was thus clear from the record of its year as host that Canada sought to bind the G8 to Africa through the AAP and more broadly as much as it could.

### The Interim Compliance Record

In G8 history, it is Canada, as member of both the Commonwealth and la Francophonie, that is viewed as the strongest consistent advocate for north-south development in general and Africa in particular. Together with the unusually strong binding mechanisms from Kananaskis, there were thus high hopes that compliance with the Kananaskis Summit AAP commitments—despite their far-reaching nature—would start to come plentifully and quickly, before Canada passed on the G8 chair to France on January 1, 2003.

At the halfway point of the annual summit compliance process, the thirteen priority commitments of Kananaskis, detailed in Table 4, had, however, been complied with at an overall level of +29 percent (see Table 5). This is on a scale where compliance equals +100 percent and no compliance, or actions taken that are the antithesis of the commitments, equals -100 percent.

The Africa-related priority commitments comprise eleven of the thirteen priority commitments—all but those for arms control and terrorism. These average +20 percent, or slightly under the overall level. The September 11 effect was clear, outside the African agenda, in the +100 percent compliance level for terrorism, and the 63 percent for arms control and disarmament. Even within the Africa-related category, conflict prevention at +60 percent led the list. All African-related priority commitments secured positive compliance, however, save for peer review (which could not be assessed until the Evian Summit took place), agricultural trade and sustainable agriculture, all at zero, and HIPC at -50 percent, where the promised \$1 billion was slow to flow from the G8 members to the international financial institutions.

### The Final Compliance Record

Five months later, as the French-hosted Evian Summit opened, compliance with the Kananaskis priority commitments had risen to only +34 percent. As Table 6 shows, the eleven Africa-related priority commitments, at an average of +29 percent, were again just below the overall average. The pattern shows that the September 11 effect was still in force, if somewhat less compellingly than before; although the unity on terrorism remained, the divisions over Iraq kept compliance on arms control and disarmament low.

By far the highest complier was summit host Canada, with an interim score of 77 percent and a final of 85 percent. The United Kingdom came in second, with an interim 42 percent and a final 62 percent. The most improved was incoming host France, rising from an interim 38 percent to a final 62 percent and a second-place tie with the United Kingdom. The cadence of both the Canadians and the French over the year suggests that hosting matters in inducing the host country to increase its compliance level when it holds the chair. The United States moved from an interim 25 percent and fourth rank to a final 38 percent, albeit still fourth place. American compliance was particularly strong with the Africa-related priority commitments, even though its time as chair was still one year away. This evidence suggests that the G8 institution can autonomously bind the

United States to comply with even ambitious African commitments produced at and by the G8, or at least one hosted by its North American neighbor.

The final Kananaskis priority commitment compliance score of 34 percent is close to the 31 percent average for all economic and energy commitments made at the summit during its first fifteen years.<sup>6</sup> During this first period, across the ten component issue areas, aid ranked fifth with a compliance level of 27 percent, well below the Kananaskis Africa compliance average of 34 percent. During the second period, from 1988 to 1995, compliance by the United States and Canada with commitments in four issue areas broadly defined as sustainable development had risen to 43 percent.<sup>7</sup> Among the four components, the issue area of developing-country debt, with a 73 percent compliance level, came in much higher than that for climate change and biodiversity, but below that for assistance to the former Soviet Union. During the third period, from 1996 to 2001, overall compliance with priority commitments came in at an average of 42 percent. Those relating to Africa (development, debt of poorest/HIPC, education for all, health, conflict prevention, UN reform for development) averaged 45 percent. Both overall and with regard to Africa, compliance with the Kananaskis commitments was thus well below the summit norm from 1988 to 2001.

Although there is no previous evidence on the difference between interim and final compliance levels, the rise from only 29 percent to 34 percent as the year after Kananaskis moved from the halfway mark to the final point, is consistent with two conjectures. The first is that the push from the last summit is stronger than the pull of the forthcoming summit in inducing members to comply. This is true even with the French decision to host a second meeting of G8 development cooperation ministers in the lead-up to Evian. Taking place in Paris on April 24, 2003, that meeting generated nine commitments. While they also closely mapped the AAP's content, they were well down from the sixteen commitments the Canadian-hosted ministerial had produced in September 2002.

The second conjecture is that the distractions and divisions among G8 members over enforcement action in Iraq in the first half of 2003 took a toll on compliance within the G8. This conjecture is consistent with the effort made by G8 countries to assess their own Africa-related implementation progress, through the public release by each one of a national report on this subject on the eve of, or at, the Evian Summit. It should also be noted that even these Iraq-bred divisions did not markedly deter the United States from keeping faith with the Kananaskis commitments where Africa was concerned.

### *New Promises Made: The Africa-Related Commitments at Evian 2003*

Despite the distractions and divisions bred by the war in Iraq, the 2003 Evian Summit proved to be a major success. That summit produced a new high of 206 commitments. A tight definition of north-south development suggests that thirty-six of these focused on

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<sup>6</sup> See George M. von Furstenberg and Joseph P. Daniels, "Policy Undertakings by the Seven 'Summit' Countries: Ascertaining the Degree of Compliance," *Carnegie-Rochester Conference Series on Public Policy* 35 (Autumn 1991), pp. 267–308; Quan Li, "Commitment Compliance in G7 Summit Macroeconomic Policy Coordination," *Political Research Quarterly* 54:2 (June 2001), pp. 355–78.

<sup>7</sup> See Eleonore Kokotsis, *Keeping International Commitments: Compliance, Credibility and the G7, 1988–1995* (New York: Garland, 1999); and Ella Kokotsis and Joseph Daniels, "G8 Summits and Compliance," in Michael Hodges, John Kirton, and Joseph Daniels, ed., *The G8's Role in the New Millennium* (Aldershot: Ashgate, 1990), pp. 75–94.

development in Africa: eleven on famine in Africa; nine on HIV/AIDS, malaria, and tuberculosis; and eight in the G8 leaders' summary communiqué. A more comprehensive definition would add many commitments made in the areas of corruption, trade liberalization through the Doha development agenda, water, and sustainable development. Of the sixteen commitments in the summary, half addressed African development: one on trade, two on Africa directly, three on health, one on an international finance facility, and one on HIPC.

Evian's commitments thus covered, and reinforced, much of the Kananaskis AAP and related African action. They gave less attention to conflict reduction and prevention, good governance as a whole, education, and gender, but more to water, food security, and corruption. Among the leaders themselves, the actual attention devoted to Africa suffered from the spontaneous interest in structural reform in continental Europe, the drama over the relationship between President Bush and President Jacques Chirac, and the departure of Bush a day early to promote his peace plan in the Middle East. One clear casualty of this early departure was the Global Health Fund, which was discussed after Bush had left. Without the president present to explain the details of his January 2003 \$15 billion pledge for global health, including up to \$3 billion for the G8's Global Health Fund, the other G8 leaders quickly concluded it was an initiative designed to fail, and that they thus had no need to pledge the matching funds needed to make it work.

#### *New Promises Partly Kept: The Interim Evian Compliance Record*

The dramatic handshake between Bush and Chirac halfway through the Evian Summit paved the way not only for the flood of 206 commitments, but also for a robust level of compliance with them in the following seven months. Overall interim compliance with the twelve Evian priority commitments (listed in Table 7) was 47 percent, as Table 8 shows. This was an increase of 18 percent from the Kananaskis interim compliance scores from the year before.

Compliance with the four Africa-related priority commitments (trade, ODA, HIPC, HIV/AIDS) averaged 38 percent, or 9 percent below the overall average. By contrast, compliance with the eight non-Africa-related commitments averaged 52 percent.

Once again, the September 11 effect was evident, as terrorism and weapons of mass destruction each received 100 percent compliance. Yet development and health each received 88 percent, a substantial rise from the previous year. Here too, debt scored low (as listed in Table 9), although a rise from a year before. Only trade, with 25 percent, was lower than the year before.

Compliance by country showed a familiar cadence. The highest complying members across the twelve priority issue areas were Canada and the United Kingdom, tied for first with 58 percent. France (the host) and the United States (the next in the hosting rotation) tied for second place with an overall compliance score of 50 percent. This represented a substantial rise from their interim scores, if not rank, from the year before. Germany, Japan, and Russia followed with scores of 42 percent, and Italy came in last place at 33 percent. In most cases, compliance with both the overall and the Africa-related commitments was very similar, suggesting that in the G8, Africa is a mainstream issue rather than a world apart.

### *The Final Evian Compliance Record*

Five months later, at the 2004 U.S.-hosted Sea Island Summit, compliance with the Evian priority commitments had risen by 4 percent—from 47 percent in January to 51 percent in June. As Table 10 shows, the four Africa-related priority commitments averaged 44 percent—just below the overall average and up 6 percent from the halfway mark. By contrast, compliance for the eight non-Africa-related commitments averaged 55 percent, or 4 percent above the overall average.

Unchanged from the interim compliance scores, commitments on terrorism and weapons of mass destruction yielded perfect compliance scores—once again showing continued G8 unity on the war on terror and the effects of September 11. The second-highest-yielding scores, however, came in ODA and health at 88 percent, showing not only continued resolve in both of these issue areas from the interim compliance scores five months prior, but considerable rises in these issue areas from the final 2003 Kananaskis record the year before.

Compliance by country across the twelve priority issue areas reveals some stark contrasts to the interim scores. Canada once again ranked first at 83 percent, but it increased its score by 25 percent from January 2004. France (the host) rose to second place overall with a final compliance score of 75 percent—up by 25 percent from January 2004 and a considerable rise from Kananaskis the year before. Again, the effects of hosting a summit do matter, compelling the host to increase its compliance while holding the chair. The United States (next in the hosting rotation) comes in third place, tying the United Kingdom and Germany at 50 percent. Once again, the pull to the next summit is evidenced by an overall rise in compliance by the next country in the hosting rotation—in this case, compelling the United States to increase its compliance score by 12 percent since Kananaskis. Similar to the interim scores, Japan and Russia follow with 42 percent and 33 percent respectively, with Italy scoring last at 25 percent.

To some degree, the overall rise in interim and final compliance from the previous year reflects the lesser ambition of the Evian commitments, and the absence of difficult issues such as peer review and good governance from the list. Yet even so, the dominant pattern is that both France and the United States have come together to comply at the same high levels, to a substantially greater degree than before.

This pattern again suggests the strength of the push from the last summit, even without a rapid development cooperation ministerial meeting to follow up. It further suggests that the Iraq war divisions have effectively ended, and that the United States will comply with French-incubated G8 commitments even more than with the Canadian ones.

### *The Continued Promise of Sea Island*

As the leaders converged at their thirtieth annual gathering in Sea Island, Georgia, President Bush produced a summit of “substantial achievement” issuing a record sixteen documents—covering ten separate issue areas—and generating a record 253 collective, concrete, future-oriented commitments. To assist in the delivery of these commitments, the leaders specified twelve remit mandates for specified targets to be completed by the time of their next meeting. Moreover, Sea Island mobilized \$2.77 billion in new money for various initiatives and either created or directed nineteen G8 or G8-centred

institutions at the official and ministerial level. On all these fronts, Sea Island produced major performance advances from virtually all previous summits.<sup>8</sup>

Although the Greater Middle East Initiative (GMEI) clearly took center stage (with the UN passing a unanimous resolution on the transfer of Iraqi sovereignty just hours prior to the opening of the summit), Africa emerged as the second biggest winner at Sea Island. A strong African contingent consisting of Algeria, Ghana, Nigeria, Senegal, South Africa, and Uganda met with G8 leaders for the fourth year in a row on the last day of the summit. The result was the G8's issuance of six declarations and action plans ranging from health (HIV/AIDS and polio) to debt relief and the eradication of famine. Forty-nine commitments were reached on ending the cycle of famine in the Horn of Africa and the provision of future food security in the region. On health, the leaders agreed on a \$375 million plan to develop and disseminate an HIV/AIDS vaccine, with a progress report due at the 2005 summit. On polio, the G8 agreed to increase the funding gap in the WHO's Polio Eradication Initiative by up to \$200 million, particularly focusing on those regions still affected, most notably India, Pakistan, Egypt, Afghanistan, Niger, and Nigeria. An action plan on Expanding Global Capability for Peace Support Operations resulted in a commitment to train 75,000 troops for African peacekeeping operations by 2010. The G8 also undertook to extend the HIPC program to Africa and other countries until the end of 2006, potentially promising an additional \$1 billion top-up to the HIPC trust fund over the next two years.

Although it did not secure a major place on the agenda until weeks prior to the summit, Africa's prominence at Sea Island was largely attributable to strong African sponsorship on the part of British Prime Minister Tony Blair, Canadian Prime Minister Paul Martin, Italian Prime Minister Silvio Berlusconi, Japanese Prime Minister Junichiro Koizumi, and French President Jacques Chirac. It was also due to the institutional nest of the G8's African Personal Representative (APR) process, pressures from African advocates within the U.S. administration and a transnational coalition inspired by South Africa's Thabo Mbeki, supported by Tony Blair and delivered by the Council on Foreign Relations in the United States. And while there were few advances on certain African issues—including trade access to Africans—there were clearly a host of innovative features on African-related themes at Sea Island that will lay the foundation for their continuation in 2005.

#### *Conclusion: Prospects and Possibilities for Africa at the G8 in 2005*

It is easy for those outside America to assume that among the G8 members, only Canada and the United Kingdom, and perhaps France, really care about Africa, and that especially after September 11 and the 2003 war in Iraq, the United States has a very different agenda in the G8 and in the world. With this assumption, it is easy for G8 experts to see the advantages of initially allowing the United States to focus the 2004 G8 on security, prosperity, and freedom and to leave sustainable development and Africa to the British when they host in 2005.

Yet the evidence assembled in this study suggests that the premise of an America that does not care about Africa is incorrect. Since 1975, the United States stands third among the G8 countries most committed to Africa as G8 hosts, after Canada (73 percent

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<sup>8</sup> John Kirton, "What the G8's Sea Island Summit Means for the World Ahead," Seminar at the Canadian Embassy, Tokyo, Japan, July 27, 2004, available at [www.g8.utoronto.ca](http://www.g8.utoronto.ca).



of all commitments in 2002) and the United Kingdom (22 percent in 1998); the United States had 9 percent in 1997. During the past two years, while Canada and the United Kingdom have led in compliance with overall and Africa-related commitments, the United States has come in at the middle, rather than at the bottom. To be sure, America may seldom lead on Africa and may seldom give it first place on the agenda, although it did so both in 1997 and in 2003 because of fear of a famine in southern Africa. Yet America will follow and allow itself to be bound by the overall commitments and the Africa-related commitments created at the G8. This was true both in the crusade against apartheid in South Africa from 1987 onward, and in the G8 Africa Action Plan at Kananaskis itself. Houston 1990 generated a commitment to support talks between the South African government and representatives of the black majority. Denver 1997 produced “Africa: Partnership for Development,” within which thirteen commitments were contained.

But amid the skepticism that initially prevailed on the U.S. ability to deliver any solid initiatives on Africa, Sea Island mobilized the momentum from Evian and combined it with a preparatory process in which the United States increasingly listened to and learned from its G8 partners. By May 2004, following the conclusion of the ministerial meetings and nearly all of the pre-summit “sherpa” meetings, the Bush administration had produced a wide-ranging agenda in which the priorities of its summit partners—primarily Africa—featured prominently. The net effect was the achievement of substantial successes not only on WMD, terrorism, and regional security, but also on poverty reduction, famine, and health in Africa.

As the world looks ahead to the 2005 summit, it knows that the U.K.-hosted G8 will be guided by the two issues Tony Blair has promised to make priorities at Gleneagles: Africa and sustainable development (primarily climate change). In maintaining the forward momentum on these issues, the British fought hard and kept the attention on these Gleneagles priorities during the Sea Island preparatory process. Of particular note was the British interest in famine, development finance, and sustainable development. During that time, Tony Blair also launched the multi-stakeholder Commission on Africa, “containing several senior political leaders from key G8 and African countries and designed explicitly to provide recommendations and political support for the Gleneagles G8.”<sup>9</sup>

As he left Sea Island, Tony Blair reiterated that his 2005 G8 focus would remain on Africa and climate change. He noted further that African leaders would return as part of the Gleneagles outreach. The reality remains, however, that the same group of leaders who gathered at the last four summits (with the exception of Paul Martin) might not all be present in 2005. How this membership shift will affect the preparatory process, Blair’s proposed summit agenda—particularly as it relates to Africa—and compliance with the Sea Island commitments is something that will be important to assess when the G8 presidency is passed to Tony Blair in January 2005.

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<sup>9</sup> John Kirton, “America at the G8: From Vulnerability to Victory at the 2004 Sea Island Summit,” Seminar at the Canadian Embassy, Tokyo, Japan, July 18, 2004, [www.utoronto.ca](http://www.utoronto.ca).

Year	# of Africa-Related Commitments	Total Commitments	Percentage of Total Related to Africa
1975	0	14	–
1976	0	7	–
1977	0	29	–
1978	0	35	–
1979	0	34	–
1980	0	55	–
1981	0	40	–
1982	0	23	–
1983	0	38	–
1984	0	31	–
1985	3	24	13%
1986	2	39	5%
1987	0	53	–
1988	0	27	–
1989	0	61	–
1990	1	78	1%
1991	2	53	4%
1992	0	41	–
1993	2	29	7%
1994	1	53	2%
1995	3	78	4%
1996	2	128	2%
1997	13	145	9%
1998	16	73	22%
1999	0	46	–
2000	1	105	1%
2001	2	58	3%
2002	136	189	73%
2003	14	206	7%

Notes: Data on Total Commitments collected from “G7/8 Summit Commitments, 1975–2002, Complete Data Set,” identified and compiled by John Kirton, Ella Kokotsis and Michael Malleson, March 27, 2003. Africa-Related Commitments consists of all commitments containing a direct reference to Africa, plus commitments listed in a section of the communiqué with Africa in the title. Compiled by Janel Smith, January 27, 2004.

Table 2: G8 Summit Remit Mandates Related to Africa, 2002
<p>“We will continue our dialogue with our African partners. At our next Summit, we will review progress on the implementation of the G8 Africa Action Plan on the basis of a final report from our Personal Representatives for Africa.” (Chair’s Summary)</p>
<p>“Noting the importance of commercial creditor participation, we agreed to ask the World Bank and IMF to prepare a comprehensive report on legal action brought against HIPCs by non-participating creditors, including by commercial creditors, and on options for HIPCs to obtain technical assistance to facilitate resolution of disputes.” (Statement by G7 Leaders: Delivering on the Promise of the Enhanced HIPC Initiative)</p>
<p>“We will take the necessary steps to ensure the effective implementation of our [Africa] Action Plan and will review progress at our next Summit based on a final report from our Personal Representatives for Africa.” (G8 Africa Action Plan)</p>
<p>“Continuing to work with African partners to deliver a joint plan, by 2003, for the development of African capability to undertake peace support operations, including at the regional level.” (G8 Africa Action Plan)</p>

Table 3: Africa-Related G8 Institutions Created, Adjusted and Approved, 2002 and 2003	
2002: Kananaskis, Canada	
<i>Existing Institutions Adjusted</i>	“We adopted the G8 Africa Action Plan as a framework for action in support of the NEPAD. We agreed to each establish enhanced partnerships with African countries whose performance reflects the NEPAD commitments.” (Chair’s Summary, June 27, 2002)
<i>Existing Institutions Approved and Continued</i>	“At the Genoa Summit in July 2001, we reaffirmed our commitment to help countries meet these goals, with a special emphasis on the achievement of universal primary education (UPE) and equal access for girls—two objectives that are also reflected in the International Development Goals contained in the 2000 Millennium Declaration. We mandated a task force of senior officials to consult with developing countries, relevant international organizations, and other stakeholders and suggest ways in which the G8 might best support the achievement of these goals. Their report is attached. We welcome and endorse their conclusions.” (A New Focus on Education for All, June 26, 2002)
2003: Evian-les-Bains, France	
<i>Existing Institutions Adjusted</i>	“Our discussions with the Presidents of Algeria, Nigeria, Senegal, and South Africa, the Leaders of countries represented on the NEPAD Steering Committee, demonstrated our common will to contribute to the development of Africa. We endorsed the report prepared by our Africa Personal Representatives. We agreed to widen our dialogue to other African Leaders on NEPAD and the G8 Africa Action Plan. We invite interested countries and relevant international institutions to appoint senior representatives to join this partnership. We will review progress on our Action Plan no later than 2005 on the basis of a report.” (Chair’s Summary, June 3, 2003)
<i>Existing Institutions and Continued</i>	“At Kananaskis in 2002 the G8 adopted an Africa Action Plan (AAP) in response to the New Partnership for Africa’s Development (NEPAD). The G8 shares the fundamental objectives of NEPAD. The Africa Action Plan sets out how each of the G8 partners, together or individually, will enhance their engagement with African countries in support of NEPAD. The G8 agreed to review, at their next Summit, progress made in the implementation of the commitments they made in the Africa Action Plan. The following implementation report illustrates the thrust of the G8 response and outlines efforts for implementation in the next years.” (Implementation Report by Africa Personal Representatives to Leaders on the G8 Africa Action Plan, June 1, 2003)

Table 4: Priority Commitments for Compliance Assessment, Kananaskis 2002

<p><b>1. Africa: Good Governance</b> (2002: 31, G8 Africa Action Plan)          We commit to expanding capacity-building programmes related to political governance in Africa, focusing on the NEPAD priority areas of: improving administrative and civil services, strengthening parliamentary oversight, promoting participatory decision-making, and judicial reform.</p>
<p><b>2. Africa: Peer Review</b> (2002: 37, G8 Africa Action Plan)          NEPAD maintains that development is impossible in the absence of true democracy, respect for human rights, peace, and good governance. We agree, and it has been our experience, that reliable institutions and governance are a precondition for long-term or large-scale private investment. The task of strengthening institutions and governance is thus both urgent and of paramount importance, and for this reason, we commit to:          Supporting African peer-review arrangements—including by:</p> <ul style="list-style-type: none"> <li>• Encouraging cooperation with respect to peer-review practices, modalities, and experiences between the Organization for Economic Co-operation and Development (OECD) and the ECA, including the participation by the ECA in the OECD Development Assistance Committee (DAC) peer-review process where the countries under review so agree;</li> <li>• Encouraging, where appropriate, substantive information sharing between Africa and its partners with respect to items under peer-review; and,</li> <li>• Supporting regional organizations in developing tools to facilitate peer-review processes.</li> </ul>
<p><b>3. Africa: Education</b> (2002: 81, G8 Africa Action Plan)          Supporting the development and implementation by African countries of national educational plans that reflect the Dakar goals on Education for All, and encouraging support for those plans, particularly universal primary education by the international community as an integral part of the national development strategies.</p>
<p><b>4. Development: HIPC Initiative</b> (2002: 6, Chair’s Summary)          We will fund our share of the shortfall in the HIPC initiative, recognizing that this shortfall will be up to US \$1 billion.</p>
<p><b>5. Development: ODA</b> (2002: 7, Chair’s Summary)          Assuming strong African policy commitments, and given recent assistance trends, we believe in aggregate that half or more of our development assistance commitments announced at Monterrey could be directed to African nations that govern justly, invest in their own people, and promote economic freedom.</p>
<p><b>6. Arms Control and Disarmament</b> (2002: 6, Statement by G8 on WMD)          The G8 calls on all countries to join them in commitment to the following six principles to prevent terrorists or those that harbour them from acquiring or developing nuclear, chemical, radiological, and biological weapons; missiles; and related materials, equipment and technology.</p>
<p><b>7. Conflict Prevention</b> (2002: 19, G8 Africa Action Plan)          Training African peace support forces including through the development of regional centers of excellence for military and civilian aspects of conflict prevention and peace support, such as the Kofi Annan International Peace Training Centre.</p>

Table 4: Priority Commitments for Compliance Assessment, Kananaskis 2002 (cont.)	
<b>9. Economic Growth: Free Trade</b> (2002: 58, G8 Africa Action Plan)	We will work toward the objective of duty-free and quota-free access for all products originating from the Least Developed Countries (LDCs), including African LDCs, and, to this end, each examining how to facilitate the fuller and more effective use of existing market access arrangements.
<b>10. Environment: Sustainable Agriculture</b> (2002: 116, G8 Africa Action Plan)	Supporting the development and the responsible use of tried and tested new technology, including biotechnology, in a safe manner and adapted to the African context, to increase crop production while protecting the environment through decreased usage of fragile land, water, and agricultural chemicals.
<b>11. Environment: Water</b> (2002: 129, G8 Africa Action Plan)	Supporting African efforts to promote the productive and environmentally sustainable development of water resources.
<b>12. Fighting Terrorism</b> (2002: 1, Chair's Summary)	We are committed to sustained and comprehensive actions to deny support or sanctuary to terrorists, to bring terrorists to justice, and to reduce the threat of terrorist attacks.
<b>13. Transnational Crime and Corruption</b> (2002: 45, G8 Africa Action Plan)	Working to secure the early establishment of a UN Convention on Corruption, and the early ratification of the UN Convention Against Transnational Organized Crime.

Table 5: 2002 Kananaskis Interim Compliance Scores

	Canada	France	Germany	Italy	Japan	Russia	U.K.	U.S.	<u>Issue Average</u>
Africa: Good Governance	+1	0	0	N/A	0	N/A	+1	+1	+0.50
Africa: Peer Review	0	0	0	0	0	N/A	N/A	N/A	0.00
Africa: Education	+1	0	0	0	0	0	+1	0	+0.25
Development: HIPC	0	0	0	-1	-1	-1	0	-1	-0.50
Development: ODA	+1	+1	0	0	0	0	+1	+1	+0.50
Arms Control/ Disarmament	+1	0	0	0	+1	+1	+1	+1	+0.63
Conflict Prevention	+1	+1	0	N/A	N/A	N/A	0	+1	+0.60
Agricultural Trade	+1	0	0	0	N/A	N/A	0	-1	0.00
Free Trade	+1	0	0	0	N/A	0	0	0	+0.14
Sustainable Agriculture	0	0	0	0	0	N/A	0	0	0.00
Environment: Water	+1	+1	0	N/A	0	N/A	+1	0	+0.50
Fighting Terrorism	+1	+1	+1	+1	+1	+1	+1	+1	+1.00
Transnational Crime/ Corruption	+1	+1	0	0	0	0	0	0	+0.25
Individual Country Average	+0.77	+0.38	+0.08	0.00	+0.10	+0.14	+0.50	+0.25	
Overall Issue Average									+0.30
Overall Country Average									+0.28
Overall Compliance Average									+0.29

Notes: The issue average is the average of all countries' compliance scores for that issue. The country average is the average of all issue-area compliance scores for a given country. N/A indicates that no information on a country's compliance score for a given issue area was available; no compliance score is awarded. Countries are excluded from the averages if the symbol "N/A" appears in the respective column.

Table 6: 2002 Kananaskis Final Compliance Scores

	Canada	France	Germany	Italy	Japan	Russia	U.K.	U.S.	Issue Average
Africa: Good Governance	+1	+1	0	-1	0	-1	+1	+1	+0.25
Africa: Peer Review	0	0	0	0	0	0	0	0	0.00
Africa: Education	+1	+1	0	N/A	+1	-1	+1	+1	+0.63
Development: HIPC	+1	0	0	0	-1	-1	+1	0	0.0
Development: ODA	+1	+1	0	0	0	0	+1	+1	+0.50
Arms Control/ Disarmament	0	0	0	0	0	+1	0	+1	+0.25
Conflict Prevention	+1	+1	+1	-1	-1	0	+1	+1	+0.38
Agricultural Trade	+1	0	0	0	0	0	0	0	+0.13
Free Trade	+1	0	0	0	-1	0	0	-1	-0.13
Sustainable Agriculture	+1	+1	0	0	+1	N/A	+1	0	+0.57
Environment: Water	+1	+1	0	N/A	+1	N/A	+1	0	+0.67
Fighting Terrorism	+1	+1	+1	+1	+1	+1	+1	+1	+1.00
Transnational Crime/ Corruption	+1	+1	0	0	0	0	0	0	+0.25
Individual Country Average	+0.85	+0.62	+0.15	-0.09	+0.08	-0.09	+0.62	+0.38	
Overall Issue Average									+0.35
Overall Country Average									+0.32
Overall Compliance Average									+0.34

Notes: The issue average is the average of all countries' compliance scores for that issue. The country average is the average of all issue area compliance scores for a given country. N/A indicates that no information on a country's compliance score for a given issue area was available; no compliance score is awarded. Countries are excluded from the averages if the symbol "N/A" appears in the respective column.



Table 7: Priority Commitments for Compliance Assessment, Evian 2003

<b>1. World Economy and Growth:</b> 2003-5. We reaffirm our commitment to strengthen investor confidence by improving corporate governance, enhancing market discipline, and increasing transparency.
<b>2. ICT:</b> 2003-69. We will develop an implementation plan to achieve these objectives by next spring's Tokyo ministerial conference.
<ul style="list-style-type: none"> <li>• We will develop close coordination of our respective global observation strategies for the next ten years; identify new observations to minimise data gaps.</li> <li>• We will build on existing work to produce reliable data products on atmosphere, land, fresh water, oceans, and ecosystems.</li> <li>• We will improve the world-wide reporting and archiving of these data and fill observational gaps of coverage in existing systems.</li> </ul>
<b>3. Trade (MTN):</b> 2003-47. We are therefore committed to delivering on schedule, by the end of 2004, the goals set out in the Doha Development Agenda, and to ensuring that the Cancun Ministerial Conference in September takes all decisions necessary to help reach that goal.
<b>4. Development (ODA):</b> 2003-15. We welcomed the report of our Finance Ministers' discussions on our increased resources and on financing instruments. We invite them to report back to us in September on the issues raised by the financing instruments, including the proposal for a new International Finance Facility.
<b>5. Debt (HIPC):</b> 2003-16. We reaffirmed the objective of ensuring lasting debt sustainability in HIPC countries and noted that these countries will remain vulnerable to exogenous shocks, even after reaching completion point. In this context, we have asked our Finance Ministers to review by September mechanisms to encourage good governance and the methodology for calculating the amount of "topping-up" debt relief available to countries at completion point based on updated cost estimates.
<b>6. Environment (Marine Environment):</b> 2003-121. We commit to the ratification or acceding to and implementation of the United Nations Convention on the Law of the Sea, which provides the overall legal framework for oceans.
<b>7. Health (AIDS/Infectious Diseases):</b> 2003-10. We agreed on measures to strengthen the Global Fund to Fight AIDS, Tuberculosis and Malaria, and other bilateral and multilateral efforts, notably through our active participation in the donors' and supporters' conference to be hosted in Paris this July.
<b>8. Crime and Drugs (Terrorist Financing):</b> 2003-36. We reaffirm our commitment to fight financial abuses and to encourage wider accession to and ratification of the UN Convention on Transnational Organized Crime so that money laundering, corruption, and other relevant crimes are universally criminalized and that all countries have the power to identify, trace, freeze or seize and ultimately confiscate and dispose of assets from the proceeds of these crimes.
<b>9. Terrorism (CTAG):</b> 2003-150. The G8 will create a Counter-Terrorism Action Group, to focus on building political will, coordinating capacity building assistance where necessary. Other states, mainly donors, will be invited to join the group. A representative of the CTC will be invited to CTAG meetings. Representatives from relevant UN bodies, IFIs, and other regional and functional organizations will be invited

Table 7: Priority Commitments for Compliance Assessment, Evian 2003 (cont.)
to relevant meetings (first meeting to be held by July 15).
<b>10. Transport Security (MANPADS):</b> 2003-168. Given the increasing number of Manpads in world-wide circulation, we commit ourselves to reducing their proliferation and call upon all countries to strengthen control of their Manpads stockpiles.
<b>11. WMD:</b> 2003-186. We reaffirm our support for the IAEA, which should be granted the necessary means to implement its monitoring tasks.
<b>12. Energy:</b> 2003-75. Participate in the International Conference on Renewable Energies, spring 2004 in Bonn.

Table 8: 2003 Evian Interim Compliance Scores

	Canada	France	Germany	Italy	Japan	Russia	U.K.	U.S.	Issue Average
World Economy/Growth	0	0	1	-1	0	0	0	1	0.13
ICT	1	1	1	1	1	1	1	1	1.00
Trade (MTN)	0	0	0	0	0	-1	0	-1	-0.25
Development (ODA)	1	1	1	1	1	0	1	1	0.88
Debt (HIPC)	0	0	0	0	0	0	0	0	0.00
Environment (Marine)	1	0	0	0	0	1	1	0	0.38
Health (AIDS)	1	1	0	1	1	1	1	1	0.88
Crime (Terrorist Finance)	1	1	0	0	0	0	0	0	0.25
Terrorism (CTAG)	1	1	1	1	1	1	1	1	1.00
Transport Security	0	0	0	0	0	1	1	1	0.38
WMD	1	1	1	1	1	1	1	1	1.00
Energy	0	0	0	0	0	0	0	0	0.00
Individual Country Average	0.58	0.50	0.42	0.33	0.42	0.42	0.58	0.50	
Overall Issue Average									+0.47
Overall Country Average									+0.47
Overall Compliance Average									+0.47

Table 9: 2003 Evian Final Compliance Scores

	Canada	France	Germany	Italy	Japan	Russia	U.K.	U.S.	Individual Issue Average
World Economy/Growth	1	0	1	-1	0	0	0	1	0.25
ICT	1	1	1	1	1	0	0	1	0.75
Trade (MTN)	0	0	0	-1	0	-1	0	-1	-0.38
Development (ODA)	1	1	1	1	1	0	1	1	0.88
Debt (HIPC)	1	1	0	0	0	0	1	0	0.38
Environment (Marine)	1	1	0	0	0	1	1	0	0.50
Health (AIDS)	1	1	0	1	1	1	1	1	0.88
Crime (Terrorist Financing)	1	1	-1	-1	-1	-1	-1	-1	-0.50
Terrorism (CTAG)	1	1	1	1	1	1	1	1	1.00
Transport Security	1	0	1	0	0	1	1	1	0.63
Weapons of Mass Destruction	1	1	1	1	1	1	1	1	1.00
Energy	0	1	1	1	1	1	0	1	0.75
Individual Country Average	0.83	0.75	0.50	0.25	0.42	0.33	0.50	0.50	
Overall Issue Average									+0.51
Overall Country Average									+0.51
Overall Compliance Average									+0.51

Table 10: Compliance with Africa-Related Priority Commitments, 2002 and 2003				
Commitment	2002 Interim	2002 Final	2003 Interim	2003 Final
ODA	+50	+50	+88	+88
HIPC	-50	+25	00	+38
Free Trade	+14	-13	-25	-38
Good Governance	+50	+25		
Peer Review	00	00		
Education	+25	+63		
Conflict Prevention	+60	+38		
Agricultural Trade	00	+13		
Sustainable Agriculture	00	+57		
Water	+50	+57		
Corruption	+25	+25		
Health/AIDS			+88	+88

## STRENGTHENING THE G8-AFRICA PARTNERSHIP: AFRICAN PERFORMANCE

*Kwame Boafo-Arthur*

NEPAD is founded on a hardheaded assessment of the political and socioeconomic realities in Africa today. We do not, therefore, underestimate the challenges involved in achieving NEPAD's objectives, but we share a common resolution to work together even more closely in order to end poverty on the continent and to restore Africa to a place of dignity in the family of nations.<sup>1</sup>

### *Introduction*

The New Partnership for Africa's Development (NEPAD) is the latest development paradigm aimed at facilitating the economic growth and development of African countries. Emerging in the wake of the collapse of the Eastern bloc, the re-democratization of Africa, and the general acceptance of the efficacy of neoliberalism as a development paradigm, NEPAD has been touted as an indigenous development policy formulation capable of fast-tracking the development of the continent. The omnibus question is whether Africa is committed to NEPAD, which serves as a novel post-Cold War link between Africa and the G8. Will NEPAD succeed where earlier development paradigms failed? In what ways are African commitments manifested? What major challenges confront the partnership?

This paper argues that, notwithstanding the numerous problems, cynicisms, and criticisms, it appears that tremendous strides have been made by African leaders to make concrete the visions embedded in NEPAD. The African Peer Review Mechanism (APRM), which is perceived by all partners as the most innovative objective of NEPAD, is the best example. Some of the other areas in which commitments have been demonstrated by Africa are highlighted in this paper, and an attempt is made to address whether NEPAD has any chance of success in the face of the perennial failure of earlier development paradigms, including Western-sponsored neoliberal development strategies such as structural adjustment programs. The viewpoint expressed is that since the partnership is one between unequal partners, no effort should be spared by the developed partner in abiding by its own commitment enshrined in the G8 Africa Action Plan. If nothing at all, NEPAD's historical trajectory (emerging at the onset of the twenty-first century), its laudable visions, and the demonstrated commitment by African leaders should enhance the prospects of its long-term success. If both partners play the expected roles and especially if the G8 maintains its focus and the commitments that have been shown to Africa in the latest G8 summits at Kananaskis and Evian, NEPAD as a development blueprint could effectively serve as a counterpoise to rampaging globalization and multifaceted global transformations that have aggravated the developmental problems of Africa. Such an occurrence would help minimize the growing marginalization of Africa in the international system.

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<sup>1</sup> APRM Base Document, Declaration on Democracy, Political, Economic and Corporate Governance, AHG/ XXXVIII, Annex 1, paragraph 26, p. 16.

### *Unnerving African Conditions*

NEPAD was hammered into place in the face of monumental problems confronting the African continent. Over 40 percent of the continent's people have no access to education. Almost 300 million people live on less than \$1 per day, implying that poverty is endemic. For sure, sub-Saharan Africa's share of the world's poor was 30 percent in the 1990s and was projected to reach 40 percent by 2000.<sup>2</sup> The UN Development Program's 2002 *World Human Development Report* notes that, except in South Africa, 10 percent of sub-Saharan African children are suffering from malnutrition. Out of the forty-nine least-developed countries worldwide, thirty-three are in Africa. Sub-Saharan Africa has the lowest human development index, with as many as twenty-seven of the poorest countries in the world.

Life expectancy in Africa has been falling steadily from fifty to forty-seven years on average since 1990. In addition, only 55 percent of Africans have access to drinking water and sanitation systems. In terms of communications, only 32 out of 1,000 Africans have access to a telephone, and 9 out of 1,000 have a computer. Twenty-eight million of Africa's people are living with HIV/AIDS.<sup>3</sup>

Anneke van Woundenberg catalogs the other factors having negative developmental influence on Africa and thereby fueling crisis in the continent as the growth of war economies, a culture of impunity with scant respect for human rights and the rule of law, bribery and corruption,<sup>4</sup> the HIV/AIDS pandemic, and dwindling international support.<sup>5</sup>

Since the early 1970s the debt of African countries has been rising faster than the region's gross domestic product. According to the International Monetary Fund, whereas Africa's share of the global population in the 1990s was close to 7.5 percent, its shares of total world output and exports were no more than 1.5 percent and 0.7 percent, respectively.<sup>6</sup> Arguably, internal maladministration, mismanagement, and the lack of a democratic ethos, as well as external peripheralization and in some cases blatant exploitation, have combined to create a seemingly interminable development crisis for Africa.

As if the foregoing indicators are not depressing enough, the continent is equally mired in conflicts that have stalled its development. Until the latter part of 2003 the West African subregion, for example, was in the throes of civil wars in Liberia and Sierra Leone that took a heavy toll on lives and property, not to mention the internal and external migrations of devastated people. Ivory Coast, which until the rebel uprising in September 2002 was a very peaceful entity in the region, is enjoying an uneasy peace. Africa's "world war" in the Congo appears to have ended with the pull out of foreign legions from Zimbabwe, Rwanda, and Uganda, but fratricidal conflicts between ethnic chieftains must still abate for effective governmental structures to be put in place. More than 100 million Africans are affected by violent conflict. Out of these, ten million are

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<sup>2</sup> UN Development Program, *Human Development Report* (New York: Oxford University Press, 1991), p. 23.

<sup>3</sup> Final Declaration for Good Parliamentary Government for NEPAD, available at [http://www.parlanepad.org/new/an\\_finaldec.htm](http://www.parlanepad.org/new/an_finaldec.htm).

<sup>4</sup> Transparency International's Global Corruption Report for 2003 lists some African countries among the most corrupt in the world.

<sup>5</sup> Anneke van Woundenberg, *Africa at the Crossroads* (London: Oxfam, 2002), p. 1.

<sup>6</sup> *World and Economic Outlook* (Washington, DC: International Monetary Fund, 1993), p. 125.

internally displaced. The paradox is the devastating impact of this development on women and children, who constitute 90 percent of the displaced people.<sup>7</sup> It is appropriate to add that Africa is faced with an amalgam of problems with economic security, food security, health security, environmental security, personal (physical) security, community security, and political security. These problems are interlinked and have heightened the human security problems of Africa more than they have in any other region.<sup>8</sup> As pointed out by Kwan Kim, “the confluence of these intricately intertwined economic, political, social, and environmental problems has culminated in a deep-seated general crisis.”<sup>9</sup>

### *Rescuing Africa: The NEPAD Angle*

African leaders, especially after the collapse of the Soviet bloc and the end of the Cold War, have not been indifferent to the developmental problems of the continent. Arguably, a new breed of African leaders has emerged to coincide with the ongoing global transformations that call for radical changes in the political economy of governance and the management of African affairs. It is in this spirit that the Organization of African Unity (OAU) gave way to the African Union (AU), which also gave birth to NEPAD. NEPAD thus stands as the handmaiden of the AU and carries the onerous responsibility of facilitating Africa’s development with special focus on poverty alleviation. As a continent, Africa has churned several development programs aimed at tackling the perennial issue of development. Some of these programs were initiated with support from the international community and others by Africans themselves, but very little in terms of development was achieved. In some cases some of the development paradigms were stillborn due to the lack of financing from the international community. The African Alternative Framework to Structural Adjustment for Socio-Economic Recovery and Transformation (AAF-SAP), launched in 1989, is a very good example.

The developmental challenges facing the continent at the beginning of the twenty-first century hinted at above are daunting, and these explain why the new breed of African leaders decided to come to terms with such challenges with support from the international community in general and the G8 in particular. The objective for what appears to be a collaborative assault on Africa’s development challenges by African leaders and the international development partners, specifically members of the G8, is accelerated economic development that will assure the well-being of impoverished Africans in this new millennium. What has emerged as a continent-wide development plan aimed at pushing forward Africa’s development is christened “NEPAD.”

In sum, NEPAD is a holistic, comprehensive integrated strategic framework for the socioeconomic development of Africa. The NEPAD document provides the vision for Africa, a statement of the problems facing the continent, and a program of action to resolve these problems to achieve the vision. According to the document, the primary objective is to eradicate poverty in Africa and place African countries both individually

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<sup>7</sup> Van Woundenberg, *Africa at the Crossroads*, p. 6.

<sup>8</sup> See Kwame Bofo-Arthur, “NEPAD and Human Security,” paper delivered at the roundtable “Strengthening Regional Capacity for Conflict Resolution in West Africa: A Response to NEPAD,” Accra, Ghana, October 23–25, 2002.

<sup>9</sup> Kwan S. Kim, *Africa at the Crossroads in the Age of Globalization*, Helen Kellogg Institute for International Affairs Working Paper Series, no. 270 (1999), p. 9.



and collectively on the path of sustainable growth and development and thus halt the marginalization of Africa in the globalization process.<sup>10</sup> NEPAD therefore sets “an agenda for the renewal of the continent.”<sup>11</sup> In the words of the framers of the document, NEPAD “is a pledge by African leaders, based on a common vision and a firm and shared conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development and, at the same time, to participate actively in the world economy and body politic.”<sup>12</sup> The program rests “on the determination of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion in a “globalizing world” and also “a call for a new relationship of partnership between Africa and the international community, especially the highly industrialized countries, to overcome the development chasm that has widened over the centuries of unequal relations.”<sup>13</sup> The principle of partnership with the G8 in particular is equally vital to the process of accelerating development in Africa. Such partnership, however, must be based on mutual respect, dignity, shared responsibility, and mutual accountability.

Unlike earlier development programs initiated for Africa or by Africans, NEPAD has obtained undiluted support and promises of assistance from the industrialized countries constituting the G8 and the international financial institutions. Thus, from the outset, NEPAD has had an advantage over the earlier development programs, which never had the undiluted blessings of the G8. It is also the first time since the decolonization of Africa that donors, especially the G8, have come out with an action plan geared toward support for a development blueprint that originates with African leaders.

NEPAD thus touches on several concepts, issues, and programs generally accepted by African leaders and members of the G8 as necessary for the facilitation of the rapid development of the continent. As noted, for the first time in the relationship between the developed world and Africa, the G8 issued the Africa Action Plan (AAP) at its June 2002 Kananaskis summit, which was more or less supportive of the new African development blueprint. The G8 pledged to have enhanced partnerships with African countries whose performances are in tune with the visions embodied in NEPAD. The G8 Africa Action Plan does not give blanket support to all African countries. The support is contingent on the implementation and pursuit of the various components of NEPAD. Without equivocation, the G8 AAP states,

Our partners will be selected on the basis of measured results. This will lead us to focus our efforts on countries that demonstrate a political and financial commitment to good governance and the rule of law, investing in their people, and pursuing policies that spur economic growth and alleviate poverty. We will match their commitment with a commitment on our own part to promote peace and security in Africa, to boost expertise and capacity, to encourage trade and direct growth-oriented investment, and to provide more effective official development assistance.<sup>14</sup>

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<sup>10</sup> Par. 67 of NEPAD, 2001, p. 14.

<sup>11</sup> Par. 47 of NEPAD, 2001, p. 11.

<sup>12</sup> Par. 1 of NEPAD, 2001, p. 1.

<sup>13</sup> Par. 8 of NEPAD, 2001, p. 2.

<sup>14</sup> G8 Africa Action Plan, Kananaskis, Canada, June 27, 2002, text available at <http://www.state.gov/e/eb/rls/othr/11515.htm>.

The question that readily comes to mind is whether Africa has been able to meet the conditions set by the G8 to merit support in the various areas outlined in the NEPAD document.

### *African Performance*

NEPAD came into existence after its adoption by the Assembly of Heads of State and Government at the July 2001 Organization for African Unity Summit in Lusaka, Namibia. In October 2001 at the first Heads of State and Government Implementation Committee (HSGIC) in Abuja, Nigeria, the HSGIC ordered the Steering Committee and the NEPAD Secretariat to prepare a detailed implementation plan that would facilitate the pursuit of NEPAD's priorities. With assistance from the African Development Bank, the UN Economic Commission for Africa (ECA), and the UN Food and Agriculture Organization, and with the approval of the HSGIC, the NEPAD implementation plan was completed in June 2002. In July 2002 at the AU Summit in Durban, South Africa, the NEPAD Initial Action Plan was approved. Four major objectives that are critical to the achievement of sustainable development were identified:

- Democracy and good political governance;
- Economic and corporate governance;
- Socioeconomic development; and
- African Peer Review Mechanisms.

For sure, NEPAD is a relatively young development blueprint, and given the multifaceted problems assailing the continent and financial constraints, one would not expect any sterling performance by Africa within such a relatively short time on such broad objectives. Nonetheless, action plans have been fast-tracked, and much has been achieved with the potential for much more if the needed support from the international community is obtained. Sectoral priorities traversing infrastructure, human resource development, agriculture, the environment, science and technology, resource mobilization, and market access have all been targeted. Action plans have actually been developed for agriculture, environment, infrastructure, health, tourism, science and technology, and education, and specific projects in the above areas are being implemented.

There is a strategic focus on peace building, conflict resolution, and good governance in light of current sociopolitical developments in Africa. It is in connection with the attainment of the overall objectives of NEPAD, however, that the African Peer Review Mechanism (APRM) needs special mention and elaboration. The survival of the partnership depends on the overall performance of the APRM. This was made clear by the G8 in the Africa Action Plan. Paragraph 7 of the AAP makes this clear: "The African peer-review process is an innovative and potentially decisive element in the attainment of the activities of the NEPAD. ... *The peer-review process will inform our consideration of eligibility for enhanced Partnerships* [emphasis added]."<sup>15</sup> This is because both partners anticipate that the APRM will be comprehensive enough to provide credible assessment of commitment to the key objectives of the NEPAD.

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<sup>15</sup> Ibid.

Has anything been achieved on this all-important innovative mechanism aimed at ensuring, among other things, that African leaders do not take democracy and political, economic, and corporate governance for granted?

Basically, APRM is a self-monitoring and peer-learning mechanism that has as its linchpin accountability on good governance. Its primary purpose is to facilitate

the adoption by member states of policies, standards and practices that would lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing of experiences and reinforcement of successful and best practice, including identifying deficiencies and assessing the needs for capacity building.<sup>16</sup>

There are several auxiliary purposes for the APRM. These include the affirmation of the voluntary acceptance of political conditionalities by African leaders, the affirmation of the commitment of African leaders to peace, democracy, human rights, and sound economic management, the generation of confidence in institutions of government that will enhance the environment for the growth of the private sector, creating opportunities for the efficient use of limited public resources, and facilitate binding and effective partnership within the international community.<sup>17</sup> The APRM, according to President Olesegun Obasanjo of Nigeria, “is not an instrument for punishment or exclusion but is meant to identify and address weaknesses, and share best practices.” Consequently, “it is important to always view the APRM within the context of NEPAD as an instrument of monitoring and evaluating the progress we as Africans make in improving governance and development on the continent.”<sup>18</sup> According to K. Y. Amoako, the executive secretary of the ECA, this is a process that requires “unwavering leadership and considerable political will, engaging all stakeholders in the process.”<sup>19</sup> In comparative terms, dedicated and committed leaders appear not to be in short supply in Africa at the moment.

Since the inception of the APRM process, the NEPAD Steering Committee and NEPAD Secretariat have

- Finalized the policy documents and the operative guidelines of the APRM;
- Facilitated the appointment of the African Peer Review (APR) Panel; and
- Set up the APR Secretariat as a unit within the NEPAD Secretariat.

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<sup>16</sup> African Union, *The African Peer Review Mechanism (APRM)*, AHG/235: XXXVII Annex II, 2002, par. 3.

<sup>17</sup> A.K.D. Frempong, “NEPAD and the African Peer Review Mechanism: The Prospects and Challenges,” paper presented at the CODESRIA-DPMF Collaborative International Conference on the theme “The African Union and the New Strategies for Development in Africa,” Addis Ababa, Ethiopia, January 26–28, 2004, pp. 6–7.

<sup>18</sup> Communiqué issued at the end of the Third Meeting of the African Peer Review Mechanism (APRM) Panel of Eminent Persons (APR Panel), Abuja, Nigeria, November 14–15, 2003.

<sup>19</sup> K. Y. Amoako, Fifth Andrew Young Lecture of the Africa Society of the National Summit on Africa, Washington, DC, February 18, 2004, available at <http://www.sarpn.org.za/documents/d0000723/index.php>.

On July 27, 2003, the APR Panel<sup>20</sup> was inaugurated and since then it has prepared the following:

- Rules and procedures of the APR Panel and Secretariat;
- Work program and budget;
- Provisional list of partner institutions;
- Guidelines for countries to prepare for and participate in the APRM;
- Draft memorandum of understanding to be signed by countries participating in the APRM;
- Draft memorandum of understanding to be signed with partner institutions; and
- Questionnaires in the four thematic areas of the APRM (democracy and political governance, economic governance and management, corporate governance, and socioeconomic development) to assist countries in their self-assessment and to participate in the review process.<sup>21</sup>

The major achievement in terms of performance on the APRM is the agreement reached in Kigali in mid-February 2004 by heads of states on the timetable and program for the implementation of the process. To date sixteen countries have acceded to the review mechanism, which is to be completed by March 2006.<sup>22</sup> The first four to be reviewed are Ghana, Kenya, Mauritius, and Rwanda. To date, Ghana is the first country to have received a visitation panel of the Eminent Persons; the mechanisms that have been put in place by the government of Ghana to facilitate the peer review are briefly discussed below.

### *Ghana and the APRM*

Ghana, the first African country to voluntarily accede to the APRM, has made giant strides in this regard. The APR Secretariat was opened in Ghana in February 2004 after the Kigali meeting of the heads of state and government that have acceded to the process. Since then, the Ghanaian leadership has exhibited unalloyed commitment to the APRM and put in place all the necessary structures to facilitate the review of the nation's governance process. The government of Ghana has appropriated around \$250,000 as initial capital to manage the APRM process in Ghana.

The advance team to assess the APRM process and infrastructure that have been put in place visited Ghana from March 3 to 5, 2004. Yansane Kerfaller, who is a lead consultant for the APRM, led the advance team. On March 18, 2004, Ghana's president, John Agyekum Kufuor, inaugurated a seven-member National African Peer Review Mechanism Governing Council (NAPRM-GC) whose responsibility is to oversee the

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<sup>20</sup> The six panel members are Adebayo Adedeji from Nigeria, Graca Machel from Mozambique, Dorothy Njeuma from Cameroon, Marie-Angelique Savane from Senegal, Chris Stals from South Africa, and Bethuel Kiplagat of Kenya.

<sup>21</sup> See communiqué issued at the end of the First Summit of the Committee of Participating Heads of State and Government in the African Peer Review Mechanism (APR Forum), Kigali, Rwanda, February 13, 2004.

<sup>22</sup> The sixteen countries are Algeria, Burkina Faso, Cameroon, Congo, Ethiopia, Mozambique, Nigeria, Ghana, Kenya, Rwanda, Senegal, Uganda, Gabon, Mauritius, Mali, and South Africa.

implementation of the APRM in Ghana. The autonomy of the Governing Council, headed by the former vice chancellor of the University of Cape Coast, S. K. Agyapong, is underlined by the fact that all the appointees are civil rather than state actors.<sup>23</sup>

Ghana's approach with regard to the appointment of the Governing Council is a departure from the norm in other African countries, where the peer-review secretariat is directly under the office of the president. In Ghana's case the Governing Council is manifestly independent and does not even come under the Ministry of Regional Cooperation and NEPAD, and the membership is composed of civil actors with professional competence, integrity, objectivity, impartiality, and abundant capacity to engage Parliament, the executive, the judiciary, and civil society on various issues of governance.

The NAPRM-GC is tasked with the following responsibilities:

- To exercise oversight over the National APRM program in order to ensure the independence, professionalism, and credibility of that process;
- To recommend and engage the appropriate Ghanaian institutions, think tanks, or individuals to conduct technical assessments in the four areas to be reviewed;
- To review and make objective assessments of reports submitted to it by the Ghanaian institutions, think tanks, and individuals engaged for that purpose;
- To consider and approve recommendations in the form of a National APRM self-assessment report;
- To prepare, administer, and coordinate the visit of the Independent Panel of Eminent Persons (the APR Panel) and to facilitate their work when the panel team comes to Ghana to undertake an assessment of the governance of the country; and
- To sensitize the various arms of government, civil society, the private sector, and other stakeholders in order to enlist their full participation in the National APRM process.<sup>24</sup>

The peer review is not restricted to the executive arm of government but encompasses all the arms of government in addition to the work of independent institutions such as the Electoral Commission and the Commission on Human Rights and Administrative Justice. Furthermore, civil-society organizations, including the media, trade unions, political parties, and the private sector, will also be subjected to assessment. By implication, the review process will be all-encompassing, covering the activities of the government, independent government institutions, and civil-society organizations, as the activities of such institutions impact the governance of Ghana.

The four main areas designated for review under the APRM are significant in several ways. The focus of the APRM on democracy and good political governance is to gauge

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<sup>23</sup> The complete membership of the NAPRM-GC is S. K. Agyepong (chairman, former vice chancellor of the University of Ghana, and currently the principal of Methodist University), Alex N. Abankwa (a retired career diplomat), S.K.B. Asante (former principal regional adviser to the United Nations), Paul Bemile (Catholic bishop of Wa), Mirinda Greenstreet (former director of the Institute of Adult Education of the University of Ghana), Nutifafa Kuenhyia (former president of the Ghana Bar Association and past chairman of the Media Commission), and Gloria Ofori-Boadu, former executive secretary of FIDA.

<sup>24</sup> See paper delivered by the minister for regional cooperation and NEPAD to representatives of political parties, members of the APRM TRTs, and civil-society organizations on May 25, 2004.

the country's commitment to the rule of law, the freedom and liberty of individuals, the independence of the electoral process, and the right to form and join political parties and trade unions, among other groups.

With regard to economic and corporate governance, the emphasis of the review will be on governmental pursuit of sound economic policies that promote macroeconomic stability, transparent and credible economic policies, and efficient public finance management and that fight corruption and money laundering.

Corporate governance, which will also be assessed, is geared toward both public and private enterprises with regard to how an enabling environment has been provided to facilitate efficient operation. The examination of the responsibilities, transparency, and accountability of corporations to employers, suppliers, creditors, customers, and communities is an important facet of corporate governance.

Governments are enjoined to facilitate socioeconomic development and in terms of the APRM, the review team will assess the well-being and standard of living of Ghanaians. Among other things, it will assess policies and delivery mechanisms for accelerated and sustainable socioeconomic development, including access to water, education, health, gender mainstreaming, and broad-based participation in the development of the country by all stakeholders.

Obviously, the NAPRM-GC cannot carry out these responsibilities without technical support. Consequently, the services of four independent National Technical Review Teams (TRTs) have been identified to be the lead institutions in the technical assessment of the various facets of the review process. These teams are

- The Center for Democracy and Development, which is to focus on democracy and good political governance;
- The Center for Economic Policy Analysis, which will deal with economic governance and management;
- The Private Enterprises Foundation, to tackle corporate governance; and
- The Institute of Statistical Social and Economic Research, which will look at socioeconomic development.<sup>25</sup>

These TRTs are to assist the NAPRM-GC in administering, collating, and analyzing the country self-assessment questionnaire that will be the basis for the APRM report submitted by the Governing Council to the APR Panel in South Africa.

The TRTs will be given three months to complete the review and answer the questionnaire from the APR Secretariat. The TRTs will submit an interim report to the Governing Council for study. The Governing Council has one month to study the report. If any query is raised the Governing Council will get back to the respective TRT team for explanations.

The TRT will then submit a final report to the Governing Council. This report is to be submitted to the minister for regional cooperation and NEPAD for study. Then it will be sent to the Office of the President, from where it will go to the APR Secretariat in South Africa. The APR Secretariat is to study the self-assessment report.

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<sup>25</sup> See the release of the NAPRM-Governing Council on the appointment of focal persons for the African Peer Review Mechanism, July 23, 2004.

Other important and far-reaching activities have taken place in addition to the establishment of the Governing Council to facilitate the implementation of the APRM process in Ghana. For instance, Chris Stals of South Africa, who is a member of the APR Panel, led a delegation of officials of the APR Secretariat and partner institutions that provided technical support to the review process in the country.

On May 27, 2004, a stakeholders forum was held at the Accra International Conference Centre, after which a memorandum of understanding was signed between the government of Ghana and the APR Support Mission. In addition, a workshop that brought together the Support Mission, stakeholders, and the TRTs was also held at Akosombo from May 27–30, 2004. This forum aimed to encourage national understanding, participation, knowledge sharing, and a review of the methodology for the APRM process.

Currently, members of the Governing Council and the TRTs are touring the country to interact with people from all walks of life to assure Ghanaian ownership of the process and also to facilitate the active participation of stakeholders in the APRM process. The NAPRM-GC has also requested that various organizations appoint one officer to be the focal person to represent the organization in facilitating the implementation of the APRM. The officer so appointed would also be the contact person for all future programs that may involve the organization.

Arguably, there is no turning back for Ghana with regard to the APRM. The mechanisms and institutions put in place shall invariably influence the planning toward the review process in other African countries that have acceded to the peer review. Apart from the demonstrable commitments shown by Ghana, there are other areas in which Africa as a whole has performed credibly in attempting to make concrete the developmental visions embedded in NEPAD.

#### *Other Areas of African Commitments*

In addition to the APRM, it became very clear at the Second Ordinary Session of the Assembly of the AU in July 2003 that NEPAD has generated an unprecedented higher level of interest, coordination, and involvement on the part of African development institutions such as the African Development Bank as well as the Regional Economic Communities (RECs). Generally, the NEPAD has won equally strong support from the UN, and the UN secretary-general has issued a directive to all UN agencies operating in Africa to work within the context of NEPAD's developmental blueprint. It is on the basis of this directive that the secretary-general established the Office of the Special Adviser on Africa (OSAA). The office is enjoined "to coordinate the UN's support to Africa, guide reporting on Africa and coordinate global advocacy in support of NEPAD."<sup>26</sup>

In a relatively short period of time, the HSGIC and its supporting structures have brought into being key continental programs such as NEPAD Short-Term Action on Infrastructure (STAP) and the Comprehensive Africa Agriculture Development Program (CAADP). Both are now in the implementation stage. STAP embraces high-priority projects in energy, transport, water and sanitation, and information and communication

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<sup>26</sup> "Progress Report of H.E. Chief Olusegun Obasanjo, President of the Federal Republic of Nigeria and Chairperson of the NEPAD Heads of State and Government Implementation Committee (HSGIC) to the Second Ordinary Session of the Assembly of the Heads of State and Government of the African Union," Maputo, Mozambique, July 10–12, 2003, p. 7.

technology. National governments and RECs are promoting and implementing these projects. It is on the basis of CAADP that detailed projects and programs aimed at enhancing food security and higher productivity in the agricultural sector in various regions on the continent have been prepared and implemented.

Commitment to NEPAD has not been taken for granted. Even before the APR Secretariat was set up in Ghana, the government had, for instance, created the Ministry of Regional Cooperation and NEPAD. The significance of this ministry lies in the fact that much closer attention is paid to NEPAD objectives or visions at the ministerial level than would have normally been the case. Since NEPAD is the socioeconomic program of the AU, this ministry reaffirms the view that RECs are the pillars and building blocks for continental integration. It also underscores the significant role RECs are expected to play in the realization of NEPAD visions, especially in the area of designing, developing, and facilitating the implementation of NEPAD projects at country levels. This new ministry has been liaising with civil-society organizations in an effort to sensitize the populace to NEPAD and the general objectives embedded in the document. If any process will assist in enhancing general African ownership of and commitment to NEPAD, it is by making the people part of the programs. Chief executive officers of the RECs have therefore taken steps to promote citizenry ownership of the NEPAD by

- Placing the review of implementation of NEPAD programs and projects developed under the framework as a standing agenda item for the meetings of the RECs and other various key committees and institutions;
- Establishing a NEPAD focal point for advocacy, liaison, and coordination with member-country agencies and stakeholders; and
- Promoting the establishment of similar NEPAD focal points or desks in the member countries.<sup>27</sup>

On this basis, efforts are being made to ensure that the overall sectoral development strategies and programs of the respective RECs are consistent with those of NEPAD. In Ghana, the sensitization programs have been taken to the district levels and there appears to be higher awareness of NEPAD than before. The Ministry of Private Sector Development of the government of Ghana, which is also a new ministry, has been engaging the private sector and civil society more closely with the aim of securing their participation and investment in the regional programs and programs adopted under the NEPAD framework.

President Obasanjo of Nigeria, who is the chairman of the HSGIC, pointed out at the G8 Evian Summit held in May 2003 that, among others, Africa has not relented in finding solutions to its conflicts, as witnessed by the cooperation with the G8 on preparing a Joint Africa/G8 Plan to enhance Africa's capability to undertake peace support operations.<sup>28</sup>

Whether Africa will be able to sustain its commitment to the visions enshrined in NEPAD in the long term is another matter. For now, the commitment, focus,

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<sup>27</sup> "Joint Communiqué of the Chief Executive Officers of Regional Economic Communities and the NEPAD Secretariat," Abuja, Nigeria, October 29–30.

<sup>28</sup> "Statement by H.E. President O. Obasanjo, Chairman of the NEPAD Heads of State and Government Implementation Committee at the G8 Summit," Evian, France, June 1, 2003.



determination, and zeal to facilitate the development of the continent are real. Of course, the problems facing individual African countries are many, and theoretically NEPAD appears to be the reformulation of neoliberalism with all the excess baggage of the concept as shown by African country experiences with structural adjustment programs.<sup>29</sup> As pointed out by the drafters of the NEPAD document, “structural adjustment programmes of the 1980s provided only a partial solution. They promoted reforms that tended to remove serious price distortions, *but gave inadequate attention to the provision of social services* [emphasis added].”<sup>30</sup> There are even grounds to question the human rights underpinnings of NEPAD.<sup>31</sup> Nonetheless, the commitment shown by African leaders so far and the concrete steps taken, among other important policy implementations, are indicative of the potentially positive future of NEPAD. There are therefore several grounds for optimism in the long term if the partners remain committed and focused.

### *Basis for Optimism*

Among several others, the grounds for optimism stated below should infuse the partners with dynamism and the will to succeed for the betterment of humankind. In the first place, the Cold War, which virtually polarized Africa and prevented any form of united economic and political actions to facilitate African development, is now history. The end of the Cold War also brought the end of acrimonious ideological competitions and open meddling in African affairs by external forces. The current understanding of developmental realities in Africa that served as an impetus for the drafting of NEPAD could not have been achieved in the Cold War era. For once, Africa appears largely united in its effort to tackle the debilitating problems of Africa. This gives some hope for the success of the program.

Second, whether we like it or not, global politicoeconomic transformations are proceeding at a rapid pace, and the world’s actors, African countries included, must either reform or be consigned to the fringes of global interactions forever. The rapid global transformations call for proactive measures that will assure effective and strong participation in the international system to attain whatever is good for the development of Africa. African leaders constantly harp on the endowments of their continent—natural and human. Yet those endowments themselves are not enough to ensure African’s advancement, and effective mechanisms to tap these resources for the continent’s development are in short supply. Embedded in NEPAD are mechanisms capable of assisting in making effective use of Africa’s natural and human resources. The support has to come from all quarters if the set goals are to be attained. Granting that maximum support is attained from all stakeholders, one could hope for a radical positive change in Africa’s development through NEPAD.

Third, many African states, through their commitments to regional economic groups such as the Economic Community of West African States (ECOWAS), the

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<sup>29</sup> Kwame Boafo-Arthur, “NEPAD and African Development: The Optimists Pessimists Matrix,” paper presented at the Fourteenth Biennial Congress of the Association of African Political Science (AAPS), Durban, South Africa, June 26–28, 2003, p. 12.

<sup>30</sup> Par. 24 of NEPAD, 2001, p. 6.

<sup>31</sup> Kwame Boafo-Arthur, *Human Rights and Development in Africa: Interrogating NEPAD’s Missing Rights-Based Development Approach*, Commonwealth Human Rights Initiative (Accra), Occasional Paper no. 1, 2003.

Southern African Development Community (SADC), and the the Common Market for Eastern and Southern Africa (COMESA), have been implementing some of the programs being advocated by NEPAD. A very good example is the West African gas pipeline project involving Nigeria, Benin, Togo, and Ghana. Thus, it may not be too taxing to bring to fruition other equally useful regionally based schemes aimed at facilitating development across Africa.

Fourth, unlike other developed areas that had to start their development from scratch, Africa need not reinvent the wheel. African countries could put their economies on a fast growth track by adopting new technologies and improving production capacity. NEPAD demonstrates the attempt by far-sighted and committed leaders to come to terms with Africa's development realities (in the context of global developments) and to deal appropriately with festering developmental problems.

Fifth, as of now, NEPAD is not competing with any other development plan for Africa, notwithstanding the Highly Indebted Poor Countries initiative or the various adjustment programs at various stages of implementation in individual countries. NEPAD is a continent-wide development program and currently has no other African-initiated competing paradigm. This implies that all attention will be focused on NEPAD and its mechanisms of implementation. This also augurs well for the future of NEPAD.

Sixth, NEPAD has gained strong support from its development partners, especially the G8, the international financial institutions, and the UN. No indigenous plan has received such unprecedented and overwhelming global support. The G8 Africa Action Plan is unprecedented and amply testifies to such international goodwill for Africa. Such goodwill must be retooled to unlock foreign assistance doors long closed as a result of donor fatigue, frustration over the slow pace of African development, and the apparent competition with eastern European countries for ever dwindling international financial support.

Finally, since decolonization, there has not been such an opportune moment for the promulgation and implementation of a continent-wide development program in Africa. This is because "for the first time since independence, the local and international context have improved, relatively, in the post-Cold War period, allowing the bearers of the struggle for political change to organize and assert themselves more boldly and openly than in the past."<sup>32</sup> But more importantly, global political changes have blessed Africa with a new breed of leaders, the majority of whom are painfully aware of the realities on the ground and also are not in doubt about the means to deal with Africa's developmental crisis. Unlike the immediate postindependence African leaders who were drawn into the maelstrom of Cold War politics as well as various kinds of authoritarianism culminating in single-party totalitarian governments, or even their immediate successors who were largely military officers who perceived military administration as the panacea for Africa's hydra-headed problems, the majority of this new breed of leaders are post-Cold War, democratically minded, and poised to make democracy work in Africa. Their determination is based on their realization that any other conceivable mode of governance cannot compete with democracy in terms of assuring the short- and long-term well-being of the majority of the people.<sup>33</sup> This is not to suggest

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<sup>32</sup> Adebayo Olukoshi, "State, Conflict, and Democracy in Africa: The Complex Process of Renewal," in Richard Joseph, ed., *State, Conflict, and Democracy in Africa* (Boulder: Lynne Rienner, 1999), p. 452.

<sup>33</sup> See Kwame Bofo-Arthur, "NEPAD and African Development," p. 11.

that there are not leaders with questionable democratic credentials on the African continent. But by and large, most African leaders have accepted, in both word and deed, the need to sustain democracy as a means of assuring development. In this context, the commitment to political pluralism and elections, some of which have led to political turnover, are quite assuring and are bound to have a positive impact on African development. Since NEPAD is the baby of this breed of leaders, who also have garnered tremendous goodwill in the international community for their adherence to a democratic ethos, the partners should be resolute in their commitment, for it takes time for good programs to bear fruit.

### *Conclusion*

As noted by the chairman of the HSGIC, “the challenges facing Africa require of us not to lose the significance nor the momentum of the Partnership between Africa and the G8.”<sup>34</sup> Any vacillation in commitment is likely to dim the ray of hope that donors now appear to see for Africa because of NEPAD. The open expression of commitment to the development blueprint demonstrated by the members of the G8 is unprecedented. Diluting such commitment for any reason is bound to aggravate the problems confronting Africa and, by implication, the world at large.

It is apparent that much has been achieved in a relatively short time, and the APRM, which is perceived by the G8 as the most effective yardstick to enhance its partnership with Africa, has its structures already in place. Programs in some other areas have been implemented or are in the process of being implemented. One problem may be the voluntary nature of the APRM, because of the decisive role it is expected to play in the whole partnership. Even though the issue of mandatory as opposed to voluntary accession was resolved in favor of the latter by African leaders, the majority of countries outside the APRM give cause for concern because the peer-review mechanism is the heart of NEPAD’s good governance concept.

So far, only eighteen out of fifty-three countries have voluntarily acceded to the APRM.<sup>35</sup> This would seem to imply that most African countries and their leaders are not prepared to forsake their old ways of doing things. The G8 Africa Action Plan unambiguously indicates the unwillingness of members of the G8 to work with governments that “disregard the interests and dignity of their people.”<sup>36</sup> It is unfortunate, however, that some African countries have adopted a wait-and-see attitude with regard to the APRM. Responses by Modise Modise, Botswana’s permanent secretary for development, to questions filed by the press on the justification for Botswana’s decision not to accede to the APRM typifies such nonchalance. According to him, several factors were taken into account: “These include strategic considerations, added value of membership, feasibility of attaining the set objectives, long term sustainability, capacity to service the institution, relationship with existing institutions, to which Botswana belongs, cost considerations, etc. *As the APRM is fairly new, some of its aspects are still being formulated. It should also be borne in mind that even where the ideals may be*

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<sup>34</sup> Ibid, p. 12.

<sup>35</sup> These are Ghana, Rwanda, Nigeria, Mauritius, Kenya, South Africa, Mozambique, Senegal, Uganda, Algeria, Mali, Gabon, Cameroon, Ethiopia, Republic of Congo, Burkina Faso, and Benin.

<sup>36</sup> G8 Africa Action Plan, 2002, p. 2.

*good, it is sometimes necessary to test them against practical implementation and long term sustainability [emphasis added].*<sup>37</sup> The hydra-headed question is how does one know the sustainability of a new initiative if it is not tested against reality, and who should test it in reality for whom? No one can begrudge Botswana, because the process is voluntary. The hope is that, as others voluntarily submit themselves for review, others who genuinely have nothing to hide from their populace would feel the positive ripple effects and possibly accede to the APRM.

Notwithstanding the apparent indifference of some countries, the seeming lack of progress in some areas, and the real concerns expressed by African leaders that the continent is unlikely to meet the Millennium Development Goals by 2015, there is an appreciable level of optimism that NEPAD will succeed if the current momentum is maintained by those in the partnership. The invitation of some African leaders to the G8 summit at Sea Island, Georgia, in June 2004 and the deliberations on African issues, as well as the acknowledgement and confirmation of the G8-Africa Partnership, seem to indicate that the momentum for the success of NEPAD is still high.

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<sup>37</sup> See “Botswana and NEPAD and the APRM: Two Official Perspectives,” available at <http://www.sarpn.org/documents/d0000725/index.php>. The original responses appeared in the Republic of Botswana *Tautona Times* 2:9 (2004).

ASSESSING G8 COMPLIANCE WITH THE AFRICA ACTION PLAN:  
STRENGTHENING INSTITUTIONS AND GOVERNANCE

*Edward R. McMahon*

Open, democratic and accountable systems of governance, based on respect for human rights and the rule of law, are preconditions for sustainable development and robust growth.

—G8, Final Communiqué, 2001

*Introduction*

This paper is designed to assess G8 compliance with the second basket (Strengthening Institutions and Governance) of the Africa Action Plan presented by the G8 at Kananaskis, Canada, in 2002 and developed further at Evian, France, in 2003. The paper outlines the G8 commitments, discusses the overall context in which these commitments have been made, briefly assesses individual country compliance, and provides concluding thoughts and recommendations. These are designed to help inform the debate concerning African development at the G8 summit to be chaired by the United States at Sea Island, Georgia, in June 2004.<sup>1</sup>

*Background: Kananaskis 2002 and Evian 2003*

As part of the G8 commitment to African development, the G8 meeting at Kananaskis, Canada, in 2002 resulted in the creation of the Africa Action Plan (AAP). The plan is designed to be complementary to and supportive of the New Partnership for Africa's Development (NEPAD). The AAP's second basket focused on democracy and governance initiatives. Key points include supporting the following:

- NEPAD's political governance objectives (improving administrative and civil services, strengthening parliamentary oversight, promoting participatory decision-making, and judicial reform);
- NEPAD's economic and corporate governance objectives (sound macro-economic strategies, reliable public finance, and accounting and corporate governance structures);
- the African Peer Review Mechanism;
- African efforts to promote and protect human rights;
- African efforts to promote gender equality and the empowerment of women; and
- African anti-corruption efforts.

The 2002 Kananaskis Summit specified that half or more of the new resources provided by G8 partners could go to African countries that govern justly, invest in their own people, and promote economic freedom. It has been estimated that, by 2006, additional G8 development assistance to Africa could total \$6 billion per year, in addition to the three-quarters of overseas development assistance (ODA) to Africa that the G8 already provides.<sup>2</sup>

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<sup>1</sup> The types of activities undertaken in this basket are characterized as “democracy and governance support” activities in this paper.

<sup>2</sup> See <http://www.g7.utoronto.ca/summit/2003evian/apr030601.html>.

The 2003 Evian Summit provided an opportunity for countries to report on their compliance to date with the AAP, although not all provided written reports. The G8 leaders' "African personal representatives" subsequently issued an overall report highlighting ways in which their countries were complying with the plan. At Evian the G8 included discussions with the presidents of Algeria, Nigeria, Senegal, and South Africa. They agreed to widen their dialogue to other African leaders on NEPAD and the G8 Africa Action Plan. They committed to reviewing progress on the Africa Action Plan no later than 2005.<sup>3</sup>

The 2004 summit, to be hosted by the United States, does not include the same level of focus on African development issues. One of the pillars of the summit, however, is that of freedom, including encouraging democracy in the Middle East and in other countries. Thus some level of continued emphasis on the issues raised in the AAP's second basket should be expected.

### *General Observations*

It is important to note that the AAP is above all political in nature, and that it has been designed to send a signal of firm and continuing G8 commitment to promoting African-led initiatives for sustained development, based on widely accepted norms of political and economic development. The fundamental question is whether this signal is still being sent, two years after Kananaskis.

The AAP poses certain analytic challenges for those trying to assess its impact. There is no prioritization of which activities are most important. The AAP is laudable in the breadth of subjects related to democratization to be addressed, but it runs the risk of appearing to be an omnibus "kitchen sink" approach. The goals enunciated are cast in terms of "supporting" African efforts, which makes determination of whether these goals are being met a highly subjective exercise. Furthermore, the document lacks a time frame in which its goals are to be achieved. The extent to which participating countries are coordinating their democracy support initiatives is unclear. Finally, there are no expressed commitments of assistance levels for overall or particular types of activities.

At this stage of the process, two years after Kananaskis and a year after Evian, it is too early to assess any practical impact of activities undertaken in support of the commitments made in the second basket of the AAP. It is possible, however, to draw some conclusions regarding the impact of the political expression of support, and to determine whether G8 countries are respecting the intent enunciated at Kananaskis and Evian.

This paper focuses on the specific topical areas directly related to democracy and governance support laid out in the Kananaskis and Evian documents. In reality, the dividing line between topics addressed in the various AAP baskets is more form than substance. The cross-cutting nature of the challenges facing Africa carries with it both advantages and detriments, as progress or setbacks in one area can impact others. For example, decreasing the digital divide and the resultant heightening in the free flow of information can contribute to the health of democracy. In theory, at least, AAP initiatives such as debt relief or more favorable trade conditions may provide additional resources

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<sup>3</sup> See [http://www.g7.utoronto.ca/summit/2003evian/communiqu\\_e\\_en.html](http://www.g7.utoronto.ca/summit/2003evian/communiqu_e_en.html).

that can be used by Africans to promote other developmental areas, such as democracy and governance.

In particular, peace- and security-related issues are closely linked. Instability and conflict have adverse effects on the development of representative and democratic institutions; conversely, stability and conflict mitigation are fundamental building blocks for the development of democracies. Also, the democratic peace argument, in its totality, appears to be valid, although countries in a democratic transition process may engage in conflict with each other. A complicating factor is that the dividing line between internal and external conflicts in Africa has increasingly been blurred. The cases of Sierra Leone and Liberia, for example, have demonstrated that the relationship between the two types of conflict is not necessarily clear cut.

NEPAD is criticized by some in Africa as being “old wine in a new bottle,” reflecting the “Washington Consensus” and developed-world priorities. G8 countries must walk a fine line in this regard. On one hand, they seek to be supportive of NEPAD and African-led efforts to promote development. Appearing too intrusive or directive, however, could risk delegitimizing this process by taking away its “Made in Africa” origins. At the same time, however, G8 countries have a right to an independent and analytical perspective on how well NEPAD is meeting its goals. They have an obligation to their taxpayers to ensure that the resources being provided as part of the G8-NEPAD Partnership are well utilized. The sensitivity of this dichotomy is especially true in the democracy and governance arena, as there remain highly controversial differences of opinion across the continent about the pace and direction of democracy- and governance-support activities.

Direct G8 support for the African Peer Review Mechanism (APRM), for example, has been and should continue to be modest, given the need for African ownership of the process. If the APRM does not live up to its promise, however, G8 countries should be prepared to take this into account in assessing the G8-NEPAD Partnership. The scope and pace of the projected APRM timetable, including a review of Rwanda early in the process, suggest that such issues may be on the table sooner rather than later. Hopefully the G8-NEPAD dialogue can help identify measures that can be taken to address any potential problems in the functioning of APRM before they become serious.

A number of G8-supported African organizations can play an important role, including possibly taking ownership of donor-supplied resources to help promote the APRM. These organizations could play a useful role in providing a means through which donors could be supportive of the APRM without the negatives of directly funding it. Such groups might include the African Capacity-Building Foundation (ACBF) and the African Development Forum (ADF).

In addition, the UN Economic Commission for Africa (ECA), for example, has undertaken a continent-wide survey, “Progress towards Good Governance in Africa.” This exercise suggests that many countries are in fact taking steps toward democratic governance, ending conflicts, and showing increasing commitment to democratic transitions, political inclusiveness, accountability, and better economic management. The survey, which has been influenced by the Organization for Economic Cooperation and Development (OECD) peer-review process, will provide the basis of the first African Governance Report, which is supposed to be published shortly by the ECA. This report

will be a useful indicator of the extent to which African intergovernmental institutions can identify democracy and governance problems and potential solutions.

Neither the G8 nor African regional institutions have been effective in dealing with problem states where democracy has been muzzled, such as Zimbabwe or Eritrea. These problems are unlikely to go away or resolve themselves, and the failure to deal with them today means that they may well become even worse in the future.

Many donor programs do recognize the principle of mainstreaming women and girls into the social, political, and economic sectors of society in an equitable way. Some illustrative examples of programs supported by the G8, as noted in the 2003 Evian compliance report, have been girls' scholarship programs across the continent, women's peace centers in Burundi, finance programs for the rural women of Rwanda, initiatives on equity in education in Ethiopia, and programs to increase women's participation in grassroots development activities in Benin. The G8 is providing additional support to programs against female genital mutilation in Africa.

### *Bilateral Compliance*

This section provides brief perspectives on individual country compliance with AAP basket-two goals. Countries are listed in the order of compliance. These listings are a function of (a) levels of funding, when that information is available, (b) specific democracy-support project or program initiatives, and (c) the extent to which the country has used its position to emphasize the importance of these issues.

It should be noted here that there are real challenges in terms of data collection. Countries do not categorize their different sectors in the same fashion; commitments may not fall cleanly within a category, figures may be out of date, and provision of assistance through multilateral organizations may be too disaggregated to determine. This is one area in which more effective donor coordination could make a difference. Multilateral organizations such as the OECD's Development Assistance Committee (DAC), which should be a repository of these data, have not yet solved this problem.

### Canada

Canada has demonstrated consistent emphasis on, and compliance with, its commitments under consideration. Governance and accountability form one of its five foreign policy program priorities for advancing human security.

A \$500 million Canada Fund for Africa was launched at Kananaskis. This fund complements the ongoing programs of the Canadian International Development Agency (CIDA) and is a key element in the agency's bilateral cooperation program in Africa, which will total more than \$6 billion over the next 5 years. Fifteen percent of this funding is directed toward governance and peace and security programming.<sup>4</sup> Substantial new funding and assistance has been provided for governance-related capacity building, including public-sector reform, the strengthening of parliaments and judicial systems, and the promotion of the freedom of the press. Canada has provided over C\$40 million for such capacity building at the national and municipal levels and for parliaments. Parliamentary support groups are working with a number of African legislatures and research and public policy organizations in countries committed to political reform to

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<sup>4</sup> See <http://www.acdi-cida.gc.ca/canadafundforafrica>.



provide that support. A parliament-strengthening program (\$9 million) is designed to enhance the capacity of African parliaments to increase transparency in decisionmaking, widen the representation of people in parliaments, improve accountability, and achieve gender equality and participation in the implementation of NEPAD. The intended result is greater capacity in all these areas for parliaments, their members, and their employees.

The Canada Fund for Africa is providing local governance support for African governments. This is designed to assist their efforts to implement decentralization programs by facilitating the sharing of African and Canadian skills and knowledge related to the delivery of public services.

Canada's 2003 Evian Compliance Report highlighted a number of these areas of support:

- \$28 million has been committed to improve public-sector governance and transparency through the African Capacity-Building Foundation. The funding is being used to strengthen the foundation's capacity and to help individual African countries to address such crucial issues as financial accountability, economic policy, and public participation in governance. Canadian public-sector expertise is also made available through the Canadian Centre for Management Development.
- \$6 million is being used to improve local governance by working with African partners, including the African Union of Local Authorities, to develop new approaches to providing basic community needs. These basic needs include access to water, sanitation, and health services—areas in which municipalities are now playing an important role. Initial work, undertaken with the support of the Federation of Canadian Municipalities, has focused on identifying and disseminating best practices.
- Gender equality is a priority for Canadian development assistance in Africa and is integrated into CIDA programs. More than \$20 million has been committed to civil-society groups in several African countries. Canada supports civil-society activities that promote the rights and the political and economic empowerment of women, supports campaigns to prevent violence against women, and examines the situation of women in conditions of armed conflict.

The “Defending Democracy” report of the Democracy Coalition Project states that “the promotion of international democracy has been an important tenet of Canadian foreign policy over the past decade.”<sup>5</sup> In addition, Canada has spoken out against governments that have democratic deficits, such as Zimbabwe.

#### United Kingdom

The United Kingdom has also demonstrated clear interest in the AAP basket-two commitments. Prime Minister Tony Blair has repeatedly emphasized his recognition, and that of his government, of the importance of these issues. The U.K. Department for International Development (DFID) has focused particular support aimed at strengthening the ECA. The agreement includes funding and technical assistance around the following key thematic areas and initiatives:

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<sup>5</sup> Robert Herman, and Theodore Piccone, eds., *Defending Democracy: A Global Survey of Foreign Policy Trends 1992–2002* (Washington, DC: Democracy Coalition Project, 2002), p. 63.

- Collaboration with the OECD DAC on mutual accountability and deepening the dialogue between Africa and its development partners on issues of mutual accountability and policy coherence;
- The African Governance Report, a new analysis of governance in Africa based on innovative indicators, multi-country studies, and national processes of dialogue and engagement;
- The NEPAD agenda, including the ECA's work in providing technical and analytical support to the NEPAD process, particularly in the area of economic and corporate governance;
- The Poverty Reduction Strategy Paper (PRSP) Learning Group, which is a multi-stakeholder ECA initiative to foster learning on country experiences in engaging with the PRSPs; and
- The Strategic Partnership with Africa, a donor forum in which the ECA articulates the perspectives of African countries.

Funding has also been provided to the NEPAD secretariat, ECA governance assessments, and the APRM. The Africa Capacity Building Foundation has received £15 million, and the United Kingdom is also supporting African Regional Technical Assistance Centers.

Anti-corruption programming has been undertaken in Sierra Leone, Malawi, Uganda, Nigeria, Zambia, and Mozambique. The East and Southern Africa Anti-Money Laundering Group (ESAAMLG) has also been established with British support. Another recent anti-corruption initiative is the Extractive Industries Transparency Initiative. The government-funded Westminster Foundation has been active in this area, albeit with limited funding.

In February 2004 Prime Minister Blair announced a new initiative, the Commission for Africa, which is designed to take a fresh look at the challenges Africa faces in the context of the global forces in play in the twenty-first century. The commission is supposed to provide an assessment of policy on Africa (both within Africa and internationally): where it has worked, where it has failed, where more could be done, and where more support is needed from the international community. The commission is likely to focus on questions of democratization and democratic institution-building. It aims to generate increased support for the AAP and NEPAD. The commission will issue a report in spring 2005, prior to that year's G8 summit.

The United Kingdom has been on the front lines of speaking out against President Robert Mugabe's manipulation of the democratic process in Zimbabwe. Through the DFID and the Westminster Foundation, the British government has undertaken programming in support of democratic processes.<sup>6</sup>

#### The European Union

At the beginning of 2000 the European Union (EU) launched a new dialogue with Africa to build a strategic partnership. The first summit between the EU and Africa was held in Cairo in April 2000 and resulted in a Plan of Action. One of its four main global areas is the "respect for, and protection of, human rights, democratic principles and institutions

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<sup>6</sup> Ibid, pp. 207–12.

and the rule of law together with good governance.” The EU has undertaken a number of initiatives in this field since the establishment of NEPAD.

The framework of development cooperation includes the European Development Fund and the European Initiative for Democracy and Human Rights (EIDHR), whose portfolio of assistance projects on the continent has been increasing. A line item in the EU development budget, “Human Rights and Democratization in Developing Countries,” is available to all such countries except for those in Latin America. In practice Africa has received a significant share of this funding. In 2002, for example, Africa-related funding under the category of conflict prevention, good governance, and rule of law as well as the category of institutional support and capacity-building totaled approximately €115 million.<sup>7</sup> Recent assistance has included support for the Special International Court for Sierra Leone and the International Criminal Tribunal for Rwanda. A particular EIDHR focus of 2004 is on strengthening civil-society organizations in Africa.<sup>8</sup>

### The United States

In absolute terms the United States is probably the largest bilateral donor regarding funding for Africa democracy support. It has recently launched initiatives such as the Millennium Challenge Account (MCA) and the Africa Anti-Corruption Initiative. The MCA is a new assistance program focused on countries worldwide that demonstrate their ability to use aid effectively. Sixteen indicators are being used to assess a country’s commitment to “ruling justly, investing in people and establishing economic freedom.” The administration’s budget requests \$1.3 billion in new money for fiscal year 2004, which is supposed to total \$5 billion in fiscal year 2006—roughly a 50 percent increase in current U.S. development assistance.

The MCA is useful in that it emphasizes the need for good governance and participatory political processes resulting in transparency and accountability. Yet the initiative contains several potential drawbacks. The number of African countries that will receive MCA designation is limited; only twelve to fifteen countries worldwide were able to receive this designation in 2004. This will certainly leave out other deserving countries from a democracy standpoint. Ten percent of MCA funds are supposed to go to “near-miss” countries, but it is not clear how this process will work. Future funding levels are not certain, nor is the extent to which MCA funding would represent new money, and how much would be taken from existing aid allocations. Host governments will have the lead in project selection, which could lead to situations in which host country and MCA priorities conflict. Also, the extent to which host countries will take into account local civil society and other nongovernmental perspectives and priorities is not clear.

The Africa Anti-Corruption Initiative is budgeted at the level of \$36 million over five years. In the spirit of the G8-NEPAD Partnership, this initiative is designed to support current “African grown” anti-corruption efforts, including the emergent anticorruption agendas of various African institutions such as the African Union and the Southern Africa Development Community. The initiative is supposed to leverage limited donor resources, strengthen existing good-governance programs, pilot innovative approaches to combating corruption, and contribute to an emerging set of best practices

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<sup>7</sup> *Annual Report 2003 on the European Community’s Development Policy and the Implementation of Development Assistance* (Luxembourg: European Communities, 2003), pp. 196–97.

<sup>8</sup> See [http://europa.eu.int/comm/europeaid/projects/eidhr/documents\\_en.htm](http://europa.eu.int/comm/europeaid/projects/eidhr/documents_en.htm).

for improving transparency and accountability in Africa.<sup>9</sup> In addition, the budget for the National Endowment for Democracy has been significantly increased, although it is not clear how much of the additional funding will be directed toward Africa, given other priorities.

The Bush administration has not placed consistent emphasis on supporting democracy and governance activities in Africa. In fiscal year 2003, democracy and governance funding totaled just 10 percent of U.S. Agency for International Development (USAID) assistance to sub-Saharan Africa.<sup>10</sup> Similarly, it totaled only about 10 percent of global U.S. government democracy assistance.<sup>11</sup> USAID's development policy toward Africa states that the agency will "place greater emphasis on conflict mitigation and management, and will continue to support civil society organizations, encourage greater accountability in government, and promote respect for the rule of law."<sup>12</sup> This formulation suggests a relative lowering of the democracy- and governance-support priority.

In March 2003 President George W. Bush announced nineteen development-related initiatives for sustainable development worldwide—all being implemented in part or whole by USAID. The Bush administration missed an opportunity, however, to emphasize its support for basket-two of the AAP, as none of the initiatives relate directly to these commitments.

#### Germany

German assistance has been cognizant of the important role of democracy and governance support activities in African development, and German development policy has emphasized the importance of good governance, rights, and institutions. The German development agency's most recent Africa development strategy cites as the top priority areas of action improved governance, continued democratization, respect for human rights, crisis prevention, and the strengthening of women's rights. It has emphasized the need for independent political will, energy, and capacity in Africa to be able to pursue policies for the people, and establish institutions that enjoy democratic legitimacy.<sup>13</sup>

This assistance has been channeled both through direct government assistance and through the German *Stiftungen* (political-party foundations). German assistance efforts, however, have typically not included high-profile initiatives or considerable amounts of publicity. This is perhaps in part because of historical reasons, but also because of the perceived sensitivity of the issues.<sup>14</sup>

Germany and the United Kingdom have encouraged African governments to accelerate the pending ratification of the African Court of Human and People's Rights. Germany and France have expressed a willingness to provide support to the court's establishment once it is ratified.

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<sup>9</sup> See [http://www.usaid.gov/locations/sub-saharan\\_africa/initiatives/anti\\_corruption.html](http://www.usaid.gov/locations/sub-saharan_africa/initiatives/anti_corruption.html).

<sup>10</sup> USAID Country Allocation Summary FY 2003, data available at [http://www.usaid.gov/pubs/cbj2003/fy03\\_tablexp.html](http://www.usaid.gov/pubs/cbj2003/fy03_tablexp.html).

<sup>11</sup> Jennifer Windsor, "Democracy in Africa," *Miami Herald*, July 10, 2003.

<sup>12</sup> See [http://www.usaid.gov/locations/sub-saharan\\_africa](http://www.usaid.gov/locations/sub-saharan_africa).

<sup>13</sup> See <http://www.bmz.de/en/topics/ArbeitRegionen/afrika.html>.

<sup>14</sup> See Stefan Mair, "Germany's *Stiftungen* and Democracy Assistance: Comparative Advantages, New Challenges," in *Democracy Assistance: International Co-Operation for Democratization* (Portland: Frank Cass, 2000).

## France

France's direct bilateral assistance to Africa was estimated at €2.340 billion in 2002. It has pledged to increase its ODA from 0.32 percent of its gross domestic product in 2001 to 0.50 percent in 2007 and 0.70 percent in 2012, with 50 percent of additional aid targeting Africa; in that context ODA for Africa was expected to reach €3 billion in 2003.<sup>15</sup> In recent years 46 percent of overall assistance has gone to Africa.<sup>16</sup>

It is not clear, however, how much of this assistance is utilized for democracy- and governance-support activities. Regarding democracy promotion, however, one analysis in 1997 stated that France has traditionally "tended to be relatively inactive."<sup>17</sup> More recently, France has also been lukewarm to multilateral global democracy-promotion initiatives such as the Warsaw and Seoul meetings of the Community of Democracies.

In Africa, of course, France has its own interests, which have not necessarily always coincided with democracy- and governance-promotion priorities. According to official planning documents, French assistance to seven countries includes focus on issues related to AAP basket-two, although the actual current number may be as high as seventeen.<sup>18</sup> This assistance has included technical support for judicial reform, budget and accounting procedures, administrative reform, access to media, parliamentary functioning, and information and expertise on decentralization issues. France also supports OHADA (the Organization for the Harmonization of Business Law in Africa), which promotes the introduction and application of OHADA uniform law in sixteen countries.

## Japan

Japan has a clear policy on priority attribution of ODA to Asia, and some 74 percent of its bilateral ODA is disbursed to that region. Fourteen percent goes to sub-Saharan Africa.<sup>19</sup> The principles stipulated in the Japanese ODA Charter include the condition that "full attention should be paid to efforts for promoting democratization and the introduction of a market-oriented economy and the situation regarding the securing of basic human rights and freedoms in the recipient country."<sup>20</sup> The Japanese International Cooperation Agency states that it is actively cooperating to establish the principles of good governance, taking account of the historical and cultural backgrounds of African countries. This entails allowing the basic principles of constitutionalism, democracy, and basic human rights to take root and raising the explanatory liability, transparency, and efficiency of government, as these are the bases for development.<sup>21</sup>

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<sup>15</sup> *Implementation Report by Africa Personal Representatives to Leaders on the G8 Africa Action Plan, Evian 2003*, available at <http://www.g8.gc.ca/AFRIQUE-01june-en.asp>.

<sup>16</sup> See [http://www.france.diplomatie.fr/cooperation/dgcid/direction/page\\_02.html](http://www.france.diplomatie.fr/cooperation/dgcid/direction/page_02.html).

<sup>17</sup> Michael Pinto-Duschinsky, "The Rise of Political Aid," in Larry Diamond et al., eds., *Consolidating the Third World Democracies: Regional Challenges* (Baltimore: Johns Hopkins University Press, 1997), p. 302.

<sup>18</sup> See <http://www.france.diplomatie.fr/cooperation/dgcid/publications/dsp/index.html>.

<sup>19</sup> See DAC 2003 Peer Review Report, full text available at [http://www.oecd.org/document/10/0,2340,en\\_2649\\_33721\\_22579914\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/10/0,2340,en_2649_33721_22579914_1_1_1_1,00.html).

<sup>20</sup> See <http://www.mofa.go.jp/policy/oda/category/democratiz/1999/partner.html>.

<sup>21</sup> See <http://www.jica.go.jp/english/activities/regions/09afr.html>.

In practice, however, in the context of the AAP Japanese efforts appear to have been very limited. Japan does not, of course, have the same historical and economic ties to the continent than do other G8 countries. Japanese assistance tends not to be directed toward addressing democracy and governance issues directly. Rather, it has organized its assistance around the human security theme, which does include support for human rights. It intends to give greater priority to Africa in initiatives supported by the Trust Fund for Human Security (\$203 million). Japan has contributed resources to the Africa Capacity Building Foundation through the Policy Human Resources Development Trust Fund at the World Bank. It is also emphasizing peace-building assistance.<sup>22</sup>

Japan has implemented ODA amounting to around \$700 million for the basic human-needs sector based on the commitment at the Second Tokyo International Conference on African Development (TICAD) in 1998. Japan held TICAD III at the end of September 2003 to support NEPAD by mobilizing international resources and expanding global partnership.

### Italy

Italy's effort to comply with the AAP democracy-support clause has been modest. It has organized a triennial conference with chairmen of African parliaments. The first meeting was held in 2002. According to the Italian Evian Compliance Report, €4 million have been allocated "to strengthen such institutions in Africa." These include a project supporting parliamentary information systems in Africa. Italy also participates in the AFRITAC program to support the preparation of poverty-reduction strategy documents and supports women's development in several African countries.

### Russia

Russia is not a major player in the AAP. The "Defending Democracy" report of the Democracy Coalition Project assesses Russia's overall record of supporting democracy as being poor, and this is certainly true for Africa.<sup>23</sup>

### Multilateral

Much of the G8's support in the basket-two "strengthening capacity-building programs related to economic and corporate governance" is conducted through international financial institutions (IFIs). G8 governments, therefore, are likely to point to their support for and funding of IFI-related programs as evidence of their compliance with their AAP commitments. For example, sub-Saharan Africa is currently the largest beneficiary of IMF technical assistance. This relates to its particular areas of expertise, including fiscal policy, monetary policy, and macroeconomic and financial statistics. About three-quarters of IMF technical assistance goes to low- and lower-middle income countries.<sup>24</sup>

Regarding related World Bank activities, overall, the levels of assistance to Africa in the law, justice, and public administration sector, which accounted for 19 percent of

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<sup>22</sup> See <http://www.jica.go.jp/english/about/newjica.html>.

<sup>23</sup> Herman and Piccone, *Defending Democracy*, p. 167.

<sup>24</sup> See <http://www.imf.org/external/np/exr/facts/tech.htm>.

total Africa funding in FY 2003, are shown in Table 1. These numbers suggest that the G8 could do more to influence the World Bank to invest in these areas.

Table 1: World Bank Assistance to Africa in the Law, Justice, and Public Administration Sector, 2000–2003, in millions of dollars				
	2000	2001	2002	2003
Economic Management	78.2	138.5	138.7	37.8
Public-Sector Management	495.3	429.6	851.9	432.4
Rule of Law	26.7	34.0	22.5	34.5
Social Development, Gender, and Inclusion	210.0	491.9	347.4	420.0
Source: <a href="http://www.worldbank.org/annualreport/2003/table/5-1.htm">http://www.worldbank.org/annualreport/2003/table/5-1.htm</a> .				

### ***Issues and Recommendations***

It is legitimate to ask how G8 assistance to Africa for democracy support is different than it would have been without the AAP. After all, several of the G8 countries had implemented some forms of democracy and governance support over the previous fifteen years. Some may argue that the AAP’s second-basket is merely wrapping up ongoing activities in new packaging. While this argument is true to some extent, since the advent of the AAP there have been important new initiatives such as Canada’s Fund for Development, the U.S. MCA, and the U.K. Commission for Africa, all of which have a direct relationship to basket-two.

The University of Toronto G8 Information Research Centre has analyzed G8 compliance with AAP commitments. Its analysis states that “the clear winners are ODA, followed by education, good governance, conflict prevention, water, corruption, and most recently health/AIDS.”<sup>25</sup> It is true that overall there have been efforts made by G8 countries to undertake activities supportive of the Kananaskis pledges, although there are clear variations between certain countries. The larger question, however, is whether the positive momentum that has been generated will be maintained, and whether there are “mid-course” corrections that could be taken to improve basket-two, especially in the context of the evolving international situation. The overall perspective of G8 compliance, therefore, is mixed. There are many positive activities being undertaken, but much more needs to be done.

### **Recommendations**

*Issue #1.* African development problems, including democratic governance, risk being marginalized in the upcoming G8 summit at Sea Island, Georgia. The Middle East appears to be the focus of G8 attention at Sea Island, especially given the likely official unveiling of the Greater Middle East Initiative. Attention to the AAP, including the second basket, however, must not be allowed to suffer as a result. This would feed concerns that the G8 countries are not prepared for the medium- to long-term focus on Africa’s developmental challenges.

The Sea Island agenda as articulated by the U.S. administration does not explicitly emphasize African development issues. Some involved have described it as “breathing

<sup>25</sup> John Kirton and Ella Kokotsis, “An Evaluation of the G8’s Commitment to the Kananaskis Pledges,” Council on Foreign Relations G8-AAP Compliance Project paper, February 4, 2004.

space,” or, less charitably, as “giving Africa a pass.” No African leaders have been invited, as has occurred in previous years. At this writing it is not clear whether G8 countries will present compliance reports with the AAP, as were prepared for the Evian Summit.

There are clearly reasons for this diminished focus, related to pressing problems in other parts of the world such as the challenges of nation-building and reconstruction in Iraq and Afghanistan. In addition, the Evian meeting determined that G8 countries would review progress on the AAP no later than 2005. The British government, which will be hosting the 2005 G8 meeting, has expressed its intent that this be a key element of the gathering.

The issues under consideration in this paper, however, feed directly into the Sea Island Summit’s emphasis on freedom. The need for stable and democratic countries in which development challenges are being addressed has been emphasized by the terrorist attacks of September 11, 2001, and subsequent events. As John Kirton and Ella Kokotsis have noted, “the political agenda of conflict prevention, good governance, and corruption can be linked legitimately in an African context to the freedom and security themes. The absence of freedom is a root cause of terrorism of global reach, and how timely preventive action to support democratization might be a useful and effective complement or alternative to more costly pre-emption.”<sup>26</sup>

The current international context should not be a reason to reduce attention and emphasis on assisting Africans to solve their developmental challenges; rather, it should be an impetus. Helping Africa in this way can prevent further tragedies and benefit the global economy. Central to this is unlocking the challenge of African governance. Impressive gains have been made in recent years, but the democratic opening remains fragile and incomplete. The challenge of democratic development in Africa fits squarely within the Bush administration’s emphasis on freedom as one of the pillars of this year’s G8 meeting.

*Recommendation:* If African issues are not to be a centerpiece of the Sea Island Summit, at a minimum the summit should adopt a specific acknowledgement that a fundamental element of freedom is democratic governance, and that it is vital for Africa and the broader international community that momentum be maintained. It should be backed up by specific actions, which could include the recommendations cited below.

*Issue #2.* The credibility of the AAP would be enhanced by greater specificity of activities and funding levels. The G8 could recognize the importance of this issue by preparing for the 2005 summit.

*Recommendation:* The Sea Island Summit should identify areas of realistic progress that could be achieved by the 2005 summit. G8 countries could agree to make their AAP commitments more concrete at the 2005 summit by establishing funding levels and dates for achievement of some types of results, such as has been done with the Millennium Development Goals.

*Issue #3.* The G8 and AU/NEPAD face a real problem and have a mixed track record in promoting democratic governance in countries where it is at a deficit. This includes countries in a current crisis of governance, such as Zimbabwe, and countries where

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<sup>26</sup> Ibid.



authoritarian rule masks underlying conflicts, such as Eritrea. Thus one may be tempted to push these issues off to one side, due to their apparently intractable nature, but this is likely to only create problems over the longer term.

*Recommendation:* The G8 should fully support the intensification of initiatives designed to promote the development of democratic governance in countries where this is at a deficit. As appropriate, the G8 should support dissemination of the ECA ADF governance audit and implementation of recommendations that may result from the report.

*Issue #4.* Over the next eighteen months the APRM will undertake a series of country reviews. To date, eighteen countries have made a voluntary commitment to participate. The first evaluations will be done in Ghana and Kenya, followed by Mauritius and Rwanda. This period will be a crucial test of the AU/NEPAD's ability to positively influence democratic development and good governance on the continent.

The G8-NEPAD dialogue on what constitutes a truly democratic system of governance will be ongoing. This poses a real opportunity and a challenge, as a productive partnership is a function of mutual confidence, which flows from shared values. NEPAD emphasizes a process of peer learning based on the voluntary commitment of the countries involved, but the APRM will also undoubtedly inform aid allocation decisions from the G8's perspective.

*Recommendation:* The APRM has the goal of identifying the strengths and weaknesses of governance and of economic and social development in a given country and encouraging change. The G8 should examine ways to be supportive of the APRM, including encouraging its effectiveness and credibility. One initiative could be to consider financial and resource support to the APRM through an African organization such as the ACBF.

*Issue #5.* Improving donor coordination on democracy and governance activities remains a priority.

*Recommendation:* The fact that this general point has been made previously in many different forums does not minimize its importance. Countries should improve transparency of their assistance efforts in the area of democracy and governance support by making budgetary allocations organized along these lines. G8 countries should further encourage the IFIs to increase relevant democracy- and governance-support activities. In addition, there is considerable need for more focus on evaluating the impact of democracy-support activities, so that future assistance decisions may be informed by successes and checks in this field. Support for democratization in Africa has been underway over the past fifteen years, so observations about the utility and potential impact of assistance can be informed by previous experience.

There are also real challenges in terms of data collection. Countries do not categorize their different democracy- and governance-related sectors in the same fashion: commitments may not fall cleanly within a category, figures may be out of date, and the provision of assistance through multilaterals organizations may be too disaggregated to easily determine. The DAC is the logical site for compilation and dissemination of this information.

## THE G8 AND AFRICA: CATALYZING AFRICA'S PRIVATE SECTOR

*James A. Harmon and Witney W. Schneidman*

A new chapter in Africa's relationship with the industrialized world opened in June 2001, when the leaders of the G8 agreed to a briefing by several African heads of state at their annual meeting held that year in Genoa, Italy. The presidents of South Africa, Nigeria, Algeria, and Senegal, among others, had devised a new paradigm for engagement, known as the New Partnership for Africa's Development (NEPAD). NEPAD was a potentially significant innovation that was predicated on a concept of African priorities for the continent's development. In addition, the Africans were promising to devise a system of peer review that would hold African governments to a standard of accountability consistent with global standards of governance. The G8 leaders were laudatory in their praise of NEPAD and agreed to devise a response to be delivered the following year in Kananaskis, Canada.

The G8 response to NEPAD at Genoa was encouraging because the leaders of the industrialized countries strongly supported the fundamental premise of NEPAD. They endorsed the concept that Africans should be active in defining Africa's relationship to the global economy and the West. The challenge, however, would be on implementation and, of course, the availability of resources.

This challenge became greater in March 2002, when the United States announced the creation of the Millennium Challenge Account (MCA), which promised to double U.S. development assistance within three years. While the pledge of significant new resources was important, the creation of the MCA effectively meant that the United States would continue to pursue its objectives in Africa, which, while supportive of NEPAD, would not necessarily be co-terminus.

### *Africa's Private Sector*

Nevertheless, in both NEPAD and the G8 response, more attention was given to engaging Africa's private sector than in virtually all previous development strategies. During the Cold War, state-run economies were prevalent in Africa and there was little opportunity for the private sector to flourish, especially outside the extractive sectors. Following the collapse of the Berlin Wall and a widespread movement in the region toward economic reform and enhanced democratic governance, private-sector opportunities have begun to emerge.

Early in the Clinton administration, Secretary of Commerce Ron Brown energized this movement when, during a trade mission to the region, he said that the United States would no longer concede the African market to companies from other countries. To underscore his point, he identified South Africa as one of ten big emerging markets in the world that would become important trading partners with the United States. With the passage of the African Growth and Opportunity Act (AGOA) in 2000, trade with Africa became not only a means for stimulating economic development but also a rationale for deeper commercial engagement with the region.

In addition to Congress's lowering of duties and quotas, U.S. agencies became more active in stimulating capital flows to Africa. In January 1998, for example, the Export-Import Bank of the United States (Ex-Im Bank) was open in only eighteen

countries in Africa. Three years later, the Ex-Im Bank was open in thirty-four countries. During this period, the volume of credit for the public and private sectors of sub-Saharan Africa grew from \$50 million to approximately \$800 million per annum. The number of transactions also increased significantly. For example, in Ghana, the volume of transactions supported by Ex-Im Bank increased tenfold. This trend underscored the vital role that the public sector can play when it is focused on increasing capital flows to a region. The private sector will often follow the public sector.

It is against this backdrop that this paper will provide an overview of the G8's approach to Africa's private sector. Consideration will also be given to steps that the United States can take on its own, as well as in the G8 context, to enhance its commercial position in Africa while accelerating the region's integration into the global economy. However, before looking at the G8 perspective on Africa's private sector, it is useful to get a clearer sense of Africa's relationship to the global economy and how Africa, and in this instance, NEPAD, defines its priorities for the region's private sector.

### *Africa and the Global Economy*

Africa is at the margins of the global economy. The average African is poorer today than two decades ago, and the number of people living in poverty has increased steadily during the past twenty years. However, there are reasons for both optimism and concern according to the UN Economic Commission on Africa (ECA).<sup>27</sup> For example, in 2002, of the fifty-three countries in Africa, only five achieved the 7 percent growth rate required to meet the Millennium Development Goals. Of the others, forty-three registered growth rates below 7 percent and five registered negative growth.

Commodity prices have recovered and are likely to remain at high levels through 2005. This is especially true for crude oil prices, which will lessen budget pressures in oil-exporting countries. High oil prices could impede growth in other African countries, however. Rising cocoa prices could benefit producers such as the Ivory Coast and Ghana. Despite the upward trend, some commodities have had stagnant or declining prices, notably coffee, tea, and cotton. This will reduce the foreign exchange of such countries as Ethiopia, Kenya, and Uganda.

Official Development Assistance (ODA) is likely to increase over the medium term from its current level of \$50 billion for all aid recipients. Promises from the European Union (EU) and the United States alone would generate an extra \$12 billion from 2006 onward, with half of this expected to go to Africa. While this is a welcome improvement, it is still significantly less than the additional \$50 billion required annually to meet the Millennium Development Goals by 2015. More immediately, however, support for the "production sectors"—agriculture, manufacturing, trade, banking, and tourism—has declined as a percentage of total ODA from 17 percent in 1975–80 to 11 percent in 1995–2000.

On the critical issue of foreign direct investment (FDI), the news is more encouraging: Africa's inflows of FDI increased from \$11 billion in 2002 to \$14 billion in 2003.<sup>28</sup> This increase was due to a number of large investment projects in natural

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<sup>27</sup> UN Economic Commission on Africa, *Economic Report on Africa, 2003* (Addis Ababa: United Nations, July 2003), pp. 2–4.

<sup>28</sup> United Nations, *World Economic Situation and Prospects 2004* (New York: United Nations, 2003), p. 34.

resources, especially the oil sector, as well as the improved policy environment in several countries. Nevertheless, Africa's share of global FDI flows still hovers at a minuscule 1 percent.

Another issue relevant to the health of Africa's private sector is privatization. The sell-off of state assets traditionally has been an important source of FDI in other developing countries. Unfortunately, progress on privatization in Africa has been slow, with activity concentrated in a handful of countries: South Africa, Ghana, Nigeria, Zambia, and Ivory Coast. Of the 2,300 privatizations in sub-Saharan Africa between 1991 and 2000, only 66 were of economically significant enterprises. The vast majority were sell-offs of ailing or small firms.

The pace of privatization could increase, however, if Africa's equity markets continue to perform as they have over the last two years. For example, stock markets in both Tanzania and Botswana rose more than 30 percent in local currency in 2003. The Ghana Stock Exchange gained 100 percent, while Kenya increased 79 percent and Nigeria 53 percent. The Johannesburg Stock Exchange was up 25 percent in dollar terms in 2003. The African markets are benefiting from investors' strong appetite for higher yields and their willingness to venture into unfamiliar markets. Another attraction is that African markets remain inexpensive compared to those of Latin America, Asia, and the United States. South African equities, for example, sell eight to nine times current earnings, compared with fifteen times earnings for equities in China.<sup>29</sup>

The strengthening of equity markets, concurrent with new investment opportunities, should impact capital flight from Africa. ECA estimates that capital flight from thirty countries over the past twenty-seven years has amounted to about \$187 billion.

On the positive side, it is apparent that AGOA has been a genuine stimulus to the handful of countries that have taken advantage of its benefits. Africa's clothing exports to the United States grew 46 percent in the first two years since the bill was enacted, reaching \$1.1 billion in 2002. This level of exports was surpassed in the first nine months of 2003. In terms of job creation, AGOA has led to 90,000 new jobs in South Africa and nearly 17,000 in Lesotho, among other countries. It has also resulted in important new investments in a number of countries.

#### *NEPAD and Africa's Private Sector*

Given Africa's size and diversity, it is difficult to talk about the continent's private sector as if it were a monolithic entity. Nevertheless, as African governments continue to privatize state assets, strengthen financial institutions, and improve the regulatory environment, African businesses increasingly are becoming active in areas where they previously did not exist or were dominated by the state.

NEPAD puts forward several key objectives to encourage continued private-sector development. It hopes to ensure a sound and conducive environment for private-sector activities, with particular emphasis on domestic entrepreneurs; to promote FDI and trade, with special emphasis on exports; and to develop micro-, small, and medium enterprises.

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<sup>29</sup> Christopher C. Williams, "Emerging Africa: Choices Grow for Investing in the Continent," *Barrons Online*, October 20, 2003, available at [http://www.emergingportfolio.com/press/Barrons\\_102003.pdf](http://www.emergingportfolio.com/press/Barrons_102003.pdf).

At the national level, NEPAD advocates initiating measures that would enhance the managerial and technical capacities of African entrepreneurs. This could be achieved by supporting technology acquisition, production improvements, and training and skills development. NEPAD also calls for a strengthening of private-sector advocacy groups such as chambers of commerce and trade and professional associations. There should also be a regular and structured dialogue between government and the private sector in order to develop a shared vision of economic development strategy with the goal of reducing and removing constraints on the development of the private sector.

At the international level, NEPAD advocates promoting entrepreneurial development programs to strengthen African firms. It also advocates providing technical assistance for developing an appropriate regulatory environment, promoting small, medium, and micro-enterprises, and establishing microfinancing schemes for the African private sector.

NEPAD identifies several private-sector priorities:

- *Tourism:* NEPAD suggests the importance of identifying key “anchor” projects at the national and subregional levels, which “generate significant spin-offs” and promote interregional economic integration.
- *Product Diversification:* African economies are vulnerable because of their dependence on primary production and natural resources for wealth generation. There is an urgent need to diversify production, and the logical starting point is to harness Africa’s natural-resource base. In particular, value-added production must be increased in agro-processing and mineral beneficiation, and a broader capital goods sector must be developed.
- *Promoting African Exports:* At the international level, NEPAD advocates a number of actions. More favorable treatment for African exports to G8 countries, and especially, active participation in the World Trade Organization (WTO) are central to enhancing African exports. Other proposed actions include assessing the scope for further liberalization in manufacturing, given the concentration of access in low-value-added sectors and the restrictions on high-value-added activities with the greatest economic growth potential. There is also a need to secure and stabilize preferential treatment by key industrialized partners, such as the Generalized System of Preferences, the Cotonou Agreement, the Everything but Arms Initiative, and AGOA.
- *Manufacturing:* One of NEPAD’s clearest recommendations is the facilitation of partnerships through the development of joint ventures and subcontracting arrangements. There is also a need for joint business councils and for information sharing between non-African and African firms. Several other suggestions include developing a best-practices framework for technical regulations that conform to the requirements of the WTO and the needs of Africa, as well as establishing a standards bureau that would provide industry and government with the necessary information on international, regional, and national standards, thereby facilitating market access.

### *The G8 Response*

The G8 Africa Action Plan (AAP) was adopted in Kananaskis in June 2002.<sup>30</sup> One of the most significant aspects of this plan was the G8 commitment to allocate to Africa at least 50 percent of the \$12 billion per year in increased ODA that had been pledged at Monterrey, Mexico, in March 2002. According to the G8, this meant that at least \$6 billion per year in new resources would go to Africa.

The AAP was divided into eight parts, of which one was devoted to “Fostering Trade, Investment, Economic Growth and Sustainable Development.” The AAP pledged to help Africa attract investment, from within Africa and from abroad, and implement policies conducive to economic growth in a number of ways, such as supporting African initiatives aimed at improving the investment climate, including sound economic policies and efforts to improve the security of goods and transactions, consolidate property rights, modernize customs, institute needed legal and judicial reforms, and help mitigate risks for investors; facilitating the financing of private investment by increasing the use of development finance institutions and export credit and risk-guarantee agencies, and by strengthening equivalent institutions in Africa; supporting African initiatives aimed at fostering efficient and sustainable regional financial markets and domestic savings and financing structures, including microcredit schemes, while giving particular attention to seeing that credit and business-support services meet the needs of poor women and men; enhancing international cooperation to promote greater private investment and growth in Africa, including through public-private partnerships; and supporting the efforts of African governments to obtain sovereign credit ratings and gain access to private capital markets, including on a regional basis.

In the intervening year between Kananaskis and the next G8 meeting at Evian, France, the G8 leaders each appointed “personal representatives” charged with coordinating implementation of the AAP. This laid the basis for the “Implementation Report by African Personal Representatives to Leaders on the G8 Africa Action Plan.”<sup>31</sup> In that report, G8 leaders responded with concrete steps that were taken on promoting foreign investment. The report identifies several initiatives that have been launched to encourage private-sector investment in Africa, including

- The EU’s €110 million investment promotion scheme (Proinvest) and its €2.2 billion Investment Facility managed by the European Investment Bank (EIB), the bulk of which will go to Africa;
- A Franco-British initiative aimed at fostering private investment in developing countries, particularly African countries, with a joint financing of €200 million;
- Canada’s creation of a Canada Investment Fund for Africa, with C\$100 million in government funding to be matched by the private sector;

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<sup>30</sup> “G8 Africa Action Plan,” Kananaskis Summit, June 27, 2002, available at [http://www.g8.fr/evian/english/navigation/g8\\_documents/archives\\_from\\_previous\\_summits/kananaskis\\_summit\\_2002/g8\\_africa\\_action\\_plan.html](http://www.g8.fr/evian/english/navigation/g8_documents/archives_from_previous_summits/kananaskis_summit_2002/g8_africa_action_plan.html).

<sup>31</sup> See “Implementation Report by African Representatives to Leaders on the G8 Africa Action Plan,” available at [http://www.g8.fr/evian/english/navigation/2003\\_g8\\_summit/summit\\_documents/implementation\\_report\\_by\\_africa\\_personal\\_representatives\\_to\\_leaders\\_on\\_the\\_g8\\_african\\_action\\_plan.html](http://www.g8.fr/evian/english/navigation/2003_g8_summit/summit_documents/implementation_report_by_africa_personal_representatives_to_leaders_on_the_g8_african_action_plan.html).

- The provision by Japan of overseas investment loans in Africa, with a target amount of approximately \$300 million in five years for investment loans in Africa;
- Support provided by the Overseas Private Investment Corporation (OPIC) to more than \$700 million in investment in sub-Saharan Africa since 2001; and
- Italy's opening of a €50 million fund to support joint ventures between the Italian and African private sectors.

Turning to infrastructure, a NEPAD priority, the implementation report underscored that investment “had been encouraged” through several initiatives such as the following:

- The establishment of an infrastructure-related project-preparation facility within the African Development Bank, initially with Canadian support;
- Japan's commitment of more than \$1 billion earmarked for infrastructure development in Africa beginning in 2003;
- The United Kingdom's support of \$100 million to the Emerging Africa Infrastructure Fund, which has already attracted \$205 million of increased private-sector investment for Africa's infrastructure; and
- The EU's support to sub-Saharan Africa of over €500 million per year, “which is increasingly guided by a regional approach.”

Another innovative approach worth noting is one being pursued by the British government. The CDC Group plc, a British agency, has actively invested for more than fifty years in developing countries, principally through loans to the private and public sectors. Most of the funding has been directed to Africa, China, and India. In the past decade, the British government significantly increased the portion of direct equity investments and emphasized power projects that now represent almost 40 percent of the volume. Effective January 2004, the portfolio of investments is being managed by a new entity, Actis, which is 60 percent owned privately and 40 percent owned by the government. The British government has committed to invest approximately \$500 million per year, for the next five years, principally in Africa, China, and India, with Actis managing and monitoring the investments.

Actis is embarking on a project to raise new funds from private institutions to be invested with the British government funds in these markets. The portfolio is approximately \$2.5 billion at cost and will grow from incremental investments by the government and the private sector. This is an excellent illustration of a public-private partnership in which the public sector will be a catalyst for stimulating private investment in developing countries. It is a model to be considered by other countries.

#### *France and NEPAD*

In addition to the implementation report, President Jacques Chirac issued his own report at the Evian Summit, titled “France, A Partner of NEPAD.” The report emphasized that “NEPAD is France's top priority for Evian.” Moreover, Chirac stated that Evian must be the “summit of implementation of NEPAD.”

With specific reference to the private sector, contained in one section, titled “Fostering Economic Growth and Sustainable Development,” the report indicated that

France has decided to concentrate on three targets. The first is improving judicial protection, principally through support for the Organization for the Harmonization of Business Law in Africa (OHADA)<sup>32</sup>, and working to obtain signature of agreements that protect investments. Second, France indicated its willingness to work with other donors to attract private investment. The principal vehicle is the Franco-British initiatives to develop “turnkey” financial services and financial instruments designed to draw more private financing. To this project, France committed €100 million over three years, which is expected to help raise €1 billion in private investment. Finally, France also pledged to stimulate local investment through measures to support banking systems, to help local banks gain access to medium-term financing, and to promote micro- and intermediate credit institutions.

### *Charting a New Path*

Engaging Africa’s private sector and facilitating new investment in the region is challenging. The perception of risk is still high, and identifying worthy projects can be difficult. Nevertheless, it is apparent that African entrepreneurs and African government officials increasingly view enhanced private-sector activity as vital to Africa’s development. It is critical as a means for job creation, skills enhancement, technology acquisition, income generation, and integration of Africa into the global economy. At the same time, leaders in the G8 are taking steps to increase funds available for entrepreneurial activities. Public funds often stimulate private capital flows, especially in perceived high-risk environments such as Africa.

Recent increases in equity prices of publicly traded African companies concurrent with higher commodity prices have triggered an increase in the formation of private equity funds to invest in the region. It is important that this window of opportunity for attracting capital to Africa be sustained and expanded.

The Commission on Capital Flows to Africa published in June 2003 a ten-year strategy for increasing the availability of capital in Africa.<sup>33</sup> This strategy was predicated on a series of recommendations, many of which are similar to parts of the AAP. Several of the recommendations from the commission’s report are pertinent to the AAP; they are summarized below:

- The G8 should propose to the Organization for Economic Cooperation and Development (OECD) that export-credit agencies should be allowed to offer twenty-year repayment terms (instead of the current ten years) for African projects and to raise the ceiling for local costs from 15 percent to 50 percent of the export value.
- A significant portion of ODA should be invested in strengthening the conditions of growth in Africa’s private sector, especially as it relates to the development of Africa’s human capital. ODA should also be devoted to the establishment of long-

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<sup>32</sup> OHADA (L’Organisation pour l’Harmonisation en Afrique du Droit des Affaires) is the French acronym for Organization for the Harmonization of Business Law in Africa.

<sup>33</sup> The Commission on Capital Flows to Africa, “A Ten-Year Strategy for Increasing Capital Flows to Africa,” (Washington, DC: June 2003), full text available at <http://www.iie.com/research/africa-mideast.htm>.



- term, low-rate financing vehicles dedicated to small businesses in Africa as well as to the provision of related technical assistance.
- The G8 should support an appropriate process to review the Heavily Indebted Poor Countries (HIPC) initiative and to consider whether it is desirable to pursue debt-relief proposals that go beyond the HIPC initiative.
  - G8 governments and private-sector entities should create an African Financial Fellowship Program that would second professionals with finance, capital markets, corporate finance, or economic policy experience to African countries to work in public and private institutions for a certain period of time. In exchange, each participating African country would commit two individuals for training for up to two years at qualified investment or commercial banks.
  - The African Peer Review Mechanism, together with the NEPAD secretariat, should be encouraged to publish a set of “best practices” for African governments seeking to increase FDI and encourage all African countries to seek a sovereign credit rating by an international credit rating agency.

While pursuing the relaxation of tariffs and subsidies in the context of the Doha Round of World Trade Organization negotiations, the United States should extend AGOA until 2020 and allow all products from Africa to enter the United States free of duties and quotas. In addition, Congress should stimulate U.S. investment in Africa by reducing to zero the tax on repatriated earnings on new investments by U.S. companies. Congress should also consider permitting OPIC to support investment in all sectors in Africa, including sectors currently categorized as “sensitive,” such as textiles and apparel, electronics, agribusiness, and industrial products.

AN ASSESSMENT OF THE G8 COMMITMENT TO TRADE  
AND REGIONAL INTEGRATION IN AFRICA

*Margaret C. Lee*

At the G8 meeting held in Kananaskis, Canada, in June 2002, commitments were made to African countries in the area of trade and regional integration to (1) provide greater market access for African products, (2) increase the funding and improve the quality of support for trade-related technical assistance and capacity building in Africa, and (3) support African efforts to advance regional economic integration and intra-African trade. Two years after these commitments were made Africa has increased its marginalization within the world economy. This increased marginalization was highlighted in the fourth annual A.T. Kearney/Foreign Policy Globalization Index, which notes that “bringing Africa into the fold has been one of the most daunting challenges of the globalization process.”<sup>1</sup> In addition to financial flows drying up, there were technological reversals.<sup>2</sup>

In describing Africa’s place within the world economy, *The Guardian Weekly* argues that, while the world’s wealthiest nations have enjoyed twenty years of prosperity and growth, Africa has in effect gone backwards. The steps that should be taken to arrest Africa’s continued marginalization, according to this newspaper, include a commitment by the United States and Europe to remove tariffs on African commodities or compensate farmers for subsidies that have contributed to the current situation.<sup>3</sup>

This paper will attempt to examine the progress the G8 members have made toward fulfilling their commitment to African countries in the area of trade and regional integration. It is beyond the scope of this paper to assess the G8’s commitment with respect to number two above—increasing the funding and improving the quality of support for trade-related technical assistance and capacity building in Africa. The first section of the paper provides a brief overview of trade and regional integration in Africa. Sections two to four provide an assessment of the G8 approach to enhancing trade and regional integration in Africa within the context of the World Trade Organization (WTO) and the Doha Round of trade negotiations, the Cotonou Agreement (between the European Union and African, Caribbean, and Pacific countries), and the U.S. African Growth and Opportunity Act (AGOA).

*Trade and Regional Integration in Africa*

In terms of trade, sub-Saharan Africa’s share of world exports declined from 2.7 percent to 1.3 percent between 1980 and 2000. This decline is very significant when placed within the context of the reality that overall developing countries’ share in world exports experienced a recovery. This means that even among developing countries, the countries of sub-Saharan Africa have become marginalized.<sup>4</sup> The gravity of the problem in Africa

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<sup>1</sup> “Measuring Globalization,” *Foreign Policy*, March/April 2004, p. 68.

<sup>2</sup> *Ibid.*

<sup>3</sup> *The Guardian Weekly*, March 4–March 10, 2004.

<sup>4</sup> Federico Bonaglia and Kiichiro Fukasaku, *Trading Competitively: Trade Capacity Building in Sub-Saharan Africa* (Paris: Development Centre of the Organisation for Economic Cooperation and Development, 2002), p. 37.

is most evident when one considers that the economy of the sub-Saharan region is equal to that of one small European country: Belgium.<sup>5</sup>

The challenges faced by African farmers in participating on a level playing field within the world economy have been daunting. First of all, African farmers have been constrained by subsidies paid to developed-country farmers at the annual rate of \$320 billion—a sum close to Africa’s annual gross domestic product.<sup>6</sup> Such subsidies have undermined agricultural production for both consumption and export as a result of the dumping of cheaper products in Africa. President Yoweri K. Museveni of Uganda asks how African farmers can move beyond subsistence and how the continent can transcend aid dependency when developed countries dump commodities in Africa at a fraction of what it costs to grow them. He cites the example of U.S. wheat being exported at \$3.50 a bushel although it cost farmers \$5.31 a bushel to produce. Similarly, U.S. cotton, which costs \$.83 a bushel to produce, is sold on the international market at \$.40 a bushel.<sup>7</sup> The undermining effect such subsidies have on farm industries in West Africa has received a tremendous amount of attention recently.<sup>8</sup>

According to an Overseas Development Institute briefing paper, one of the best short-term ways to alleviate poverty in low-income economies with large rural populations is to increase income through the production of export cash crops. With respect to Africa, the paper notes that since cotton production is usually in poorer regions, higher income from cotton can result in poverty reduction, especially in areas where economic opportunities are limited.<sup>9</sup>

African farm exporters, however, are not united on the question of the removal of trade-distorting G8 subsidies, for two primary reasons. The first concerns a possible increase in the price of food imported from the European Union (EU) if subsidies were removed. The second concerns a decrease in access to the EU market as a result of the possible elimination of special protocols and/or EU preferences.<sup>10</sup> The removal of EU trade-distorting subsidies, however, could be advantageous to some African farmers. For example, a study commissioned by the European Commission (EC) concluded that if the European sugar industry were liberalized, European imports of sugar from developing countries would increase significantly and EU exports would fall to zero. The price of

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<sup>5</sup> *Can Africa Survive the 21<sup>st</sup> Century?* (Washington, DC: World Bank, 2004), p. 7. This is in terms of the formal sector only. There is a huge informal economy that allows Africans to survive.

<sup>6</sup> “Opportunities, Mostly Missed: The Risks and Rewards of Doing Business in Africa,” *The Economist*, January 17, 2004, p. 13.

<sup>7</sup> Yoweri K. Museveni, “We Want Trade, Not Aid,” *Wall Street Journal*, November 6, 2003.

<sup>8</sup> See, for example, André Linare, “Vital Resource Worthless in a Glutted World: Cotton Slump in Africa,” *Le Monde Diplomatique*, September 2003; “King Cotton’s Long Reach,” *International Herald Tribune*, August 6, 2003; “Cancún Targets Cotton,” *New York Times*, September 13, 2003; Mark Lacey, “Africans’ Burden: West’s Farm Subsidies,” *New York Times*, September 10, 2003; “The WTO under Fire,” *The Economist*, September 20, 2003, p. 27; and Overseas Development Institute, “Developed Country Cotton Subsidies and Developing Countries: Unravelling the Impacts on Africa,” ODI Briefing Paper, July 2004.

<sup>9</sup> Overseas Development Institute, “Developed Country Cotton Subsidies,” p. 1.

<sup>10</sup> See Peter Draper and Steven Gruzd, *Business Day*, December 11, 2003; Olu Fasan, “Can Africa Take on Europe Through the Peace Clause?” in *Africa after Cancun: Trade Negotiations in Uncertain Times*, South Africa Institute of International Affairs, Trade Report no. 2 (November 2003), p. 42.

sugar on the world market would increase by 30 percent, enhancing the livelihoods of millions of small farmers.<sup>11</sup>

A second challenge for farmers rests with high tariff barriers imposed by developed countries on African exports, especially those that have a comparative advantage over European and U.S. products. African goods exported to rich industrialized countries face tariffs that, on average, are four times higher than those placed on goods traded among rich industrialized countries. This is especially the case when African producers have a comparative advantage (e.g., in agriculture and textiles).<sup>12</sup>

Other challenges include poor infrastructure, outdated technology, shortages of inputs, climatic and ecological misfortunes, and corruption. In terms of increased intra-Africa trade, farmers are constrained by both tariff and nontariff barriers (although the former have decreased significantly).

Increasing intraregional trade through regional economic organizations has also been problematic in Africa. The challenges to regional economic integration include small economies that have similar factor endowments, lack of comparative advantage, regional giants that are the main beneficiaries of regional economic integration, overlapping membership in more than one regional economic organization, political and economic instability, poor infrastructure, and lack of political will to implement regional economic agreements.

Africa's growing marginalization within the world economy follows on the heels of the failure to arrest this phenomenon by applying the neoliberal orthodoxy (financial, trade, and capital liberalization coupled with major domestic reforms) in the form of structural adjustment programs mandated by the World Bank and the International Monetary Fund,<sup>13</sup> as well as multilateral agreements arising out of WTO negotiations that were designed to usher in a more fair international trade regime.<sup>14</sup> Currently, Western policies to enhance trade and regional integration in Africa are largely informed by trade liberalization and open regionalism.

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<sup>11</sup> Charlotte Denny, "How Sugar Lobby Beats Poorest Farmers," *The Guardian Weekly*, January 29–February 4, 2004, p. 21.

<sup>12</sup> Joseph E. Stiglitz and Andrew Charlton, *The Development Round of Trade Negotiations in the Aftermath of Cancun*, Initiative for Policy Dialogue, report prepared for the Commonwealth Secretariat (June 2004), p. 13; and Kevin Wakins, "Trade, Globalization and Poverty Reduction: Why the Rules of the Game Matter," Carnegie Endowment for International Peace Seminar on World Trade and Poverty (Washington, DC: July 2, 2002), p. 4.

<sup>13</sup> The literature is voluminous in this area. For general critics of the policy see *Making Global Trade Work for People* (London: UN Development Program; Sterling, VA: Earthscan, 2003); Joseph E. Stiglitz, *Globalization and Its Discontents* (New York: Norton, 2002). For critics of the policy in terms of Africa, see Thandika Mkandawire, *Our Continent Our Future: African Perspectives on Structural Adjustment*, Senegal Council for the Development of Social Science Research in Africa (Ottawa: International Development Research Centre; Trenton, NJ: Africa World Press, 1999); International Development Research Centre, [http://web.idrc.ca/en/ev-1-201-1-DO\\_TOPIC.html](http://web.idrc.ca/en/ev-1-201-1-DO_TOPIC.html).

<sup>14</sup> For critics of the unfair trade practices growing out of the Uruguay trade negotiations that resulted in the creation of the WTO, see *Making Global Trade Work*; Stiglitz, *Globalization and Its Discontents*; Larry Elliott, "All Talk, No Substance," *The Guardian Weekly*, November 21–27, p. 13; Oxfam, "Rigged Rules and Double Standards: Trade, Globalization, and the Fight against Poverty," available at <http://www.maketradeair.com>, 2002.

With respect to trade liberalization, there is a growing body of literature that suggests that trade liberalization alone does not necessarily result in economic growth.<sup>15</sup> In addition, a growing body of literature indicates that integration into the world economy is more a function of economic growth and development than of liberalization.<sup>16</sup> Thus “protected Vietnam is integrating with the global economy much faster than open Haiti, because Vietnam is growing and Haiti is not.”<sup>17</sup>

The World Bank defines “open regionalism” as “unconditional nondiscriminatory liberalization (or concerted unilateralism). The idea is that as member states liberalize trade within the bloc, so they simultaneously cut trade barriers on imports from external countries as well.”<sup>18</sup> For its supporters, regionalism is seen as suboptimal to globalization and multilateralism, and therefore open regionalism is envisaged as a strategy to enhance globalization and multilateralism.

For the World Bank, open regionalism is informed by the following:

- The move from a closed to a more open model of regionalism. The new wave of regional integration agreements (which includes the revival of some old agreements) generally exhibits a more outward-looking stance and greater commitment to boosting, rather than controlling, international commerce.
- The recognition that, in addition to reducing tariffs and quotas, effective integration requires the removal of other barriers, or what has come to be known as “deep integration.”
- The advent of trade blocs in which high-income countries and developing countries are equal partners—so-called North-South agreements.<sup>19</sup>

As far as the World Bank is concerned, the creation of free trade agreements between high-income countries and developing countries “are more likely to generate significant economic gain than are those with poorer ones.”<sup>20</sup> Regional integration arrangements (RIAs) between poor or small economies are discouraged because they are likely to result in trade diversion and possibly cause income divergence between member states, resulting in harm, especially to the less-developed members. If such RIAs are pursued, however, “attention should also be given to lowering protection against the rest of the world in order to obtain the benefits of extra-bloc competition.”<sup>21</sup> Others argue that reciprocal trade agreements between developed and developing countries can have serious consequences for the latter.

Complicating the debate further, locking in economic reforms and not trade liberalization was the real motivating factor behind the creation of the North American

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<sup>15</sup> See for example, Dani Rodrik, *The New Global Economy and Developing Countries: Making Openness Work* (Washington, DC: Overseas Development Council, 1999); Maurizio Bussolo and Henri-Bernard Solignac Lecomte, “Trade Liberalisation and Poverty,” ODI Poverty Briefing (December 6, 1999), pp. 2–3.

<sup>16</sup> For a summary of the debate around this issue see *Making Trade Work for the People*, chap. 1, pp. 21–47.

<sup>17</sup> *Ibid.*, p. 28.

<sup>18</sup> World Bank, *Trade Blocs*, Policy Research Report (Washington, DC: World Bank, 2000), p. 99.

<sup>19</sup> Maurice Schiff and L. Alan Winters, *Regional Integration and Development* (Washington, DC: World Bank, 2003), p. xi.

<sup>20</sup> *Ibid.*, p. 262.

<sup>21</sup> *Ibid.*, pp. 262–63.

Free Trade Agreement (NAFTA).<sup>22</sup> The U.S. and Mexican governments were both interested in locking in Mexico's major economic reforms. An agreement was reached whereby, in return for access to the U.S. market and better claims on U.S. assistance, Mexico would maintain its reforms. The United States was especially interested in enhancing Mexico's economic growth in order to stem the tide of Mexican migration to the United States. The World Bank therefore admits that, "paradoxically, regional trade agreements may sometimes be more important for what they can do for the credibility of other policies, than for what they can do for trade policy."<sup>23</sup>

Although the World Bank advocates the creation of trade agreements between developed and developing countries over those among developing countries, the major model for such agreements is NAFTA. Of similar arrangements between the United States and African countries, the World Bank admits that, since the United States does not have a vested interest in African migration and economic growth (like it does with Mexico), such arrangements may not be realistic. More credibility, however, is given to future NAFTA-style arrangements between the EU and Africa.<sup>24</sup>

Africa's further marginalization within the world economy raises serious questions about the effectiveness of the neoliberal orthodoxy of trade liberation and open regionalism. Neoliberalism, according to Stephen Hunt, has assumed a hegemonic position within international political economy. As a result, North-South relations have been transformed from one in which the North felt that the South should be protected from the excesses of the market in order to develop, to one that assumes that development occurs as a result of liberalization.<sup>25</sup>

#### *The WTO and the Doha Round of Trade Negotiations*

The WTO came into existence in January 1995. It replaced the General Agreement on Tariffs and Trade (GATT), which had been created in 1947 following the failure of the U.S. Senate to ratify the charter to create the International Trade Organization (ITO). The ITO was to be one of the three organizations created at Bretton Woods, New Hampshire, in 1944 to usher in a new post-World War II international economic order. The other two organizations created at Bretton Woods were the IMF and the World Bank. The WTO is a permanent rules-based international organization responsible for monitoring the implementation of GATT and post-GATT trade policies.

Currently 147 countries are members of the WTO. The majority are developing countries that have criticized the WTO (as well as its predecessor, GATT) for making policy decisions that are in the best interests of developed countries. Part of the reason for this is that, under GATT and the WTO, most developing countries have been ineffective participants in multilateral trade negotiations.<sup>26</sup> Another problem, especially with the

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<sup>22</sup> See World Bank, *Trade Blocs*, p. 26; Richard N. Cooper, "Comment," in Jeffrey J. Schott, ed., *Free Trade Agreements: U.S. Strategies and Priorities* (Washington, DC: Institute for International Economics, 2004), p. 23.

<sup>23</sup> *Ibid.*, p. 26.

<sup>24</sup> *Ibid.*

<sup>25</sup> Stephen R. Hurt, "Cooperation and Coercion? The Cotonou Agreement between the European Union and ACP States and the End of the Lomé Convention," *Third World Quarterly* 24:1 (2003), p. 161.

<sup>26</sup> See, for example, Luisa E. Bernal, Rashid S. Kaukab, Sisule F. Musungu, and Vicente Paolo B. Yu III, "South-South Cooperation in the Multilateral Trading System: Cancún and Beyond," Trade-Related Agenda, Development and Equity Working Paper no. 21 (May 2004), pp. 2-3, available at

WTO, rests with what has been deemed to be the nondemocratic and noninclusive policies of developed countries during negotiations.<sup>27</sup> As a result of these criticisms, and the growing political significance of developing countries in the WTO, the developed countries pledged to focus on the concerns of developing countries in the Doha Round of WTO trade negotiations, launched in November 2001 in Doha, Qatar.

The work program of the Doha Round included agreement to negotiate on eleven issues and to have discussions, not negotiations, on fourteen other issues. Issues on which negotiations were launched include implementation (issues and concerns), agriculture, nonagriculture market access, trade-related aspects of intellectual property rights, services, special and differential treatment, and trade and environment. With respect to the Singapore issues of trade facilitation, competition policy, investment, and transparency in government procurement, it was agreed that a study process would be launched, followed by a discussion of the issues at the next ministerial conference.<sup>28</sup>

The Doha Round became known as the Doha Development Agenda or the Doha Development Round because of the commitment the developed countries made to assisting poor countries. As Joseph Stiglitz and Andrew Charlton note, “The development focus of the Doha Round emerged from a renewed spirit of collective responsibility for the challenges faced by poor countries, and also as a response to the perceived inequalities generated by previous rounds of trade negotiations.”<sup>29</sup> The focus was to be on providing freer trade, especially in the area of agriculture. The developed countries agreed to reduce farm support that was distorting trade, reduce tariffs on farm products, eliminate subsidies on agricultural exports, and reduce industrial tariffs, especially in sectors such as textiles that were of importance to poor countries. Within the context of the DDR, the World Bank calculated that a successful round could increase global income by 2015 to more than \$500 billion annually. Approximately 60 percent of the gain would be realized by poor countries, resulting in an estimated 144 million people transcending poverty.<sup>30</sup> In terms of Africa, according to an Iowa State University study, reforms by the rich countries could, by 2015, result in an increase in the farm output in sub-Saharan Africa by \$3.4 billion (excluding South Africa).<sup>31</sup> The larger statement that the developed countries would have made in fulfilling their commitments following the Doha meeting was to pledge to eradicate poverty in the developing world.<sup>32</sup>

Although all member states had agreed in 2001 that the Doha Round would be a development round, it appears that, during the two-year interim period between the Doha and Cancún ministerial conferences, the expectations of the major developed countries

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<http://www.southcentre.org/publications/workingpapers/paper21/wp21.pdf>; Jeffrey J. Schott, “Reviving the Doha Round,” Institute for International Economics (May 2004), pp. 1–2, available at <http://www.iie.com/publications/papers/schott0604.htm>.

<sup>27</sup> See, for example, Rashid S. Kaukab, Antonio La Vina, and Vicente Paolo B. Yu III, “From Cancún to Hong Kong: Lessons from the Fifth Ministerial Conference of the World Trade Organization,” Trade-Related Agenda, Development and Equity Working Paper no. 20 (May 2004), pp. 6–9, available at <http://www.southcentre.org/publications/workingpapers/paper20/wp.pdf>; Bernal et al, p. xi.

<sup>28</sup> *Ibid.*, p. 2.

<sup>29</sup> Stiglitz and Charlton, *The Development Round*, p. 2.

<sup>30</sup> “The WTO under Fire: Special Report: The Doha Round,” *The Economist*, September 20, 2003, p. 26; “Cancún’s Charming Outcome,” *The Economist*, September 20, 2003, p. 11.

<sup>31</sup> Iowa State study cited by Museveni.

<sup>32</sup> Kevin Watkins, “A Poisonous Pact,” *International Herald Tribune*, August 16–17, 2003.

changed. Specifically, according to a paper published by the South Centre,<sup>33</sup> they “expected Cancún to be a repeat of Doha, minus the development issues.”<sup>34</sup> Specifically, many developed countries did not realize the deep feelings of developing countries who maintained that the only way forward was for the former to make concessions to the latter. Instead, many developed countries thought that at Cancún they would be able to launch negotiations on the Singapore issues and gain ground on services and nonagriculture issues. In the process, they would not have to concede much on agriculture, special and differential treatment, or cotton.<sup>35</sup> This posturing on the part of the major developed countries continued, even though they had been warned that progress on the Singapore issues and other issues of concern would not be realized without progress being made on agricultural issues, the major concern of developing countries.<sup>36</sup> During this period the foundation was being laid for failure at the forthcoming September 2003 Cancún ministerial conference.

Perhaps the most significant event leading up to the Cancún ministerial conference was the EU-U.S. bilateral agreement of August 13, 2003. This agreement allowed export subsidies to remain in place, diluted the commitment to improve market access for developing countries, and maintained direct payments to farmers amounting to billions of dollars.<sup>37</sup> In response to this agreement, several developing countries (including India, China, Brazil, and South Africa) created an informal entity—the G20—which became a very influential group at Cancún. With respect to the EU-U.S. agreement and the creation of the G20, trade expert Jeffrey J. Schott of the Washington-based Institute for International Economics noted that

unfortunately, U.S. officials, among others, underestimated the backlash to the U.S.-EU compromise proposal tabled in late August 2003, which created mistrust and provoked the formation of the G-20. ... The G-20 was founded—and still exists in large measure—to push the United States, Europe, and Japan to liberalize their barriers to agricultural trade. That position is not antithetical to U.S. interests and objectives in the Doha Round ... provided that the large and middle-income developing countries in the group also reduce barriers to trade in their markets.<sup>38</sup>

Although most analyses on the breakdown of the Cancún ministerial conference maintain that both developed and developing countries were to blame, the overwhelming responsibility rests with the EU, the United States, and Japan.<sup>39</sup> While the developing countries pointed to the failure of the developed countries to reform their trade regimes, the developed countries criticized the developing countries for, among other things, failing to negotiate the Singapore issues.

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<sup>33</sup> The South Centre is a permanent intergovernmental organization of developing countries.

<sup>34</sup> Kaukab, La Vina, and Yu, “From Cancún to Hong Kong,” p. 12.

<sup>35</sup> Ibid.

<sup>36</sup> See Schott, “Reviving the Doha Round,” p. 1; Stiglitz and Charlton, *The Development Round*, p. 17.

<sup>37</sup> See Karin Gregow, “Brief Analysis of the Cancun Ministerial from an African Perspective,” *EcoNews*, September 9, 2003; Faizel Ismail, “An Insider’s Insight,” in *Africa After Cancun: Trade Negotiations in Uncertain Times* (South African Institute of International Affairs, November 2003).

<sup>38</sup> Schott, “Reviving the Doha Round,” p. 4.

<sup>39</sup> See, for example, Lori Wallach, “Trade Secrets: The Real Message of the Collapse of Trade Talks in Cancún: Business as Usual Is Over for the WTO,” *Foreign Policy*, January/February 2004; Olu Fasan, “The WTO under Fire,” *The Economist*, September 20, 2003; Gregow, “Brief Analysis”; and Ismail, “Insider’s Insight.”



According to the authors of another South Centre paper, “the Cancún Ministerial Conference of the WTO can be regarded as an important milestone in the political development and maturity of South-South alliances in the multilateral trading system.”<sup>40</sup> Although attempts were made to dilute the significance of these alliances,<sup>41</sup> the developing countries remained united in their effort to insist on major developed-country reforms in the international trade regime.<sup>42</sup> This unity, as indicated below, has contributed to the decision in principle by the developed countries to begin to make reforms in their agricultural trade regimes.

Following the collapse of the Cancún meeting, the EU, the United States, and Japan were criticized for being hypocritical because they preach free trade and trade liberalization but practice protectionism and subsidized agricultural dumping.<sup>43</sup> The general climate for making progress in multilateral trade negotiations became more challenging after statements made by trade representatives from the developed countries. For example, U.S. Trade Representative Robert Zoellick reportedly stated that “the United States has an agenda on multiple fronts. We’re going to keep opening markets one way or another,”<sup>44</sup> and in an editorial in the *Financial Times*, Zoellick stated, “As WTO members ponder the future, the United States will not wait: we will move towards free trade with can-do countries.”<sup>45</sup> Given the promises made to the developing countries at the Doha ministerial conference in 2001, it is very difficult to argue with critics who maintain that the collapse of the Cancún meeting did not bode well for the G8’s stated commitment to provide greater market access for African products.

Determined to prevent a complete collapse of the Doha Round, on July 31, 2004, WTO member countries agreed to a new framework for moving forward with multilateral trade negotiations. According to the accord reached in Geneva, future WTO negotiations will include agriculture, cotton, industrial products, services, and trade facilitation.<sup>46</sup> With respect to agriculture, the accord stipulates that the rich countries have agreed to eliminate all agricultural export subsidies at a future agreed date, substantially reduce trade-distorting domestic support to farmers, and provide greater market access for all farm products (the very poorest WTO member states will be exempted). With respect to tariff reductions, developing countries will have lower reduction targets, more flexible rules regarding special or sensitive products, and longer periods for implementation.<sup>47</sup>

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<sup>40</sup> Bernal et al, “South-South Cooperation,” p. xi. This paper provides an interesting analysis of the cooperation among developing countries at the Cancún ministerial conference.

<sup>41</sup> See Fasan, “WTO under Fire,” p. 43; Gregow, “Brief Analysis”; Kaukab, La Vina, and Yu, “From Cancún to Hong Kong,” pp. 16–18; Bernal et al, “South-South Cooperation,” p. 6; Tony Smith, “Argentina and Brazil Align to Fight U.S. Trade Policy,” *The New York Times*, October 21, 2003.

<sup>42</sup> Bernal et al., “South-South Cooperation,” notes that the foundation for the cohesion among the various developing country groups stemmed from a shared feeling that their interests were different from those of developed countries (p. xii).

<sup>43</sup> Watkins, “A Poisonous Pact.”

<sup>44</sup> Gregow, “Brief Analysis.”

<sup>45</sup> Robert B. Zoellick, “America Will Not Wait for the Won’t-Do Countries,” *Financial Times*, September 22, 2003, available at <http://www.ustr.gov/speech-test/zoellick/2003-09-22-ft.htm>.

<sup>46</sup> For the specifics of the accord see World Trade Organization, “Doha Work Programme, Draft General Council Decision of 31 July 2004, WT/GC/W/535,” July 31, 2004.

<sup>47</sup> Frances Williams and Guy de Jonquière, “Stalled Trade Talks Revived as Top WTO Nations Hail Subsidies Deal,” *Financial Times*, August 2, 2004.

The agreement reached on cotton merely stipulates that negotiations to cut subsidies and other barriers will be handled separately but within the overall talks on agriculture. The negotiations are to be handled “ambitiously, expeditiously and specifically.”<sup>48</sup> In terms of the controversial Singapore issues, it was agreed that while negotiations will be launched on trade facilitation, there will be no negotiations on the other three issues—transparency in government procurement, investment, and competition.<sup>49</sup>

There was a great deal of jubilation in Geneva when the agreement was reached on the way forward for Doha negotiations. Zoellick, for example, stated, “There’s a lot of work yet to be done. But today’s framework is a milestone.” Kamal Nath, the Indian trade minister, stated, “Developed countries have recognized that agricultural trade with a heavy subsidy component is not free trade.”<sup>50</sup> Notwithstanding the importance of the agreements reached in Geneva, many have warned of the need to be cautiously optimistic about the expectation that a new international trade regime will be realized as a result of the agreement reached by the WTO member states on the framework for future negotiations. As *The Economist* noted, “By itself, the Geneva deal will not lower any tariffs or cut a single subsidy. It does not imply the end of the Doha round negotiations, or even the half-way point of real horse-trading. At best, it marked the end of talks about how to negotiate—and in important areas, such as cutting industrial tariffs, it did not even do that.”<sup>51</sup> *The Economist* further noted that “given the addiction of rich countries to coddling their farmers, anyone expecting rapid change will doubtless be disappointed.”<sup>52</sup>

It is now speculated that the Doha Round may not be completed before 2006 or 2007. Once the round is completed, it could take years for agreements to go into effect. This will be too late to prevent Africa’s further marginalization within the world economy. If the G8 is seriously committed to Africa’s development, it is necessary that the least developed countries (LDCs), the majority of whom are in Africa, have greater access to the markets of developed countries immediately. In terms of the multilateral trade regime, both the United States and the EU should respect the rulings of the WTO concerning their cotton and sugar regimes, respectively. In both rulings, the WTO determined that the subsidies provided to farmers violate trade rules and are trade distorting. The United States has decided to appeal the cotton ruling. The EU decision on whether to appeal will be determined in September 2004 once the interim WTO panel ruling is confirmed. The sugar ruling follows on the heels of the decision by the EC to reform its sugar regime. It is important to note that the WTO sugar ruling does not affect the ability of the EU to continue to import sugar from its African, Caribbean, and Pacific (ACP) partners on preferential terms.<sup>53</sup>

Creating a new international trade regime through multilateral negotiations will be a daunting task. For the LDCs of the world, freer trade might create additional problems. Therefore, free trade has to be balanced with special treatment. As the *Financial Times* notes, “Weak economies need generous and carefully targeted international assistance to

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<sup>48</sup> Ibid.

<sup>49</sup> Ibid.

<sup>50</sup> Ibid.

<sup>51</sup> “World Trade Talks: A Step Forward,” *The Economist*, August 7–13, 2004, p. 11.

<sup>52</sup> Ibid.

<sup>53</sup> “WTO Panel Rules against EU Sugar Subsidies,” *Tralac Newsletter*, August 10, 2004, available at <http://www.tralac.org/newsletter/10aug2004.html>.

help them adjust to freer trade. How the United States and EU respond will test the strength of their commitments to promoting global development.”<sup>54</sup> In order to prevent the LDCs from becoming further marginalized within the world economy, the G8 needs to implement trade-related special treatment for these countries immediately. This will require the G8 to transcend the neoliberal orthodoxy of trade liberalization, which assumes that greater openness will result in economic growth.

In addition to opening markets through the multilateral trade regime, the EU and the United States are pursuing openness at the regional level through the creation of free trade agreements (FTAs) with developing countries. The Cotonou Agreement and the U.S. AGOA are reflections of this strategy.

### *The Cotonou Agreement*

Over the decades since Africa’s independence, the EU has made verbal commitments to enhance Africa’s development and integration into the world economy. This was to take place via Yaoundé I–II (1963–74) and Lomé I–IV (1975–2000). At the end of Lomé IV, the asymmetrical economic relations that were in place between the EU and African countries in 1963 remained intact, with African countries continuing to be major exporters of primary products and importers of capital-intensive products. Economic development remained elusive, regionalism had not been successful, and the continent remained marginalized within the world economy. The Cotonou Agreement is designed to once again foster development in Africa and arrest the continent’s growing marginalization.

The EC has indicated that the major objective of the Cotonou Agreement is to reduce poverty, which is to be achieved through enhanced economic and trade cooperation, development aid, and political dialogue. Also of concern is the institutionalization of democratic principles, respect for the rule of law and human rights, good governance, greater non-state actor participation, project cooperation that is more efficient, greater peace-building efforts, conflict prevention and resolution, and support for regional integration.<sup>55</sup> It is through the latter that ACP countries are to enhance their integration into the world economy.

At the heart of the Cotonou Agreement is the creation of FTAs (as the precursor to free trade areas) with the ACP countries. These are to take place through the establishment of economic partnership agreements (EPAs) with individual countries or regional economic organizations that will be differential and asymmetric. Negotiations for EPAs commenced in September 2002 and are scheduled to continue until December 31, 2007. The new agreements are to be in place by no later than January 1, 2008. Then, between 2008 and 2020, the ACP countries are to liberalize their trade regimes vis-à-vis the EPAs. They are to be WTO compatible and include such issues as intellectual property rights, competition policy, sanitary and phytosanitary rules, investment, trade

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<sup>54</sup> *Financial Times*, August 6, 2004.

<sup>55</sup> “Partnership Agreement Between the Members of the African, Caribbean and Pacific Group of States on the One Part, and the European Community and Its Member States on the Other Part,” European Union, June 2000; “The European Community and Its Member States Sign a New Partnership Agreement with the African, Caribbean and Pacific States in Cotonou, Benin,” Press Release, Brussels, June 21, 2000.

and the environment, and trade and labor standards.<sup>56</sup> Through EPAs, the EU intends to gain greater access to ACP markets.<sup>57</sup>

During the transitional period (September 2002 to December 31, 2007), the nonreciprocal trade preferences that were in place between the EU and ACP countries under Lomé IV will remain in place. This includes the special trade provisions under the beef and veal protocol and the sugar protocol.

Under the EU Everything but Arms initiative announced in March 2001, all LDCs, including non-ACP LDCs, are allowed to export most products, with the exception of arms and ammunition, duty-free to the EU. The products that are not allowed duty-free entry into the EU include sugar, rice, and bananas. Liberalization of these products will take place between 2006 and 2009.

The issue of EPAs is made complex by the fact that the LDCs do not have to negotiate EPAs with the EU. In this case, their preferential access to the EU market will be retained. If a regional economic organization decides to negotiate an EPA, the LDC members will have to determine if they want to participate in the negotiations. If they decide to participate, they will lose their preferential access to EU markets as LDCs. If they decide not to participate, the LDCs will trade with the EU under a trade regime separate from that for the non-LDCs of the organization. In the case of the region of the Southern African Development Community (SADC), for example, the EU could have three different trade regimes, since the region consists of a developed country, LDCs, and non-LDCs. For those non-LDCs who do not feel it would be advantageous to negotiate an EPA, alternative trade arrangements (ATAs) will be considered. Such arrangements are scheduled to be considered in 2004. Non-LDCs who decide not to negotiate an EPA could be at a tremendous disadvantage because they will not know about possible ATAs until negotiations for EPAs have been underway for two years. This time frame is no doubt designed to encourage non-LDCs to negotiate EPAs.

The EC anticipates that the new WTO-compatible trade regimes will result in increased domestic and foreign investment into the ACP countries, along with technology transfer, enhanced economic relations between the EU and its ACP partners, and the development of more competitive ACP trade regimes, which will result in these countries' gradual integration into the world economy. In addition, the EU will serve as the external guarantor for "locking in" economic reforms at both the national and regional levels. In the final analysis, greater openness, along with social development policies, will result in economic development and reduction in poverty levels.<sup>58</sup>

The prospective negative consequences of EU-ACP EPAs on African countries, including those contained in 1998 EU-commissioned consultants' reports, include

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<sup>56</sup> "Impact Assessment of Economic Partnership Agreements on the Southern African Development Community (SADC) and Preliminary Adjustment Scenarios," prepared for African, Caribbean and Pacific Group of States (ACP) and Southern African Development Community (SADC), Trade and Development Studies Centre, October 2002, p. 7. See also "Draft ACP Guidelines for the Negotiations of Economic Partnership Agreements," Brussels, June 21, 2002; and "Why the EU Approach to the EPA Negotiations Is Bad for Development," Concord Cotonou Working Group, April 2004, available at <http://www.epawatch.net/general/start.php>.

<sup>57</sup> "Impact Assessment," p. 16. Also see U.K. House of Commons, "Memorandum Submitted by Traidcraft," Select Committee on International Development, Written Evidence, October 2003.

<sup>58</sup> Margaret C. Lee, *The Political Economy of Regionalism in Southern Africa* (Cape Town: University of Cape Town Press, 2003), pp. 228–29.

revenue losses, possibly resulting in a worsening of the regional debt situation; de-industrialization; increased unemployment; fragmentation of export and tariff regimes; loss of export competitiveness; dumping from industrialized countries; more trade diversion than trade creation; and undermining existing regional integration strategies.<sup>59</sup>

The assessment of the potential negative impact that EU-ACP EPAs can have on ACP countries raises questions about the reasons the EU remains committed to negotiating such agreements. Perhaps the primary explanation of the EC is that the trade preferences given to the ACP countries under the Lomé Conventions are not WTO compatible and therefore are illegal. Specifically, the EC argues that since all countries do not have the same nonreciprocal access to the EU, it discriminates between WTO member countries.<sup>60</sup> This is a violation of two indispensable principles under the GATT governing international trade—non-discrimination (the most-favored-nation principle, or MFN) and reciprocity.<sup>61</sup>

Although nondiscrimination and reciprocity are very important provisions under the WTO agreement, the 1979 Enabling Clause of GATT allows for “special and differential” treatment for developing countries. Under this clause, trade preferences can be given to such countries provided they are extended to all developing countries. Since the non-reciprocal preferences under Lomé were not extended to all developing countries, it actually violated the Enabling Clause and the MFN principle. In order to legitimize a trade agreement that is discriminatory, WTO members can seek to get a waiver of the MFN principle under WTO Article IX. From 1995 to 2000, Lomé was under an Article IX waiver.<sup>62</sup> Richard Gibb argues that if the EU were committed to maintaining ACP preferences, it could continue to secure additional WTO waivers, especially given the EU’s political influence and the numerical strength of the combined EU and ACP member states of the WTO.<sup>63</sup> The decision not to pursue this option, Gibb argues, is because the EU “supports the regulatory framework enforced by WTO rules and regulations.”<sup>64</sup>

Furthermore, Gibb disagrees with the EU argument “that multilateralism, driven by globalization and policed by multilateral agencies like the World Trade Organisation ... has served to undermine Lomé.”<sup>65</sup> Instead, he argues that “multilateral principles, and

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<sup>59</sup> “Impact Assessment”; Ademola Oyejide and Dominique Njinkeu, “African Preparation in the Context of the ACP-EU Cotonou Partnership Agreement,” *SEATINI Bulletin* 5:18, pp. 5–6; Elizabeth Sidiropoulos, “SADC, COMESA and EPAs,” *Traders* 12 (November 2002–February 2003), p. 44; Francis A.S.T. Matambalya, *The New EU-ACP Partnership: Consequences for Eastern and Southern Africa*, Political Dialogue of the Friedrich-Ebert-Stiftung Policy Studies Series no. 1 (Dar es Salaam: Mkuki na Nyota Publishers, 2001), p. 69.

<sup>60</sup> Talitha Bertelmann, *The European Union and South Africa: Reaching Agreement?* SAIIA Report no. 6 (1997), p. 18.

<sup>61</sup> Richard Gibb, “Post-Lomé: The European Union and the South,” *Third World Quarterly* 21:3 (2000), p. 466. Gibb argues that the most-favored-nation agreement is the backbone of the WTO agreement. The agreement reads, “any advantage, favour, privilege or immunity granted by any contracting party to any product originating in or destined for any other country shall be accorded immediately and unconditionally to the like product originating in or destined for the territories of all other contracting parties” (p. 467).

<sup>62</sup> *Ibid.*

<sup>63</sup> *Ibid.*, p. 478.

<sup>64</sup> *Ibid.*

<sup>65</sup> Gibb, “Post-Lomé,” p. 457.

in particular WTO compliance, are at the very centre of the present post-Lomé negotiations because the EU, indirectly supported by the U.S.A., put them there.”<sup>66</sup>

The possible consequences for regional economic integration in the SADC region are potentially catastrophic when analyzed within the context of the proposed EU EPAs that are currently being negotiated with member countries of eastern and southern Africa (ESA EPA) and the remaining southern African countries (SADC EPA). In order to understand the consequences for the SADC region, however, it is necessary to place the region in economic and political perspective.

### *Economic and Political Realities of the SADC Region*

The economic and political dynamics of the SADC region, like all regions of the world, are very complex. There are fourteen member states of SADC. Five of these states are also members of the Southern African Customs Union (SACU), and nine are members of the Common Market for Eastern and Southern Africa (COMESA). In addition, one SADC state is a member of the East African Community (EAC), and two are members of the Indian Ocean Commission (IOC). All of these regional economic organizations, with the exception of the IOC, are at various stages of market/trade integration. The SADC is implementing an FTA as a precursor to the establishment of a free trade area; SACU is a customs union; and COMESA has a free trade area. Both the EAC and COMESA are planning to become customs unions in the near future.

Added to this complexity is the Regional Integration Facilitation Forum (RIFF), which was formerly the Cross-Border Initiative. The brainchild of the World Bank and created in 1993, the RIFF is cosponsored by the World Bank, the IMF, the African Development Bank, and the EU. The major objective of the RIFF is to expedite the pace of regional economic integration in Africa through open regionalism. All participant countries are required to be involved in macroeconomic reform. Eight SADC member states are RIFF members: Malawi, Mauritius, Namibia, Seychelles, Swaziland, Tanzania, Zambia, and Zimbabwe. The COMESA Secretariat is currently responsible for facilitating the RIFF.<sup>67</sup>

In January 2000, the European Union-South Africa Free Trade Agreement (EU-SA FTA) came into force. It is anticipated that, by 2012, a free trade area will be in place between the EU and the SACU. Although Botswana, Lesotho, Namibia, and Swaziland (known as “BLNS”) were excluded from the negotiations in violation of the SACU treaty, because SACU is a customs union, the BLNS countries are de facto members of the EU-SA FTA. Numerous studies anticipated that this agreement would have adverse consequences for the economies of BLNS, including revenue losses, increased unemployment, de-industrialization, and trade diversion as cheap and more efficiently produced European goods would enter the SACU market duty free.<sup>68</sup> Some of these consequences have already been realized.<sup>69</sup>

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<sup>66</sup> Ibid.

<sup>67</sup> For more details see Lee, *The Political Economy of Regionalism*, pp. 93–96.

<sup>68</sup> See Margaret C. Lee, “The European Union–South Africa Free Trade Agreement: In Whose Interest?” *Journal of Contemporary African Studies* 20:1 (2002), pp. 81–106; Paul Goodison, “Marginalisation or Integration? Implications for South Africa’s Customs Union Partners of the South Africa–European Union Trade Deal,” Institute for Global Dialogue Occasional Paper no. 22 (October 1999); Charles Harvey, “The Impact of the Agreement on Botswana, Lesotho, Namibia and Swaziland,” in Talitha Bertelsmann-Scott, Greg Mills, and Elizabeth Sidiropoulos, eds., *The EU-SA Agreement: South Africa, Southern Africa and the*

Even prior to the implementation of the EU-SA FTA, the EU had been accused of unfair trade practices both in South Africa and in the SADC region, resulting in plant closures and increased unemployment. For example, the EU was accused of undermining the SADC beef industry and the South African canned tomato and flour industries.<sup>70</sup> The South African sugar industry has been affected by the dumping of EU sugar,<sup>71</sup> while the SADC regional sugar industry has been undermined by EU price-fixing and subsidization, according to an Oxfam report on EU sugar policies.<sup>72</sup>

Although SACU has been adversely affected by openness, in May 2003, the WTO called on the organization to “privatise, liberalise and co-ordinate trading activities on a regional level, even more rapidly than has been done so far.”<sup>73</sup> In response to the notion that liberalization results in enhanced growth and development, several South African economists and trade unionists noted that it is both silly and unrealistic to expect that lower tariffs will lead to investment.<sup>74</sup>

According to a study by the Trade and Development Studies Centre, SADC economies have weak economic structures that are lopsided, have poor manufacturing capabilities, sluggish economic growth, and have a declining share in international markets. The region has four primary sectors: mining, services, manufacturing, and agriculture.<sup>75</sup>

In addition, all the member states of the SADC region, with the exception of South Africa, Botswana, and Mauritius, are experiencing macroeconomic instability. All the countries have high unemployment levels, growing poverty, and most have an HIV/AIDS pandemic. Five countries—Lesotho, Malawi, Mozambique, Zambia, and Zimbabwe—continue to need food aid, while two countries—the Democratic Republic of the Congo (DRC) and Zimbabwe—are politically unstable. Several other SADC member states—namely, Angola, Malawi, Swaziland, and Lesotho—are experiencing challenges to the institutionalization of democracy.

#### *Implications of EPAs for Regional Integration in Southern Africa*

Given the above-mentioned economic and political realities in the SADC region, what impact will EU EPAs have on regional integration in Southern Africa? First of all, EU EPAs will be divisive. Sixteen countries in eastern and southern Africa have agreed to negotiate an EU-ESA EPA. They include four SADC/COMESA countries (the DRC, Malawi, Zambia, and Zimbabwe), five COMESA countries (Burundi, Djibouti, Eritrea, Rwanda, and Sudan), two IOC/COMESA countries (Comoros and Madagascar), two SADC/IOC countries (Mauritius and Seychelles, which is scheduled to withdraw from SADC), and two COMESA/EAC countries (Kenya and Uganda). In the meantime, the

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*European Union* (Johannesburg: SAIHA, 2000); *Study to Assess the Economic Impact of the Proposed European Union–South Africa Free Trade Agreement on Botswana, Lesotho, Namibia and Swaziland*, Institute of Development Studies and Botswana Institute of Development (December 1998).

<sup>69</sup> See, for example, Christof Maletsky, “Namibia Warns of SACU Cash Shortfall,” *Business Day*, June 25, 2003; World Markets Research Center, September 2003, [www.worldmarketsanalysis.com](http://www.worldmarketsanalysis.com).

<sup>70</sup> For more details see Lee, “European Union–South Africa Free Trade Agreement,” 2002.

<sup>71</sup> Elizabeth Sidiropoulos, “SADC, COMESA and EPAs,” p. 44.

<sup>72</sup> Farah Khan, “E.U. Policies Keep the Poor Poor,” *Terraviva*, August 28, 2002.

<sup>73</sup> “SACU/SADC—Praise and a Liberal WTO Recipe,” Kenya, Factiva, Africa Analysis, May 8, 2003.

<sup>74</sup> *Ibid.*

<sup>75</sup> “Impact Assessment,” pp. 11, 52.

remaining SADC countries will negotiate an EU-SADC EPA. These countries include two SADC/SACU countries (Botswana and Lesotho), two SADC/SACU/COMESA countries (Namibia and Swaziland), one SADC country (Mozambique), one SADC/COMESA country (Angola), and one SADC/EAC country (Tanzania).<sup>76</sup> Since South Africa already has an FTA with the EU, it can only be an observer to the negotiations. The nature of the negotiations for an EU-SADC EPA will be very interesting, since the BLNS countries, as previously mentioned, are de facto members of the EU-SA FTA.

In order for the EU to negotiate an EPA with the ESA group or the SADC group, these two entities would have to be transformed into customs unions.<sup>77</sup> This means that eastern and southern Africa would have to be reconfigured into two new regional economic blocs consisting of the newly formed ESA group and the SADC group. This is not realistic. Although in order for regional economic integration to be successfully implemented in Africa the number of regional economic organizations would need to be rationalized, such rationalization will have to be determined by African governments, not by an external entity. The plethora of regional economic organizations exists for political and economic reasons, and African leaders are aware of the problems created by overlapping membership in these organizations. The plan by the EU to negotiate EPAs with these two newly created blocs can only result in enhanced political and economic divisions among countries in eastern and southern Africa.

In terms of enhanced regional economic integration among the SADC member states, various critics have noted that an EPA would only serve to undermine such integration.<sup>78</sup> Among the criticisms is that an EPA would (1) create further political divisions, since the LDCs, if they decided not to participate in the negotiations, would have the opportunity to trade with the EU under a more advantageous regime than the non-LDCs; (2) undermine the current efforts by SADC to create a free trade area; (3) further fragment the regional tariff structure, with EU goods entering the region under different tariff regimes; and (4) hinder trade diversification with other ACP countries.<sup>79</sup> If two different EPAs are actually implemented, there will be a geographical, economical, and political reconfiguration of eastern and southern Africa.

In general, EPAs will likely result in (1) Africa's further marginalization within the world economy, (2) African markets being flooded with cheaper and more efficiently produced European products, (3) the undermining of regional economic integration, and (4) the stifling of efforts to increase intra-Africa trade. The proposed EPAs are potentially counterproductive to development, a factor that would contradict the G8 Africa Action Plan. In the final analysis, the EPAs could result in the EU's having greater market access to African countries than under the WTO.

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<sup>76</sup> See "East and Southern Africa' Group," *Trade and Development Update* 3:2 (December 2003), for the listing of these countries.

<sup>77</sup> iLEAP, "Negotiating EPAs between African Sub-regions and the EU; "Some Concrete Suggestion on Market Access," *Trade Negotiations Insights* 3:4 (July 2004), pp. 2-3.

<sup>78</sup> See Gibb, "Post-Lomé," p. 476; "Impact Assessment," pp. 15, 24; Sidiropoulos, "SADC, COMESA and EPAs," p. 44; "Cotonou and Southern Africa: Issues Affecting an Optimal Regional Economic Partnership Agreement," revised report submitted to DFIF, Institute of Development Studies/Botswana Institute for Development Policy Analysis (April 17, 2002), pp. 10-12.

<sup>79</sup> "Impact Assessment," pp. 15, 24; Gibb, "Post-Lomé," p. 476; Sidiropoulos, "SADC, COMESA, and EPAs," p. 44; "Cotonou and Southern Africa," p. 4.



The financial and technical resources currently being spent on forcing African countries to negotiate EPAs should be discontinued. If the EU is going to play a constructive role in the economic development of Africa in the area of trade and regional integration, trade-distorting subsidies should be removed, African producers should be given greater access to EU markets, open regionalism should be rejected as a conduit for economic development or for possibly locking in economic reforms, and economic structural transformation should become the major focus of EU involvement in Africa.

#### *The African Growth and Opportunity Act*

The African Growth and Opportunity Act (AGOA) was signed into law on May 18, 2000. Its current objectives, as outlined by the Bush administration, include the promotion of free markets, the expansion of U.S.-African trade and investment, the stimulation of economic growth, and enhancing sub-Saharan Africa's integration into the world economy.<sup>80</sup> Through AGOA, the United States aims to (1) reinforce political and economic reform in Africa, (2) provide African countries with greater access to technical assistance and trade-finance facilities, and (3) enhance dialogue between the United States and sub-Saharan Africa on trade- and investment-related issues.<sup>81</sup> Other objectives of AGOA include capacity building, providing support for regional integration, and the creation of FTAs with African countries or regions.<sup>82</sup>

In 2004, there were thirty-seven AGOA-eligible countries,<sup>83</sup> although in 2003 there had been thirty-eight. At the end of 2003, the Central African Republic and Eritrea lost their eligibility, while Angola became eligible. AGOA-eligible countries must have market-based economies, maintain the rule of law, remove barriers to U.S. trade and investment, promote poverty-reduction policies, and implement anticorruption and bribery policies. In addition, countries must support internationally recognized human rights, not support acts of international terrorism, and not be involved in undermining U.S. national security or foreign policy interests.<sup>84</sup>

Under AGOA, the General System of Preferences (GSP), which included 4,650 products, was extended until September 30, 2008. In addition, 1,835 new items were added to the GSP, and new provisions were implemented that allowed qualifying apparel articles to be given duty-free and quota-free treatment, along with certain textile or apparel articles that are certified to be handmade or handloomed or are folklore items.<sup>85</sup> These provisions apply only to AGOA beneficiary countries.

The AGOA textiles and apparel provision is perhaps the most important part of the act. Under what is now referred to as AGOA I, preferential treatment is given to

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<sup>80</sup> Office of the United States Trade Representative (USTR), *2004 Comprehensive Report on U.S. Trade and Investment Policy toward Sub-Saharan Africa and the Implementation of the African Growth and Opportunity Act* (Washington, DC: USTR, May 2004), p. 2.

<sup>81</sup> *Ibid.*, p. 4.

<sup>82</sup> *Ibid.*, pp. 3 and 20.

<sup>83</sup> These countries include Angola, Benin, Botswana, Cameroon, Cape Verde, Chad, Republic of Congo, Democratic Republic of the Congo, Ivory Coast, Djibouti, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, and Zambia.

<sup>84</sup> USTR, *2004 Comprehensive Report*, p. 7. For a complete list of the eligibility requirements see p. 124.

<sup>85</sup> *Ibid.*, p. 8.

certain textiles and apparel from sub-Saharan African countries. The act divides textiles and apparel into two categories. The first consists of items made from U.S.-source wholly formed yards and fabrics; these are to have duty-free and quota-free entry to the U.S. market without restrictions. For these items, African countries have to first import yarn and fabric from the United States, make the garments in sub-Saharan Africa, and then export the finished products to the United States.

The second category consists of items made from wholly formed yarns made in an AGOA beneficiary country. For these items, preferential treatment would be provided until 2008. There was a caveat, however, which stipulated that such apparel articles could total only 1.5 percent of all apparel articles imported into the United States commencing on October 1, 2000, and could not exceed 3.5 percent by September 30, 2008. For lesser-developed countries, a provision was made stipulating that they could export apparel articles to the United States made from fabric made in any country through September 30, 2004. A lesser-developed country was defined in the act as one whose per capita gross national product was less than \$1,500 in 1998. Finally, this preferential treatment was to be maintained as long as imported items did not compete with goods produced in the United States. If this occurred, the duty-free access given to AGOA beneficiary countries would be terminated.<sup>86</sup>

On August 6, 2002, President George W. Bush signed into law AGOA II, which doubled the quota that African countries could export to the United States under the second category above (from 3.5 percent to 7 percent by September 30, 2008). In addition, Botswana and Namibia were reclassified as lesser-developed countries. Finally, AGOA II allowed knit-to-shape apparel to qualify as an AGOA benefit, and fabrics that are hybrid cut were no longer considered to be AGOA ineligible.<sup>87</sup>

In an effort to extend AGOA benefits, on July 13, 2004, President Bush signed the AGOA Acceleration Act of 2004 (AGOA III). AGOA III extends the entire AGOA program until 2015 and allows the lesser-developed countries to source fabric from non-AGOA beneficiary countries until September 30, 2007.<sup>88</sup> There are currently twenty-four SSA textiles and apparel beneficiary countries.<sup>89</sup>

The remainder of this section consists of an analysis of the implementation of AGOA and the proposed U.S.-SACU FTA.<sup>90</sup>

### *An Analysis of the Implementation of AGOA*

In 2001, there was a 46.6 percent increase in U.S. imports from AGOA-eligible countries. Of the \$7.6 billion worth of goods imported, however, “\$3.7 billion was liquid natural

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<sup>86</sup> United States Congress, *Trade and Development Act of 2000*, January 24, 2000, pp. 9–10.

<sup>87</sup> “AGOA—Before and After,” available at [http://www.agoa.gov/faq/Agoa\\_comparison\\_table.pdf](http://www.agoa.gov/faq/Agoa_comparison_table.pdf).

<sup>88</sup> See “Summary of AGOA Acceleration Act of 2004—AGOA III,” at [http://agoa.gov/agoa\\_legislation/3.html](http://agoa.gov/agoa_legislation/3.html), for a summary of AGOA III.

<sup>89</sup> These countries include Benin, Botswana, Cameroon, Cape Verde, Ivory Coast, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, and Zambia.

<sup>90</sup> Parts of these two sections have been previously published in Margaret C. Lee, “America’s Trade Adventure in Africa: AGOA and the Implications of a U.S.-SACU FTA,” Africa Institute Occasional Paper no. 73 (Pretoria: Africa Institute of South Africa, 2004), pp. 7–15.

gas, \$2.8 billion was crude oil and \$271.5 million was refined petroleum products.”<sup>91</sup> The remaining products accounted for less than 10 percent of total imports. Thus, the overwhelming quantity of energy products imported under AGOA seriously distorted all averages.<sup>92</sup>

In its March 2003 “U.S.-African Trade Profile,” the U.S. Department of Commerce reported that in 2002, U.S. imports from sub-Saharan Africa fell by 15.7 percent to \$17.9 billion. This represented a decline in imports from South Africa by over 9 percent and from Nigeria by an estimated 33 percent. Of this \$17.9 billion, \$11 billion was accounted for by imports of crude oil, which represented 63 percent of all U.S. imports from the region. Eighty-two percent of all U.S. imports came from only four countries—Nigeria, South Africa, Gabon, and Angola. Three of these countries are oil exporters, while imports from South Africa primarily consisted of diamonds, platinum, and motor vehicles. Apparel imports were the second-largest source of goods from sub-Saharan Africa, followed by unwrought platinum and diamonds.<sup>93</sup>

Although U.S. imports from the region fell by 15.7 percent, the U.S. Department of Commerce reported that AGOA imports actually increased by 10 percent to \$9 billion. Five countries accounted for 93 percent of AGOA utilization in 2002—Nigeria (\$5.4 billion), South Africa (\$1.3 billion), Gabon (\$1.1 billion), Lesotho (\$318 million), and Kenya (\$129.2 million). Of the total, \$6.8 billion was accounted for by petroleum products, \$803.3 million by textiles and apparel (which was more than double the 2001 level), \$544.7 million by transportation equipment (primarily South African passenger cars, which saw an 81 percent increase), and \$212.4 million by agricultural products (which saw a 38 percent increase).<sup>94</sup>

Of the \$25.6 billion imported from the region in 2003, 55 percent consisted of AGOA imports, or approximately \$14 billion. Of this, over \$11 billion, or 80 percent, consisted of petroleum products. Less than \$3 billion consisted of nonpetroleum products—textile and apparel (\$1.2 billion), transport and equipment (\$742 million), and agriculture (\$241 million). They represent an increase over 2002 AGOA imports of 50 percent, 34 percent, and 13 percent, respectively.<sup>95</sup>

The limited AGOA nonpetroleum benefits to date can be explained by the reality that, according to a United Nations Conference on Trade and Development (UNCTAD) report, the benefits arising from the AGOA preferences are only a modest expansion over the preferential treatment enjoyed by sub-Saharan African countries under the GSP. Consequently, with the exception of textile and apparel products, the net effect will likely be small, with no significant increase in Africa’s access to the U.S. market.<sup>96</sup>

The increased benefits in textile exports stem from the significant trade barriers (high tariffs and quotas) imposed against this sector prior to AGOA. Unlike tariff preferences, which often have limited benefits, preferential quota treatment can prove to

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<sup>91</sup> United Nations Conference on Trade and Development (UNCTAD), “The African Growth and Opportunity Act: A Preliminary Assessment” (New York and Geneva: United Nations, April 2003), p. 9.

<sup>92</sup> Ibid.

<sup>93</sup> United States Department of Commerce, “U.S.-African Trade Profile” (Washington, DC: March 2003), pp. 10–11.

<sup>94</sup> Ibid., pp. 10–11 and 14.

<sup>95</sup> United States Department of Commerce, “U.S.-African Trade Profile” (Washington, DC: April 2004), pp. 1–2.

<sup>96</sup> UNCTAD, “The African Growth and Opportunity Act,” pp. 1 and 7.

be very beneficial.<sup>97</sup> The benefits of the duty- and quota-free treatment given to some textile and apparel imports under AGOA, however, will likely be limited, according to UNCTAD, for three reasons. The first is related to quota-free imports. Specifically, prior to AGOA, quota restrictions were imposed on only two sub-Saharan countries (Kenya and Mauritius), and therefore for most countries, nothing has changed. A projected significant increase in exports to the United States would be realized, however, if they were allowed both duty- and quota-free entry.<sup>98</sup> The second issue relates to the scheduled ending of the Multifiber Arrangement (MFA) quota regime in 2005. With the ending of the MFA, the benefit of a quota-free system will vanish, forcing sub-Saharan countries to compete equally with other textile and apparel producers. Although African countries will continue to have preferential tariff treatment, this will not guarantee the survival of all producers.<sup>99</sup> The third, and perhaps most important, issue is the AGOA strict rules of origin for textile and apparel products. The rules were defined in the aftermath of extensive bargaining in the U.S. Congress. As a consequence, AGOA's approval was delayed for three years.<sup>100</sup>

According to a report by Bread for the World, the most significant impact that AGOA could have is to expand market access and lower trade barriers for agricultural products from Africa. This could potentially raise the income levels of an estimated six million Africans and reduce overall hunger and poverty.<sup>101</sup>

#### *SACU and a Potential Free Trade Agreement with the United States*

An FTA with the United States will likely only exacerbate the current economic problems the SACU member states are facing. Such an agreement, according to Mile Samson of the Economic Policy Research Institute in South Africa, "would probably entail opening up markets, which 'involves painful restructuring'. The threat is of factory closures and job losses as companies move to capital-intensive production."<sup>102</sup> He further notes that, since there are usually both winners and losers with trade liberalization, the poor countries are often the losers.<sup>103</sup>

In addition to the above, it has been suggested that South Africa could become a dumping ground for U.S. subsidized goods.<sup>104</sup> Not only will this have a negative impact on the BLNS countries, but due to the porous borders in the region, cheap U.S. goods will also likely penetrate the markets of other SADC countries. This will result in the further undermining of regional economic integration, decreasing the potential for increased intra-SADC trade.

Obviously, by the mere fact that the SACU countries have begun negotiating a U.S.-SACU FTA, they feel there are positive benefits to be gained. Specifically, they believe that an FTA with the United States will result in enhanced investment, the promotion of development, and the diversification of "SACU's exports by product and by

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<sup>97</sup> Ibid., p. 6.

<sup>98</sup> Ibid., p. 6 and footnote 10.

<sup>99</sup> Ibid., p. 7.

<sup>100</sup> Ibid., p. 21.

<sup>101</sup> Bread for the World, "AGOA 2003 and African Agriculture," January 8, 2003.

<sup>102</sup> Mile Samson, cited in Thebe Mabanga, "A Free Lunch with a Catch," *Mail and Guardian*, November 22-28, 2002.

<sup>103</sup> Ibid.

<sup>104</sup> Andile Mazwai, "SA Must Look Past Bush's Antics," *Business Day*, July 9, 2003.

markets.” There is also a fear, however, that if such an agreement is not made, SACU products will not remain competitive in the U.S. market. In addition, such products might be challenged with respect to having access to the U.S. market. This grows out of the realization that the United States is planning to negotiate FTAs with numerous other developing countries, in addition to the ones that have already been negotiated.<sup>105</sup> At the same time, the SACU member states are aware of “the potential challenge the FTA will pose to SACU industries, underscoring the need to translate the principles of special and differential treatment and asymmetry into concrete outcomes that favor SACU industrial development programmes.”<sup>106</sup>

Another reason the South African government gives for negotiating an FTA with the United States is because AGOA is not permanent, although, as noted above, it has been extended to 2015. Therefore AGOA is not deemed to represent a framework for a long-term commercial relationship with the United States.<sup>107</sup> In addition, the discretion given to the U.S. president to reverse AGOA benefits if an increase in imports has a negative effect on a particular sector in the United States is problematic. South Africa is well aware of this problem. For example, in June 2002, President Bush considered reimposing on canned pears from South Africa a 15 percent tariff that had been removed as a result of AGOA. This was under consideration because pear growers in the United States had petitioned the office of the trade representative to reinstate the tariff.<sup>108</sup> In the end, the U.S. government decided not to reimpose the tariff on South African pears. To do otherwise would have no doubt sent a very bad message to African countries. This was particularly the case in light of the reality that South African canned apricots, peaches, and mixed fruit are not eligible for AGOA benefits.<sup>109</sup>

In terms of the U.S. government’s objectives with respect to a U.S.-SACU FTA, Zoellick notes that “As you are aware, the Administration is committed to bringing back trade agreements that open markets to benefit our farmers, workers, businesses, and families. With the Congress’ continued help, we can move promptly to advance America’s trade interests.” He continues, arguing,

We plan to use our negotiations with the SACU countries to strengthen growing bilateral commercial ties and to address barriers in these countries to U.S. exports—including high tariffs on certain goods, overly restrictive measures, inadequate protection of intellectual property rights, and restrictions the SACU governments impose that make it difficult for our services firms to do business in these markets.

In terms of textiles and apparel, where Africa in general and the SACU countries in particular have benefited the greatest from AGOA, there are plans to “pursue fully reciprocal access to the SACU market for U.S. textile and apparel.”

AGOA has, to a limited degree, increased the market access for a select number of African countries to the U.S. market. The majority of U.S. exports from Africa under

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<sup>105</sup> Xavier Carim and Victor Mashabela, “SACU-United States Free Trade Area,” South Africa Department of Trade and Industry, n.d., pp. 6–7.

<sup>106</sup> *Ibid.*, p. 7.

<sup>107</sup> *Ibid.*, p. 6.

<sup>108</sup> Edward Alden, “U.S. Pear Growers May Bite into African Trade,” at <http://squawl.ca/ibotalk/0207/0013.html>.

<sup>109</sup> *Ibid.*

AGOA, however, have been in the energy sector. In terms of new exports to the U.S., the African textiles and apparel sector has experienced the most significant benefits from AGOA. Major barriers, however, remain in place for African farmers to export agricultural products to the United States. This is the sector, however, that will have the greatest benefit to contributing to the eradication of poverty. In this regard, AGOA has been a major disappointment.

The proposed U.S.-SACU FTA will likely undermine increased access to the U.S. market as a result of AGOA. The move from a nonreciprocal trade agreement to a reciprocal one means that many U.S. products will likely be dumped in southern Africa. There will be negative consequences for all the SACU countries, and regional integration in the SADC region will likely be compromised. This proposed agreement does not appear to be in the best interest of the SADC region.

The increased access to the U.S. market that has been experienced by a select group of African countries as a result of AGOA should be expanded. The U.S. government should work diligently to help develop the capacity of African farm producers to increase agricultural exports to America. It is indeed commendable that AGOA III has been signed into law. This reflects a growing commitment on the part of the U.S. government to continue to increase Africa's access to the U.S. market. As previously mentioned, sub-Saharan Africa needs more than trade liberalization (neoliberal orthodoxy) to arrest its further marginalization within the world economy. Serious resources need to be allocated to foster economic development, including trade diversification. Investment must be made in new technological development for the region. Although leveling the playing field for sub-Saharan products will certainly help to alleviate poverty, without trade diversification the region will remain marginalized within the world economy. Nonetheless, the removal of U.S. trade-distorting subsidies will make a contribution toward reversing the current trend.

Finally, FTAs with African regional economic organizations (open regionalism) will not likely foster development. Such arrangements, as indicated above, will serve to undermine African trade regimes and destabilize efforts at regional economic integration. Also, there is no indication that a U.S.-SACU FTA will result in the SACU member states experiencing significant economic gains as proposed by open regionalism theory. As noted in the first section of the paper, the World Bank questions whether FTAs between the United States and African regions are realistic, since the United States does not have a vested interest in African migration and economic growth (like it has with Mexico).

### *Conclusion*

This paper has attempted to provide an assessment of the G8 commitment to Africa under the Africa Action Plan adopted by the G8 in June 2002.

Although the recent accords reached in Geneva, as well as the promises made by both the United States and EU to reform their trade regimes, along with the U.S. government's extension of the entire AGOA program to 2015, are commendable, this paper argues that there are other measures that should be implemented to reinforce the G8's commitment to trade and regional integration in Africa.

With respect to multilateral trade, it is highly recommended that measures be taken immediately to provide the poorer WTO member states with greater access to the

markets of G8 countries. Given the numerous studies indicating that such access can result in poverty reduction, the G8 members would make a powerful statement regarding their commitment to arresting Africa's further marginalization by providing the countries of sub-Saharan Africa with special trade-related treatment.

In terms of the EU and EPAs, it appears that they are going to be counterproductive to economic development. Therefore, it is recommended that the EU abandon the idea of creating EPAs with African regions and instead concentrate on removing EU trade-distorting subsidies and providing needed resources to foster economic structural transformation in Africa.

The U.S. government can strengthen its commitment to trade and regional integration in Africa by the removal of trade-distorting subsidies and expanding AGOA provisions that will allow more African agricultural products to enter the U.S. market. Also, resources should be allocated to enhance trade diversification. The latter is very important in light of the reality that, without trade diversification, Africa will likely remain marginalized within the world economy. Finally, FTAs between the United States and African regions will not likely result in significant economic gains for the latter. The resources being expended, for example, on the negotiations for a U.S.-SACU FTA could be better used on enhancing economic development in southern Africa.

In the final analysis, when sub-Saharan Africa's economic position is placed in perspective—when one considers that the entire economy of the region is the equivalent of Belgium's—providing G8 countries with greater access to the markets of these mostly impoverished countries through FTAs can only result in Africa's further marginalization within the world economy. It is therefore morally incumbent upon the G8 to rethink the neoliberal orthodoxy of trade liberalization and open regionalism in order to save sub-Saharan Africa from descending into an abyss.

MAKING CONFLICT RESOLUTION AND PREVENTION IN AFRICA A “TOP PRIORITY”:  
THE G8 AFRICA ACTION PLAN AND CONSIDERATIONS FOR SEA ISLAND

*Victoria K. Holt*

At the G8 summit at Kananaskis, Canada, in June 2002, participating nations turned their sights toward Africa, establishing an ambitious Africa Action Plan (AAP).<sup>1</sup> Stating that Africa had been “undermined or destroyed by conflict and insecurity,” G8 nations pledged that they were “determined to make conflict prevention and resolution a top priority.” Emphasis was placed on supporting African-led initiatives to quell armed conflict, develop peace-building and organize peace operations. The summit built on the New Partnership for Africa’s Development (NEPAD), the African-led plan to tackle continental issues, welcoming it as a “bold and clear-sighted vision.” The AAP committed members to support goals in line with NEPAD, both as individual and collective actions, and through their membership in international institutions.<sup>2</sup>

As a preview for the Sea Island, Georgia, Summit in June 2004, this paper looks at G8 commitments within the AAP regarding peace and security. G8 members have set ambitious goals for conflict prevention in seven areas—with multiple subtopics and benchmarks—over the next few years and through 2010. These broad commitments include support to efforts that prevent and resolve armed conflict and promote peace-building; to develop African regional and subregional capacities to conduct peace support efforts; to curb the illegal arms trade; to eliminate anti-personnel land mines; to address the link between conflict and exploitation of natural resources; and to increase protection for war-affected populations, especially women and children.

Two years since the AAP’s launch, however, G8 nations have not put Africa at the top of their foreign policy agenda. More attention is focused on terrorism, the U.S. occupation of Iraq and its aftermath, geopolitical repercussions in the Middle East, and diverse regional and economic challenges from Southwest Asia to trade. Yet as the Canadian government argues, support for NEPAD and the G8 goals for Africa remains important and timely:

While conflicts in the Middle East and Afghanistan continue to be the primary focus of global media attention, the human toll of armed conflict remains highest in Africa. Over the past decade, 77 percent of all worldwide deaths relating to war and armed conflict have been in Africa. Half of the continent’s countries have been directly or indirectly affected by armed conflict and 20 percent of all Africans have been directly impacted. The 6 million refugees and internally displaced people in Africa represent 28 percent of the global total.<sup>3</sup>

Africa has been challenged by multiple crises over the last two years: multiparty and ethnic violence in the Democratic Republic of the Congo (DRC); a coup and its aftermath

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<sup>1</sup> The G8 comprises the major industrialized democracies: Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States. Meetings have also included representatives of the European Union, selected leaders from Africa, and the UN secretary-general.

<sup>2</sup> The 2002 statement said, “Our Africa Action Plan is the G8’s initial response, designed to encourage the imaginative effort that underlies the NEPAD and to lay a solid foundation for future cooperation.”

<sup>3</sup> Canadian International Development Agency, “Canadian Peace and Security Initiatives,” available at [http://www.cida.gc.ca/cida\\_ind.nsf/vall/2](http://www.cida.gc.ca/cida_ind.nsf/vall/2).



in Ivory Coast; ethnic attacks and horror in Sudan; the conflict and subsequent expulsion of Charles Taylor in Liberia; Robert Mugabe's rule in Zimbabwe; the massacres by the Lord's Resistance Army in Uganda; and ongoing efforts to encourage or sustain peace in Ethiopia and Eritrea, Guinea, Sierra Leone, Burundi, and along the Nigeria-Cameroon border, among others. Such challenges can also showcase leadership. In response to these conflicts, the G8, African leaders, the UN and regional and subregional organizations have taken action with mediation, peacekeeping, and support for peace-building.

This paper considers G8 commitments on peace and security two years after Kananaskis, focusing almost exclusively on the aspects of the AAP centered on armed conflict: African capacity for peace operations through regional and subregional organizations, peace-building, and support from international organizations, especially the United Nations and external partners.<sup>4</sup> This focus frames many important measures in the plan—such as disarmament, demobilization, and reintegration (DDR), dealing with spoilers and illicit trade, and addressing civilian protection and land mines—which the international community supports via programs and institutions in Africa but which are not addressed here.<sup>5</sup> The UN agenda encompasses these measures, for example, and increasingly integrates them into the UN's planning and management of multidimensional peace operations.<sup>6</sup>

In considering G8 compliance, success or failure is somewhat elusive: The G8's own benchmarks include few timelines, little by which to evaluate G8 activity or African capacity, and no baseline by which to judge "success" in supporting African capacity. How, then, are G8 actions measured against their goals of reducing conflict? What is the baseline behind the G8's own commitments? Are the action items based on clear gaps, on what the G8 could offer, or on some analysis of where valuable assistance was most needed? The AAP is roughly two years old, but it is hard to identify and attribute measurable shifts in conflict resolution directly to actions by the G8 and African actors. With these questions in mind, this paper looks first at Evian, which launched the AAP; second, looks broadly at recent efforts by international, G8, and African actors to engage in peace operations in Africa, as well as considers the capacity for such operations; and finally, offers recommendations for meeting the G8 goals in light of the upcoming summit in Sea Island, Georgia, and its framework of prosperity, freedom, and terrorism. The G8 gathering will be especially timely for considering these questions, coming at the tenth anniversary of the genocide in Rwanda, when over 800,000 people were killed.

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<sup>4</sup> Primarily Sections 1.1., 1.2, and 1.6 of the Africa Action Plan (2002).

<sup>5</sup> The breadth of the goals set forth by the G8 in 2002 and reaffirmed in Evian in 2003 is striking. Reporting on all the details of each section and subsection by each member, however, is beyond the scope of this paper: basic data is not readily available on all aspects and the task is huge, as demonstrated by the University of Toronto's G8 Research Group's May 2003 report, which covered only one subset of one of the seven sections dealing with peace and security. See [http://www.library.utoronto.ca/g7/evaluations/2003evian\\_comp\\_interim/index.html](http://www.library.utoronto.ca/g7/evaluations/2003evian_comp_interim/index.html).

<sup>6</sup> See, for example, UN Department of Peacekeeping Operations (DPKO), *Handbook on United Nations Multidimensional Peace Operations*, Peacekeeping Best Practices Unit, December 1, 2003, available at <http://www.un.org/Depts/dpko/lessons/>.

*Looking at the G8 Commitments: Capacity and Support for Peace Operations*  
Kananaskis 2002

Before considering Sea Island, it is worth looking at the Kananaskis commitments made in 2002. G8 members' African personal representatives worked with African leaders to produce the AAP at the Kananaskis Summit, which committed each G8 member to its priorities. Within it, three areas of "engagement" were aimed at supporting Africa's ability to deal with armed conflict and peace operations.<sup>7</sup> They include pledges to help<sup>8</sup>

- Resolve the principal armed conflicts in Africa, such as in the DRC, Sudan, Angola, and Sierra Leone within the next year (2003); assist disarmament, demobilization, and reintegration programs; support postconflict development in the Great Lakes region and Sudan; and endorse the UN secretary-general's proposals to set up contact groups and similar mechanisms to work with African countries to resolve specific African conflicts.
- Provide technical and financial assistance to enable African countries and regional and subregional efforts to better prevent and resolve violent conflicts and undertake peace operations by 2010, including a joint plan by 2003 to further support that goal; train African forces and civilians for such efforts; and better coordinate the respective peacekeeping training initiatives.
- Provide more effective peace-building support to societies emerging from or seeking to prevent armed conflicts, including African-led reconciliation efforts, preconflict and postconflict initiatives, collaboration among donors and international institutions, DDR of former combatants, the collection and destruction of small arms, and addressing the special needs of women and children, including child soldiers.

The commitments also covered other aspects of conflict, including combating criminal networks, spoilers, land mines, and natural resource exploitation, and strengthening civilian protection. In particular, the G8 measures call for G8 members to help<sup>9</sup>

- Better regulate arms brokers and traffickers (with the UN) to eliminate the flow of illicit weapons to and within Africa, use common guidelines to prevent the illegal supply of arms, and provide assistance in regional trans-border cooperation;
- Eliminate and remove antipersonnel mines;
- Address the link between armed conflict and natural resources exploitation (e.g., mineral resources, petroleum, timber, and water), with civil society and others, through UN and other initiatives, voluntary control efforts such as the Kimberley Process for diamonds and principles of corporate social responsibility, better

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<sup>7</sup> In the spring of 2004, the government of Canada's website on the G8 and the Africa Action Plan stated that there will again be "a dedicated network of African Personal Representatives" at the Sea Island Summit. These representatives were announced at the Genoa Summit in 2001 and worked with representatives of African leaders to develop a G8 action plan in response to NEPAD. By mid-April 2004, the United States had not announced invitations to any African leaders for the 2004 summit in Georgia.

<sup>8</sup> Sections 1.1, 1.2, and 1.6 of the Africa Action Plan.

<sup>9</sup> Sections 1.3, 1.4, 1.5, and 1.7 of the Africa Action Plan.

- accountability and transparency in the import or export of Africa's natural resources from areas of conflict, and promotion of regional management of trans-boundary natural resources (e.g., supporting the Congo Basin Initiative and trans-border river basin commissions); and
- Protect and assist war-affected populations, facilitating the implementation in Africa of UN Security Council resolutions relating to civilians, women, and children in armed conflict and supporting African countries that are hosting, assisting, and protecting large refugee populations.

### Evian 2003

The following year at the G8 summit in Evian, peace operations drew even more emphasis with the follow-up "Implementation Report" to leaders on the AAP, which was presented and endorsed with an annex on "Joint Africa/G8 Plan to Enhance African Capabilities to Undertake Peace Support Operations."<sup>10</sup> The annex included an assessment of the G8 measures for peace and security, with more specific goals and achievements. (For example, the annex pointed out that NEPAD focused on building African institutional capacity for early warning, prevention, management, and resolution of conflict.)

The assessment focused on one area of the 2002 commitments (Section 1.2), however, in which the G8 pledged to provide technical and financial assistance for an African capacity by 2010 for peace-support operations. Further, it noted that G8 leaders agreed to pursue three "key, inter-related actions" to implement this commitment: (1) creation of a joint plan by 2003 for the development of African capability to undertake peace-support operations, including at the regional level; (2) training African peace-support forces, including through the development of regional centers of excellence for military and civilian aspects of conflict prevention and peace support, such as the Kofi Annan International Peacekeeping Training Centre; and (3) coordinating better peacekeeping training initiatives.

Without referencing the other six AAP sections on peace and security, the 2003 annex report suggested measures to increase African capacity to prevent and resolve conflicts and to run peace operations. These included establishing regional logistic depots, enhancing regional peace-training centers, and supporting joint exercises and regional peace efforts. The report argued that donors needed a database to track their activities in support of capacity development for complex peace operations and related activities. G8 and African partners were interested in accepting a UN offer to build a database on peacekeeping training assistance (originally set up in 1996 and run by the Training and Evaluation Service of the UN's Department of Peacekeeping Operations) through a linked website.<sup>11</sup> For the near term, added recommendations included the following:

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<sup>10</sup> Document available on the G8 website for Evian, [http://www.g8.fr/evian/english/navigation/2003\\_g8\\_summit/summit\\_documents/implementation\\_report\\_by\\_africa\\_personal\\_representatives\\_to\\_leaders\\_on\\_the\\_g8\\_african\\_action\\_plan.html](http://www.g8.fr/evian/english/navigation/2003_g8_summit/summit_documents/implementation_report_by_africa_personal_representatives_to_leaders_on_the_g8_african_action_plan.html).

<sup>11</sup> At the UN website for DPKO's TES, the section on the database is "under construction."

- *African Union (AU) Consultation*: Have an AU-hosted annual consultation on capacity building with donors and peace and security institutions, as well as smaller experts meetings for more detailed strategies;
- *UN Linkages*: Build support so that the UN can continue outreach to the AU and also develop partnerships for planning and strategic management capabilities (could also address options to fund African-led missions);
- *Stand-by High Readiness Brigade (SHIRBRIG) Links*: Support the AU and regional organizations in learning more about the SHIRBRIG as a model for the African Standby Force; and
- *Capacity Mapping*: Development of the UN website.

The Evian report recognized actions by individual African states, the AU, some African regional organizations, the UN and individual donors (both G8 and non-G8). It also pointed out that increasing African capacity required first determining what was needed to meet the African goals, and then assessing current African state abilities, identifying capacities available to African peace-support operations, identifying the gaps or weakness, and finally, determining how to fill those gaps. The “Chairman’s Summary on Africa” from Evian thus urged action on these items and review of these options no later than 2005.<sup>12</sup>

### *Looking at Implementation*

What have G8 nations done to meet their goals? This paper next considers their efforts to help to resolve conflicts in Africa, to assist in training, and to provide support to African-led initiatives.

### Resolving Conflicts

G8 proposals to increase African capacity for peace operations and conflict resolution raise the question of whether these initiatives are aimed at building greater overall capacities to deal with conflict, or are intended to reduce the burdens for peace operations or direct involvement in Africa for developed states. It is a fair question, given the overall reduction in developed states’ participation in UN-led peace operations, which are disproportionately in Africa.

From 1991 to 1998, four of the five permanent members of the UN Security Council (the United Kingdom, France, Russia, and the United States) were among the top twenty nations contributing to UN peace operations and provided about 17 percent of the personnel deployed for those operations. During 1999–2003, only two (the United

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<sup>12</sup> The summary stated, “Our discussions with the Presidents of Algeria, Nigeria, Senegal, and South Africa, the Leaders of countries represented on the NEPAD Steering Committee, demonstrated our common will to contribute to the development of Africa. We endorsed the report prepared by our Africa Personal Representatives. We agreed to widen our dialogue to other African Leaders on NEPAD and the G8 Africa Action Plan. We invite interested countries and relevant international institutions to appoint senior representatives to join this Partnership. We will review progress on our Action Plan no later than 2005 on the basis of a report.” See “Chair’s Summary,” Evian, France, June 3, 2003, available at [http://www.g8.fr/evian/english/navigation/2003\\_g8\\_summit/summit\\_documents/chair\\_s\\_summary.html](http://www.g8.fr/evian/english/navigation/2003_g8_summit/summit_documents/chair_s_summary.html).

Kingdom and the United States<sup>13</sup>) remained within the top twenty, and they were contributing less than 4 percent of overall UN peacekeeping personnel. The top ten contributing nations from 1999 to 2003 were all developing countries, including three African nations (Nigeria, Ghana, and Kenya), which accounted for nearly 60 percent of the deployed UN peacekeepers during that time. By April 2004, the top ten contributing nations had added another African country, Ethiopia, to their ranks, and no major developed nation was left within the top twenty contributors. As of April 2004, Japan, Russia, and Germany—who traditionally provide few personnel to UN peacekeeping operations—each were contributing 300–400 peacekeepers.<sup>14</sup> Japan had increased its troop contributions (about 400) and continued to pay 20 percent of the UN peacekeeping budget. Canada, long a supporter of peacekeeping, had 227 troops and civilian police on UN missions, Italy was providing about 171 personnel, and the United States and the United Kingdom each accounted for 550 UN peacekeepers.

Many developed states with highly skilled armed services are stretched by their increased military commitments, however, such as in the Balkans, in Afghanistan (with the NATO-led International Security Assistance Force and the U.S.-led coalition force), and with the U.S.-led occupation in Iraq. Yet major powers also intervened recently in demanding African conflicts, primarily to help stabilize immediate crises, such as the British deployment to Sierra Leone (2000), French intervention in Ivory Coast (2002) and deployment to the DRC (2003) as the leader of a European Union force, and the limited American military backup to Economic Community of West African States (ECOWAS) troops in Liberia (2003). The SHIRBRIG, composed of troops from 16 nations (mostly developed and European) and five observers,<sup>15</sup> played a pivotal role in establishing the UN peace operation in Ethiopia and Eritrea (2000) and more recently in supporting transitions from ECOWAS missions in Liberia and Ivory Coast to UN-led operations. SHIRBRIG is also planning to help establish a new UN mission in Sudan if that transitions to a peace operation later in 2004.

As for resolving conflicts in Africa, there are both increased opportunities for ending conflicts and the parallel need for securing peace with conflict resolution, peace operations, and peace-building efforts. Numerous UN-led missions are underway in Africa, including peacekeeping operations in the DRC (10,866 peacekeepers), Sierra Leone (nearly 12,000 peacekeepers), Ethiopia and Eritrea (about 4,000 peacekeepers), Liberia (about 11,500 peacekeepers), Western Sahara (231 peacekeepers), and Ivory Coast (30 peacekeepers authorized now, to increase with the UN takeover in April 2004). Since the G8 adopted the AAP, the first new peace operation established by the UN is a handoff from the operation initially led by ECOWAS in Liberia.

African forces make up a high percentage of UN peacekeepers in Africa, but they also provide personnel to UN peace operations outside of Africa. When developing nations provide personnel for peacekeeping missions, they frequently require outside material and financial support—from the UN and outside partners—for transportation, logistics, equipment, and enabling units. The challenge for the AU and subregional

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<sup>13</sup> The U.S. personnel contribution to UN-led peace operations is almost completely in civilian police, however, not military personnel.

<sup>14</sup> Peacekeeping personnel in UN peace operations include military observers, civilian police, and troops. Information is available on the UN DPKO website, <http://www.un.org/Depts/dpko/dpko/contributors/>.

<sup>15</sup> Senegal is the sole African country that is an observer.

organizations is transitioning their forces to a higher level of self-sustainability and establishing their own management and planning staffs, logistics capacity, and financial strength to organize and run missions.

Added tensions include the AU's desire to authorize continent-wide actions while subregional organizations, such as ECOWAS, may resist seeking AU authority before taking action; fear within recipient countries that peacekeepers infected with HIV/AIDS threaten local populations with infection (fewer militaries can deploy brigades that are free of HIV-infected personnel); and concern that an increased African capacity will facilitate disengagement by Western and developed countries.

### African Organizations and Operations

In 2002–2003, ECOWAS spearheaded peacekeeping deployments in response to conflicts in Ivory Coast alongside French troops, and to Liberia, providing approximately 5,000 troops to support these operations. Both peacekeeping operations are now led and managed by the UN, with ECOWAS troops “re-hatted” for the UN mission. ECOWAS also conducted mediation in Guinea-Bissau and had troops from its member states in the UN mission in Sierra Leone. Evaluations of ECOWAS's role are underway.<sup>16</sup> Its ability to deploy troops fairly swiftly is striking given the small planning staff at ECOWAS headquarters, its lack of financial, managerial and material resources, and its limited ability to communicate with the field.<sup>17</sup> For ECOWAS's capacity and effectiveness to increase, technical and logistical assistance is needed, as well as a stronger staff and planning capacity in Abuja and a re-evaluation of its early warning efforts. Reportedly, key components are missing, such as communications capacity and fax machines at the early-warning centers for ECOWAS, defeating the purpose of those centers.<sup>18</sup>

Yet no other subregional organizations in Africa have the mandate and capacity to deploy troops and manage field operations on par with ECOWAS. Most are focused more on mediation and peace-building efforts.<sup>19</sup> The Intergovernmental Authority on Development has played a leading advisory and mediation role in Sudan and Somalia. The Southern African Development Community (SADC) has a mixed record (with the SADC framework being used to justify intervention on behalf of the government of the DRC), but it has also played a role in attempts to mediate peace in the DRC and deployed troops in Lesotho in 1998. The Economic and Monetary Community of Central African

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<sup>16</sup> The U.S. Department of Defense's Africa Center for Strategic Studies (ACSS), for example, is assisting the ECOWAS Secretariat with an after-action review to evaluate the deployment of the ECOWAS Mission in Liberia. The review is intended to lead to recommendations for improving future peacekeeping operations, to inform U.S. and international partners' assistance for building ECOWAS capacity, and to assist ECOWAS in developing a methodology for conducting future after-action reviews. See ACSS factsheet, March 15, 2004. The UN also conducted a study of the UN Mission in Liberia start-up phase, which included looking at the ECOWAS-UN handoff and the “re-hatting” of the existing troops. See “Lessons Learned Study on the Start-Up Phase of the UN Mission in Liberia,” Best Practices Unit, UN DPKO, April 2004. Study cited in “Implementation of the Recommendations of the Special Committee on Peacekeeping Operations,” Report of the Secretary-General, A/58/694, January 26, 2004.

<sup>17</sup> Reportedly, ECOWAS had only two planners for the mission in Liberia.

<sup>18</sup> Briefing, Jason Ladnier and Patricia Taft, Fund for Peace, Washington, DC, March 2004.

<sup>19</sup> For a fuller list of subregional groups that have conducted peacekeeping operations, see Eric Berman and Katie Sams, “The Peacekeeping Capacities of African Regional Organisations,” in *Conflict, Security & Development* 2:1 (2002).

States has conducted mediation in the Central African Republic since late 2002, supported by France.<sup>20</sup>

The AU deployed its first peacekeeping operation in 2003, the African Mission to Burundi, with military forces from Ethiopia, Mozambique, and South Africa (about 3,000 troops.) The United States, the United Kingdom, and France provided some financial support.<sup>21</sup> The AU saw its role as establishing the Burundi mission, with the expectation that it would be taken over by the UN in the longer term. The AU has also played a role alongside UN operations as a mediator in the DRC, in a liaison mission in Ethiopia and Eritrea, and with an observer delegation in Western Sahara. More recently, it played a role in hosting talks between the Sudanese parties in the conflict over Darfur and offering to send observers to that war-torn region.

In 2003, the AU African chiefs of defense affirmed their commitment to create standby brigade groups subregionally, part of the plan to create an African Standby Force (ASF) by 2010 to manage complex peacekeeping operations. In the shorter term, the AU goal is to have a headquarters capacity to manage smaller missions, establish basic brigade-level planning elements, and see regional development of the standby brigades or brigade groups by June 2005. The chiefs of defense also recommended crafting a memorandum of understanding with the UN to support the AU headquarters and to set up an on-call UN support team, including African units in the UN Stand-by Arrangements System, and consulting the UN on doctrine, training and exercises, logistics support, and standards.

Progress was made at the AU meeting in Libya in February 2004 with commitments to creating a multinational African Standby Force of approximately 15,000 troops by 2010. The leaders also agreed to develop five standby brigades as regional forces by 2005 (despite advice to start with a more realistic level of two regional brigades), established to intervene in conflicts and to prevent genocide. This force is expected to draw from the militaries of South Africa, Nigeria, Kenya, and Egypt, among others, but will require financial, material, and planning support from developed countries. The European Commission president announced that the EU would offer funds for peace support operations by the AU.<sup>22</sup> This support will be critical, since the AU is heavily reliant on outside funding from non-African states and has few stocks in its depot to support deployments. It also lacks sufficient planning and managerial capacity at its headquarters in Addis Ababa and needs an improved capacity to deploy and sustain skilled troops in a peace operation.

The United Nations—through its Department of Peacekeeping Operations, the Department of Political Affairs, and other offices—has provided consultative support to the AU in its development of plans for an ASF and its security architecture for future operations. In addition to helping the AU consider its own needs to develop the ability to plan, organize, deploy, manage, and sustain peace operations, the UN has offered support for evaluating the AU Situation Room, assisted with shaping the scenarios and planning for regional brigades, and staffs the small UN liaison office for the AU in Addis Ababa.

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<sup>20</sup> France with about 300 soldiers; CEMAC with about 380 troops.

<sup>21</sup> “As Big Powers Hold Back, Continent Works to Strengthen Its Capacities,” *Africa News*, October 27, 2003.

<sup>22</sup> Reuters, “EU Gives 250mln Euro to Africa Peacekeeping Force,” reported in *UN Wire*, March 31, 2004.

With help from the EU, the African Union has modeled itself on its European counterpart and benefited from its support for developing its peace-operations capacity and that of its subregional groups, as well as other efforts to increase conflict prevention and support DDR and overall capacity-building. In March 2004, the EU announced it would provide €250 million (\$300 million) to support an “African Peace Facility” in the form of assistance to promote African peacekeeping in Africa through both African-led operations and increasing member-state capacity for undertaking those missions; Africans also pledged to provide a small percentage of their development allocations to the facility as well. In its statement the EU linked this work back to NEPAD, announcing that it “will constitute an important contribution to one of the key priorities of the New Partnership for Africa’s Development ... peace and security in Africa.”<sup>23</sup> The EU further explained that the facility

is based on the principle of African ownership. The Peace Facility will support African led peacekeeping operations in Africa as well as capacity building for the emerging security structure of the African Union. The Peace Facility will not finance European peacekeeping operations. Peacekeeping operations financed under the Peace Facility will be initiated and implemented by the African Union and/or sub-regional African organizations. The African Union will play a central role in the decision making concerning peace keeping operations under the Peace Facility.<sup>24</sup>

It is fair to note that even with a much greater capacity to conduct peace operations than either the AU or ECOWAS, the UN faces a struggle in deploying its missions rapidly and effectively into the field; in matching mandates to missions; in recruiting skilled peacekeepers; in planning, managing, overseeing and deploying operations effectively; and in linking logistical and enabling support with troop-contributing countries.

Complex operations pose major challenges, especially in the nexus between peace-building and peacekeeping. Funding for well-known and popular UN programs in this realm can still face funding questions, for example. DDR programs are widely recognized as needed, yet the UN funds these programs primarily through voluntary contributions from member states, rather than through the UN mission budgets for peace operations, which would integrate it directly in the planning for the mission and guarantee initial funding. The “Brahimi Report”<sup>25</sup> recommended that DDR funding be included in the startup phase of a mission’s budget; the UN mission budget for Liberia did include such funding but remains controversial due to concerns (such as from the United States) that “reintegration” is most appropriately funded with development funds. This and other challenges face the better-equipped and better-staffed UN Secretariat offices—and demonstrate what is involved with operationalizing the ambitions for a stronger African capacity.

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<sup>23</sup> Ibid.

<sup>24</sup> “European Commission Welcomes Member States Approval of the European Commission’s for a Euro 250 Million African Peace Facility,” European Commission, March 31, 2004, available at <http://www.euireland.ie/news/development/0304/africanpeacefacility.htm>.

<sup>25</sup> The “Brahimi Report” is the informal name given to the August 2000 report of the Panel on United Nations Peace Operations, which was chaired by UN Special Envoy Lakhdar Brahimi.



### Bilateral Support: Training Centers and Programs

One of the strongest areas of existing support to African-led efforts for peace operations is in training.<sup>26</sup> G8 nations (and others) have provided direct support in the form of both peacekeeping training centers in Africa and bilateral assistance and training for African militaries and civilians for peace operations. With much fanfare, the Kofi Annan International Peacekeeping Training Center opened in Ghana in January 2004 with German chancellor Gerhard Schroeder at the ceremony. Germany provided direct aid, as did other G8 countries—Canada, Italy, France, the United Kingdom, and the United States—and other Western countries. Africa is home to various peacekeeping training centers, such as those in Nigeria, Mali, Kenya, and Zimbabwe, as well as other institutes that support civilian and military training. Many of these sites receive support from G8 countries as well. For example, ACCORD and the Institute for Security Studies in South Africa have worked with the Norwegian government to host civilian training for peace building.

The United States, France, and the United Kingdom all have bilateral training programs for African militaries. Specific programs include the British Military Advisory and Training Teams, the U.S. African Contingency Operations Training and Assistance program, and France's Reinforcement of African Peace-keeping Capacities program. SHIRBRIG has conducted exercises (in Denmark in 2003, for example) that bring together members and observers to gain knowledge; which in 2003 included African participation and interest from representatives of the AU.<sup>27</sup> Italy is supporting training for peacekeepers in 2004 and held a seminar on conflict in Africa in 2003 with African and EU leaders.

In March 2004, Canada signed an agreement with ECOWAS for peace and security initiatives, including funding for its Peace Fund and for scholarships for West African civilians and military personnel to attend the Kofi Annan Peacekeeping Training Centre.<sup>28</sup> Canada created a \$500 million Canada Fund for Africa at the Kananaskis Summit to support the AAP. Of that amount, \$25 million helps Africans strengthen their peace and security capacity, improve individual and community security, and address the needs of war-affected children. Canada also supports an improved AU early-warning system and management capacity for ECOWAS to conduct peace operations (e.g., funding salaries for seconded staff from ECOWAS member states at the Abuja headquarters).<sup>29</sup>

The United Kingdom is also supportive of the G8 commitments and provides funding through its Africa Pool to support the capacity of African countries and organizations to conduct peacekeeping operations. In February 2004, the United Kingdom launched a new initiative, the Commission for Africa, to increase support for the AAP and NEPAD. Aimed at producing a report by spring 2005, the commission will

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<sup>26</sup> For a fuller review of compliance with G8 commitments to support training of African forces and civilians and better coordinate peacekeeping training initiatives, see "2002 Final Kananaskis Compliance Report," University of Toronto G8 Research Group, Toronto, Canada, May 2003, pp. 44–54.

<sup>27</sup> One African country, Senegal, is an observer to SHIRBRIG.

<sup>28</sup> "Canada Helps Africans Prevent and Resolve Violent Conflict," News Release, Office of the Prime Minister, Canada, March 9, 2004, available at <http://www.pm.gc.ca/eng/news.asp?id=109>.

<sup>29</sup> Data available from the Canadian International Development Agency, as of March 31, 2004, at [http://www.cida.gc.ca/cida\\_ind.nsf/AllDocIds/3EC6BC93E59EF25285256D1000518AFB?OpenDocument](http://www.cida.gc.ca/cida_ind.nsf/AllDocIds/3EC6BC93E59EF25285256D1000518AFB?OpenDocument).

evaluate policies within Africa and internationally and identify areas of success and failure, including conflict resolution and peace-building. The commission sets the groundwork for the United Kingdom's agenda when it hosts the upcoming G8 summit in 2005.

*Recommendations: Challenges for the G8, Considerations for Sea Island*

A full assessment of the AAP is not scheduled for Sea Island. The G8 members should continue to emphasize the peace and security aspects of the plan, however, building on the work of Kananaskis and Evian, leading up to its review in 2005 and aiming to meet the goal of greater African capacities by 2010. With the themes of prosperity, freedom, and terrorism, the Sea Island Summit's agenda should include a sober look at G8 commitments to press forward on improving African capacities for peace operations and conflict resolution. Can Africa resolve the principal armed conflicts in the region? Is the AU on the path to more capacity to plan, manage, and sustain AU-led peace operations by 2010? Is there more effective peace-building? Is African security a "top priority"? Despite much activity, none of these questions can be answered with a resounding "yes." Much more needs to be done; the list that follows proposes an agenda for improving African security capacity.

- *Reframe Support for African Capacity to Deal with Conflicts.* There is wide recognition that state failure and regional conflicts can affect not just the states directly involved, but also stable neighbors, undermining prosperity and providing havens for illegal activities, including terrorist networks.<sup>30</sup> Indeed, the Bush administration's National Security Strategy acknowledges that "America is now threatened less by conquering states than we are by failing ones," which certainly applies to conflicts in Africa.<sup>31</sup> Yet such a view has not led automatically to the creation and maintenance of tools for conflict prevention and peace operations. Africa and its challenges should be put more squarely in that framework, and the long-term interests of the G8 in Africa portrayed as directly related to prosperity and security, as well as more traditional humanitarian interests.
- *Demonstrate Tangible U.S. Support for African Capacity and Continued G8 Engagement.* With the United States hosting the Sea Island Summit, the Bush administration could face a spotlight on its own efforts. The United States has a chance to announce its new "Global Peace Operations Initiative." This draft initiative would greatly expand U.S. efforts to train and equip foreign militaries, including constabulary training, for peace and stability operations. In concert with other G8 countries, this U.S. investment could increase the ability of African nations to support more capable, available peacekeepers.<sup>32</sup> In lieu of supporting standing brigades, the initiative focuses on training (with G8 partners) 75,000 troops over five years for peace enforcement and constabulary roles; the goal would be ten African battalions.

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<sup>30</sup> Doug Farrah of the *Washington Post*, for example, has written about the connection between the illegal diamond trade in West Africa and al-Qaeda.

<sup>31</sup> "National Security Strategy of the United States," Washington, DC, White House, September 2002.

<sup>32</sup> Many questions remain about this initiative and its operational aspects, including what doctrine would be used, what equipment is provided, how countries are chosen, how standards are set, and what gaps are being closed.

Equipment, transport, and logistical support are central as well to address the shortage in capable personnel for such operations and could involve \$661 million over five years, with training of more than 30,000 troops in Africa. This initiative would dramatically increase the minimal U.S. resources now dedicated to training African militaries and assisting subregional institutions' efforts toward peace operations.<sup>33</sup> The question is whether the United States will move forward and launch the program before the end of 2004; Sea Island would be a fitting site to announce U.S. intentions.

- *Establish a Timeline and Benchmarks for Meeting the G8 Goals of the Africa Action Plan and Evian Annex.* While the G8 has identified key goals and themes as a focus, there is no road map, timeline, or specific achievable benchmarks outside the goals for an African Standby Force capacity. The G8 members should embrace their own goals by creating a framework and clearer timetable for Sections 1.1, 1.2, and 1.6 of the AAP. In particular, Where are the gaps in African and international capacity? How best can they be filled? What role can the G8 play in filling them? How will results be measured?
- *Recognize the Capacity Gap and the Coming Crunch.* An immediate challenge for dealing with conflicts in Africa is the “capacity gap” for peacekeeping: how to organize, support, and manage current and on-the-horizon operations with sufficient skilled peacekeepers to deploy effectively in Africa? That challenge will be exacerbated this year and beyond as peace operations experience a growth spurt. UN Undersecretary-General for Peacekeeping Operations Jean-Marie Guehenno recently called the creation and expansion of UN missions “almost unprecedented” in number and scope, with a focus on Africa. Current African UN peace operations continue in Ethiopia and Eritrea, Sierra Leone, the DRC, Western Sahara, and Liberia. The UN is taking on an expanded mission in Ivory Coast, a new UN peace operation was picked up from the AU in Burundi, and the UN and its member states will face additional resource competition when expected missions are added in Haiti and Sudan this coming year. By recognizing this pace, the G8 could help establish more specific benchmarks for its own work in developing capabilities for rapid and effective deployments for peace operations (e.g., meeting the UN goals of deploying within thirty to ninety days of Security Council action). While difficult, it would be a measurable benchmark against which to judge capacity-building and ordering priorities with the AAP.
- *Strengthen UN Capacities, and with Them, UN-AU and Subregional Connections.* Even with efforts to increase AU and ECOWAS capacity to manage and support operations, they are not able to conduct sizeable peacekeeping operations without support. The UN, after a concerted reform effort to improve its own capabilities in the last few years,<sup>34</sup> still faces challenges such as the finite number of capable military

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<sup>33</sup> The primary funding source for direct U.S. bilateral support to African military training is through the ACOTA program, which is funded at \$15 million in fiscal year 2004 (FY04), with \$15 million requested from Congress for fiscal year 2005 (FY05). Additional support to ECOWAS is provided through the Africa Regional Program (State Department budget); funding for this area was \$9 million in FY04 and is requested at \$45 million in FY05. The Enhanced International Peacekeeping Capabilities program supports training to militaries including Africa, but less than \$2 million was requested for its FY05 budget.

<sup>34</sup> For details on the implementation of the peacekeeping reforms launched by the Brahimi Report, see William Durch et al., “The Brahimi Report and the Future of Peace Operations,” Henry L. Stimson Center, December 2003, available at [www.stimson.org/fopo](http://www.stimson.org/fopo).

and civilian personnel available for peace operations. In the next year, peacekeeping troop levels are expected to increase from 48,000 to over 70,000; another 10,000-plus personnel will be needed as civilian personnel, civilian police, and rule-of-law teams. Annual costs will grow too, driving UN budgets up. Operations in Africa are often the hardest for which to recruit sustained forces from sophisticated Western militaries. Despite recent EU, French, British, and SHIRBRIG nations' direct engagement in peace operations in Africa, these have been the exception, not the rule. Shortfalls and delays in recruiting and deploying skilled civilian policing occur regularly, especially for French-speaking countries, and police and rule-of-law experts can be critical to successful transitions to peace-building. The UN, therefore, should continue and expand on its partnering with the AU, ECOWAS, and other subregional organizations for planning and strategic management capabilities, to provide advice and training, and to support regional and national training centers.

- *Marry African and G8 Capabilities.* One of the greater challenges facing the effective and rapid deployment of peacekeeping missions is the UN's lack of enabling units, logistical support, and transport for its missions; it depends on member states for such support to deployments.<sup>35</sup> The United States and other G8 states excel in this area, with a high capacity for airlift and sealift, the key transportation and logistical support often needed for deploying peacekeepers and civilian specialists into crisis areas. To match these support capacities with African forces and personnel, the G8 members should participate more fully in the UN Standby Arrangements System (UNSAS), which helps provide the UN with better information about what nations could contribute to a UN operation—and to match contributors' capabilities for more effective deployments.<sup>36</sup> To help deploy forces to Africa, UNSAS can link G8 and African nations for matching capacities, personnel, and logistics. Most African nations within UNSAS, if listed, are at the most rudimentary level one. Six of eight G8 members are at level three (except Japan, which does not provide military support to UN peacekeeping missions, and the United States, which is only at level one). Six African nations are at level three: Zimbabwe, Zambia, Nigeria, Ghana, Chad, and Benin.<sup>37</sup> None are at the Rapid Deployment Level, however, which gives the most data to the UN about capacities. In addition, the G8 should support the AU's call for a logistics base in Africa, or support expansion of the UN Logistics Base in Brindisi to be able to sustain deployment of more than one peace operation each year.<sup>38</sup>
- *Develop Better Civilian Police, Rule of Law and Peace-Building Capacities.* There is a huge need for qualified, available, and skilled civilian police (CivPol) and rule-of-law experts (judges, corrections, penal, and human rights), to serve in peace-building and peace operations. The UN has a shortage and also has too few professional staff

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<sup>35</sup> This can be a critical factor even for missions led by developed nations, such as when U.S. lift and logistical support provided key aid to Australia's intervention in East Timor under a UN mandate.

<sup>36</sup> The UNSAS system is based on volunteer pledges by member states to contribute specified resources within agreed response time for UN peacekeeping operations. When necessary, they are requested by the secretary-general, and, if approved by the member states, are deployed.

<sup>37</sup> Most recent data provided by UN DPKO, "Status Report of the UN Stand-by Arrangements System," as of July 15, 2003. Country updates may not be reflected in documents available on the DPKO website.

<sup>38</sup> The UN logistics base in Brindisi, Italy, is currently configured to support deployment of one new complex UN peacekeeping operation annually. Given the current pace of UN operations in 2004, this is not sufficient.

at its headquarters to manage the more than 4,000 CivPol deployed in UN operations. This is an area in which added capacity within Africa could benefit African peace operations, whether led by the UN or by an African organization. Options to increase the supply of such personnel include bilateral training programs, EU contributions of police contingents, and efforts to “adopt a country” to support increased training and capacity. Additionally, creating a certification process with EU, AU, and ECOWAS members to identify and standardize the characterization of qualifications and skill levels for those offered by member states as CivPol (and rule-of-law experts) would help support more effective deployments in the field. Use of standardized profiles to reflect these qualities would also enhance recruitment, retention, and effectiveness in the field. Further, candidates could also be listed in an UN database, to include other experts on rule of law, for short-term call-ups.

The agenda for Sea Island on peace and security in Africa could be huge but is unlikely to be. Any effort to evaluate compliance with the Africa Action Plan will remain difficult without clearer benchmarks for either G8 activity or African capacity. Nevertheless, the United States has a chance to steer the summit toward identifying its own and other nations’ real contributions to supporting African initiatives to thwart conflict and sustain peace, and it should take the opportunity to do so.

APPENDIX B  
MEMBERS OF THE G8-AFRICA PARTNERSHIP PROJECT\*

The G8-Africa Partnership Project is grateful to those who contributed their views and expertise.

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## APPENDIX C

### G8-AFRICA PARTNERSHIP PROJECT MEETINGS AND PRESENTATIONS

February 4, 2004, Roundtable, “Assessing the G8-Africa Relationship,” Council on Foreign Relations, Washington, DC

CHRIS MULLIN, Member of Parliament and Parliamentary Undersecretary of State for Africa and the Commonwealth, UK Visas, and the FCO’s Information Directorate, Foreign Office, United Kingdom, “UK Perspectives on the G8-Africa Partnership”

CONSTANCE ANNE PENCE, G8 Coordinator for Undersecretary of State Alan P. Larson, U.S. Department of State, “U.S. Perspectives on the G8-Africa Partnership”

ROBLE OLHAYE, Ambassador of the Republic of Djibouti and Dean of the African Diplomatic Corps, “Sustaining the G8-Africa Partnership—An African View”

March 25, 2004, Roundtable, “The G8 Partnership,” Council on Foreign Relations, New York, NY

IBRAHIM A. GAMBARI, Undersecretary-General and Special Adviser on Africa, United Nations, “Progress in the Implementation of NEPAD: Issues and Perspectives”

IDRISS JAZAIRY, Ambassador of Algeria to the United States, “NEPAD, Democracy, and Africa’s Development”

April 7, 2004, Meeting, “Africa and the G8: Assessing the G8-Africa Partnership and Recommendations for Sea Island and Beyond,” Royal Institute of International Affairs, Chatham House, London

SIR NICHOLAS BAYNE, KCMG, Fellow at the International Trade Policy Unit, London School of Economics and Political Science, “Lessons from Past G-8 Summits: The Way Forward”

GARETH THOMAS, Member of Parliament and Parliamentary Undersecretary of State, Department for International Development, United Kingdom, “The UK Vision for the Africa Action Plan”

FRANÇOIS CROQUETTE, Embassy of France to the United Kingdom, “French Perspectives on G8-Africa Relations”

DAVID ANGELL, Department of Foreign Affairs, Canada, “Canadian Perspectives on G8-Africa Relations”

MARK MALAN, Kofi Annan International Peacekeeping Training Centre, Ghana, “African Peacekeeping and the Challenges for the G8 Action Plan”

ADEKEYE ADEBAJO, Executive Director, Centre for Conflict Resolution, South Africa, “From Cape to Casablanca: Africa’s Evolving Security Architecture”

LAURAH HARRISON-BACHNACK, African Capacity Building Foundation, “Assessing G8-Africa Partnership: Democracy and Governance”



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