

LEEDS MANIFESTO

HOW TO SPEND \$100 BILLION FOR AFRICA

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What Principles for New Spend in Africa?

The EU and its members will give an additional \$20 billion in aid to Africa each year in the next five years.¹ Depending on how one interprets a variety of statements from the EU, this can be represented as a doubling of aid to Africa by the EU and its members. In the last year, EU aid ministers have been offered thousands of pages of advice on how to spend this money.² There is a fear that EU members and the Commission might need to double the number of officials dealing with aid in national ministries and European institutions to deliver the increases. African countries will certainly face problems absorbing a doubling of aid if it is delivered through traditional aid mechanisms.

This short manifesto is a plea to EU Development Ministers meeting in Leeds in October 2005 to take a strategic approach to spending the 'new money' in ways that will help Africans transform their economic and social systems and to do so more rapidly. The manifesto does not propose that existing aid strategies already in place under 'old money' be changed. The manifesto argues only for a root and branch reassessment of how to spend the new money in ways that meet the most urgent needs and in ways that conform to

¹ At the G-8 Summit in Gleneagles in July 2005, the leaders agreed to double aid to Africa and this commitment has been shared by EU member states. The G-8 will provide an additional \$25 billion to Africa by 2010. In July, the President of the European Commission, José Manuel Barroso, said: 'The EU will contribute 80% of the 25 billion per year extra for Africa.' See http://europa.eu.int/comm/commission_barroso/president/pdf/peech_20050708_en.pdf In 2003, according to OECD statistics, the EU and its members provided \$35 billion in ODA to Africa (OECD DAC statistics). There is room for considerable variation in historical statistics of this kind because of the way exchange rates are calculated.

² The Commission for Africa report, entitled *Our Common Interest* and published in March, has been hailed as the 'Big Push' to help deliver a strong and prosperous Africa. The report by the UN Secretary-General's High Level Panel, *Threats, Challenges and Change: A More Secure World; Our Shared Responsibility*, and one by the UN's Millennium Project, *Investing in Development; a Practical Plan to Achieve the Millennium Development Goals 2005*, (the Sachs Report), are also key reference points. The outcome document of the Millennium +5 Summit in New York in September 2005 is another key source. On 12 October 2005, the European Commission announced the release of its own strategy document.

African wishes and emerging political structures of African governance.

Africa's Revolution: Africans Want New Approaches in Aid

For many in Europe, poverty and conflict in Africa are viewed as a stain on the world's collective conscience. Recent years have seen public attention become engaged with this issue in a much more concentrated fashion. European politicians (and Africans alike) are looking for new strategies to end what they see as this tragedy. This perspective must remain central to European policy. But it must be positioned against the knowledge that the future of Africa is in the hands of Africans and their future looks better now than at any time in the last three decades.

The continent is undergoing a political and economic revolution unparalleled since the end of the colonial period. The achievements have been enormous. They include the creation of an effective African Union, backed up by a number of continent-wide or sub-regional organisations, such as the New Partnership for African Development (NEPAD) or the Economic Community of West African States (ECOWAS). Some 23 countries (of 48) have signed up to the ground-breaking African Peer Review Mechanism (APRM),³ clear evidence that Africans are the masters of their own collective destiny. The IMF has projected economic growth for Africa at over 5.3 per cent for 2005.

This is governance of the best quality. These governance structures are every bit as deserving of financial support as national governance structures that reinforce European notions about democracy, accountability and corruption. The question for EU Development Ministers is whether they can recognise that these regional governance structures represent such a fundamental

³ The APRM is a mechanism designed to foster the adoption of policies that lead to political stability, high economic growth and accelerated economic integration through sharing of experiences and reinforcement of successful practice, including the identification of deficiencies in government policies by representatives and specialists from other African states. The APRM operates to advance the objectives of the AU's Declaration on Democracy, Political, Economic and Corporate Governance.

change that they should be rapidly reinforced with new financial support on a level not yet contemplated.

Many Africans now loudly say that aid and trade – the main lens through which Europe views African development – are not the totality of a development strategy. They say that what Europeans regard as ‘development’ in their own context (good education systems, good health systems, a balance between social welfare and free market systems, dynamic investment regimes) do not drive EU aid policies.

The Millennium Development Goals (MDGs) are targets, not strategies. An MDG on childhood education should not necessarily translate into aid programmes for primary schools. Given competing pressures on aid budgets, there is not enough money in them to deliver primary education to meet the MDGs through direct support to the primary school sector. Yet much of EU support to education goes to the primary (or basic education) sector. Tertiary education is by comparison not paid much attention at all. (East Asia developing economies pursued a different development model, one that placed a premium on tertiary education, and this has paid off.)

On the EU side, in 2004, the Commission called for a wide public debate about its aid policies in order to reflect wider considerations than the classically narrow agenda of poverty alleviation. There is disquiet at the highest levels of the Commission about the effectiveness of EU aid. For their part, Africans want the emergence of a genuine partnership between equals. In July 2005, José Manuel Barroso called for a reassessment of EU-Africa relations that took into account the dramatic transformations in Africa and Europe. He called for equality, a break with the ‘neo-colonial and paternalist reflexes’, and a ‘relationship which reflects the true spirit and potential of Europeans or Africans’.

In announcing its new strategy for Africa on 12 October 2005, the European Commission said it was responding to priorities identified by ‘Africans themselves as crucial to their development: governance, interconnection and equity’. The strategy also addresses peace and security, social cohesion and environmental sustainability. In addition, it reaffirms the commitment to improve its aid effectiveness.

While it would be unwise to generalise, there seem to be different perceptions on what the African side wants. At a meeting in 2005 of the Africa Partnership Forum held in Abuja, African representatives expressed their view that the continent’s aid relationship with donors had not delivered enough progress in infrastructure, agriculture, health, health systems and education. They also called for better coordination amongst development partners in their relations with NEPAD and individual country priorities. At that meeting, Nigeria’s President Obasanjo, speaking as Chair of the New Partnership for African Development (NEPAD), raised Africa’s view that partnership is based on mutual accountability and clearly defined obligations. In this regard, he expressed concern about the unfulfilled pledges made to Africa by its development partners in the past.

Need for Genuine Donor Harmonisation

The EU has committed itself to donor harmonisation, but only modest steps have been taken. As José Manuel Barroso said in announcing the new Africa Strategy on 12 October 2005: ‘One of the EU’s most central challenges in Development cooperation remains to ensure a coherent and effective approach between 26 different actors, the 25 Member States and the European Commission, with 26 development policies.’ EU ministers should agree a plan for specialisation of home ministries to avoid duplication of analysis and policy effort. The Vietnam model of development assistance, where much international assistance is channelled through one unified consultative forum that then deals with the government of Vietnam, must be brought to bear in each of the aid recipient countries in Africa. The African Partnership Forum must be replicated at country level in each country, and local NGOs and other opinion formers should be included.

In an environment where the EU has highly integrated administrative structures in many areas of policy, EU Development Ministers should attain real donor harmonisation by moving to a Common Africa Policy, both in deciding priorities and in administering them.

The Common Africa Policy will be one that more directly supports African people in pursuing economic prosperity, social welfare and security on their own terms, terms which will be unique to each

country, terms that will differ within each country, and terms that may differ from those of the Europeans providing financial aid.

Fixing the Aid System

The Sachs Report commissioned by the UN Secretary General (and supported by the best available research in the world) was highly critical of current aid systems. In calling for a decade of 'bold ambition', one of the many recommendations that the report made was to 'fix the aid system'. That will be a long-term mission, but EU Development Ministers must start now. Just one area identified by Sachs is central to this manifesto – the need to scale up the skilled work force, both through educating workers and through paying them well enough to keep them. The report noted:

'long-term sustainability and capacity building in the poorest countries require support for recurrent costs—such as salaries and maintenance—donors have historically refused to support them, thus preventing any hope of *true* sustainability. Similarly, even though worker shortages are often the major bottleneck for countries trying to deliver basic social services, donors do not systematically invest in long-term pre-service training of health, education, and other key workers.'⁴

The Sachs report, which was intended to be a road map to achieving the MDGs, has a chapter devoted exclusively to meeting Africa's special needs. The conclusion from this chapter that is most radical from the point of view of traditional aid policies is the call for a new emphasis on tertiary education:

To achieve the Goals in Africa, significant investments in human resource development are needed urgently, since health, education, agricultural extension, and other critical services cannot function without cadres of properly trained staff. ... Africa now faces a shortage of a million health workers. Qualified teachers and other service providers are also in short supply. To build Africa's capacity to deliver the services and interventions to achieve the Goals, major co-ordinated investments in pre-service training (such as degree

⁴ <http://www.unmillenniumproject.org/reports/fullreport.htm>.

and certification programs) will be needed... These will need to be complemented by ... adequate salaries....⁵

EU Development Ministers now have some easy choices. The problems for Africa have been studied enough. There are enough menus for action on the table. The EU wants to deliver an additional \$20 billion in aid to Africa each year. This 'new money' provides a golden opportunity to go outside traditional approaches to aid in order to deliver strategic effects on the urgent basis required. It is quite clear that the aid departments will not be able to adjust quickly enough to a doubling of aid if it means a continuation of projectised and localised interventions.

Ten Recommendations on How to Spend the New \$100 billion⁶

Good ideas are much more important than money in shaping the effectiveness of aid policies. EU aid to Africa is fragmented and projectised, and poorly coordinated among all of the European donors. It needs to be directed more strategically to areas identified by Africans: infrastructure, agriculture, health and education, especially tertiary education. Healthy children receiving primary school education in Africa today will have no influence on whether Africa will achieve the MDGs by 2015, including those relating to childhood education and health. But a much larger pool of well-trained African adults will increase the chances.

EU aid policies are very different from those of the USA and Japan, but few political leaders in Europe have a view on which approach has been more effective or why. Many Africans are calling for new approaches that focus more directly on the people and less on

⁵ Ibid.

⁶ The framing of these recommendations benefited from the discussion at a one day conference in London organised by the Foreign Policy Centre in cooperation with the Commonwealth Secretariat and the Royal Institute of International Relations (RIIR-KIIB). The aim of the conference was to devise a short 'action plan' to help donor countries better target their priorities for development assistance to Africa. That action plan, concentrating on the areas of land reform, conflict prevention and promoting centres of excellence, will be published in November.

'vague notions of capacity building'. Japan spends massively more in its aid program on technical training of Africans than the EU does.

There are a number of strategic decisions that EU ministers might make in spending the additional aid money promised to Africa. Here are ten.

1. Invest ten per cent of new aid money in training of newly skilled adults, especially through a massive programme of direct financial support to African tertiary students studying in Africa or abroad (a scholarship scheme).
2. Spend ten per cent of new aid money on direct salary support to new teaching posts in African tertiary institutions, including technical colleges as well as universities.
3. Spend ten per cent of new aid money on salary bonuses paid directly to tertiary trained Africans working in priority institution, such as health, education and agriculture.
4. Provide ten per cent of new aid money to the African Union, NEPAD and the operations of the latter's Peer Review Mechanism.⁷
5. Provide ten per cent of new aid money to sub-regional organisations, such as ECOWAS and SADC.
6. Spend ten per cent of new aid on direct support of farmers in more effective and more equitable use of land for agriculture.
7. Spend ten per cent of new aid supporting recognised centres of excellence in Africa, such as newspapers and media reaching several countries, grass-roots organisations, or even creating new regional management centres or agricultural training schools.
8. Spend five per cent of new aid money on promoting a culture of peace and reconciliation, including through the

⁷ The EU has already agreed to fund initiatives recommended by the PRM but this proposal here is for direct strengthening of the PRM itself through higher levels of direct funding of new staff posts and operating budgets.

establishment of new tertiary institutions, graduate schools and think tanks addressing politics of conflict and peace-building.

9. Spend 15 per cent of new aid money on direct support of African peacekeeping, both through the African Peace Facility or training and deployment of African peace-keeping forces.
10. Spend 10 per cent of new aid money on direct budget support to African-led civil society organisations working in the fields of health, education and agriculture.

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