



NEPAD Dialogue

Focus on Africa



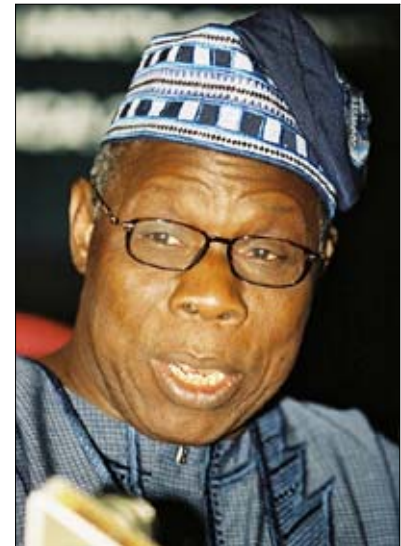
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TICAD Asia-Africa conference



President's six-point plan for Africa's growth

THE momentum generated by NEPAD has brought about identifiable achievements but the African continent still faces daunting challenges, including raising growth

rates and sustaining them over the medium to long-term, President Obasanjo of Nigeria (right) said in addressing the TICAD Asia and Africa Trade and Investment Conference in Tokyo, Japan on 1 - 2 November 2004.

He spelled out why Africa requires substantial resources from at least six sources:

“First, domestic sources by encouraging production, fighting waste and corruption, promoting better resource control and management, initiating productive projects, and encouraging savings.

Second, substantial debt relief. The truth is that if we are serious about development in Africa the debt burden must be eliminated. Africa will not develop or make progress when its meager resources are sucked away by debt servicing.

Third, improved terms of trade especially more access to the markets of industrialised countries. We want more trade and not necessarily aid. If the terms of trade are reasonable, we can generate resources to reduce poverty and promote development.

Fourth, the repatriation of stolen funds and acknowledgement of anti-corruption fighting efforts. I urge our development partners to cooperate with us in working out realistic ways to return funds stolen from Africa.

Fifth, direct foreign investment and stronger technological support. This could go a long way to improving the resource stock of Africa with far reaching implications for development. With on-going reforms in Africa, the continent represents a very fertile and rewarding ground for investment. Friendly governments have to give a helping hand to their private sectors to gain confidence for investing in Africa.

Finally, while our focus is not on aid but trade, Africa still needs substantial assistance, especially technical assistance in the areas of infrastructure, health, water, technology agriculture and education to open up new opportunities and possibilities for our people.”

There is no doubt, President Obasanjo said, that Africa’s future growth performance is highly dependent on mobilisation of internal resources, substantial debt relief, infrastructural development, more access to the markets of the industrialised nations, technological improvements, and strengthening domestic markets.

“Concrete steps have been taken under NEPAD to get the economic and social priorities right. To that end, the creation of the African Peer Review Mechanism (APRM) is to ensure that the policies and practices of participating states conform to agreed political, economic and corporate governance values, codes and standards.”

With enhanced synergies between the TICAD and NEPAD processes, trade and private sector investments from Asia will assist in boosting economic growth on the African continent, he said.

“I believe the time has come for the establishment of a Japan-Africa Trade and Investment Centre (JATIC) that would be substantially funded by the Japanese Government to link the African Union and the Regional Economic Communities more closely with Japan and Asia. Also, there is a need for the establishment of an African Multilateral Investment Guarantee Agency (AMIGA) as a subsidiary of the African Development Bank (AfDB) to encourage and guarantee Japanese and African investment in line with the World Bank’s Multilateral Investment Guarantee Agency (MIGA).

“I would like to conclude by reiterating my conviction that deliberate supportive measures will lead to improved African economic performance, as well as create the necessary environment for a thriving and prosperous partnership between the public and private sectors on the continent, and a more vibrant, mutually beneficial relationship between Africa and Asia.

“For us in Africa, we are ready. The challenge to our development partners and friends is for them to be fully ready to march along with us.

NEPAD ready to lead action on Africa's food reserve challenges

A high-level seminar on food reserve systems in Africa - a follow-up to the NEPAD report presented to the African Union (AU) Summit in Addis Ababa, Ethiopia, in July 2004 - will be held in Johannesburg on 30 November - 2 December 2004.

The seminar will involve all seven Regional Economic Communities, the African Union, representatives of the eight selected countries in the NEPAD report, and NEPAD international and technical partners who have been actively involved with food security issues.

The NEPAD study reviewed experiences with food reserves in a sample of eight countries representative of the Sahel (Mali; Burkina Faso and Niger), East and Southern Africa (Zambia, Malawi and Tanzania) and the Horn of Africa (Sudan and Ethiopia).

The objectives of the NEPAD study were, among other things, to:

- **review experiences with food reserves in Africa using a sample of eight countries;**
- **assess the effectiveness of existing food reserve systems in promoting food security; and**
- **recommend the necessary concrete actions for consideration at national, regional and international levels.**

Major conclusions from the study were that there was a general lack of comprehensive and consistent food security policies, which embrace food reserves. The existence of multiple and often conflicting objectives for holding food reserves was evident.

The importance of reliable early-warning and food security systems in supporting the implementation of effective food reserve systems was highlighted in the study. At the same time the management of food reserves often presented immense challenges in many of the study countries.

NEPAD regards the presentation of its report to the AU as the beginning of a process of further consultation and dialogue. The aim now is to transform the results of the study into an action programme that will give real meaning to the commitment to eliminate the threat of hunger and starvation from the continent of Africa..

NEPAD is ready to lead the effort, in close collaboration with Regional Economic Communities and member states to ensure a more coordinated regional action.

The forthcoming Johannesburg seminar is important in ensuring buy-in by the countries included in the study, reaching agreement on the division of labour between NEPAD and Regional Economic Communities and individual countries on implementation of the recommendations.

It will involve potential partners in setting the stage for future actions to strengthen food security in Africa; identifying the opportunities for further strategic alliances and co-operation with donors and technical partners; and will help in developing the implementation work plan for 2005, including a common platform for mobilising possible assistance to the implementation process.

Seven major African rivers under study at NEPAD water resources workshop

A workshop to discuss the NEPAD short-term action plan (STAP) on transboundary water resources management will be held in Johannesburg on 2-4 December 2004. It has been organised by the African Development Bank following a situation assessment study of seven river basins: Niger and Senegal in West Africa; Nile in East Africa; Congo and Lake Chad in Central Africa; and Zambezi and Okavango in Southern Africa.

The consultants commissioned by the Bank to conduct the study have submitted a draft report that elaborates a strategic framework and action plan for the seven basins.

The Bank also initiated the preparation of a medium to long-term strategic framework (MLTSF) for implementation of the NEPAD infrastructure programme.

The stakeholders' consultation workshop in Johannesburg will facilitate broad discussion on the issues and challenges of transboundary water resources management and obtain feedback on the framework for implementation of the NEPAD STAP in the seven river basins.

The main objectives of the workshop are:

- To present and discuss with the stakeholders the proposed framework for implementation of the NEPAD STAP for transboundary water resources management in the seven river basins;
- To seek consensus on the strategic directions and proposed action plan for the river basins; and
- To present and discuss with the stakeholders the MLTF background paper and seek their input on the way forward.

Stakeholders include representatives of Regional Economic Communities (RECs), representatives of river basin organisations (RBOs) and cooperating partners including donor organisations, the African Union, UN organisations, the African Ministerial Conference on Water (AMCOW), NEPAD and the civil society.

About 65 participants are expected to attend the workshop. They will provide an appropriate mix of international, regional and river basin experiences for the preparation of a programme of action for both short term and medium to long-term activities in transboundary water resources in Africa.

Experts will look at issues facing African banks

A workshop to discuss a framework for the implementation of capital adequacy standards (Basle Accords) and good corporate governance in African banks will be held in Johannesburg, South Africa, from 29 November to 1 December, 2004.

It has been organised by the African Development Bank in collaboration with the Association of African Central Banks and the African Peer Review Mechanism (APRM) Secretariat. The Federal Reserve Bank of New York and the Swiss-based Financial Stability Institute are providing support.

As part of its objective of promoting financial stability in African countries, NEPAD encourages the adoption of international banking and financial standards.

An important aspect of the banking standards (Core Principles for Banking Supervision) requires bank supervisors to set minimum capital requirements for all banks, reflecting the risks that banks undertake. At the same time, international efforts towards convergence have resulted in the development of a revised framework for capital measurement and capital standards (the Basle II Accord) that countries are being encouraged to adopt.

Several African countries have already indicated their intention to adopt the new standards. However, the revised framework has varying benefits and challenges for countries, depending on their financial market conditions.

It is important, therefore, for the African countries to consider carefully the issues involved in the transition to Basle II and to draw up a practicable strategy of when and how to proceed so as to maximise the benefits from the transition. Experience also shows that the implementation of the standards would be enhanced in an environment of good corporate governance that NEPAD is encouraging African countries to adopt.

The Johannesburg workshop is being organised to facilitate a discussion on the issues and options by the participants, including African bank supervisors, officials from other selected financial institutions and invited international experts.

The African Peer Review Mechanism

The African Peer Review Mechanism (APRM) is a key instrument in the efforts of NEPAD to foster the adoption of international standards and good governance in African countries.

It is a self-monitoring mechanism designed to facilitate the sharing of experiences and best practice, including identifying deficiencies and assessing the needs for capacity building.

Participation in the APRM is open to all member states of the African Union; membership is voluntary and there is no conditionality attached to it. Twenty-three countries have joined the mechanism since its inauguration in 2003 and membership is increasing.

Although the highest decision-making authority is the African Peer Review (APR) Forum, the Committee of the Heads of State and Government of member countries, the process is directed and managed by an independent Panel of Eminent Persons (the APR Panel), who ensure the integrity of the process.

The Panel is supported by a Secretariat and key partner institutions (the Strategic Partners), which include the African Development Bank.

The APRM process is also designed to encourage national ownership and leadership, and to be open and participatory.

Current APRM membership comprises Algeria, Angola, Benin, Burkina Faso, Cameroon, Republic of Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Tanzania and Uganda.

Calendar of Events

- **15 - 18 November**, NEPAD Science and Technology Regional Workshops, Pretoria, South Africa.
 - **20 November**, NEPAD Steering Committee Meeting, Algiers, Algeria.
 - **20 - 21 November**, African Peer Review (APR) Panel Meeting, Algiers, Algeria.
 - **22 - 23 November**, NEPAD Science and Technology Regional Workshops, Nairobi, Kenya.
 - **22 - 23 November**, NEPAD Heads of State and Government Implementation Committee (HSGIC) Meeting, Algiers, Algeria.
 - **22 - 25 November**, Conference on Successes in African Agriculture, Nairobi, Kenya
 - **23 November**, APR Forum Summit, Algiers, Algeria.
 - **27 - 30 November**, NEPAD Science and Technology Regional Workshops, Algiers, Algeria.
 - **29 November - 1 December**, Workshop on a Framework for the Implementation of the Capital Adequacy Standard (Basle Accords) and Good Corporate Governance in African Banks, Johannesburg, South Africa.
 - **30 November - 2 December**, Seminar on Food Reserve Systems in Africa, Johannesburg, South Africa.
 - **2 - 4 December**, Workshop on Implementation of the NEPAD Short Term Action Plan (STAP) on Transboundary Water Resources Management, Johannesburg, South Africa.
 - **6 - 9 December**, NEPAD Science and Technology Regional Workshops, Dakar, Senegal.
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