Executive Summary

African poverty and stagnation is the greatest tragedy of our time. Poverty on such a scale demands a forceful response. And Africa – at country, regional, and continental levels – is creating much stronger foundations for tackling its problems. Recent years have seen improvements in economic growth and in governance. But Africa needs more of both if it is to make serious inroads into poverty. To do that requires a partnership between Africa and the developed world which takes full account of Africa's diversity and particular circumstances.

For its part, Africa must accelerate reform. And the developed world must increase and improve its aid, and stop doing those things which hinder Africa's progress. The developed world has a moral duty – as well as a powerful motive of self-interest – to assist Africa. We believe that now is the time when greater external support can have a major impact and this is a vital moment for the world to get behind Africa's efforts.

The actions proposed by the Commission constitute **a coherent package for Africa**. The problems they address are interlocking. They are vicious circles which reinforce one another. They must be tackled together. To do that Africa requires a comprehensive 'big push' on many fronts at once. Partners must work together to implement this package with commitment, perseverance and speed, each focusing on how they can make the most effective contribution.

Getting Systems Right: Governance and Capacity-Building

Africa's history over the last fifty years has been blighted by two areas of weakness. These have been **capacity** – the ability to design and deliver policies; and **accountability** – how well a state answers to its people. Improvements in both are first and foremost the responsibility of African countries and people. But action by rich nations is essential too.

Building capacity takes time and commitment. Weak capacity is a matter of poor systems and incentives, poor information, technical inability, untrained staff and lack of money. We recommend that donors make a major investment to improve Africa's capacity, starting with its system of higher education, particularly in science and technology. They must help to build systems and staff in **national** and **local** governments, but also in **pan-African and regional organisations**, particularly the **African Union** and its **NEPAD** programme. Donors must change their behaviour and support the national priorities of African governments rather than allowing their own procedures and special enthusiasms to undermine the building of a country's own capacity.

Improving accountability is the job of African leaders. They can do that by broadening the participation of ordinary people in government processes, in part by strengthening institutions like **parliaments, local authorities, trades unions, the justice system** and **the media**. Donors can help with this. They can also help build **accountable budgetary processes** so that the people of Africa can see how money is raised and where it is going. That kind of **transparency** can help combat **corruption**, which African governments must root out. Developed nations can help in this too. Money and state assets stolen from the people of Africa by corrupt leaders must be repatriated. Foreign banks must be obliged by law to inform on suspicious accounts. Those who give bribes should be dealt with too; and foreign companies involved in oil, minerals and other extractive industries must make their payments much more open to public scrutiny. Firms who bribe should be refused export credits.

Without progress in governance, all other reforms will have limited impact.

The Need for Peace and Security

The most extreme breakdown of governance is war. Africa has experienced more violent conflict than any other continent in the last four decades. In recent years things have improved in many countries, but in other places violent conflict is still the biggest single obstacle to development. Investing in development is investing in peace.

The most effective way to tackle conflict – to save both lives and money – is to build the capacity of African states and societies to **prevent and manage conflict**. That means using aid better to tackle the causes of conflict. It means improving the management of government incomes from natural resources and international agreements on how to control the 'conflict resources' which fuel or fund hostilities. It means controlling the trade in small arms.

African regional organisations and the UN can help prevent and resolve conflict when tensions cannot be managed at the national level, through, for example, effective **early warning, mediation and peacekeeping**. Donors can support this by providing flexible funding to the African Union and the continent's regional organisations; and supporting the creation of a UN Peacebuilding Commission. The co-ordination and financing of **post-conflict peacebuilding and development** must be improved to prevent states emerging from violent conflict from sliding back into it.

Leaving No-One Out: Investing in People

Poverty is more than just a lack of material things. Poor people are excluded from decision-making and from the basic services the state ought to provide. Schools and clinics must be available to the poorest people in Africa. This is an urgent matter of basic human rights and social justice. But it is also sound economics: a healthy and skilled workforce is a more productive one, fulfilling their potential with dignity. Investing for economic growth means rebuilding African health and education systems, many of which are now on the point of collapse. This requires major funding, but it is not only a question of resources. It is also about delivery and results. These are powerfully strengthened when local communities are involved in decisions that affect them.

Properly funding the international community's commitment to Education for All will provide all girls and boys in sub-Saharan Africa with access to **basic education** to equip them with skills for contemporary Africa. Secondary, higher and vocational education, adult learning, and teacher training should also be supported within a balanced overall education system. Donors need to pay what is needed to deliver their promises – including the cost of removing primary school fees.

The elimination of preventable diseases in Africa depends above all on **rebuilding systems to deliver public health services** in order to tackle diseases such as TB and malaria effectively. This will involve major investment in staff, training, the development of new medicines, better sexual and reproductive health services and the removal of fees paid by patients, which should be paid for by donors until countries can afford it. Funding for **water supply and sanitation** should be immediately increased, reversing years of decline.

Top priority must be given to scaling up the services needed to deal with the catastrophe of **HIV and AIDS** which is killing more people in Africa than anywhere else in the world. But this must be done through existing systems, rather than parallel new ones. Governments should also be supported to protect orphans and vulnerable children and other groups who would otherwise be left out of the growth story. Around half of the extra aid we are recommending should be spent on health, education and HIV and AIDS.

Going for Growth and Poverty Reduction

Africa is poor, ultimately, because its economy has not grown. The public and private sectors need to work together to create a climate which unleashes the entrepreneurship of the peoples of Africa, generates employment and encourages individuals and firms, domestic and foreign, to invest. Changes in governance are needed to make the **investment climate** stronger. The developed world must support the African Union's NEPAD programme to build public/private partnerships in order to create a stronger climate for growth, investment and jobs.

Growth will also require a massive investment in infrastructure to break down the internal barriers that hold Africa back. Donors should fund a **doubling of spending on infrastructure** – from rural roads and small-scale irrigation to regional highways, railways, larger power projects and Information & Communications Technology (ICT). That investment must include both rural development and slum upgrading, without which the poor people in Africa will not be able to participate in growth. And policies for growth must actively include – and take care not to exclude – the poorest groups. There should be particular emphasis on **agriculture** and on helping **small enterprises**, with a particular focus on **women** and **young people**. For growth to be sustainable, safeguarding the **environment** and addressing the risks of **climate change** should be integral to donor and government programmes. This programme for growth takes over a third of the total additional resources we propose.

More Trade and Fairer Trade

Africa faces two major constraints on trade. It does not produce enough goods, of the right quality or price, to enable it to break into world markets. And it faces indefensible trade barriers which, directly or indirectly, tax its goods as they enter the markets of developed countries.

To improve its **capacity to trade** Africa needs to make changes internally. It must improve its transport infrastructure to make goods cheaper to move. It must reduce and simplify the tariff systems between one African country and another. It must reform excessive bureaucracy, cumbersome customs procedures, and corruption by public servants, wherever these exist. It must make it easier to set up businesses. It must improve economic integration within the continent's regional economic communities. Donors can help fund these changes.

But the rich nations must also dismantle the barriers they have erected against African goods, particularly in agriculture. These barriers hurt citizens in both rich and poor countries. Rich countries must abolish trade-distorting **subsidies** to their agriculture and agribusiness which give them an unfair advantage over poor African farmers. They must lower **tariffs** and other **non-tariff barriers** to African products, including stopping the bureaucratic application of rules of origin which excludes African goods from preferences to which they are entitled. And they must show this ambition by completing the current Doha Round of world trade talks in a way which does not demand reciprocal concessions from poor African nations. Careful attention must be given to ensure that the poorest people are helped to take advantage of the new opportunities and to cope with the impacts of a more open system of world trade. Africa must be provided with the funds that can help it **adjust** to the new opportunities of a changed world trading regime.

Where Will the Money Come From: Resources

To support the changes that have begun in Africa, we call for an **additional US$25 billion per year** in aid, to be implemented by 2010. Donor countries should commit immediately to provide their fair share of this. Subject to a review of progress then, there would be a second stage, with **a further US$25 billion a year** to be implemented by 2015. Ensuring the money is well spent will depend on two factors. First, **good governance** in Africa must continue to advance. But, second, donors must significantly improve **the quality of aid** and how it is delivered: that means more grants, more predictable and untied aid, and donor processes that are less burdensome on the already stretched administrations of African countries. It must also be better harmonised with the aid of other donors and better in line with the priorities, procedures and systems of African governments. Above all, it must be given in ways that make governments answerable primarily to their own people.

These changes are needed not just from individual donor nations but also from **multilateral institutions** – both African and global. The African Development Bank needs to be strengthened and the role of the Economic Commission for Africa enhanced. The IMF and World Bank need to give higher priority to Africa's development. They also need to become more accountable both to their shareholders and to their clients, and to give Africa a stronger voice in their decision-making.

Rich nations should commit to a timetable for giving 0.7 per cent of their annual income in aid. To provide the critical mass of aid which is needed now, the aid should be **front-loaded** through the immediate implementation of the International Finance Facility. Practical proposals should be developed for innovative financing methods such as international levies on aviation, which can help secure funding for the medium and longer term.

For poor countries in sub-Saharan Africa which need it, the objective must be 100 per cent debt cancellation as soon as possible. This must be part of a financing package for these countries – including those excluded from current debt schemes – to achieve the Millennium Development Goals to halve world poverty by 2015, as promised by the international community at meetings in Monterrey and Kananaskis.

Conclusion

Bold comprehensive action on a scale needed to meet the challenges can only be done through **a new kind of partnership**. In the past, contractual and conditional approaches were tried, and failed. What we are suggesting is a new kind of development, based on **mutual respect and solidarity**, and rooted in a sound **analysis of what actually works**. This can speed up progress, building on recent positive developments in Africa, towards a just world of which Africa is an integral part.