A Comment on NEPAD: The New Partnership for Africa’s Development and Financing for Sustainable Development

Betsy Baker Röben*

I. NEPAD’s Mandate

The New Partnership for Africa’s Development (NEPAD) offers a case study in regional coordination of country driven efforts for sustainable development and their interface with the regional institutions of Financing for Development.¹ Such regional arrangements are key to financing the achievement of “economic development, social development and environmental protection”, as envisioned by the Johannesburg Plan of Implementation (JPOI) adopted at the 2002 World Summit on Sustainable Development.² The New Partnership for Africa’s Development was adopted over a year earlier in July 2001, by the Organization of African Unity (OAU) Heads of State.³ The NEPAD Framework Document, which followed in October 2001, expresses the Partnership as a mutual commitment: “This New Partnership for Africa’s Development is a pledge by African leaders, based on a common vision and a firm and shared conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development and, at the same time, to participate

* Assistant Dean, Harvard Law School Graduate Program and International Legal Studies, J.D. (Michigan), Dr. jur. and LLM (Kiel).


actively in the world economy and body politic. The Programme is anchored on the
determination of Africans to extricate themselves and the continent from the
malaise of underdevelopment and exclusion in a globalising world."4 The African
Union, which succeeded the OAU in 2002, continues the commitment to carry out
the New Partnership.5

This NEPAD pledge is also NEPAD’s mandate: to eradicate poverty and move
African nations towards sustainable growth and development. Here sustainable
“growth” and “development” go hand in hand.6 To move in that direction, the NE-
PAD Framework Document calls for abandoning the traditional development “lo-
gic” of credit and aid and adopting a “new relation of partnership between Africa
and the international community”.7 Appearing as it does in NEPAD’s name and its
foundational documents it is clear that “partnerships” with ... “especially the highly
industrialized countries” is a central concept and tool for financing and promoting
African development. In part already realized, these include partnerships with na-
tional governments both in and outside of Africa, partnerships with international
organizations and financial institutions, with NGOs, for community and user de-
velopment, with industry, and public-private partnerships to attract investment.8

5 Succession occurred when the Constitutive Act of the African Union, 11 July 2000, entered into
force. The Act is also available in German: Jakob Leimgruber (Tr.): African Union: Konstituie-
rende Akte der Afrikanischen Union. - Berne: [South African Embassy], 2003. The inaugural African
Union Summit at Durban in July 2002 adopted a Declaration on the Implementation of NEPAD
which recognized the “long term nature of the NEPAD programme and our determination to use all
available resources to ensure its successful implementation” (para. 7). Assembly/AU/Decl. 1 (I), avail-
able at <www.southafrica-newyork.net/pmun/documents/Declaration%20on%20the%20Implemen-
tation%20of%20NEPAD.pdf>.
6 Some observers consider the term “sustainable growth” to be an oxymoron and a misappropria-
tion of notions of sustainability to promote potentially damaging growth, see e.g. S. Aga Khan,
Earth on the Market, Beyond the Limits of Sustainable Growth, Le Monde Diplomatique, December
2002.
7 NEPAD Framework Document, October 2001, see note 4 above, para. 8. The NEPAD, based in
part on the Monterrey Consensus (see note 20, below), is seen as a clear break with the old develop-
ment paradigm known broadly as the “Washington Consensus”, a phrase coined by John William-
son and based on principles such as fiscal discipline, privatisation of state enterprises, openness to
Foreign Direct Investment, etc. (as summarized in the World Bank Poverty Report, 2000). See also J.
Williamson, “Did the Washington Consensus Fail?” Outline of Remarks at CSIS. Washington DC:
rope, Workshop on NEPAD Peer Review, May 2003, 3.
8 See e.g. NEPAD Framework Document, ibid. para. 103., or 159 (joint business council partner-
ships between African and non-African firms, with an eye toward joint ventures in e.g. manufactur-

II. NEPAD's Structure and Goals: A New Type of International Organization?

NEPAD is part plan and part institution. In some ways, it is a regional plan of implementation, similar to the global Johannesburg Plan of Implementation.\(^9\) And, although officially it is considered simply a “ programme” of the African Union, NEPAD also possesses institutional qualities,\(^10\) being endowed with a formal structure that the Johannesburg Plan of Implementation cannot claim. As programme, the NEPAD Framework Document contains a Programme of Action and a lengthy section on implementation, as well as the statement that the Partnership “is envisaged as a long-term vision of an African-owned and African-led development programme”.\(^11\) As institution, NEPAD’s formal structure\(^12\) places the African Union Summit of Heads of State and Government at the top, with a direct line to the Heads of State Implementation Committee: the Heads of State of 15 countries, meeting once every four months. In fact, the NEPAD Framework Document specifies that the advisory role runs from the national to the regional level; that is, that the heads of state advise the African Union on how to implement the Partnership.\(^13\) The 15 member Implementation Committee is in turn guided by the NEPAD Steering Committee, which meets monthly and is composed of five Founding Countries, initially Algeria, Egypt, Senegal, South Africa and Nigeria. Finally, the NEPAD Secretariat is beneath the Steering Committee, at the “base”, so to speak, of the Management Mechanism.\(^14\)

Given the quasi-programmatic, quasi-institutional character of NEPAD, it is not an international organization as such. Nonetheless it is useful to compare NEPAD’s mandate to the mandates of formal international organizations. It is of particular interest that sustainable growth and development are included in its founding Framework Document. NEPAD’s integration of sustainable development into its initial purposes stands in contrast to the International Monetary Fund (IMF) and

\(^9\) See note 3 above.
\(^11\) NEPAD Framework Document, para. 60.
\(^12\) See <http://www.avmedia.at/cgi-script/csNews/news_upload/NEPAD_2dCORE_2dDOCUMENTS_2edb.AA0110401.pdf>.
\(^13\) See its discussion of the need for a Management Mechanism to implement the Partnership: NEPAD Framework Document: “198. The heads of state promoting the New Partnership for Africa’s Development will advise the AU on an appropriate mechanism for its implementation. 199. There will be a need for core technical support for the implementing mechanism in the areas of research and policy formulation.”
\(^14\) At its inception the Secretariat comprised five people based in Pretoria, South Africa. It has been noted that the Secretariat “is more a Facilitating Secretariat rather than an implementing one”, <http://www.sarpn.org.za/NEPAD/april2002/dev_bank/page2.php>, under “Leadership and Management Structure”.

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the World Bank. Each of these organizations had to integrate sustainable development into their operations long after their constituting agreements were signed, and had to adjust their structures and programs accordingly. Indeed some have been criticized for exceeding their mandates by later expanding their scope of operations to cover such matters as sustainable development.\(^\text{15}\) NEPAD, on the other hand, incorporated issues of sustainable development into its purposes from the outset, doing so a year before the Johannesburg Summit even took place. Yet sustainable development issues may not even remain the chief focus of NEPAD in the future, if its leadership decides otherwise.\(^\text{16}\) NEPAD can draw on existing external structures and institutions that are working towards sustainable development, and develop its own internal sustainable development mechanisms that will both shape the NEPAD and evolve with it. For example, the NEPAD Framework Document articulates from the outset a specific Strategy for Achieving sustainable development in the 21st Century.\(^\text{17}\) The Strategy sets as a goal the achievement of the International Development Goals (later consolidated as the Millennium Development Goals\(^\text{18}\)), and includes three initiatives regarding the conditions for sustainable development: Peace and Security, Democracy, and Political Governance.\(^\text{19}\) This approach may represent a new, less formal type of goal-oriented organization that is flexible enough to reshape its mandates as it evolves.

### III. NEPAD’s Coordination with Global and Regional Actors

Independent of NEPAD, two further initiatives central to sustainable development efforts at the global level also focus on Africa: The Monterrey Consensus, adopted in March 2002 at the UN International Conference on Financing for Development,\(^\text{20}\) urges support for NEPAD,\(^\text{21}\) and the Johannesburg Plan of Implo-
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mentation (JPOI) adopted in September 2002 returns repeatedly to Africa-related topics.22 The JPOI devotes an entire section to sustainable development in Africa23 and mentions NEPAD by name in para. 144, under measures to strengthen regional institutional arrangements for sustainable development.24 Other familiar themes from the Monterrey Consensus and the JPOI also appear in the NEPAD documents: Improving market access and export diversification are among NEPAD’s general institutional priorities,25 as are improved capital flows and economic and corporate governance,26 including revising banking and financial standards.27

Immediately following the Johannesburg Summit, a High Level Session and Panel of the UN General Assembly28 focused exclusively on how to support NEPAD, and adopted a related resolution.29 In addition to discussing good governance and the African Peer Review Mechanism (APRM)30, the session also emphasized the “importance of South-South cooperation in the implementation of NEPAD”.31 This aspect reflects the regional nature of the cooperation considered necessary for NEPAD to succeed. The African Peer Review Mechanism (APRM), which attempts to measure how well African countries govern (“governance performance”) is considered a “major innovation for Africa”.32

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23 Part VIII “Sustainable Development for Africa”.
24 Post-Monterrey support of the Partnership has continued. The International Monetary and Financial Committee stated in April 2002, “the Committee welcomes, in particular, the African Regional Technical Assistance Centers (AFRITACs), whose establishment will support the New Partnership for Africa’s Development, and looks forward to the timely financing of this initiative. Communiqué of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund Washington, D.C., April 20, 2002.
26 AHG/235 (XXXVIII), Annex I, Page 7, paras. 18 and 19. See also The NEPAD Economic and Corporate Governance Initiative at <http://www.avmedia.at/nepad/indexgb.html>.
27 Prioritized Codes and Standards relating to economic governance reform are listed at NEPAD Declaration on Democracy, Political, Economic and Corporate Governance, available at <http://europa.eu.int/comm/development/development_old/ eu_afr_bg/NEPAD_Declaration_07072000.pdf> paras. 18 and 19, and include “[18] ... h. Core Principles for Effective Banking Supervision.”
32 Summary, ibid., citing to Nigerian President O b a s a n j o. See also NEPAD and its Implications for Financing Development, E/ECA/CM.1/2, at <www.uneca.org/eca_resources/Major_ECA_Websites/conference_of_ministers/26/IssuesPaper.doc>; Page 2, APRMs as “The most innovative dimension of NEPAD.”
The sheer number of programmes within the UN system alone which operate at the global level, and which are implicated in helping NEPAD carry out its regional mandate, indicates the complexity of coordinating programs at the regional level. At the High Level Session and Panel the President of Nigeria called on the Secretary-General “to assign a high level official to coordinate the activities of five UN agencies [sic] – UNDP, UNICEF, UNFPA, WFP and UNEP. The crucial role of the United Nations in mobilizing the international community support, including much-needed resources for NEPAD, was also highlighted.”

While these five programmes are not primarily involved in financing sustainable development, reference to mobilizing resources makes clear that even non-financial institutions and agencies play a role in providing support – financial or otherwise – to NEPAD’s efforts. The JPOI emphasized this central role of the UN in coordinating regional and global initiatives, with specific reference to coordination also of financial institutions.

Better coordination is needed not only with UN Programmes but also with autonomous Specialized Agencies such as the Bretton Woods Institutions. This is happening to some extent, given that the post-Johannesburg contacts between NEPAD, the World Bank and the IMF continue on a practical, project-related basis through conferences and workshops.
Regional Commissions and financial institutions are also involved in helping NEPAD carry out its financing mandate. For example, NEPAD has undertaken to review African financial infrastructures, with a view to reforming them for improved contributions to sustainable development. The UN Economic Commission for Africa (UN ECA), which reports directly to the ECOSOC, and the African Development Bank are important partners for NEPAD in this and other issues specific to financing for development. For example, the African Development Bank will take a lead role in this financial infrastructure review work, encouraging individual countries to “adopt policy and institutional reforms, assist in the preparation of projects and programs and the development of financial criteria. It will also strengthen donor coordination in resource mobilization.”

IV. NEPAD as an Institutional Model for Development Financing at the Global Level?

Given this web of institutions involved in helping NEPAD finance its promotion of sustainable growth and development, NEPAD can be viewed as a microcosm of the intra-institutional relationships necessary for sustainable development at the global level. At both levels, each institution working with NEPAD should act on the basis of its own mandate and experience. Where the African Development Bank and the African Union are actively cooperating with NEPAD at the regional level, the World Bank and the UN can be seen as having similarly parallel mandates at the global level with respect to sustainable development priorities. However, one significant difference between the African regional level and the international level is, that two of the African institutions involved in sustainable development, NEPAD and the African Union, are quite young, the latter having only succeeded the Organization of African Unity in 2002. In this case, youth may be an advantage if NEPAD and the African Union can capitalize on being born in an era when sustainable development stands high on the list of international priorities, and when the concepts of international organization, international legal personality and international sovereignty are in flux. Notably, the African Union – like NEPAD – also integrates sustainable development into its foundational documents.

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40 See JPOL, para. 121 f., note 31 above: international organizations should act “based on their mandates and comparative advantages”.
As suggested above, however, this foundational mandate may be supplemented and adjusted as the African Union develops. Finally, it is to be noted that, as an institution, NEPAD has no direct parallel on the international level, unless it is the Johannesburg Plan of Implementation itself. This is not an entirely accurate comparison, given that the JPOI possess no institutional features comparable to those of NEPAD.

Admittedly – and perhaps problematically for the potential model character of NEPAD proposed here – the UN Economic Commission for Africa has no precise parallel institution at the global level. The ECOSOC has a broader mandate and more of a coordinating role at the global level than does the UN ECA at the African regional level. In connection with NEPAD the UN ECA takes on the task of improving corporate and financial governance, and views political representativeness, institutional effectiveness and economic governance as “essential elements” of good governance. These activities not only fall within the ECA’s original mandate. They are also all points raised in the Johannesburg Plan of Implementation, where they are however addressed to a wide range of players, often the multilateral financial institutions, and not just to one body that can coordinate such efforts.

One key to NEPAD’s effective contribution to improved financing for development is to ensure that vertical communication between the global and regional levels reduces duplication and allows each institution to focus on and share its expertise. This is suggested by the case of the African Development Bank’s cooperation with NEPAD. This need of NEPAD to coordinate not only vertically with the Bretton Woods Institutions, but also horizontally with the African Development Bank adds a structural dimension to the regional plans that is not present at the global level. The role of the African Development Bank in carrying out NEPAD’s mission is “to provide technical assistance and advisory services; assist the Committee to develop and operationalise mechanisms for the mobilization of resources...”

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43 See text at note 16, above.
44 See text at note 10, above.
45 The ECA says of itself: “... the Commission serves as a vital bridge between African countries and their development partners. Because of its regional role as a member of the United Nations family, ECA is able to gain political support, financial support and credibility from African countries and for African countries.” Overview of the ECA, 11-08-2002 available at <http://www.avmedia.at/cgi-script/csNews/news_upload/ORGANIZATION_2dACA_2edb.nepadbyorg0101.pdf>.
46 The JPOI para. 126 specifies that the ECOSOC is, inter alia, to “(a) increase its role in overseeing system-wide coordination and the balanced integration of economic, social and environmental aspects of United Nations policies and programmes aimed at promoting sustainable development”.
48 The ECA’s original mandate includes to “(a) Initiate and participate in measures for facilitating concerted action for the development of Africa, including its social aspects, with a view to raising the level of economic activity and levels of living in Africa” and “(f) Assist in the Formulation and development of co-ordinated policies as a basis for practical action in promoting economic and technological development in the region”, ECOSOC Res. 671 (XXV), ECOSOC Official Records, Twenty-Fifth Sess., Resolutions, Supp. 1, 1.
49 See e.g. JPOI paras. 120bis and 123.
and implementation of programmes; and to foster implementation of economic and corporate governance. The African Development Bank’s role will be transitional until NEPAD is fully integrated within the African Union." These roles fit within the ADB’s original mandate and are necessitated in part by the fact that NEPAD is so new, and still not fully integrated into the African Union. In areas of infrastructure development however, the African Bank takes on roles more similar to those of the World Bank in the latter’s own development work: “With regard to Infrastructure development and as a lead agency, the [African] Bank is expected to identify and elaborate on policy and institutional measures and reforms for infrastructure development.” When the ADB can make such determinations based on regional familiarity it provides a better basis for the World Bank’s work in Africa of “mobilizing resources for the physical and social infrastructure necessary for poverty alleviation and sustainable development". If the African Development Bank operates in keeping with the admonitions of NEPAD, the World Bank’s allocations will be more responsive to nationally-owned and locally driven initiatives. Other World Bank lending in Africa is earmarked to projects that are in line with the Johannesburg Plan’s call for reform of the financial architecture, such as “medium to long-term adjustment of economies focusing on structural and financial sector, social policy reform, improved public sector resource management, reducing poverty and improving governance in Africa.” But the World Bank then claims that precisely in carrying out such lending it “is increasingly devoting more resources to conflict prevention and the prevention and control of the HIV/AIDS pandemic (in Africa)”. Here the World Bank is evidently tying this comment to the lending for social policy reform and poverty reduction. While these urgent needs certainly require resources, they also raise the question of just how the


51 Agreement establishing the African Development Bank, Khartoum, 4 August 1963. Entry into force: 10 September 1964, Introduction from September 1999 version: “The Bank’s mandate as stipulated in Article 1 of the Agreement Establishing the Bank is to: ‘contribute to the economic development and social progress of its regional members – individually and jointly’. The Bank’s mission, therefore, is to assist Regional Member Countries (RMCs) to break the vicious cycle of poverty in which they are entrapped. Working towards this goal, the Bank would endeavour to facilitate and mobilise the flow of external and domestic resources, public and private, promote investment, and provide technical assistance and policy advice to RMCs.” Available at <http://www.afdb.org/knowledge/documents/Agreement_Establishing.htm#1>.

52 Page 3, para. 3.1., <http://www.sarpn.org.za/NEPAD/april2002/dev_bank/page1.php>; para. 3.1 continues: “Establish the criteria for selection of projects to be presented to potential financiers; assist countries in preparation of projects and programmes through studies and sector reviews; strengthen donor coordination and establish methods for effective resource mobilization; and suggest strategies to promote Public Private partnerships (PPPs).”


54 <http://www.un.org/esa/africa/brettonwoods.htm> continues: In addition to its role in the Enhanced Highly Indebted Poor Countries (HIPC) Initiative, World Bank projects in Africa “range from urban poverty reduction to rural development; water and sanitation; natural resource management; post-conflict reconstruction; education; and health.”


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World Bank should be involved in shaping policy responses, and whether other organizations with greater expertise, such as the World Health Organization, should play a greater role.

Another way in which NEPAD serves as an institutional model for financing sustainable development in other regions is through the early establishment of partnerships mentioned at the outset of this comment. Specific partnerships are already underway, such as the African Development Bank and the OECD Development Centre collaboration to publish the annual African Economic report. And the Sustainable African Public-Private Partnerships for Infrastructure Development involves the African Development Bank, US Aid, the Groupe Agence Française de Development and other partners in a large scale project to “facilitate the establishment of a NEPAD Funding Commission ... [whose intention] is to create a facilitating body for the investment of funding by donor and development agencies into infrastructure projects in Africa”. The combination of private and public agencies and groups ensures stakeholder participation in NEPAD’s progress toward achieving sustainable development.

V. A Post-Script: Civil Society and NEPAD Financing

African civil society organizations have scrutinized institutional aspects of NEPAD generally, examining at times issues of financing sustainable development. Their observations and criticisms offer potentially helpful comparisons with global approaches to implementing sustainable development. For example, the Declaration resulting from an Organisation of African Trade Union Unity seminar was later presented to NEPAD’s Heads of State Implementing Committee meeting in Abuja in March 2002 to express concern, inter alia, that “[t]here is no clear linkage between NEPAD and the African Union. The institutional framework should be clear”. The civil society organizations offered lengthy additional criticisms of

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56 Reports for 2002 and 2003 are already published, the latter being “presented at the Economic Commission for Africa on February 27, 2003 and at the Business Council Europe Africa Mediterranean meeting in Paris on March 4. The AEO report includes comparable country notes for 22 African countries, which can serve as inputs to the African Peer Review Mechanism being designed by the NEPAD Secretariat, the Economic Commission for Africa, the African Development Bank and other institutions,” Braga de Macedo (note 7), 4.


58 Ibid., the NFC is “a body proposed to be aligned with both NEPAD and the Investment Advisory Council (IAC), an alliance of the United Nations Council on Trade and Development and the International Chamber of Commerce”.


60 <http://www.sarpn.org.za/NEPAD/april2002/dev_bank/page4.php>: “1. African experience shows that we cannot trust neo-liberalism on which NEPAD seems to hinge heavily. NEPAD needs to be reoriented. 2. Lack of reference to African experiences in NEPAD is a matter of concern. NEPAD should be built on past experiences to inform the future. Social dimensions of Africa’s develop-
NEPAD, including uncertainty as to its financing (naming the G 8 states as a possible source); and the need to reshape relations between Africa and the World Bank and IMF in such as way so as to reduce marginalizing of African interests. Thus, Civil Society acts on the same principles that lie at the heart of NEPAD: “the determination of Africans to extricate themselves from their continent’s malaise and to place African needs, interests and organizations at the center of the process that is working toward sustainable growth and development in Africa.

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