Chapter 10

Making it Happen

Summary

Effective and sustained action that can deliver results will come only if African countries and institutions and Africa's external partners make and deliver on commitments. There are a number of complementary ingredients that are key to stronger implementation and delivery of results:

- Building a global partnership around African leadership;
- Setting out a clear programme of action, with responsibilities and timetables, based on sound evidence about what works and what does not;
- Strengthening institutions, both inside and outside Africa, so that they are capable of delivery. This must include reorienting the international financial institutions so that they give higher priority to accelerating African development and are more accountable, including to their clients and partners;
- Ensuring a stronger African voice in the multilateral organisations;
- Putting in place effective independent mechanisms to monitor and report on progress on implementation;
- Generating and sustaining strong commitment to Africa's development by the people and civil society of the developed countries, as well as Africa, to keep the pressure on political leaders to deliver.

A full list of the Commission's recommendations on Making it Happen can be found at the end of this chapter.

10.1 Introduction: commitment and delivery

1 Our Report can, in itself, change nothing. Results will come only if politicians both make commitments on the basis of our recommendations and deliver sound, effective and sustained action. The past has seen yawning gulfs between commitments and delivery. We see this whether we look at declarations of intent to improve accountability, transparency and governance by poor and developed countries alike, or commitments to more efficient and effective donor practices and requirements. One result, as the monitoring of the MDGs and actions to implement them is showing, is that, as a world, and particularly in Africa, we are in grave danger of falling far short of meeting the goals declared at the Millennium Summit and reaffirmed in Monterrey in 2002. These were commitments solemnly made. Failure to deliver on them is wholly unacceptable. We, as a development community, must now generate the effective and sustained action that will deliver results.

2 There are six key, complementary ingredients. First, African leadership supported by effective world partnership. Second, a clear programme with specific, linked and time-

bound actions that has a sound basis in evidence. Third, the means of delivery, through capable institutions inside and outside Africa. Fourth, a stronger African voice within these multilateral organisations. Fifth, effective mechanisms for scrutiny, measurement and accountability. And sixth, the political commitment, in both Africa and developed countries, to take decisions then stay the course. We consider each in turn, but we should recognise at the outset that this is essentially about political will.

10.2 African leadership and world partnership

3 Africa's development must be shaped by Africans. History has shown us that development cannot and does not work if policies are shaped and forced by outsiders. It is Africa's actions and leadership that will be the most important determinant of progress in generating a resurgence in Africa, advancing living standards and taking forward the fight against poverty. The more effective the action taken by Africa itself, the stronger the case for support from outside Africa. Partnership must be constructed around Africa's leadership. This is what AU/NEPAD is all about.

4 Effectiveness in fighting poverty will require a focused and coherent package of actions to address the obstacles that have held back Africa's development over the last few decades. Effective action means working together not only with African partners but also with other donors and policy makers from outside Africa. The depth of the suffering in Africa requires action that is not only targeted and coherent but also substantial and urgent.

5 Creating a partnership of this kind in support of African leadership is not easy but Africa has recently been moving forward in ways which make success much more likely. We have seen strong progress in governance in many African countries, and the African Peer Review Mechanism is a potentially powerful tool for maintaining momentum. The African Union (AU) and African regional organisations are acting to reduce and control conflict. Where there is good governance with peace and security, growth and development can take root. This progress has provided the foundation for reinvigorated external support as manifested, for example, in the renewed financing for development commitments made at Monterrey and Kananaskis in 2002. The history of the last few years clearly demonstrates the possibility of action within Africa and that such action provides a strong centre around which external assistance can mobilise. We must be very clear however that the grip of weak governance, corruption and conflict in many parts of Africa is still strong. It can and must be loosened and overcome.

6 The action of the last few years, however, both within Africa and outside, has seriously lacked the scope, scale and urgency required to get anywhere near the targets of the MDGs or the kind of growth and development that the desperate poverty of Africa requires. A successful big push is required. That will not happen by 'waiting and seeing' how Africa gets on and then doing a bit more as conditions seem to improve. The success in promoting an African resurgence and fighting poverty that we believe can come from the package of proposals set out in this Report will not materialise without large-scale, credible, urgent and sustainable commitments by the international community. Development is a long haul. Success requires mutual confidence. Difficult as they are, the conditions for success have not been better for thirty years. If the opportunity is not to be lost, the time for commitment is now.

7 This partnership is not just about the relationship between Africa and the developed countries. We welcome the increasing focus on south-south co-operation. Together, developing countries can press more effectively for changes (for example, expanded trading opportunities and better harmonised donor assistance) that will benefit them all. The countries of South and South-East Asia have a great deal of valuable experience that could be shared more systematically. Examples of this are the 'green revolution' that has

been a basis of growth in a number of Asian countries; the potential for the provision of direct support for the development of tertiary and technical education in Africa; and the possibilities of sharing technologies (for example, in drugs or irrigation). Developed countries should be ready to promote and provide financial support for increased technical co-operation between African and other developing countries.

10.3 Clarity of action and basis in evidence

8 In our consultations there were many who told us: "We know what to do, why don't we just get on with it?" There is a great deal of good sense in that question, but there are also challenges in taking it forward. We have to agree on what we know and we have to agree on how to get on with it. Meeting those challenges has been a primary purpose of the Commission.

9 The development community has indeed learned much about what works and what does not, from the successes and failures of development in Africa and elsewhere in the last few decades. That learning, and its evidence basis, has been behind the proposals in this Report. We do not claim to know everything. Development is a learning process. But the evidence is now strong enough for us to argue that the programme of actions proposed here can be effective in fighting poverty in Africa.

10 To break out of the vicious circles which have shackled its development Africa requires a coherent package with mutually reinforcing action in a number of key areas. Development will fail in the absence of sound governance and of peace and security. AU/NEPAD has played an effective role in setting out policies to improve governance in Africa, and the analysis and actions proposed here in terms of capacity, accountability and transparency show what the developed countries can do in support of these policies. We are also learning not only much more about the causes of conflict and thus how it can be prevented, but also how conflict can be resolved. The AU has replaced the 'non-interference' of the OAU by 'non-indifference' and is beginning to show how involvement can be effective. Again the scope for support from the international community is clear.

11 What is required for effective action, in combination with good governance and a peaceful environment, are the resources and delivery systems to make development happen. Such action requires not only steps taken within countries, but long-term sustained resources from outside, supplied in ways that do not place further heavy burdens of administration on already over-loaded systems.

12 The programme we put forward here does constitute the comprehensive and coherent package that Africa's development demands. It is based on sound analytical and practical arguments and evidence, including substantial contributions from our consultations. Through written submissions, as well as country and regional consultations and events, we heard the voices of civil society, business, thinkers and governments in all regions of Africa and in developed countries. The resulting proposals for action are sufficiently specific, clear, and time-bound to be monitorable and for commitments to be credible. We return to mechanisms of monitoring of actions and results below. It is our firm view that setting out our Report in this way will remove lack of clarity as a reason for failing to act.

13 2005 is a crucial year for implementation. Decisions on trade must be taken before the Hong Kong ministerial meeting in December 2005. Commitments on aid and debt relief should be taken at the G8 summit in July, if doubling of aid is to be achieved in the next three to five years and the problem of debt is to be cleared out of the way. On peace and security, the recommendations of the UN High Level Panel will be considered at the Millennium Summit in September. In this chapter we will recommend that the global

institutions prepare strategies for reform, for presentation this year. Our proposals for action are not only clear, but purposive and time bound. The year of decision is 2005; action must be determined and sustained.

10.4 Institutions for delivery

14 There are many national and transnational institutions for development in Africa. And there are many bilateral and multilateral institutions outside. We have taken care to be parsimonious in our recommendations for new institutions. By and large the development community does not need new institutions for development. As times and circumstances change, institutions should be challenged to justify their existence. And existing institutions must work much better, both within Africa and outside. Their starting point should be support for Africa's vision of its own development and African leadership, whether set out in country poverty reduction strategies or the broader priorities being defined increasingly by the regional economic communities (RECs) and the AU/NEPAD.

15 Institutions for development start within Africa itself. That is indeed in large measure what many of the chapters have been about, including those on governance, peace and security, and human development and inclusion. As we have argued, the issues concerning the improvement of institutions are in large measure about capacity and accountability. Where external support is required, it should be provided in ways that develop rather than undermine the processes of institutional strengthening in Africa. Thus, for example and of special importance, it should support the building of transparent budgetary processes, accountable to parliaments and people, and solid and properly streamlined RECs.

16 Where financial support is provided, the most effective way of ensuring that it is genuinely behind Africa's vision, whether at a country, regional or pan-African level, is to provide it in the form of direct budget support. This requires mutual confidence of the sort described earlier in this chapter. Where internal processes are not yet sufficiently strong to make this appropriate, support should contribute to, not disrupt, their development. One example could be to help countries build their own project design and procurement procedures for infrastructure, rather than putting in place alternative mechanisms. Similarly, care should be taken that initiatives on individual diseases should contribute to and not distract from building sound health delivery systems. Development initiatives that do not create lasting institutions are not sustainable.

10.4.1 Multilateral African institutions

17 Multilateral institutions, both global and African, matter greatly for Africa. Many of the actions recommended in this report refer to various ways in which developed countries can give strong support to the AU and regional institutions. We also recommend strong support for two further key multilateral African institutions: the African Development Bank (ADB) and the Economic Commission for Africa (ECA).

The African Development Bank

18 The African Development Bank is 40 years old, but it is just now starting to establish a role that is as significant in its region as the role that the Inter-American Development Bank, the Asian Development Bank, and the European Bank for Reconstruction and Development have carved out in their respective regions. And during the first part of the 1990s, the ADB's performance and resources declined on most dimensions. In recent years management and financial discipline have improved strongly, and the 10th Replenishment of its African Development Fund (the 'soft loan' and grant facility) reflected an important

increase in support from shareholders. The time has now come for the ADB to move strongly towards becoming the pre-eminent financier of development in Africa. This will require a clear vision, with strong emphasis on six areas: governance; peace and stability; HIV and AIDS; agriculture; private sector growth; and regional integration and infrastructure. It will need inspiring leadership, management, and sustained support. A new President is to be appointed in 2005, creating an opportunity.

The Economic Commission for Africa

19 The Economic Commission for Africa focuses on policy rather than operations. It has recently played an outstanding role in providing thorough, clear, and pioneering analyses of Africa's challenges; developing policy; and convening key players in different sectors. Its governance is through Africa's Ministries of Finance, Planning, and Economic Affairs. It is a well-established pan-African institution, which has played an influential role in forming policy in Africa and guiding interaction with international bodies such as the World Trade Organisation (WTO). It demonstrates clearly that strong and effective policy institutions can be built in Africa. Given the success of ECA in the past, it should be given the resources and support necessary to allow it to play a still more prominent role in the future in providing analysis and leading policy debate within Africa.

Recommendation: (i) Shareholders of the African Development Bank should aim to make the African Development Bank the pre-eminent financing institution in Africa within 10 years. Proposals should be put forward by the new president within six months of taking office. Shareholders should provide strong support for their implementation. (ii) Strong support should be provided for the further enhancement of the role of the Economic Commission for Africa.

10.4.2 The global institutions

20 The international financial institutions (IFIs)– the World Bank and the International Monetary Fund – the World Trade Organization and the United Nations, are fulcrums on which much of the organisation of global action for development balance. Given the depth of poverty in Africa and the projections for future evolution of poverty there, these institutions must give much higher priority to accelerating African development. This requires considerable reorientation of their missions and approaches to development. We must be very clear that our recommendation for a big push and the central role these institutions must play in that story does not mean more of the same, only bigger. It means changes in these institutions.

World Bank

21 The World Bank is the world's largest source of development finance. It is in Africa that its actions carry the greatest weight, because aid makes up a much larger share of economies in Africa than it does elsewhere – total aid as a percentage of GDP in Africa has been around six per cent (2002), compared with one per cent for South Asia and 0.3 per cent for Latin America and the Caribbean. And yet too much of the World Bank's own resources and effort have been spent outside Africa, including on largely middle-income regions like Eastern Europe, East Asia, and Latin America. This does not mean that action in these other regions should be discouraged. But it is a question of balance, given that the crisis of world poverty is now in Africa and that, unless strong action is taken, Africa will continue to grow much more slowly than other regions in the developing world. Furthermore, when the World Bank does operate in Africa, its approach is often seen as harmfully prescriptive, and as contributing to the debt burden of poor countries, with limited impact on their development. Whatever the accuracy of this view, the perception itself is of great importance. For these reasons, it is essential that the World Bank

reorient itself toward Africa and change its ways of doing business. Our call for a doubling of aid to sub-Saharan Africa within 3 to 5 years, together with our backing for strengthening institutions rather than inventing new ones, means that we recommend at least a doubling of IDA (the World Bank's International Development Association, which provides interest-free loans and grants to the poorest countries), with a high proportion of the increase being allocated to Africa, beyond its present share. The effective and timely delivery by the World Bank of this doubling will require a radical change of its ways. Some of these are embodied in the specific recommendations below. The World Bank must also examine its working processes carefully and reform them so that it can scale up and rise to the challenge. It is for the World Bank itself to work out how to do so but its shareholders must indicate in 2005 that they require it, if the results are to come in the next three years. Specifically, we recommend that the World Bank:

- ***Increase its use of grants:*** The World Bank should continue its moves toward greater use of grants for poor countries. Many relatively poor and highly indebted developing countries simply cannot afford to take on more loans, even when they are highly subsidised. Where debt sustainability calculations suggest the contrary, this is often because they are based on over-optimistic projections, and because those calculations have the objective of managing debt and improving repayment probabilities rather than making room for development. Instead, these poorer countries should receive their assistance entirely or almost entirely as grants. The World Bank has made strong moves in this direction in recent years. As a result of decisions in the IDA14 replenishment, around 30 per cent of total IDA support in the coming three years will be on grant terms. We believe that this movement should be accelerated and deepened, and should be focused on development criteria rather than banking ratios. For the poorest African countries, those with income per capita below US$250 per year, the grant element should be 100 per cent. Above that, there should be a sliding scale, with no less than 50 per cent of aid in grants for countries below US$400 per year, and the target adjusted to circumstances such as post-conflict. The move to grants must be accompanied by extra funds that allow for the higher resource costs of grants relative to loans. Further, the World Bank should take steps to ensure that it makes effective use of the greater flexibility provided by grants, which do not require a sovereign guarantee and so can be given to non-government organisations.
- ***Support transparency and accountability through the use and allocation of aid:*** The World Bank should provide assistance on the basis of two key prerequisites – whether the recipient has a track record or demonstrable commitment to development, and whether it is sufficiently transparent and accountable to its people in the use of aid and of resources more generally. Aid conditionality has had a bad reputation in the past. The IFIs have tried to specify in detail the policies that recipient countries must adopt, even when these conditions have been ill-suited to the local political, economic, and social context and have been unlikely to be implemented. The Commission believes that it is far more productive to focus on transparency and accountability. This approach allows the recipient country to choose its own course for development – an approach that history shows is most effective – while at the same time increasing the probability that the choice is one made by society as a whole, rather than a few leaders. Shared development strategies and policies are more likely to be stable and predictable, contributing to a better investment climate. That has been the sensible rationale behind the approach of the Poverty Reduction Strategies that provide a foundation for external support.
- ***Increase predictability of flows:*** With this approach to accountability and transparency, the World Bank should make longer-term aid commitments, increasing

the predictability of aid flows. Currently, uncertainty about future aid disbursements reduces recipient governments' ability to commit to longer-term investments. The World Bank has acknowledged this problem and moved to improve matters but it must do much more. The risk is that, after a recipient country receives a commitment, it adopts policies or practices that the World Bank believes are inimical to development. But this risk will be reduced by two factors: transparency and accountability, and the recipient country's knowledge that it may want to return to the World Bank for future aid. While some risk is unavoidable, we see this risk as small relative to the benefits of greater predictability, and relative also to the alternative risk of rendering aid unproductive through heavy conditionality. Longer-term commitments will have the great benefit of signalling trust and strengthening partnerships within which policy discussion may be particularly productive.

- ***Strengthen its focus on Africa:*** We recommend that the World Bank make a major shift of aid resources, operational budget, and staff to its Africa department. This recommendation may seem parochial, coming as it does from a Commission for Africa, but it is thoroughly justified by hard analysis. While South Asia continues to have more people living in absolute poverty, Africa is the region where the largest share of people (46 per cent) live in poverty, where the numbers in poverty are growing rapidly, and where the MDGs will likely be missed by the widest margin. Clearly it is the region that most needs assistance, yet the incentives in the World Bank still favour staff for working on high-profile middle-income countries outside Africa. This must change, and one way to change it is through a transfer of budgets. Doing so may also help improve the relationship between the World Bank and its clients. We have heard that World Bank staff can come across as impatient and unwilling to listen to their clients. To some extent the cause may be time pressures on staff, who are in a hurry to push through projects and programmes. A shift in budget and staff resources towards Africa could relieve some of these time pressures on individuals and help reduce the perceived impatience and rigidity of which we have heard so much.
- ***Focus more staff resources on fragile states:*** Where states have weak or unstable institutions it may not be possible or appropriate to provide large financial injections. However, there is scope to help build the effectiveness of the state through increased investment of human resources, for example through provision of direct and collegial support and expertise. Preparing loans and grants is likely to be more resource intensive and to take longer than it would in states with strong institutions. We therefore recommend that the World Bank shift more staff resources and supporting budgets to work on fragile states. It is simple to say this briefly but we must emphasise strongly the importance of this recommendation. It is derelict simply to wait until fragile states get less fragile. It is a duty to work to support that process.
- ***Co-ordinate procedures with development partners:*** Finally, the World Bank needs to do a better job of co-ordinating its procedures and conditions with other donors, including UN agencies, ideally under the recipient government's leadership. Calls for 'aid harmonisation' are a perennial feature of aid documents, yet progress has been limited. While donors are content for others to harmonise round their procedures, they are less willing to change their own to match others. An interim solution to this impasse might be mutual recognition of each other's procedures. This approach has worked well within the European Union, where member nations have accepted each other's procedures as valid without necessarily requiring harmonisation around a single model. This means, for example, they will work from each other's reports and so reduce the reporting burden on developing countries. As the largest player in development, the World Bank should take the lead in adopting this model and showing flexibility in its procedures.

International Monetary Fund

22 Like the World Bank, the International Monetary Fund (IMF) has played a major role in the lives of Africans over the past quarter-century. While it has often been called into the most difficult economic situations imaginable, all too often it has been viewed as rigid, dogmatic and too prescriptive. We believe it is possible for the IMF to map out a new relationship with Africa, one based on flexibility and constructive engagement rather than directive conditionality. Doing so would give African countries more useful guidance on managing their economies, and greater room for manoeuvre in investing in growth and development. To achieve this, we recommend that the IMF:

- ***Strengthen its focus on codes and standards for fiscal transparency:*** One of the ways that the Fund can be most helpful to developing countries is by assessing and publicising information about the state of their fiscal governance and accounts. It currently does this in a detailed fashion for countries that are covered by an IMF programme, but not for other countries. By increasing the transparency of government finances, in a way that allowed comparisons with other countries, such reporting would strengthen the ability of citizens to hold their governments accountable. The IMF already does this (through its Article IV reports), but not with sufficient detail. More frequent reporting of macro-economic information is required, possibly on a quarterly basis, to enable national authorities and external donors to take more informed, and better, financing decisions. The IMF has a strong comparative advantage in this area, relative to other institutions, and if it developed this side of its work, it would not only advance internal accountability within the country but also external assessments. Once a solid track record was established, a new form of 'enhanced surveillance' could be instituted which could be considered by creditors as a sufficient basis for debt renegotiations, instead of full fledged IMF programmes. At the same time the IMF should intensify its efforts to help countries meet codes and standards for fiscal transparency and foster processes which can deliver these objectives.
- ***Promote a better allocation of grants to poor countries:*** The IMF should be charged with analysing and reporting regularly on the composition of aid flows going to developing countries, and assessing the appropriateness of that composition. In our view, the grant composition of assistance should, for very poor countries, start out very high – 100 per cent, for the poorest – and begin to taper off only as countries become able to afford to take on debt. At the other end of the income spectrum, it is appropriate for donors to cease providing grants to many middle-income countries, particularly those with good access to international capital. Taken together, this means that the grant share of overall aid should fall from 100 per cent to zero as the recipients' income levels rise. This is something that we do not see in today's overall aid patterns, where grants, for example from the EU, go to middle-income countries while many very poor countries still have to take out loans. For each country, the IMF should analyse whether aggregate aid flows from donors reflect the appropriate composition, and should be required to report regularly to donors, for example at consultative group meetings. Such regular reporting would be aimed at helping donors to co-ordinate on improving aid composition. All too often donors' meetings focus on volumes required for 'gap filling' rather than the composition of the flows and structure of liabilities of a recipient country.
- ***Treat grant aid and the projects it finances 'above the line':*** Macroeconomic stability, which is essential to creating a good investment climate and to safeguarding the livelihoods of poor people, depends heavily on sound budget policies. But there are

real issues involved in how to define sound budget policies, and in particular how to assess whether a given deficit is excessively large. In dealing with aid flows, the IMF has tended to require that the projects financed by aid be counted on the expenditure side of the ledger, where it would add to a deficit, but has been reluctant to count aid as government revenue, to offset any deficit. The rationale has been that aid is uncertain and lies outside the country's control, so the country should not be allowed to count on it as it draws up its budget. But the evidence suggests that, even as currently provided, aid is not significantly less predictable than the government's own revenues, and excluding it from government resources greatly constrains the development investments that the recipient country is able to make. Taken to the extreme, this approach, if combined with a strict view on target deficits, means that a country would be forced to put extra aid into its reserves and thus be prevented from spending it. Provided donor countries are more specific about the terms and conditions of their grant contributions, we recommend that the IMF change its policies, to allow both the aid itself and the aid-financed expenditures to appear 'above the line'. The IMF has sometimes argued in the past that it takes account of aid in specifying allowable deficits. But that process can be very judgmental. The procedure we propose is more transparent and does less damage to the accountability of a government to its people.

- ***Create more fiscal space for developing countries:*** Developing-country governments must have room in their budgets to make investments necessary for development, and they must have the room to adjust to shocks. Reality places some constraints on what governments can do: over the long run, governments cannot spend much more than they are taking in (including aid). But the IMF should not tighten this common-sense, indeed fundamental, constraint further by applying analytically unfounded fiscal rules. Changes are needed in two key areas. First, the IMF should treat current and capital expenditures differently: capital expenditures are an investment that should yield future payoffs, and hence offset indebtedness taken on to finance them. Second, the IMF should adjust its permitted deficit limits for shocks and business-cycle effects. Deficit ceilings that are perfectly sensible when an economy is growing well cause unnecessary pain when they are applied rigidly in the midst of a cyclical recession or after a temporary shock. The IMF should allow for shocks and use cyclically adjusted budgets when it makes its assessment of country fiscal performance.
- ***Change its corporate culture to show greater flexibility:*** African government officials and civil society have long complained about the corporate culture of the IMF, arguing that the institution projects arrogance and shows insufficient understanding of the country's situation. It is also undeniable that the IMF's mandate requires it to involve itself in crisis situations that often require tough and unpopular decisions. We have heard many complaints of rigidity and intransigence. Precisely because difficult decisions must be taken, the IMF must strive to make its culture as respectful and participatory as possible, and also to show greater flexibility in its approaches. It is for the IMF to work out how to move forward but its Board should require an explicit and frank examination of the issue.

World Trade Organization

23 For Africa to reverse its decline in share of world trade – crucial to its future growth and poverty reduction – the WTO must also reorient itself to become more supportive of African development. As we have argued in Chapter 8, Africa's success will be shaped largely by access to the markets of developed countries and rapidly growing developing countries, as well as the region's own capacity to trade. Key to market access will be the WTO and its 'Doha Development Round' of negotiations that began in 2001. It is much better that trade issues be resolved multilaterally in the WTO than in a plethora of

confusing and often contradictory bilateral agreements. Where these bilateral agreements exist, they should be kept simple with minimal requirements for policy action from poor African countries (see Chapter 8). Membership of the WTO should be greatly simplified for poor countries that are not yet members. All too often the strong and understandable desire for a poor country to join is used as a device to foist on it a whole plethora of conditions which may not be central to its immediate problems and which can be diversionary or burdensome in the work of an already strained system of government. And there should be further investment in capacity to engage in the analyses necessary for complex negotiations, and support for Africa to take forward legal cases in the WTO, such as on cotton. All too often government officials do not have time, training or experience to handle the very detailed issues that are involved. The higher education initiatives described in Chapter 4 would add greatly to this capacity. And we should recognise the important advances that have taken place, including through the work of ECA and the African Economic Research Consortium.

24 We have recommended a number of ways in which the IMF and World Bank must change their methods of doing business. Reforms in the methods of working of the WTO and in the behaviour of its developed country members are also crucial if market access is to be expanded. The WTO is a very different body in its way of working from the IMF and World Bank. The WTO has a small administrative staff, and its work is carried out largely through negotiations between 'ambassadors' of member countries. There are two crucial issues: first, how these negotiations are carried out and what is required of parties in these negotiations; and second, membership. African countries suffer on both fronts. We believe that:

- In WTO negotiations, developed countries should seek only minimal reciprocity from African and other poor countries, allowing greater policy flexibility. This will require Special and Differential Treatment to work better, by making legal recourse to disputes conditional on applying a 'development test'. At the Ministerial meeting at the end of this year, they should make a declaration to this effect and act on it.
- Membership of the WTO should not be conditional on acceptance of a plethora of complex arrangements such as TRIPs or detailed agreement on financial and other services. There should be simple and standard terms for membership of small countries, which should be agreed at the WTO Ministerial this year.

United Nations

25 The operational UN agencies have a strong role to play, particularly in the development of capacity. The Millennium Project argues that, while much of the technical support needed to help developing countries achieve the MDGs is housed in the operational UN agencies such as WHO, FAO, UNDP, UN-HABITAT, UNICEF and UNFPA, incoherent approaches and competitive behaviour among them reduces their impact on the ground. Unless these agencies are well linked to the IFIs and to bilateral donors at country level, the contribution they can make will be weakened.

26 Reforms are needed both in the way the UN operates and in the way donors provide financial support to it. The UN must align its programmes better with national development plans. It must make a greater commitment to challenging governments, where there is evidence of human rights abuses or exclusion of groups from development on grounds of gender, religion or ethnicity. It must do more to harmonise and co-ordinate each individual UN agency programme with other parts of the UN and with other development partners. Chapter 5 discusses co-ordination to make humanitarian assistance more effective. And the UN must increase accountability for its performance at the country level.

27 In return for measurable improvements in country level effectiveness, donors should provide adequate, stable and predictable core funding to UN agencies. Stronger links between effectiveness and resource allocation should underpin this. IFIs and bilateral donors must also commit themselves to improve dialogue with the UN.

Recommendation: The management of the World Bank, the IMF, and the WTO should give greater priority to accelerating Africa's development. Proposals to do so should be presented to the Boards of Governors of the World Bank and IMF (preferably at the 2005 Annual Meetings of the two institutions, but certainly no later than the 2006 Spring Meetings) and the WTO's 2005 Ministerial.

In line with the resolution on the UN's operational activities for development passed by the 59th UN General Assembly, we recommend that the UN Secretary General and the UN Development Group should strengthen the co-ordination of UN agencies, funds and programmes at country level, to improve their impact.

10.5 A stronger African voice in the multilateral organisations

28 Of fundamental importance is the extent to which the multilateral organisations genuinely fall in behind African leadership and Africa's vision of its own development. We believe they must be subject to greater accountability from their peers and clients. There are two key areas for action: assessing, guiding and changing their actions at the country level; and in decision-making at Board level. Both are important. At the moment, the lack of accountability at the country-level means that there is no hindrance to, or redress for, arbitrary or unco-operative behaviour. We recommend further implementation of mechanisms such as a joint (government and donor) or independent monitoring group to assess the quality of donor assistance and co-ordination, as has been tried with substantial success in Tanzania.

29 But a strong advance in African voice and representation in the decision-making processes at the Board level of these organisations, each of which has its own governance arrangements, is also crucial for increasing responsiveness. It will also increase the chances of adoption of reforms advocated above. The EU has a relatively well-balanced governance structure in its dealings with Africa, with a joint donor-recipient Council of Ministers under the Cotonou Agreement. Decisions in the IFIs are in most cases taken by their Boards. The extent of African influence in these varies considerably. In the ADB, African countries hold 60 per cent of the shares and have 12 of the 18 seats on the Board. Africans can feel it is their development bank in the same way that Latin Americans feel that the Inter American Development Bank is their Bank. Constituencies are of a comparatively manageable size – on average about six countries. By contrast, in the World Bank and IMF, African countries hold only about four per cent of the shareholding and only two of 24 constituencies, each of which have more than 20 members. Global funds and non-government organisations have various governance structures, but generally are donor-dominated.

30 Over the last few years, a number of proposals have been made for strengthening African representation in the Executive Boards of the World Bank and the IMF, ranging from improving capacity within African Directors' offices to reallocating basic votes, to adding to the number of Board seats. As the rules for representation on the Boards are based on economic criteria, it is not likely that African representation will exceed two chairs out of 24 in the short term. However, a decision could be taken by consensus to allow the creation, on a temporary basis (for the entire period up to 2015), of two supplementary positions of Executive Director for Africa, each backed by an Alternate Director, in each Board. This would ease the task of the directors in this critical period for Africa's development.

31 In addition, major strategic decisions could be transferred to a 'Council' for each institution (a decision adopted for the IMF in the amendment of its Articles in 1976, but not put in place). This would be a decision-making body, consisting of political representatives of member countries, that would replace the existing, consultative, International Monetary and Financial Committee (IMFC) and Development Committee, and have among its purposes 'to review developments in the transfer of real resources to developing countries'. This would give the governing body of each institution a political, rather than a technocratic nature. The two temporary African chairs would also participate in these bodies.

32 There have been calls to open up the appointment of the heads of the World Bank and IMF (and other international institutions) done, by convention, on the basis of regional allocation rather than by international open competition. We support these calls. These opportunities involve jobs of great importance and should go to the best available person regardless of nationality.

33. A more representative UN Security Council would be more responsive to and more credible in the eyes of those regions, such as Africa, which are not currently represented in the permanent membership. The UN High Level Panel has developed two options for expansion, both of which would involve six seats for each region of the world, including Africa. One involves the creation of new permanent seats, whereas the other creates renewable rather than permanent seats.

Recommendations: (i) African countries should be given a greater voice in the multilateral institutions, most notably through greater representation on the boards of the World Bank and IMF; (ii) strategic leadership and decision-making in the IMF and World Bank must be the responsibility of the political leadership of member countries. To this end, a decision making Council, consisting of political representatives of member countries, should be established for each institution; (iii) appointment of the heads of international institutions should be decided upon by open competition which looks for the best candidate, rather than by traditions which limit these appointments by nationality; (iv) in each recipient country, the government and donors should set up monitoring groups to assess the quality of donor assistance and co-ordination; (v) the UN Security Council should be expanded to include greater African representation.

34 In advance of any structural change, there is some practical scope for increasing African influence within the current structure of the IMF and World Bank. As the experience of the ADB shows, representation alone is not enough, but must be accompanied by capacity for effective representation. Strong individual Executive Directors, with good technical backup, particularly from their capitals, are likely to have an impact, as effective personal alliance building and networking can help to set the agenda and drive policy. The case for further technical support, such as for policy analysis, or for translation of documents into the languages used in constituency capitals, is strong. Some elements of a support package could be provided from the institutions' core administrative budget, while for others the model of a Trust Fund to support analytical work, as currently established by a number of donors at the World Bank and IMF, is appropriate.

10.6 Scrutiny, measurement and accountability

35 Management requires measurement and monitoring. If citizens around the world are to hold their governments accountable and partners in development are to be mutually accountable, they must have reliable and reasonably objective ways of monitoring actions and outcomes. Such measurement is often technically quite difficult and will in itself involve resources. It is important that development partners support such objective monitoring. This monitoring is vital not only for informing political accountability and basic management of delivery, but also for learning from experience and adjusting to changing circumstances.

36 We examine briefly some of the mechanisms for monitoring which already exist. These have tended to focus on donors monitoring compliance by recipient countries (though the APRM and ECA's economic and governance reviews are welcome examples of systems being developed by Africa to monitor its own performance). The concept of mutual accountability requires that mechanisms – are also put in place, and capacity is developed, to allow recipient countries to monitor how donors perform against their own commitments.

37 The Global Monitoring Report (GMR), prepared jointly by the World Bank and IMF in close collaboration with other multilateral agencies and first published in 2004, reviews the implementation of policies and actions for achieving the MDGs and related development outcomes. It aims to inform the international community about progress on the development policy agenda and priorities for action in the light of emerging results. It assesses prospects for attaining the MDGs on current trends; evaluates policies in developing countries; reviews the policies of developed countries; and looks at the role of multilateral agencies.

38 The GMR is a valuable tool, but does not focus specifically on Africa and is not written jointly with African governments. It does not tie donors to specific individual commitments, which tend in any case to focus only on development assistance, rather than the full range of relevant donor policies, and tend not to be sufficiently specific to be monitored easily. It is also the case that many countries have not yet fully embraced the idea of international and mutual, as well as national, accountability.

39 However, thinking is changing. Mutual accountability lies at the centre of the AU/NEPAD – G8 partnership. On the one hand, African countries have undertaken to improve governance and policies for poverty reduction and on the other, the G8 have promised to give more assistance, more coherently and in a way which supports Africa's efforts and progress. The aim of mutual accountability is not to apportion blame when things go wrong, but to consider jointly what needs to be done and how to keep or get efforts on track.

40 A number of processes that do review donor performance exist. Some are long-standing, such as the Strategic Partnership for Africa, which has an increasing focus on aid effectiveness and has produced a mechanism for monitoring donor behaviour; and donor peer reviews through the DAC. These are discussed and published, but lack close African involvement or real teeth to implement findings. More recently, the Africa Partners Forum provides a forum for dialogue between AU/NEPAD and the G8. In 2002 AU/NEPAD Heads of Government asked the OECD and ECA to develop a joint proposal for a Mutual Review of Development Effectiveness, whose first report is due to be presented in spring 2005. And the AU/NEPAD Secretariat has recently made proposals for a regular review of the performance of key external partners against commitments and agreements made.

41 All of these have a valuable role to play, but some rationalisation should take place. An institutionalised mechanism emanating from Africa for comprehensive monitoring of

donors' commitments would make a strong contribution to holding donors to account. It is for Africa to take the lead in establishing such a mechanism.

42 But none of the existing mechanisms capture the whole story. They do not generally measure donor performance against clear, time-bound and quantifiable commitments. It is for donors to ensure that their commitments are transparent, clear and measurable. And there are no teeth to enforce or encourage delivery: most currently depend for impact on donor willingness to take account of their results. What is needed is something that builds on existing work but is more enforceable. That enforceability must lie in strong and clear commitments whose implementation or lack of it is measured and publicised in a very clear way so that the parliaments and people in Africa and outside can see whether these commitments are being met and react accordingly.

Recommendation: To add extra momentum to the delivery of the Commission's recommendations, an independent mechanism, which reflects the consultative approach of the Commission, should be established to monitor and report on progress. This could, for example, be led by two distinguished and influential figures who carry weight in the international community, one African and one from the donor community, who could produce a short annual report. They should be supported by a small unit within an existing African or international institution.

43 The supporting unit should be able to draw on information from existing mutual reviews and from national and internationally available data. There is a great deal of such material available and it can be readily assembled and structured. The report should include a plan for addressing any failings, and should be made public. Although the report would, necessarily, deal with the 'big picture', it should be supplemented by bilateral discussions with individual donor and African governments on the steps they need to take. The life of the supporting unit could be limited to five years, in which time short to medium-term actions should have been implemented and directions set for the longer term. If donors found it a useful tool with potential for wider application, it would be possible to extend or build on this.

10.7 Political will

44 There will be no progress on these issues in the absence of real political will, in Africa and internationally. Strong and sustained action from developed countries in support of Africa's development requires action for Africa to be a domestic political issue in developed countries. That, in turn, requires both political leadership and political support. This can come from parliamentarians, the electorates, the media, the private sector and civil society as a whole. Whilst all these sources of pressure are inter-related, they all have their individual roles to play. It was political leadership prompted by civil society and development campaigners that led to the foundation of the Commission for Africa. The media have also played a strong role working, for example, with charitable aid agencies and government in generating support for communities stricken by the earthquake and tsunami of December 2004.

45 All these mechanisms are more effective if they link with individuals and organisations in Africa and elsewhere. For example, the insights and effectiveness of parliamentarians pressing for co-ordinated action in developed countries are likely to be more powerful if they are informed by interactions with parliamentarians in Africa. Private sector pressure on trade, transparency or HIV and AIDS has much greater strength if it is born of doing business in, and in partnership with, Africa. Partnership is not simply between governments.

46 The Commission received contributions from an enormous range of individuals and groups 'linking' Africa and the rest of the world. These partnerships ranged from

individual charitable initiatives to exchanges between cultural organisations ranging from sport to museums; from community or school twinning to more institutionalised exchanges between professional associations or unions. The ILO's Global Social Trust for example, is piloting a programme in which members of trade unions in Luxembourg contribute to the financing of health insurance contributions for the poor in Ghana. The possibilities are almost limitless.

47 Links usually require relatively small amounts of funding and yet can make substantial differences to people's lives both inside and outside Africa. We call on people to explore the possibilities, with creativity and mutual respect. One very promising idea put to us was a 'grey corps' of skilled and experienced people in developed countries who would wish to put some of their experience to work. And there should be further encouragement of young people in developed countries to work and study in Africa. We look forward to the EU Commission's initiative on the creation of a European framework to this end, as well as including African countries in its Youth programme, with a view to facilitating this kind of voluntary service in Africa and recognising it in student curricula.

48 Through their huge creative energy and commitment, civil society organisations can change ideas and beliefs. They can spread good practice across a wide net, linking with the private sector. Above all, individual voices and grassroots mass action can make a profound difference. That is why the Global Call for Action against Poverty campaign for action on development in 2005 is so important. History shows that this type of action can be very effective. For example, Jubilee 2000, started by two individuals, inspired a petition signed by over 20 million people, a million people on the streets worldwide demanding poor countries' debt be dropped, and led to commitments by developed country governments to write off US$100 billion worth of debt. Many groups are very enthusiastic to share their experience and skills in all areas, ranging from science and engineering to establishing and running an efficient and dynamic taxi company.

49 The African diaspora have also long influenced the development and politics of their countries of origin. Their engagement has been widespread in nature, and has included advocacy, participation in conflict resolution and holding African governments to account. The diaspora have the potential to make extremely valuable contributions, including cultural awareness and long-term commitment. Their important role is reflected in the growing number of diaspora organisations and their increasingly collaborative relationships with African governments and the AU. Some governments for example are exploring dual nationality for second and third generation emigrants and the extension of voting rights for expatriates.

50 The success of individual or grassroots action is not limited to developed countries. For example, locally designed service delivery surveys (to determine the efficiency of government services) have been crucial in Ghana, Kenya, Tanzania, Uganda and Zimbabwe in sending strong messages to government and have resulted in specific strategies to improve service delivery. Civil society in Zambia was a strong part of the anti-third term campaign in 2001, and has continued to lobby the current government on constitutional reform and anti-corruption issues, with some success.

51 A great many people, both individuals and organisations, have given their time and energy to share their ideas with the Commission, whether through participation in the series of consultation events or through written submissions. We have carefully considered these views in drafting our Report. We urge all those who have contributed to continue to apply the enthusiasm they have shown to encourage politicians and business leaders to keep Africa at the top of their agenda and to work with them in support of its development.

52 We have argued both that African development will be driven first and foremost by actions within Africa and that support from outside will make a tremendous difference. Success will depend on trust between partners, and particularly on Africa's being able to rely on its partners to sustain steady support over the long haul. There will, however, be no court of law in which developed countries can be forced to deliver on their promises. That will come only through strong political leadership and equally strong support from their electorates. This is action that goes way beyond reaction to a particular famine or tragedy. Civil society in developed countries demanding long-term action will also have to sustain its own support and advocacy.

53 One of the advantages of developing a political consensus in the developed countries is that the machinery of national government as a whole can be encouraged to rise to the challenge of action on a bigger and more coherent scale. Many of the decisions by developed countries that affect developing countries inevitably cut across ministries of development, finance, trade and industry, agriculture, foreign affairs, defence and security. Coherence of policy and action across these ministries is crucial but often they appear to follow separate agendas. It is heads of government that can demand the necessary coherence. Thus the Summits of the G8 and EU in 2005, with Africa at the centre of the agenda, provide a special opportunity to galvanise national administrations into taking the strong and coherent measures that a big push for Africa requires.

54 Coherence across countries does not, of course, mean that everyone has to do the same thing. Individual countries have their own strengths, historical connections and responsibilities and constraints. They will vary in political pressures and imperatives. Some countries will have constitutional or administrative requirements that prevent them from participating in certain kinds of initiative. Others will have, from their industrial structure, greater knowledge or strength in, say, agriculture or pharmaceuticals. Still others will have strong experience in water or transport infrastructure. A coherent plan of action will draw on the strength of the different institutions and skills of each country. Coherence does not mean a rigid template or a single route. Some countries will want to participate in a big push in a largely multilateral way. Others will want to lean more strongly on their own institutions. The key point is that the developed countries should produce the required resources and organise related policies and activities in a complementary and coherent way. And the best way to do this is by explicitly and systematically getting behind the efforts of African countries and institutions.

55 Ultimately it is the people of Africa and their fellow citizens in the rest of the world who must insist on action; action which is based on their shared goals and on the solidarity that is rooted in a common humanity. We as Commissioners have great faith in the power of that solidarity and common humanity. We have seen it so strongly in our work together and in our interactions and consultations both within Africa and outside. That power will provide the energy and commitment that will force the changing of ways that is fundamental to Africa's resurgence.

Recommendations on How to Make All This Happen

If Africa is to take responsibility for its own development, it must be given greater influence in decision-making which affects it most directly. It must have a stronger voice in international forums. And it must be able to exert much greater pressure on the rich world to honour its commitments to the poor people of Africa. An independent monitoring system must be established to make sure this happens.

Strengthening the African multilateral institutions

- Shareholders of the African Development Bank should aim to make the African Development Bank the pre-eminent financing institution in Africa within 10 years. Proposals should be put forward by the new president within six months of taking office. Shareholders should provide strong support for their implementation.
- Strong support should be provided for the further enhancement of the role of the Economic Commission for Africa.

Changing the multilateral organisations

Strategy

- The management of the World Bank, the IMF, and the WTO should give greater priority to accelerating Africa's development. Proposals to do so should be presented to the Boards of Governors of the World Bank and IMF (preferably at the 2005 Annual Meetings of the two institutions, but certainly no later than the 2006 Spring Meetings) and the WTO's 2005 Ministerial.
- The UN Secretary General and the UN Development Group should strengthen the coordination of UN agencies, funds and programmes at country level, to improve their impact.

Voice

- African countries should be given a greater voice in the multilateral institutions, most notably through greater representation on the boards of the World Bank and IMF.
- Strategic leadership and decision-making in the IMF and World Bank must be the responsibility of the political leadership of member countries. To this end, a decision-making Council, consisting of political representatives of member countries, should be established for each institution.
- Appointments of the heads of international institutions should be decided upon by open competition which looks for the best candidate rather than by traditions which limit these appointments by nationality.
- In each recipient country, the government and donors should set up monitoring groups to assess the quality of donor assistance and co-ordination.
- The UN Security Council should be expanded to include greater African representation.

Putting in place effective independent monitoring mechanisms

- To add extra momentum to delivery of the Commission's recommendations, an independent mechanism, which reflects the consultative approach of the Commission, should be established to monitor and report on progress. This could be led by two distinguished and influential figures who carry weight in the international community, one African and one from the donor community, who could produce a short annual report. They should be supported by a small unit within an existing African or international institution.