

## Part 2

### Building the capable and accountable African state

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**Good governance requires a capable democratic state as well as a vigorous civil society and an innovative private sector.**

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A core element of good governance is a capable democratic state—a state embedded in the public will, relying on legitimacy through the democratic process, with strong institutions promoting the public interest. Botswana, Mauritius and South Africa, with fairly capable democratic states and good governance, have promoted economic and human development better than countries without these characteristics. By contrast, Sierra Leone, Liberia, Somalia and Sudan have suffered disorder, instability and general economic and social decline. Good governance thus requires a capable democratic state as well as a vigorous civil society and an innovative private sector. It is not an event but a process, a work in progress that all countries—developed and developing—strive to achieve. It is the product of deliberate policy choices, which countries make in managing themselves and creating a vision for the future.

A key task for all African governments and societies is to build the capacity and accountability of state institutions. This concluding section elaborates on 10 key areas deserving the full attention of African policymakers.

- Strengthening parliaments.
- Deepening legal and judicial reforms to protect property rights and ensure the independence of the courts.
- Improving public sector management.
- Improving the delivery of public services.
- Removing bottlenecks to private enterprise.
- Tapping the potential of information and communication technologies to support government.
- Fostering responsible media.
- Using traditional modes of governance to promote development and enforce contracts.
- Attacking AIDS to end its pernicious effects on governance—indeed on all development.
- Getting partners to live up to their commitments.

### Strengthening parliaments

The legislatures in most African countries remain fairly weak and marginalised. Their autonomy, though guaranteed by the constitution, is often compromised by the executive through lobbying, financial inducements and sometimes intimidation. The poor educational training and calibre of legislators in many countries circumscribe their ability to perform efficiently. For example, in Ethiopia, fewer than a quarter of the parliamentarians have education at the 12th grade or above. While educational qualification should not serve as a barrier to elective public offices, a minimum standard should be enforced so that those elected have the knowledge and intellectual competence to perform the functions they have been elected to perform.

Parliamentary committees are also weak, partly a result of the low calibre of legislators and the lack of adequate professional staff and support services. A major challenge is to boost the capacity of parliamentary committees to provide adequate backup for legislative functions. Competent and well-trained professional staff should be recruited to support the parliament. A well-resourced library should be provided, with adequate reference materials and databases on legislative issues. And legislators should have periodic training on legislative matters.

The following specific measures are recommended to strengthen parliamentary oversight in African countries:

- Improve the capacity of the professional staff that serves legislators and parliamentary committees.
- Simplify and create better access for the people in parliamentary hearings, perhaps taking parliamentary hearings to the people, especially for key national issues.
- Create a parliament-civil society forum for civil society organisations to enrich the work of parliament. This would improve parliament-civil society relationships and enhance the quality of lawmaking.
- Ensure that legislators who serve in different parliamentary committees have basic knowledge or background in the matters they are responsible for.

- Encourage regular training for parliamentarians on various aspects of legislative responsibilities to improve their capacity.
- Create a good data and information base for the parliament on various aspects of governance and on institutions in the country.

### **Deepening legal and judicial reform**

Several lessons emerge from past reform experiences. First, new laws must reflect the realities of the institutional environment, including the state of the institutions that will enforce it—judiciary, ministry of justice, police, regulatory agencies. When the agencies that will enforce a new law are corrupt, technically incompetent or insufficiently independent of political authorities, the law must compensate for these deficiencies. Second, implementation can be made easier if custom is incorporated into the law. Because customs are norms that citizens are already observing, their absorption into state law runs little risk of creating an enforcement gap. And third, reflecting the politics of legal reform, a transparent and inclusive reform process can reduce opposition to a new law and enhance compliance.

Another emerging lesson is that the absence of parallel institutional reforms will tend to negate any progress in judicial reform. For example, reform of the police and the offices of public prosecutors are key complementary reforms, which, if left unattended, will constrain efforts to improve the judiciary. While most efforts focus on improving the court system, some deal with alternative dispute resolution mechanisms. Arbitration, mediation and other forms of alternative dispute resolution methods can channel disputes away from the courts to private fora. But for private methods to be an effective substitute for resolution by the courts, the parties must have some incentive to submit their dispute and be bound by the outcome. In the commercial world, maintaining a good reputation often supplies that incentive.

How then to strengthen the capacity of the judicial system?

- Guarantee its autonomy and insulate it from pressures from the executive and other arms of government.

- Ensure independent funding of the judiciary, with clear rules of financial regulation and auditing system.
- Modernise the courts, including the automation of court procedures.
- Encourage alternative dispute resolution mechanisms, such as justices of the peace.
- Create better links between modern and customary courts by integrating the latter into the judicial system and ensuring that they are served by competent and credible people.

### **Improving public sector management**

In most African countries the capacity of public sector institutions and the delivery of public services deteriorated as economies stagnated or went into decline from the early 1970s. The structural adjustment programmes of the 1980s and 1990s were accompanied by attempts to improve public sector performance, but there is widespread consensus that these attempts have largely failed, leaving little government capacity after the drastic downsizing during the early years of adjustment. At the same time it is widely recognised that improved public sector performance—which is contingent upon increased capacity, improved incentives and better functioning of public institutions—is a critical element of good governance and a vehicle for economic and social development. So what should be done?

A “good fit” is needed between country characteristics and public sector reform. Countries differ in their political and bureaucratic commitment and capacity and in their institutional capacity to sustain reform during implementation. Similarly, public sector reforms differ from one another in the comprehensiveness of their ambition. Some programmes are limited to capacity building or institutional change in one part of the public sector. Others aim at comprehensive reforms of the structure of the public sector, involving multilevel capacity building and institutional changes, such as those related to civil service functions and pay.

Moving forward requires political ownership of—and attention to—national policies and budgets. This means linking national visions and plans,

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such as the PRSP, to the budget, in part through realistic costing of PRSP policies and programmes. This is increasingly being achieved. Ensuring full involvement of a well-informed cabinet and, for example, the budget committee of parliament in the budget remains a much larger challenge.<sup>8</sup> In a few countries, such as Benin, Tanzania and Uganda, the cabinet is fully involved in the government budget, which is the primary tool for allocation of public resources and delivery of public goods and services in accord with national priorities.

Some of the problems facing the civil service apply equally to parliament, the judiciary and the public service generally. These problems include poor incentives and a lack of training opportunities.

As with all economic and social problems besetting African countries, there is no magic bullet when it comes to strengthening the capacity of public service institutions and improving public sector performance. Only a long-term, carefully thought-out and sustained effort, tailored to each country, can succeed. Here are the main elements of such a programme.

- Reassess the role of the public sector and downsize and expand, where necessary, to create a capable state—for example, reduce the number of government ministries and employ more doctors and nurses.
- Update and enforce laws and regulations to minimise arbitrariness in public administration.
- Drastically reduce red tape to minimise the burden of administration and reduce opportunities for bribery and corruption.
- Embark on an accelerated programme of improving pay and other incentives in the public sector to rebuild morale and integrity. The money for improved pay would largely come from elsewhere in the budget—from reduced government employment, fewer leakages of revenue, fewer grandiose projects.
- Have donors provide technical assistance funds in the form of budget support that can go towards improving pay and other incentives for public servants. Isolated project-related TA and non-project-related TA have not worked.

- Revamp staff performance assessment systems and ensure that annual assessments are carried out and acted on. Also draw up and implement—unit by unit—long-term in-service education and training programmes for public servants.
- Devise ways of filling skill gaps by tapping into the Diaspora. For example, doctors in the Diaspora could donate their services for short periods or provide their services at below-market rates.
- Make more effective use of in-country and regional hubs. Country or regional research and policy institutes could be more systematically used by governments to provide technical and advisory services at a cost considerably below expatriate rates.

All these activities could be supported by knowledge sharing and research partnerships among professional networks and between those networks and the key users of knowledge: policymakers, academic institutions, private firms and civil society organisations. Indeed, this is precisely what ECA has proposed for the Africa Knowledge Networks Forum. The Forum would create a network of institutes for research and policy analysis, anchoring them to universities through the Association of African Universities, connecting them through communications hubs. The Forum would also design and build common databases to improve the quality and quantity of data and to support interdisciplinary work. And it would prepare and routinely update a directory of African researchers and research networks.

### **Expanding service delivery**

Providing efficient social services is a difficult exercise. Whether a service should be publicly provided or left to the private sector—or whether both should complement each other—are tough choices. Nor does increasing public spending on services guarantee their efficient delivery or that services will reach the poor.

In many cases, it is the rich and middle classes who are the major beneficiaries of government spending on social services, and the poor are left out. When services are publicly provided, the quality is usually poor. The reason: there is little or

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no channel of accountability between the providers and the clients. Clients do not have direct control over the public providers beyond influencing policy directions on those institutions through the policymakers or public complaint agencies. Choice and competition are thus key elements in the power of the poor.

Decentralising the provision of public services to subnational units or governments is a major means of bringing politicians and policymakers closer to clients and making services more effective. But decentralisation is not magic. Indeed, if the local structures are dominated by local elites, with the poor playing a marginal role, decentralisation may reproduce the patronage, clientelism and resource waste in the national government. Three things are thus central to making decentralisation work for efficient service delivery. First is the nature and capacity of the local service delivery institutions. Second is the extent to which the people have voice and power in both the electoral and political processes of the locality. And third is the flow of information. When people have adequate information on particular institutions and services, they are in a better position to demand accountability?

Reformers should not presume that decentralisation always is the preferred alternative for effecting change in the short and medium terms—but should consider the desirability and feasibility of a broad range of alternative strategies for strengthening accountability.

There are several ways for the private sector to be incorporated into service provision by the government, including subcontracting the delivery of services and deregulating services to allow private entrepreneurs to provide them. Private provision of services is not new in Africa. Parallel to state provision, water supply is privately provided by informal sector workers and small entrepreneurs in many cities and rural areas in Africa. So are private health services in many African countries.

There are two challenges in this. First is ensuring that those services reach the poor—perhaps by subsidising access to services by the poor. Second is to have good regulatory oversight

to ensure the quality and standard of services. Nongovernmental organisations can also play a key role in private service provision (box 10). In many countries, religious organisations establish and run clinics for people in the rural areas where the presence of the government is virtually nonexistent.

In summary, the international experience with sector-specific decentralisation of public services provides these lessons of relevance to Africa:


- All service providers must be held accountable for results.
- There must be clear delineation of authority and responsibility as well as transparent and understandable information on results.
- Policymakers must take a long view: real changes in governance, accountability and impact take time.
- Reformers must remain open to a broad range of alternative strategies for strengthening accountability.
- Services must reach the poor regardless of whether provision is by the public sector or the private sector.
- Effective regulatory oversight structures must be established to ensure the quality and standard of services.

#### **Removing bottlenecks to private enterprise**

Most African countries are pursuing strategies that promote market economies. Many have achieved significant improvements in their macroeconomic stance and regulatory framework. Despite this, private sector opportunities in Africa remain untapped and the ratio of private investments to GDP remains the lowest of all the regions in the world.

Two high level international Commissions—the Commission on Capital Flows to Africa and the UN Commission on Private Sector and Development—have recently provided in-depth analysis of the challenges to private sector development in Africa and the bottlenecks to address on a priority basis. These bottlenecks

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include a range of constraints that lead to the high cost of doing business in the region, the result of macroeconomic instability, policy uncertainty, inadequate physical infrastructure, poor access to investment capital and banking services and cumbersome procedures and regulations governing the establishment and operation of businesses.

Action needs to be taken urgently to bring about lasting improvements in national and regional investment climates:

- Implement macroeconomic reforms that tackle problems of rapid inflation and exchange rate volatility.
- Ensure consistent policies and regulations that lead to a stable microeconomic environment as well as steps to deal with cumbersome procedures and regulations

governing the establishment and operation of businesses that pose considerable difficulty for firms.

- Devise an appropriate sequencing of government policies and actions to move the reform agenda in the right direction and give a strong signal to the private sector about the seriousness of purpose of the government.
- Design a package of clear and transparent incentives to facilitate domestic and foreign investments.
- Effectively tackle any irregularities, inconsistency and lack of transparency in the tax system and customs regulations.
- Reform the financial sector and broaden the mix of financing instruments available to the private sector

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#### **Box 10 Alternate routes to basic education in Ethiopia**

**Ethiopia is a large country with a heterogeneous population. Education levels are low: only 24% of children complete primary school. There are very few schools in poor and remote areas: only about 30% of 10-year-olds in rural areas have ever attended school. But recent innovations sponsored by NGOs show other ways of getting schools to these children.**

**Programmes run by six NGOs reveal how expanding school places is possible even in remote areas—at reasonable cost and without sacrificing quality. The NGO ActionAid proposed adapting school models used by the Bangladesh Rural Advancement Committee in Ethiopia, and since then several other NGOs have sponsored similar programmes. The schools share several features:**

- **Compressing four years of the official curriculum into three years.**
- **Streamlining the curriculum to reduce repetitiveness and remove elements deemed irrelevant to local needs.**
- **Using instructional routines that appeal to children, such as songs or teaching in groups.**
- **Scheduling classes on days and times approved by the community.**
- **Involving community members in monitoring the attendance of teachers and students.**
- **Targeting class sizes at about 35 students.**
- **Recruiting teachers and teaching assistants from local areas and paying them less than professional teachers.**
- **Spending more on textbooks, other instructional materials, training and supervision.**

**The results are promising. Children attending these schools continue on to higher grades. Moreover, learning does not appear to have suffered. Test scores in the second grade were about 20% higher than in government schools, and scores in the fourth grade were only slightly lower, even though the schools catered to children from poorer families. All this at a lower cost per student.**

**Issues remain, however, particularly about scaling up these programmes to reach more children, the more so since some initial success was driven by a few energetic individuals.**

*Source: World Bank 2003.*

### Promoting e-governance

In many African countries, information is becoming more decentralised and freely available, increasing transparency, openness and efficiency in the affairs of government. And several e-government initiatives have enhanced information-based bureaucracies, increasing their efficiency and effectiveness (box 11).

Through the use of information and communications technologies (ICTs), e-government is offering the public sector new organisational arrangements, with a significant impact on accountability and transparency. Those technologies also have a modernising influence on governments by enhancing and updating internal systems and procedures even before electronic transactions are introduced to citizens and businesses. E-government encompasses three main areas: government-to-government (G2G), government-to-business (G2B), and government-to-citizen (G2C).

Government-to-government (G2G) forms the basis for e-government and involves sharing

data and conducting electronic exchanges between governmental actors. This involves exchanges within and between agencies at the national level, as well as exchanges between the national, regional, district and local levels.

In government-to-business (G2B) initiatives, companies can bid for the procurement of goods and services over on the Internet for government contracts. When companies compete with each other in this way, it helps to drive prices down to market levels, and the transparency of contracts reduces corrupt practices.

The third e-government sector—government-to-citizen (G2C)—facilitates citizen interaction with government, which is what some observers perceive to be the primary goal of e-government. E-government initiatives for licenses, certificates, tax payments and land registrations reduce citizens' time through better service provision. They also enhance access to public information through web sites and information kiosks.

#### Box 11 Technology supporting reform across Africa

**Information and communication technologies are having big impacts on the way government does business. Some examples:**

- **Tanzania's parliament, the Bunge, is hoping that a new website dedicated to explaining what it does will soon be figuring among the sites most visited in the country. The aims of the Parliamentary Online Information System are to make politics more understandable and accessible to the public.**
- **The Cameroon government is modernising its tax system through the use of ICTs. Internet-based technology will provide vital information to citizens and businesses about tax regulations, reducing the cost and increasing the accuracy of tax collection.**
- **The Gambia is developing a pilot e-government model focusing on the Department of State for Finance and Economic Affairs, the Office of the President, health and education ministries and local governments to facilitate the sharing of financial and economic management data and information. Initially to be done through an intranet, this will be expanded to include internet information kiosk that the government will provide to the general public, as well as radio, with respect to local authorities to allow greater citizen interaction with local governments.**
- **Egypt's e-government portal now offers a one-stop-shop for information related to more than 700 services of various ministries and other government agencies. Retrieving and paying phone and electricity bills can be done online.**
- **In Nigeria a civil society organisation, the West African NGO Network, is using the Internet to fight corruption. Its website—known as [www.antigrift.org](http://www.antigrift.org), the Anti Corruption Internet Database (ACID)—informs, educates and stores data on corruption in Nigeria to facilitate access to government information, increase accountability and reduce secrecy surrounding government actions.**

Source: ECA staff.

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E-government is, however, an expensive tool requiring strong and enduring political will. A challenge is for governments to put themselves under the scrutiny of citizens by transforming their operations and making their work more transparent and people-centred. The way forward:

- Countries should design an information and communication policy to create access for majority of the people to such modern information tools as radio, telephone and internet.
- Governments must remove restrictions to free access to information by the people and encourage private investment and initiative in the information and communication technology sector.
- Institutions of governance, including the parliament, the executive and the state bureaucracy, should adopt modern information and communication technology in their daily operations, as is being encouraged in South Africa and Mauritius.

Essential in all this is getting the right policy and regulatory environments for information and communications technologies.

#### **Fostering responsible media**

The media are widely acknowledged to have an important role to play as a public watchdog in exposing corruption, checking abuses of power, defending human rights and upholding democratic transparency through the effective monitoring of elections. The past decade has seen substantial progress in many parts of Africa. Yet significant challenges remain. First, the African media must be truly capable and able to perform the core task of consistently providing accurate, unbiased information to the public. Second, freedom of expression remains a critical issue in a majority of countries, and few have freedom of information laws in place. As a result journalists are often under threat of arrest simply for discharging their reporting duties. Action is needed at the political level to change this.

Although a huge slice of the media in Africa is still owned by the state, many media houses

are now in private hands. This greater pluralism has often been lauded as an end in itself. Most journalists recognise that although stiff professionalism and a culture of ethical conduct are musts for the media to be responsible and thriving, governments should not be the ones to decide who can work as a journalist.

Action is needed in the following areas to build a credible, vibrant and responsible media on the continent:

- Create an enabling environment for journalists to function free from political interference.
- Promote adoption of freedom of expression and information laws.
- Build the capacity of the media to analyse and report (in depth) on development and social issues.
- Encourage a culture of ongoing professional training on the technicalities of the profession as well as legal and other matters.
- Encourage the establishment of guidelines for all media to guarantee provision of a certain quantity and quality of news and information that is deemed necessary for the "public good."
- Establish effective frameworks for ensuring media accountability, upholding minimum standards of professionalism and self-regulation of the profession.

#### **Leveraging traditional governance**

In many rural areas of Africa, traditional leaders provide the link between large numbers of people and modern forms of elected government. Many traditional modes of governance and aspects of indigenous leadership are in accord with basic tenets of modern democratic values or have adapted to contemporary political realities, particularly in dispute resolution. Although some customary systems may be perceived as being outdated and incompatible with economic development, there is room for flexibility in tapping their authority and structures to advance development and ease the burden on resource-strapped governments (box 12).

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## Attacking AIDS

In 2003 some 2.3 million Africans died of AIDS while an estimated 3.4 million contracted the HIV virus. This brought the number of people living with the virus on the continent to 29.4 million. Without access to effective antiretroviral medication, most of these people will die in the next 10 years, joining the 19.2 million Africans already claimed by the pandemic since the early 1980s (box 13).

Across Africa, HIV/AIDS is creating a downward spiral of social, economic and human deprivation, which in turn produces a fertile environment for the

spread of the virus. The pandemic brings three processes together in a unique and particularly devastating combination. First, it kills people in the prime of their working lives (typically those aged between 15 and 49). This has the effect of sharply reducing life expectancy, eroding the labour force and destroying intergenerational social and cultural capital. Second, by destroying intergenerational capital, it weakens the ability of succeeding generations to maintain development achievements of the past. Third, the net effect of the proceeding two processes is the systematic erosion of a state's ability to replenish the stock

### Box 12 Promoting partnerships with traditional authorities in Ghana

For example, Ghana is testing approaches to improve deprived, remote and rural communities' involvement in development activities and focus the contributions of traditional authorities on socio-economic development.

- First, it is strengthening the capacities of chiefs, queenmothers and village headpersons in the Asanteman Council areas and the Akyem Abuakwa Traditional Council areas to participate in activities to improve health and fight HIV/AIDS in their communities.
- Second, it is providing resources for rehabilitating basic primary education facilities in select rural and deprived areas in the Asanteman Council community—and designing a partnership between traditional authorities and government to provide quality basic education.
- Third, it is improving the financial and management capabilities of the two councils' secretariats and building their capacities in community development.
- Fourth, it is supporting the councils in efforts to preserve and benefit from their cultural heritage—by developing school activities on cultural heritage, and community-business partnerships—for example, ecotourism. An important part of all this is to revise, codify and disseminate traditional laws and to increase the accessibility and effectiveness of traditional law courts.

### Box 13 The devastating toll of AIDS

It is hard to grasp in the abstract the devastation that AIDS is visiting on Africa. Some examples make the devastation graphic:

- In Malawi up to 25% of the civil service will experience either severe illness or death from HIV/AIDS between 1995–2005.
- In Zambia school teachers are dying at a rate that exceeds the annual capacity of the teacher training colleges.
- In KwaZulu-Natal about 68,000 of the present 75,000 school teachers will be lost from the system by 2010 (due to AIDS and employment poaching).
- In Kenya about 75% of the deaths in the police force can be traced to AIDS.
- The Northern Province of Zambia, relatively free of drought, has seen its basic agricultural system undermined by the spread of HIV/AIDS. Having produced more than 1.2 million 90 kilogram bags of maize each year a decade ago, its recent production has been only 350,000 bags a year.

Source: Badcock-Walters 2001, CHGA 2004, Cuddington and Hancock 1994, World Bank 2001a.

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and flow of vital human capital needed to sustain socioeconomic development and political governance (box 14).

In its trajectory and impact, the pandemic clearly raises profound questions that touch on the organisation of all aspects of social, economic and political life. How, for example, will high-prevalence states continue to deliver critical state services (welfare and health services) and maintain vital structures (parliament, civil service and the core professions) in the face of declining life expectancy and increasing mortality across wide sections of the active labor force? Similarly, how will communities and families continue to function when so many parents are dying from the pandemic or burying their children; and when grandmothers and grandfathers are raising their children's children?

But not all is doom and gloom, for there have recently been some encouraging developments across the continent. According to UNAIDS, although the number of people living with HIV/AIDS across the continent has increased, some progress has been made decreasing prevalence rates in a few countries. Drug prices are falling at a fast pace, which has expanded access to treatment. Advances in understanding the economic and social impacts of the pandemic is leading to a greater sense of urgency for African leaders, African civil society and African development partners. Domestic production of antiretroviral drugs is beginning in Nigeria and Botswana. Substantial new financial resources are becoming available just as the improved access to treatment is encouraging and motivating many people to know their HIV status.

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#### **Box 14 Looking at the full implications of AIDS**

**The Commission on HIV/AIDS and Governance in Africa—established by the UN Secretary-General and chaired by the ECA's Executive Secretary—represents the first occasion for the continent most affected by HIV/AIDS to lead an effort to examine the pandemic in all its aspects and likely future implications. The Commission is an exercise in policy engagement, aimed at key decisionmakers in African governments. Extensive research will underpin the advocacy activities of the Commissioners as well as the policy briefs to assist African governments in the fight against HIV/AIDS.**

**The task of the Commission is to provide the data, clarify the nature of the choices facing African governments, and help consolidate the design and implementation of policies and programmes that can help contain the pandemic.**

**In addition to helping governments understand the long-term development threats posed by the pandemic, the likely recommendations of the final report include:**

- **Strengthening and sustaining national leadership in the fight against AIDS.**
- **Making the socioeconomic and ethical case for scaling up treatment and care provisions for people living with HIV/AIDS, including the argument that treatment is not only crucial to stemming human capacity losses from the pandemic but also fundamental to prevention.**
- **Calling for strong leadership at all levels from central authorities to communities to fight stigma and discrimination against people living with HIV/AIDS and to develop and secure programmes for HIV/AIDS.**
- **Reforming the organisational principles of the state to mitigate the impact of HIV/AIDS on state structures.**
- **Developing a continentwide strategy for supplying generic drugs for treating ailments related to HIV/AIDS.**
- **Harmonising international efforts to combat HIV/AIDS and thus avoiding duplication.**
- **Ensuring that such vulnerable groups as orphans and young girls are protected from HIV/AIDS.**
- **Encouraging governments to create mechanisms for civil society and the private sector to contribute coherently to the AIDS response, through public-private partnerships.**

*Source: Commission on HIV/AIDS and Governance in Africa.*

Based on these encouraging efforts, Africa can overcome the challenge of HIV/AIDS. But a lot more needs to be done to bring HIV prevalence rates down further and to secure the progress so far achieved. We need to fill major gaps in knowledge about what is actually happening. Across the continent, there is very little knowledge in all countries about the distribution of the pandemic in terms of its impact on critical skills and experience across all sectors. Moreover, there is no evidence that any country has begun to address, comprehensively, the human resource planning issues raised by the pandemic, and whether or not there is a capacity domestically or externally to meet the needs for critical skills and training for future generation.

The task of the Commission on HIV/AIDS and Governance in Africa is thus principally one of seeking to understand how the pandemic, through multiple mechanisms, will affect the ability of African states to maintain and promote social, political and economic frameworks and to provide policymakers with options for upscaling the the response.

### **Getting partners to live up to their commitments**

Development partnership has played a significant role in Africa's economic progress and will continue to do so for the foreseeable future. Aid has had important successes in Africa in financing expanded access to basic services, development of high-yielding crop varieties, fighting malaria and other diseases, eradicating river blindness in West Africa and eliminating smallpox worldwide. Much infrastructure was built throughout the continent with partner support. Similarly, support from the international community has been crucial in delivering urgently needed humanitarian assistance to the victims of natural disasters and conflicts. The financial and technical support of the bilateral and multilateral development agencies has also been pivotal in underpinning the reforms of governance and economic management in an increasing number of African countries and enabling them to achieve respectable rates of growth.

But mutual dissatisfaction is growing with the development cooperation framework and the inherent problems in current aid relations. Overall, the record of international development cooperation in Africa has failed to live up to its high hopes.

Recipients have had a circle of high expectations, grand promises, incomplete achievements of goals and frustrations. While the donors tend to point to lack of political will and poor implementation by recipients, African countries have had to bear high transaction costs posed by onerous donor-driven conditionalities, unpredictable support, multiple reporting and procurement requirements, tied aid and donor preferences for project-driven support.

Still, much has been learned about development effectiveness. Not enough attention has gone to the domestic prerequisites for policy reform and using aid effectively, with African ownership of policies and programmes the precondition for success. And there is unprecedented frankness today in examining the record, identifying best practices and forging new modes of cooperation. Partners are required to demonstrate tangible progress towards meeting their commitments, monitoring the following indicators, as specified in the *Rome Declaration on Harmonisation and Alignment* of February 2003 (box 15).

Two other areas command special attention. One is attacking the supply side of corruption by improving corporate governance in donor countries (box 16). The second is developing mechanisms for the recovery of assets looted by corrupt officials and parked in OECD countries.

Also necessary, in the context of mutual accountability, is the need for a mechanism to systematically track partner and African actions towards enhanced development outcomes. ECA and the OECD have put in place a framework for the Joint Review of Development Effectiveness in the context of NEPAD—based on a limited set of indicators of strategic importance to enhancing aid effectiveness and development outcomes.

The first Mutual Review report will be available by June 2005 for consideration by the ECA Conference of African Ministers of Finance and Ministers of Planning and Economic Development and by the Implementation Committee of the African Union Heads of State and Government. The report will also be considered by the OECD High Level Group Meeting and the G-8/NEPAD Africa Partners Forum. The follow-up report on the Rome Declaration will be discussed at the second High Level Forum on Harmonisation in early 2005.

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## **The record of international**

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### **Box 15 Indicators of monitoring progress**

#### **The quantity of aid**

- Meeting the Monterrey and G-8 commitments and the ODA target of 0.7 % of GDP.
- Harnessing aid flows to enable Africa to meet the MDGs.

#### **The quality of aid**

- Predictable support, measured by the proportion of aid channeled through medium term expenditure frameworks.
- Degree to which ODA expenditures fall within the recipient's budgetary system.
- Partner efforts to reduce transaction costs, as measured by the extent to which partner assistance is aligned with national priorities and with national planning cycles.
- Partners efforts to harmonise their disbursement procedures.
- Proportion degrees to which aid is tied to procurement in donor assistance countries.
- Alignment of donor reviews to national cycles of sector and financial reviews.
- And common format for reporting.

#### **The coherence of donor policies**

- The extent to which partner policies in aid, market access and debt relief are coherent with the MDGs.
- The level of preferential market access for African products.
- The level of tariffs and the status and changes in agriculture subsidies.
- The level of debt reductions.
- The consistency of debt's sustainability with reaching the MDGs.

### **Box 16 Corruption, asset recovery and donor assistance**

The prime responsibility for tackling corruption rests with Africans themselves, but there is much that Africa's development partners can do to help:

- Ensuring that western firms conform to the principles of transparency and accountability in their conduct in African countries without engaging in acts of corruption, which comes under the elegant euphemism of corporate gifts.
- Donors should ensure transparency in international banking so that corrupt officials cannot lodge misappropriated funds in western banks.
- Supporting civil society organisations (including the media) that work on the investigation, exposure and punishment of corruption.
- Providing technical and logistical support for anticorruption commissions and other agencies established by the state to tackle corruption issues.

In tackling corruption, it is clear that attention needs to be given to both enforcement—passing legislation and effectively prosecuting offenders—and prevention—addressing the weaknesses in systems that provide the opportunities and incentives for corruption to occur. Donors can assist in this by improving operational approaches.

Donors can also play a role in returning illicitly acquired assets—as is an important element in the mobilisation and allocation of resources for development and in supporting the aim of poverty reduction and sustainable development.

### **Young Africans—meeting the challenges of governance**

About one-third of the labour force in several African countries is unemployed, and more than half the unemployed are young people. Unemployment and underemployment present major concerns for governance because they lead to a feeling of social exclusion and reduce self-esteem. The challenge of governance is not only to create jobs but to equip the youth to enter stable livelihoods. Through economic engagement young people acquire the wherewithal to participate in mainstream political and social processes.

The participation of young people in governance processes is essential not only because they are the beneficiaries of sound policy and leaders of tomorrow but because many of them are already playing decisive roles within their own communities and nations. Young men and women are excelling in business as entrepreneurs and innovators, creating jobs for other young people and adults. In war-ravaged Liberia and Sierra Leone young people are taking on the mantle of peace and mobilising others for peace-building and reconstruction.

Improving governance to meet the needs of the population requires that young people have their concerns reflected in public policy. The energies and the dreams of youth as well as the dynamic subcultures of young people should thus help in establishing and sustaining rights-based and peace-based systems of governance in Africa, from the community to the nation, region and world.

With young people as the future of African governance—indeed, the future of Africa—the 5th African Development Forum will center on Youth and Leadership in the 21st century (box 17).

### **Forging a partnership to develop governance capacity in Africa**

The continent will not make any serious strides in advancing the governance agenda if the capacity deficits identified in the course of our study are not dealt with soon.

There have been many efforts over the years, some still under way, to enhance capacity in Africa in various sectors. They include the work of the African Capacity Building Foundation, the African Economic Research Consortium and the Development Policy Management Forum. All have made significant and worthwhile contributions in their respective fields.

ECA also did a major study and came up with an action plan on building critical capacities across the board. The plan was endorsed by the Conference of African Ministers of Planning and Economic Development in 1997. But there was no mechanism for implementing the plan.

It was in the spirit of creating such a mechanism that the African governors of the World Bank proposed a Partnership for African Capacity Building (PACT) in 1998. The initiative cogently called for a comprehensive, five-year programme of action to address capacity deficits in the public and private sectors, civil society and tertiary education and training institutions. Many of PACT's

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#### **Box 17 Youth and leadership in the 21st century**

**The 5th African Development Forum, to be held in Addis Ababa on 15–19 June 2005 will put youth development on the African development agenda.**

##### **The objectives:**

- **To build the case for more active and effective inclusion of youth in Africa's overall development processes.**
- **To inculcate in young people the ideals of democracy, tolerance and accountability.**
- **To help develop a strong sense of common destiny among young people in Africa.**
- **To identify key elements of a strategy for renewing and sustaining hope among African youth.**
- **To identify building blocks for an integrated National Youth Policy.**
- **To draft a regional framework for youth development in Africa.**

ideas covered the priorities we identify in this study and discuss in the actions for building capable states in Africa.

PACT stressed the need for genuine African ownership, the importance of public sector reform, enhancing the capacity of the private sector and civil society organisations, and the critical need to develop and harness the full potential of training, research and information technology institutions. It also set out a coherent institutional structure, linking the international, regional and national levels, as well as innovative funding mechanisms, in order to implement the proposed programmes.

At the international level, a Partnership Group and PACT Secretariat were proposed to guide the programme. At the regional level the PACT Secretariat would consider incoming proposals for regional programmes that would meet the needs of several countries. At the national level, participating African governments were called on to create National Capacity Secretariats as focal points for country coordination of multisectoral and multi-donor efforts on capacity building and as main point of contact with donor community on the initiative. It was also envisaged that these Secretariats would be responsible for involving the private sectors and civil society fully in the process.

For financing, a Capacity Building Trust Fund was to channel the resources of the overall programme in the form of grants for approved projects. The Fund was intended to complement existing resources dedicated to capacity building in Africa, with a focus on specific priority interventions.

A detailed plan of implementation was also set out. Unfortunately, PACT was never implemented in the scope and nature originally devised,

mainly because there was no mechanism for implementation.

In a similar vein, the UNDP is now proposing an African Governance Institute to advance human development on the continent through the promotion of a better understanding of governance and the mobilisation of human and material resources. A key objective will be to share knowledge on experiences and best practices. As a welcome addition to the arsenal of tools at our disposal in this struggle, the initiative deserves our support. Yet the depth of the problem requires responses far greater than what has been attempted to date. The effort also needs to go beyond the public sector to focus on the needs of the private sector, and civil society.

PACT's original business plan, drawing on our earlier work, spells out in great detail the capacities needed in all sectors—public, private and civil. Given current circumstances, it is clear that the PACT approach, or a derivation on its theme, is needed now more than ever. It is therefore necessary to review that initiative in some detail and to discuss how a similar large-scale, holistic programme to develop governance capacity can be implemented for Africa in the near future.

The programme must be bold, cross-cutting and comprehensive. For it to succeed, African leaders must commit themselves to results-oriented implementation and encourage all stakeholders at the national and regional level to take ownership of the process. With that leadership, commitment and ownership in place, the support of the international community will also be vital, given the financial constraints hindering the countries of the region in coming up with the massive costs to fund capacity-building in Africa.

*Africa is beyond bemoaning the past for its problems. The task of undoing that past is ours, with the support of those willing to join us in that continental renewal. We have a new generation of leaders who know that we must take responsibility for our own destiny, that we will uplift ourselves only by our own efforts in partnership with those who wish us well.*

—Nelson Mandela,  
Nobel Laureate

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**With leadership, commitment and ownership in place, the support of the international community will also be vital.**

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