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THE NEW PARTNERSHIP FOR AFRICA’S DEVELOPMENT (NEPAD)--WILL IT SUCCEED OR FAIL?

by

Ms. Vanessa K. Snoddy
Department of Navy Civilian

Dr. Steven Metz
Project Advisor

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U.S. Army War College
Carlisle Barracks, Pennsylvania 17013
# The New Partnership for Africa’s Development (NEPAD) Will It Succeed or Fail?

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**Author(s):** Vanessa Snoddy  
**Performing Organization Name(s) and Address(es):** U.S. Army War College, Carlisle Barracks, Carlisle, PA, 17013-5050  

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*Approved for public release; distribution unlimited*
The New Partnership for Africa's Development (NEPAD) began in July 2001 as a program of the Organization for African Unity (OAU), and is now sponsored by the African Union (AU). This paper assesses the barriers to NEPAD's success, and its ability to meet its primary objectives of a) eradicating poverty, b) placing African countries, both individually and collectively, on a path of sustainable growth and development, c) halting the marginalization of Africa in the globalization process and enhancing its full and beneficial integration into the global economy, and, d) accelerating the empowerment of women. What makes NEPAD different from previous failed African development programs is the ownership and commitment of African leaders to its success. A key component of NEPAD is the African Peer Review Mechanism (APRM), whereby African governments voluntarily undergo peer review to demonstrate improvements in democracy and policy governance, economic governance and management, corporate governance and socio-economic development.

While there are barriers to NEPAD's success, both from within Africa and from external sources, much can be done to increase its likelihood of success and achieve the end result of a more economically viable Africa, whether the NEPAD program itself continues to exist or becomes the impetus and foundation of an African renaissance.
THE NEW PARTNERSHIP FOR AFRICA’S DEVELOPMENT (NEPAD)--WILL IT SUCCEED OR FAIL?

It has long been a tenet of United States national security policy that a healthy global economy affects the peace and security of the United States. Both our 1998 National Security Strategy (NSS) ¹ and our 2002 NSS emphasize the connection between economic growth and prosperity throughout the world and our safety at home. But the post-9/11 NSS has a significant emphasis on the effect of global conditions on United States’ national interests: “The events of September 11, 2001, taught us that weak states, like Afghanistan, can pose as great a danger to our national interests as strong states. Poverty does not make poor people into terrorists and murderers. Yet poverty, weak institutions, and corruption can make weak states vulnerable to terrorist networks and drug cartels within their borders.” ² With the initiation of the New Partnership for Africa’s Development (NEPAD), African leaders have taken a purposeful step to increase prosperity and growth on the African continent, encouraging stability in a region that has long been unable to extricate itself from conflict, corruption and geographical disadvantage.

The New Partnership for Africa’s Development began in July 2001, when the 37th Summit of the Organization for African Unity (OAU) adopted the NEPAD strategic framework document, developed by Algeria, Egypt, Nigeria, Senegal and South Africa. NEPAD’s primary objectives are “a) to eradicate poverty; b) to place African countries, both individually and collectively, on a path of sustainable growth and development; c) to halt the marginalisation of Africa in the globalisation process and enhance its full and beneficial integration into the global economy; d) to accelerate the empowerment of women.” ³ Since its initiation, NEPAD, now a program of the African Union (AU), has gained the attention and respect of the G8, with significant commitments to partner with African countries to implement NEPAD’s objectives. In its Africa Action Plan, the G8 views NEPAD as different from the many previous failed initiatives design to jump start African development. “It is, first and foremost, a pledge by African Leaders to the people of Africa to consolidate democracy and sound economic management, and to promote peace, security and people-centered development. African Leaders have personally directed its creation and implementation. They have formally undertaken to hold each other accountable for its achievement. They have emphasized good governance and human rights as necessary preconditions for Africa’s recovery. They focus on investment-driven economic growth and economic governance as the engine for poverty reduction, and on the importance of regional and sub-regional partnerships within Africa.” ⁴

In short, NEPAD is the new hope for an African renaissance among African leaders and the developed countries which have historically provided the aid that most often did not “work,”
in terms of freeing Africa from aid dependence, functioning autonomously, and meeting poverty eradication and development objectives, which have now become the objectives of NEPAD. Will NEPAD succeed or fail? The evidence points in both directions. NEPAD itself will probably not be a “miracle cure” for Africa, and some of its core elements may be modified or left behind, but shared commitment to its foundations by most African leaders and its power to mobilize developed countries to invest in Africa, could lead to significant forward movement for the continent.

THE AFRICAN PEER REVIEW MECHANISM (APRM)

The most innovative component of NEPAD, and what makes it most different from previous programs like the United Nations Programme of Action for African Economic Recovery and Development (UN-PAARED), 1986-1990, and the United Nations New Agenda for the Development of Africa (UN-NADAF) in the 1990s, is the African Peer Review Mechanism (APRM). While UN-PAARED focused on shared responsibility between Africa and the international community for African development, and UN-NADAF required African commitment to economic reform in exchange for aid and debt relief, NEPAD’s APRM represents the commitment of African governments to undergo peer review to demonstrate improvements in democracy and policy governance, economic governance and management, corporate governance and socio-economic development.

The APRM is administered through a framework separate from those of NEPAD and the AU, which includes the following:

- APR Forum made up of participating heads of state, providing overall responsibility for the process
- APR Panel of Eminent Persons, responsible for overseeing the conduct of the process and making recommendations to the Forum
- APR Secretariat to provide administrative support
- Country Review Teams appointed by the Panel
- APR partner institutions like the African Development Bank (ADB) and the United Nations Economic Commission for Africa (UNECA) to provide technical expertise and financial support not available within the AU and NEPAD
- APR Focal Points appointed by participating countries
The APR process itself includes five stages:  

- The participating country completes a questionnaire to develop its self-assessment and action plan for improvement, which is used by the Secretariat, along with its own research on the country, to develop an issues paper which will be the baseline for review.
- The Country Team conducts the review visit using the issues paper, which includes meetings with relevant stakeholders.
- The Country Team develops a draft report which evaluates the strengths and weaknesses of the country’s action plan, used to finalize the action plan after review with the country’s government.
- The APR Panel reviews the report and action plan, and makes recommendations to the Forum. The Forum works with countries who demonstrate willingness to correct shortcomings, and works with other participating countries or donor agencies to find the resources. For reluctant countries, “the Forum will seek ‘constructive dialogue’ with the government, while reserving the right to take further appropriate steps.”

The first four stages last six to nine months.

- After six months, the report and any related actions are made public.
- A Country Support Mission was added to the process to prepare countries for their upcoming reviews. Participating countries are expected to meet in-country costs of the review process, with assistance from ADB, the UN Development Program and other countries as necessary.

As of November 2004, Kenya, Mauritius, Ghana and Rwanda were assessed by the APRM. At the NEPAD Summit held in Algiers in November 2004, President Abdelaziz Bouteflika of Algeria stressed the importance of the mechanism and recognized the efforts of the evaluators of the first four countries. “Bouteflika observed that Africa was about to enter a new era and must therefore ‘adhere to globalization as an active partner.’ He said the peer review mechanism sends a strong signal from Africa to the rest of the world, especially by the rejection of marginalisation and the willingness to embrace good governance and create democratic societies.”

Nigerian president Olusegun Obasanjo, AU chairman and chair of the NEPAD high steering committee, said “the continent’s priority is to clean the African house before seeking any support from the international community.” Regarding the APRM, “Obasanjo said this unique experience in the world needs time, adding that the mechanism indicated the willingness of African countries to move to another stage.”

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BARRIERS TO NEPAD'S SUCCESS

The APRM is the key component of NEPAD, and the success or failure of APRM will likely indicate the overall success or failure of NEPAD. But in addition to APRM, there are other elements that could cause NEPAD to fail, some of these related to the development and management of NEPAD itself, and others outside the AU or NEPAD’s direct control.

APRM ISSUES

APRM faces two opposing issues viewed as potentially leading to its failure. One is that the APRM has no teeth, no real will or mechanism for sanctioning countries who fail, and the other is that polarization caused by APRM could hurt the pan-African unity that could in itself lead to NEPAD’s overall success.

The APRM is voluntary, and requires countries to sign up to good political and economic governance standards. But there is no plan or way to censure countries who do not comply with the standards. “In early June, African leaders meeting in Mozambique refused a request from business leaders to give the mechanism the power to censure non-compliant governments. The group expressed frustration with the ‘toothless’ peer review system, saying business intended pushing for an additional rating mechanism to assess a country’s political governance as an investment aid. African political leaders think otherwise. Mozambican President Joaquin Alberto Chissano, the former AU chairman, said punishment would come when investors shy away from countries found to be lacking in good political and economic governance. He said that if investors had concerns about a country’s tax or judicial system, ‘they will not come.’”

While the APRM plan is viewed by developed nations, and the G-8 in particular, as an “innovative and potentially decisive element in the attainment of the objectives of NEPAD,” and is viewed by African businessmen as an aid to obtaining investment, it also has the ability to polarize democratic and non-democratic countries in Africa. NEPAD’s ability to eliminate corruption and improve human rights through the APRM has proved to be a disappointment to non-Africans and Africans who hoped it would be a tool to control autocrats like Mugabe. “Perhaps part of the problem…is the late realization on the part of NEPAD’s leaders that their APRM plan—the major selling point of NEPAD—would actually result in a split in Africa. Whilst it is true that NEPAD has been (in theory) taken up by the African Union as a pan-continental strategy, it seems clear that if it was to be actually implemented—rather than just talked up at international meetings—then one would see emerging various clusters of ‘winners and losers’ within the continent. Such a scenario would strike at the heart of one of the very few things that African Union actually stands for: pan-African unity.”
Libya is a significant example of a non-democratic country that is keenly interested in participating in the African Union—to the point Ghadaffi is reportedly building a “palatial meeting hall” in Tripoli to house the Pan-African Parliament—but who has criticized the AU for its demands that member states comply with the APRM process and move toward multi-party democracy.  

Libya has the ability to help the AU with its lack of resources. “Ghadaffi has been generous to the AU, which inherited a debt of 40 million dollars from its predecessor, the Organization of African Union (OAU), in 2002. Between 2001 and 2002, Libya paid about 2.3 million dollars to the AU on behalf of 11 African states which were in arrears to the OAU...In 2002 Ghadaffi described NEPAD as a neo-colonial instrument. ‘We have our own type of democracy. We accept assistance but we refuse conditions,’ he told African leaders.”

LACK OF CIVIL SOCIETY INVOLVEMENT

The tension between African leaders views of the APRM and its potential as an economic and social shaping tool highlights another issue that could lead to NEPAD’s downfall—the lack of involvement by African civil society in NEPAD’s development. Civil society organizations have increased worldwide in the past two decades, and have become influential in implementing social welfare and development projects, and in monitoring government activities, leading to transparency and reduced corruption.

In an October 2004 report released by Partnership Africa Canada (PAC) based on interviews with 300 members of African civil society organizations, governments were urged not to ignore civil society groups. “African governments also need to pay attention to the criticisms expressed by civil society because they are primarily intended to be constructive and respectful of public alternatives—alternatives rooted in the experience of millions of Africans,’ adds the document ‘African Civil Society: Prospects for Raising Awareness on Priority Issues.” According to the report, African governments have become more inclined to work with civil society groups, particularly in areas like the fight against HIV/AIDS, but in other areas, such as poverty reduction, “they don’t want to consult with NGO’s and civil society….And when they consult, they arrive with the plan already done. That’s not a consultation.” The PAC report notes that has been much criticism of the lack of transparency in the stand-up and development of NEPAD, and recommends establishment of a NEPAD subgroup that would give civil society organizations a permanent voice in NEPAD.

Civil society groups attending the Summit for Another World in Geneva just prior to the June 2003 G8 meeting in Evian questioned both the value of NEPAD and the G8 summits to Africa. “They expressed doubts whether the so called ‘African initiative’ constitutes a true opportunity for fair relations between the countries of Africa and the rich industrial nations of the

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North. The initiative also came under heavy criticism for the lack of consultation of civil society movements. 'NEPAD must be rejected by all African people because it is not anything different from structural adjustment policies—in fact it is even worse because now we have African leaders championing it,' said Demba Moussa Dembele who heads the African Network Forum for African Alternatives, based in Dakar, Senegal. Attendees at the conference questioned the G8’s commitment now when they are perceived as not having honored their commitments to Africa in the past, and also questioned the African governments “dependency” relationship with the G8. Moeletsi Mbeki, vice-chairperson of the South African Institute of International Affairs based in South Africa, noted: “After 40 years of self-rule it is sad that the rulers have no idea about how to mobilize African skills and capital to solve some of Africa’s problems.”

THE TRADITION OF POWER AND PATRONAGE IN AFRICAN POLITICS

Civil society organizations’ criticism of their exclusion by African governments in NEPAD’s development and execution points to the traditional nature of African politics itself, and whether the good political and economic governance encouraged by NEPAD can be achieved within that framework. Besides being a reason for ongoing aid dependence, in that donor aid represents a source of resources to trade with constituents for support, the patronage-based nature of African politics leads to a system where the resources of the state are used to exercise power and control for the ruling elite, and not for the public good. In such a system, surplus is not likely to be reinvested but to be used to buy political support. And in such a system, good governance threatens the ability of leaders to exercise control. Ian Taylor of the Department of Political and Administrative Studies at the University of Botswana, writes: “To have an Africa grounded on the governance principles of NEPAD would actually erode the base upon which the state is predicated. And yet we are expected to believe that the very same African elites who benefit from the neo-patrimonial state will now commit a form of class suicide. While not exactly a solution to make NEPAD work, Taylor emphasizes that monitoring of efforts to improve governance must be performed outside government structures, again giving credence to the value of civil society in NEPAD’s implementation, and to the importance of change being driven and controlled by Africa’s people and not its political elites. “Africa’s peoples must be the engineers of their own liberation, not wait passively, hoping for ‘change’ to emerge from the clouds or fall from the table of the Big Men like so many crumbs of bread. The international community’s role should be to support this self-liberation, not legitimize the illegitimate.”
THE AID AND INVESTMENT ENVIRONMENT

While NEPAD as developed requires foreign aid, and the G-8 countries are working with African countries to provide that aid, increasing foreign and domestic investment is also a NEPAD priority. Maximizing aid distribution and encouraging investments both require creating an environment conducive to effective aid utilization and investment management, including stable governance, adequate infrastructure, and human capital. However, providing aid and investing only where conditions are optimal will fail to provide the momentum NEPAD requires to spur development. Aid and investment strategies can be developed to target both optimal and non-optimal environments, increasing the likelihood the benefits of aid and investment will be achieved.

In their book, *Managing a Smooth Transition from Aid Dependence in Africa*, Carol Lancaster and Samuel Wangre provide strategies for aid transition based upon categorization of countries into three groups: (1) Countries with governments that are both capable and committed; (2) Countries with low capacity and low commitment; and (3) Countries with governments that have limited capacity but a significant commitment to the development of their people. Based upon which group a country falls into, different strategies are required to maximize that country’s use of aid and lead to eventual aid transition. Rather than limit aid to only those countries which will obviously make best use of it, this concept allows donor countries to provide aid to a wider range of countries and still see results, by tailoring aid delivery to specific country environments. Conversely, providing aid without consideration of environment can be both a waste of aid dollars and reduce the aid stream in the future. The same concepts can apply to investment dollars.

Countries with governments both capable and committed should be able to process relatively large amounts of aid well, with that aid tapering off as less assistance is needed. Botswana is an example of a country in this category. In two decades it went from being one of the poorest, most aid-dependent countries to a middle-income country no longer in need of much external aid. Aid was initially used by Botswana at the beginning of their independence to finance technical assistance, expand education and health services, and perhaps most importantly, in terms of freedom from aid dependence, fund geological explorations and infrastructure to attract foreign investment in their diamond and natural resource industries. According to Lancaster and Wangre, aid worked in Botswana because its government managed its economy and aid effectively. The government invested revenue from its diamonds and minerals back into infrastructure, health, education and other services. The remainder it invested abroad and used the returns to fund government expenditures. In terms of governance,
Botswana is a democracy with multiple parties, periodic elections and a free press, although it does not “have all the characteristics of democracy that Western observers expect.” (The ruling party has never been defeated and replaced by an opposition party.)

Countries whose governments have low capacity as well as low commitment require significant hands-on attention from donors. Large amounts of aid could be wasted and even counterproductive because it could encourage countries to avoid needed reforms while building up debt. For countries in this category, donors must collaborate with the recipients to develop aid plans, as well as plans for eventual reduction of aid. Other recommendations are for donors to provide small amounts of aid targeted to education and human services via non-governmental organizations (NGO’s), and for aid to be targeted to raising the low levels of capacity in the government.

Countries with low capacity that exhibit some levels of commitment make up the largest group. For these countries Lancaster and Wangre recommend donors and recipient countries work together to strengthen the capacity of governments to manage their resources and aid most effectively. They recommend a strategy that includes an adequately trained staff, competent leadership and an effective organization, strong analytical capabilities, a solid planning function, a disciplined and transparent budget process that involves the entire government, a capability to implement, evaluate and learn from past efforts, and a strong auditing function. The key here is to work with the government to make it stronger, and not to bypass it in favor of NGO’s. For the poorest countries, debt servicing is an issue that prevents them from using resources to reduce poverty. The authors recommend support of the World Bank’s Heavily Indebted Poor Countries (HIPC) initiative, which provides debt relief for countries pursuing economic and social reforms.

The G8 could limit its support to those countries already democratic or well on the way to democracy, or to those countries like Botswana which may not be truly democratic by Western standards but already exercise some form of good governance, but in doing so risk the opportunity to effect the positive changes that could give NEPAD solid experiences to build upon.

CREDIBILITY ISSUES

In addition to the factors described previously, two other issues reflect internal African forces that could prove to be barriers to NEPAD’s success. NEPAD’s political credibility with countries outside the leadership ring, and its credibility with African women, could block its ability to mobilize African support and gain external assistance and investment. Nigeria and
South Africa have been the driving forces behind NEPAD, and other countries, particularly those with leadership ambitions of their own, such as Libya, may harbor doubts not only about NEPAD’s methods and strategies, but also about the motivation behind South Africa and Nigeria’s support for NEPAD. The NEPAD Secretariat is currently located in South Africa, but suggestions have been made to move it to Addis Ababa, where the African Union is headquartered. But according to Jakkie Cilliers, of the South African Institute of Security Studies, it’s unlikely the NEPAD Secretariat will relocate because of fears the momentum will be lost. South Africa and Nigeria have used their free-market democracy reputations to market NEPAD to the G8, and South African President and AU Chairman Thabo Mbeki has pointed out that NEPAD institutions need to remain stable in order to continue the path to economic development for African countries. In March 2004, Third World Network—Africa reported that “Leaked information from South African sources reveals confidential plans afoot to permanently remove the New Partnership for Africa’s Development (NEPAD) project from under the remit of the Commission of the African Union (AU) in Addis Ababa and establish it as an autonomous legal entity to be located in the Republic of South Africa.” This event would propose some interesting questions. Could NEPAD truly be viable without African unity behind it? Would African unity be more easily achieved if the African Union disengaged from NEPAD? Would the G8 continue its support of African development initiatives absent the framework of NEPAD? Perhaps with NEPAD separate from the African Union, development initiatives would be funded via civil society organizations instead of governments, and would that weaken already weak governments and slow down their paths to development? Certainly within the existing structure and objectives for NEPAD, disengagement from the African Union would completely change the face of NEPAD and would impact both G8 and United States Africa policies.

One of NEPAD’s primary objectives—the last of four—is to accelerate the empowerment of women. Women matter in African development for a variety of reasons. Women represent as high a percentage of the labor force in Sub-Saharan African countries as they do in Scandinavia, and higher than Latin America or South Asia. They are a high percentage of heads of household—40% of rural households in Kenya, one-third of rural households in Zambia, and about 25% in Ghana. Although women earn less than men—at least one-third less in Nigeria—they are heavily involved in food markets in particular, and are part of a tradition of active involvement in trade.

Based on the value they can add to improving quality of life in Africa, it makes sense for women to be a part of NEPAD, however their inclusion seems almost an afterthought. In November 2002, an organization called Women Waging Peace hosted a meeting with 11
African women leaders from Burundi, the Democratic Republic of Congo, Nigeria, Rwanda, Sierra Leone, South Africa, and Sudan, and representatives from Canadian, British and U.S. government agencies to discuss G8 support for NEPAD and its impact on women. While the group agreed NEPAD “provides a unique opportunity for African nations to focus on sustainable development and peace,” they expressed some concerns focusing predominantly on the role of women, but also repeating some civil society concerns. The group felt NEPAD did not accurately reflect women’s contributions, was limited to Africa’s political elite and traditional leadership, and that there were no mechanisms to bring women into the process. They also felt clarification was needed on the AU/NEPAD relationship, and pointed out that all African nations were not included in the process. They felt NEPAD and the G8 Action Plan did not integrate gender equality issues into all NEPAD aspects, only in selected “soft” areas like primary education and micro-enterprise. They also believed donors should consult with women before setting priorities and agendas, and that funds should go to NGOs and grassroots organizations to assure real needs were met. The group also noted that APRM should include women’s empowerment as an indicator of good governance. Finally, the group expressed concerns regarding impact of HIV/AIDS on African security, as well as prevention and women as victims. While there are indicators attention is being paid to African women’s development issues, there is not necessarily a connection to NEPAD, and does not indicate active involvement of women in the full NEPAD process. NEPAD would not likely fail only because of lack of attention to women’s concerns, but coupled with lack of civil society involvement, the perspective that NEPAD is elitist could certainly cause a lack of support and interest by African civil society and women’s groups.

EXTERNAL FORCES

Lastly, external forces could lead to the failure of NEPAD as designed. The fight against terrorism and the need for oil could overcome the good governance component of NEPAD and the APRM. Although our National Security Strategy (NSS) recognizes the connection between a strong world economy and our national security, which in this post-9/11 world has led to creation of a robust foreign assistance policy, it is likely well beyond our ability to fully fund. Given that our resources are limited, the United States will have to choose between the near-term protection provided by funding military assistance, post-conflict assistance, and supporting key oil exporters regardless of their commitment to democracy or to the development of their own people, and taking the longer view and using its resources to shape an African environment that promotes economic, civil and religious liberties and a more secure environment in the long
run. While the United States’ Millennium Challenge Account (MCA) fund, centerpiece of our bilateral aid policy, is intended to benefit countries that demonstrate strong commitments to good governance, health and education, and economic policies that foster enterprise and entrepreneurship, the war on terror could increase the emphasis on protecting oil resources and supporting friendly governments regardless of their civil rights records.

INCREASING THE LIKELIHOOD OF SUCCESS

As in the elements that can lead to failure, factors leading to NEPAD’s success can be both internally driven by NEPAD and the African Union itself, by African countries own actions, and by external factors that set the stage for increased African development. Some actions leading to success may be the reverse of those which may lead to failure— involving civil society and women in NEPAD structure and initiatives, for example—while some are positive actions occurring in Africa that build a foundation allowing NEPAD sponsored actions to flower.

RETURNING TO THE NEPAD VISION

According to Alex de Waal and Tajudeen Abdul Raheem, writing for the Southern African Regional Poverty Network, NEPAD began as a convergence of South African President Thabo Mbeki’s vision of an African Renaissance with the OAU’s desire for resolution of the continent’s debt crisis. Mbeki’s belief that Africa could accelerate its development if it were to “unleash its economic and political energies,” coupled with the idea that poverty could be halved by 2015 through more efficient domestic resource utilization, foreign investment and a methodology for aid management that would ensure citizens and taxpayers as well as governments benefited from that aid, resulted in a “double contract between African governments and their citizens, and between Africa and the developed nations.” The peer review process was viewed as a tool that through its economic and political governance standards would both improve the aid flow and generate foreign and internal investment.

De Waal and Raheem fear that despite its auspicious beginnings, NEPAD is “in dire danger of becoming a mechanism for aid-funded projects, a sort of mega-NGO, distinguished by the fact that its governing board consists of heads-of-state.” They believe NEPAD will fail if it becomes an implementer of programs itself, and does not allow governments, countries and their citizens to develop plans of action and manage projects themselves. De Waal and Raheem believe NEPAD can succeed if three things are done: 1) Focus on the big policy issues of “domestic resource mobilization, trade, and debt relief, and the basic principles of the aid encounter.” 2) Refocus on African integration, and recognize NEPAD belongs to the AU and not South Africa; and 3) open NEPAD up to popular debate and review. According to de Waal
and Raheem, “the citizens of Africa are well able to understand the value of the fundamental ideas of the partnerships, of better governance, of continental unity and of generating development through local initiative and resources….It is the African popular aspiration for unity, democracy and development that can save NEPAD from the dead hand of another circus of rentier bureaucracy.” 54 With undoubtedly more emotional distance, the G8 Africa Action Plan endorses the sentiments in these words in its recognition that institutions and governance are strengthened by the involvement of “parliamentarians and civil society in all aspects of the NEPAD process.” 55

CREATING A GROWTH ENVIRONMENT

Creating an environment conducive to growth and investment involves many aspects, from improving infrastructure and ease of doing business to improving living conditions, human capital and physical security. At the July 2004 Africa Economic Summit in Mozambique, leaders from more than 43 countries convened to discuss topics ranging from “water and Zimbabwe to supplying China’s boom, as well as a number of on site trips to examine first hand some Mozambican success stories. NEPAD was mentioned at every session.” 56 Subjects discussed indicated progress has been made. According to Mozambican President Chissano, “we have gone from asking ‘why don’t you do this and that’ to ‘how have you done this and that’.” 57

Recommendations to improve trade included avoiding protectionism, at the same time recognizing that Africa cannot change the fact developed countries will use subsidies to protect their own industries. Speakers emphasized the importance of the product and focusing on what makes money, using Mozambique’s move from growing cashews to processing nuts, and Chile’s export of melons to Japan where they are sold at a huge margin, even though Chile was not a natural melon producer. 58 Reduction of red tape and strong and stable institutions were highlighted as key to reducing the costs of doing business in Africa. Similar recommendations were made to attract foreign development investment (FDI). The importance of open markets was stressed, but using South Africa’s problems as an example, competitive labor costs and social issues such as security also affect the amount of FDI received. Alec Erwin, South Africa’s Minister of Public Enterprise, pointed out that quality of FDI matters, and that it is very important that “FDI goes hand in hand with value addition, thereby moving products up the value chain.” 59

Neal Donahue, writing in The Fletcher Forum of World Affairs, describes how Rwanda used business strategy to transform its coffee market, becoming a model for other industries and improving the investment environment. Rather than continue its production of declining grades of cheap coffee, Rwanda overcame market, production and attitudinal barriers to enter
the high quality Arabica specialty market. Donahue explains how the global coffee crisis in the late 90s forced industry leaders to cooperate and discuss concrete actions required for change, and recognize “the health of the industry was as important as their own immediate needs.” He describes the importance of moral purpose, developing knowledge and expertise over time, and collective leadership from public and private sectors motivated by a common vision as conditions for change required to establish a market that could be the foundation for a prosperous economy. According to Donahue, “Rwandan coffee has turned a corner: coffee exports worth $20 million in 2001 are expected to reach up to $120 million in 2010. This would represent a compound annual growth rate of more than 21 percent. With only a few cornerstone industries to drive economic growth, Rwanda’s vision for achieving middle income status by 2020 looks to be within reach.”

Donahue asks why some countries with weak agricultural bases escape subsistence economies and succeed at producing complex goods and services. His answer is that “countries have a choice between strategy and poverty. When firms and industry clusters have strategies, they can embed their products with unique insights about customer needs, thereby lifting them out of the commodity trap. Countries with strategies also can take the rents they capture from their natural resources and low-wage labor and invest those rents in developing social capital in the form of educational institutions and improved governance. Over time, these institutions can support a higher skilled workforce that can produce more complex goods, allowing the country to migrate from exploitation to innovation.” If business strategies can be applied in Rwanda, given all that was required to overcome its recent past, these strategies can be applied in other Sub-Saharan Africa countries to provide the foundation for economic growth and governance that is a cornerstone of NEPAD.

EXTERNAL FORCES

Two linked factors outside the control of the AU and NEPAD will bring development and investment dollars to Africa—the global war on terror and the need for African oil. The global war on terror can be either a barrier or a facilitator to NEPAD, depending on the kind of aid provided. While in the near term, U.S. aid to Africa in support of the war on terror may focus on security funding, such as the $100 million for the new East Africa Counterterrorism Initiative, troop commitments to the Combined Joint Task Force Horn of Africa, and security and intelligence training in the Sahel, “preventive” development assistance through the U.S. Agency for International Development (USAID) or the Millennium Challenge Account (MCA) complies with the objectives of our National Security Strategy (NSS) to strengthen our security
by fighting poverty. While this could lead to the failure of the APRM if we choose to completely ignore the governance of the countries we fund, it could also provide resources necessary to meet NEPAD’s other objectives of eradicating poverty and increasing growth and development. And the purchase of oil from Africa satisfies both our national security and our and other countries’ business needs. Within the next year, Sao Tome and Principe and Nigeria will auction four new oil blocs around their common border, and Angola and Nigeria are expected to auction new crude oil blocs within their exclusive zones.

COMMITMENTS TO PEACE IN AFRICA

While there are no guarantees current trends toward peace in Africa will be sustained, the development by African leaders and the AU of a Peace and Security Council with the power to conduct military interventions, and the creation of the African Stand-by Force provide a new sense of hope that African governments are genuinely committed to enforcing peace on the continent. And in November leaders from Angola, Burundi, Central African Republic, Democratic Republic of Congo, Republic of Congo, Kenya, Rwanda, Sudan, Tanzania, Uganda and Zambia signed the Dar Es Salaam Declaration on peace, security and democracy and development in the Great Lakes region. At the signing, AU chairman and Nigerian President Obasanjo said “the declaration was not only good for the region where some 6.2 million people are reportedly displaced by war, but also for Africa as a whole.” Tanzania President Benjamin Mkapa recognized all the themes of the declaration as important, but said “peace and security would be a priority issue since without war one can begin putting in place structures of good governance.”

CONCLUSION

Will NEPAD succeed or fail? In a sense, looking at the NEPAD objectives of eradicating poverty, increasing sustainable growth and development, integrating Africa into the global economy, and empowering African women, NEPAD will best succeed if its name is forgotten and African countries become able to function without aid and learn to develop strategies to overcome the natural disadvantages of the continent. While there are barriers, many of them can be turned into advantages. With the leadership of strong countries in Africa like South Africa and Botswana, and the influence of globalization, other countries can learn the value to be achieved by moving away from traditional patronage models of African politics. Civil society in Africa is eager to become engaged, and appears ready to mobilize and become a force multiplier for the basic tenets of NEPAD. And while good governance is critical, democracy as we know it in the West does not have to be achieved tomorrow, and even countries like Libya
appear eager to become part of the “African Renaissance.” And while Libya may have dreams of leadership and control of Africa and the AU, the power, growth and prosperity of the democratic and democratic-leaninng countries will counter the wealth Libya brings to the table today. There is a strong feeling of hope about Africa, within Africa itself and in the developed world, much of it brought on by the actions taken by Africa’s leaders in the development of NEPAD and the concept of peer review and self-policing, and taking ownership for Africa’s problems as well as its future. If Africa’s leaders remain strong and committed and fight to encourage the spread of peace on the continent, and if they engage Africa’s best and brightest in planning and managing development, then perhaps the time is right for the objectives of NEPAD to be realized.
ENDNOTES


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