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THE WORLD BANK, NEPAD AND AFRICA'S DEVELOPMENT

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in fulfilment of the degree of Master of Arts

University of the Witwatersrand, Johannesburg

24 February, 2010

To my mother, Maria Minah Mokone, *with love*

DECLARATION

I declare that this is my own unaided work and where I have used references I have acknowledged sources. It is submitted for the degree of Master of Arts at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any other degree or examination in another university.



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24 February 2010
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ABSTRACT

After many years of a stale mate process changes in development discourse precipitated a new understanding of the special case of developing countries. This new environment allowed for regional initiatives like NEPAD to emerge and advance a new framework on Africa's development and engagement with the international community.

The paper shows how through the establishment of NEPAD there was a revival of the African agenda and new attention was given to development issues of the continent. The initiative has the support and backing of the World Bank to ensure its sustainability and effectiveness in a globalised international system. The research argues that the relationship between NEPAD and the Bank is a crucial ingredient in this. This results better policy development, implementation and project management.

The implication that this carries for African policy making is that the continent has to adapt itself to changes in the international system. It is the adoption of neo-liberal policies into the framework of NEPAD has ensured its survival. This has allowed it to gain acceptance and support from leading international role players, such as the EU, IMF and most important the World Bank. It is being heralded as a breakthrough in development policy from the continent. This is because it puts the responsibility of finding new ways of solving the continent's problems upon African's themselves and creates an opportunity to engage the international community in this Africa-led process.

The partnership is sustained by shared values between the Bank's framework and NEPAD. That development must be a long term strategy; it must be country owned and drive; it should strive to build strategic partnerships with the private sector and the international community to support projects and it must have clear, realistic and achievable goals. The complementary policy frameworks result in the design and implementation of effective projects between NEPAD and the Bank. This results in the endorsement of a unified development objective and renders the partnership strategic in promoting effective development progress.

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CHAPTER 1

INTRODUCTION

The World Bank is one of the leading international development institutions and is well vested with the power and experience to advance development goals and help bring about development in poor countries. However, some countries in the developing world view the Bank's prescriptions on development as being harmful to their specific context[1]. These include, structural adjustment programmes (SAPs) that require countries to privatise state resources, deregulate the market and ease trade barriers[2].

A major issue of contention between developing countries and the World Bank has been on how each conceptualises economic development and what is needed to achieve it[3]. The Bank's understanding is premised on the assumption that economic development refers to 'Qualitative change and restructuring in a country's economy in connection with technological and social progress[4]. The main indicator of economic development is increasing GNP per capita (or GDP per capita), reflecting an increase in the economic productivity and average material wellbeing of a country's population.

This view focuses only on the economy and assumes that there will be a trickle down approach that will curb poverty, hunger and other social problems. It is development focusing on the primacy of economic factors. The Bank uses various reform policies including SAPs to achieve this ideal, especially in developing countries. These came to be known as *conditionalities*, as they refer to conditions that must be met in order to qualify for loans and aid from the Bank and the IMF[5]. They include limiting social spending by governments, liberalizing their economies, removing subsidies, privatizing state owned enterprises and creating a conducive environment for investors and private capital.

[1] Moore, D.: The World Bank: Development, Poverty, Hegemony, Durban: UKZN press, 2007, pp. 1-2.
[2] Ibid.
[3] Ibid.
[4] Ibid.
[5] Moore, D. Op Cit. pp. 1-2.

These conditionalities were criticized by governments in the developing world for posing serious consequences to their society which included the directing of national policies by external factors which undermines its domestic role and autonomy[6]. The selling of state owned enterprises (SOEs) to private persons created increased social problems like unemployment and poverty. This was done by selling company shares or delegating the production of goods and services to private persons or organisations. The objective was to increase state revenue through the sale of SOEs to allow government to focus on capital formation, investments and savings. Additionally, developing countries lamented that the opening up to international trade affected the operation of their domestic industries that are small and fragile to compete with more advanced corporations[7].

Accordingly, SAPs as pushed by the Bank in order to accelerate economic growth and alleviate poverty in poor countries have worked against development programmes from developing countries and limited the effectiveness of these programmes[8]. Policies that are drawn up without due regard for both domestic and regional environments make the development problem a greater challenge to overcome. Development policies must be part of an integrated approach that does not seek to alienate the internal positions of countries. Therefore, an approach that does not include this is in jeopardy of receiving mixed reactions and this may affect its effectiveness.

The New Partnership for Africa's Development (NEPAD) is an African regional initiative that aims to accelerate development on the continent through mobilising resources for sustainable development and eradicating poverty[9]. Regional initiatives refer to structures and programmes designed to promote development within a particular region, for example in Africa. The term regional initiative refers to a political philosophy that focuses on the interests of a particular region. The objective is to increase the region's influence and power and its capacity to engage mutually in the international system[10].

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[6] Ibid.
[7] Ibid.
[8] Baran, P.: The Political Economy of Neo-Colonialism. London: Heinemann, 1975, pp. 65-70.
[9] New Partnership for Africa's Development (NEPAD). NEPAD. www.nepad.org\2005\doc.php. October, 2001, p. 1.
[10] Farrell, M., Hettne, B. and Langenhove, L.: Global Politics of Regionalism: Theory and Practice. London: Pluto Press, 2005, pp. 21-25.

The programme prioritises the importance of African solutions to African problems without necessarily alienating external intervention. Additionally, it understands the development context of the region and aims to address the challenges through both regional and international efforts[11]. The continent is in dire need to develop its economy and infrastructure. Economic development is understood to encompass, not just economic indicators like GDP and GNP, but includes a variety of factors like the alleviation of poverty, hunger and social investment, which includes putting resources in health and education[12]. The focus is both on social and capital spending, with an increased emphasis on social wellbeing. The NEPAD programme is summarised as follows:

> *The New Economic Partnership for Africa's Development is a pledge by African leaders, based on a common vision and a firm conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development and, at the same time, to participate actively in the world economy and body politic. The programme is anchored on the determination of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion in a globalising world*[13].

Economic development and how it is achieved is itself a problematic concept and highly contested between poor countries and the international community. The traditional view which is mostly held by developed countries and institutions focuses heavily on the rate of increase of GDP[14]. This is measured by the number of goods and services produced in a country, urbanization, consumption and infrastructural development. On the other side, poor countries viewed economic development as encompassing an improvement in social welfare and is

[11] Vale, P. and Maseko, S. 'Thabo Mbeki, South Africa, and the Idea of an African Renaissance: Thabo Mbeki's World' in Jacobs, S. and Galland, R. (eds.): The Politics and Ideology of the South African President. University of Natal Press: Natal, 2002, pp. 122-123.
[12] Ibid.
[13] NEPAD. Op Cit. 2001, p. 1.
[14] O' Sullivan, A.: Economics: Principles in Action. New Jersey: Pearson Prentice Hall, 2003, pp. 471.

measured through better health and education facilities, access to employment opportunities and finance[15].

Therefore, different policies were developed and applied in order to promote what each group perceived as economic development. Developed countries maintained that in order to achieve economic development, poor countries had to implement policies that foster increased focus on trade and production to boost their economies[16]. However, poor countries rejected the imposition which was often attached to financial incentives including credit facilities. They called for a more inclusive process that sought to first improve social conditions as a precursor for economic growth and development[17].

For the purpose of this paper, economic development will refer to the progressive improvement of infrastructural development (including economic policies, systems and institutions), efficient natural resources management for growth and social investment (poverty alleviation, health promotion and education)[18]. These three will be used as useful indicators to guide further understanding of economic development in the context of Africa's development.

Statement of the problem

The problem becomes that of trying to find sufficient grounds for common understanding and cooperation between the Bank's description of economic development and economic development from poor countries as espoused through NEPAD. Development initiatives from the developing world that fail to incorporate World Bank policy requirements on effective development plans and programmes become unsuccessful in the long term[19]. This is because their policies and programmes on economic development are different and result in a competitive relationship between themselves and the Bank. The Bank maintains that development takes place through growth and then redistribution takes place, whilst African leaders have persisted that

[15] Vale, Peter and Maseko, S. Op Cit pp.123-123.
[16] Moore, D. Op Cit. pp. 1-2.
[17] Ibid
[18] Vale, P. and Maseko, S. Op Cit pp.123-123.
[19] Ikome, F. N. 'From Lagos to Abuja: the political economy of collective self reliance' in From the Lagos Plan of Action to the New Partnership for Africa's Development: the political economy of African regional initiatives. Institute for Global Dialogue: Midrand, 2007, pp. 76-77.

development comes through redistribution and then growth happens[20]. There is a need therefore, to find common ground and accelerate development on the continent.

Hypothesis

The relationship between the World Bank and NEPAD is beneficial in promoting development in Africa and its support of the initiative ensures it is successful in achieving progress; through its development projects in infrastructure development, natural resources management and social development.

Aim

The aim of this research will be to examine whether the complementary relationship between the World Bank and NEPAD is advancing economic development on the continent. It will highlight the relationship between the World Bank and NEPAD, to determine the basis of the accommodative partnership. Furthermore, it will aim to reveal similarities and differences between international and regional development policies, such as those driven by NEPAD, in order to determine how despite the differences in approach to development the World Bank still remains supportive of the programme.

Primarily the research is about those projects of the NEPAD programme that have caught the attention of the World Bank and thus have received huge support in their formulation and implementation on the continent. These consist of technical inputs in projects for Regional Economic Communities (RECs), synchronising trade policy in specific sectors, support for the Public Expenditure Tracking in Agriculture, the Comprehensive African Agricultural Development Programme (CAADP), the Environment Action Plan and the Short Term Action Plan on Infrastructure[21].

[20] Ibid.
[21] Van Niekerk, L. and Houdart, F. New Partnership for Africa's Development (NEPAD). NEPAD, Midrand, September, 2005, pp. 1-5.

Rationale

When emancipation came through for Africa, it lacked both the human and institutional capacity to lead the continent's development. States were forced to deal with complex issues of public administration, poverty and disease, the challenges of globalisation and the threat of civil and ethnic wars[22]. Many became failed states, because they could not address problems faced by modern states. This highlighted that some African states had difficulty in engaging in development without assistance from the international community.

It is in this context then, that the international community became engaged and focused on helping the continent develop. Through multilateral and bilateral agreements such as the Bretton Woods Institutions, the Washington Consensus, the Africa Growth and Opportunity Act (AGOA), US President's Emergency Plan for Aids Relief (PEPFAR), The Cotonou Agreement and others that attempted to address development problems through new policies and partnerships[23]. This is what has shaped the context of development on the continent, that is, an Africa that can only develop through external engagement.

However, not all countries on the continent were incapable of pulling themselves through. South Africa and Botswana are among a few that managed to utilise their natural resources, build effective institutions and implement policies that drove economic development. African leaders were also working to understand the nature of development and come up with ways of addressing their plight[24]. African states developed the capacity and political will to come up with development agendas and plans to make effective their goal for both political and economic development. Efforts such as the Lagos Plan of Action (LPA), the Millennium Partnership for Africa's Recovery Programme (MAP) and the current New Partnership for Africa's Development (NEPAD), bear testimony to the continent's ability to recognise problems and come up with initiatives to solve them[25].

[22] Barnes, L.: African Renaissance. Victor Gollancz: London, 1969, pp. 7-8. p. 7-8.
[23] Ibid.
[24] Ibid.
[25] Ikome, F. N. Op Cit. pp. 76-77.

It becomes evident then, that alongside international development efforts there have always been efforts taken by Africans to take responsibility of their own development[26]. However, these seem to have been over-shadowed by the existence and imposition of international development policies. As a consequence African development policies are often adjusted, revised altogether or forsaken for ones that come with both political and financial support, such as access to increased credit facilities and loans[27]. I am conducting this research because of the increased efforts of the World Bank in the implementation and successes of NEPAD. An exploration of this partnership will reveal new insight into the role of the Bank and the prospects of regional development initiatives in developing countries.

In Africa, regional initiatives seem to work in part and still fail to achieve their overall development goals. What is concerning about Africa's regional approaches to development is not their merits, rather a question of time. The pace at which the process is unfolding is disheartening. This is due to lack of political commitment to implement and enforce all economic agreements and policies into time bound, achievable and realistic goals that will speed up the process of full engagement with the world economy and address development[28].

Therefore, NEPAD still has a lot to achieve and prove in its aim for the development of the continent. It will have to defy the reputation that development programmes and goals are not properly defined and implemented by African leaders. Furthermore, it will have to prove that it is not a mere exercise of the elite, but an inclusive societal process. A concern is that in trying to help Africa the international community disregards the context of the continent's development[29]. It is accused of driving neo-liberal policies that focus on the market as the driving force for development, without due consideration of the consequences of a market driven economy in countries that have weak and fragmented markets and lack of infrastructure[30].

However, a concern is also that by using regional development approaches, African leaders become too ambitious and ignore the basics of development. This includes paying careful

[26] Ibid.
[27] Tadaro, M. Op Cit pp. 78-79.
[28] Mshomba, R. E. Africa in the Global Economy. Lynne Reinner: Boulder, 2000, pp. 179-180
[29] Tadaro, M. Op Cit. pp. 78-79.
[30] Hayter, T.: The Creation of World Poverty. London: Pluto Press, 1982, pp. 82-83.

attention to issues such as the nature of the economy, the market, political leadership and institutions. They also, have been accused of not effectively implementing free-market policies that would yield economic growth and are becoming nationalistic in regard to economic development[31]. The paper will explore these competing ideas on development and whether or not they could be the ones perpetuating underdevelopment in Africa and need to be resolved for a sustainable development to take place and for the efforts to bear fruit.

This paper will discuss the role that the World Bank plays in helping Africa develop, specifically considering the effective use of aid in advancing development, the need for market reform and establishing credible public institutions. The primary research question will look at the relationship between the World Bank and NEPAD and how they have been able to make their partnership mutually beneficial. . The study will explore which projects the Bank is involved in, what the relationship is like and what are the results.

Chapter outline

The paper will be divided into five chapters. Chapter one which will be the introduction will focus on the analytical and theoretical framework of the study. It will highlight causal factors and their relationships to each other in a well defined category of relevant theories. Neo-liberal theories will be used to best explain the relationship and support of the World Bank towards NEPAD. At the same time, this chapter will be used to give general background to the study.

Chapter two will discuss the changing nature of development policy in Africa and how through NEPAD there is a re-structuring of external partnerships. Focus will be on the nature of NEPAD in the context of previous development initiatives that were not successful. It will look at the features and strengths of NEPAD in appealing to the World Bank.

The third chapter will look at how this new policy shift was received by the Bank and how it is responding to the invite from African leaders. The chapter will specifically look at the encouragement and support the Bank is giving to NEPAD. The paper will examine if this 'new

[31] Ikome, F. N. Op Cit. pp. 76-77.

partnership' has allowed the programme to be effective and gain increased support for its projects. This may highlight that the initiative is to a large extent sustained by external support.

In the fourth chapter, the paper will go deeper to analyse how the relationship between the Bank and NEPAD works. This section will be important in understanding the complementary relationship between the Bank's policies and programmes with that of NEPAD. The fifth and concluding chapter will draw on the discussion to determine the effectiveness of the World Bank and NEPAD in advancing Africa's development in a changing global environment. It will measure this against its ability to accelerate infrastructural development, effective natural resources management and the social development. It will highlight areas of significance that make the partnership work and attempt to outline the nature of future development policies in Africa, based on the successes or failures of the World Bank/NEPAD relationship.

Theoretical framework

Dependency theory refers to a theoretical school of thought that attributes the underdevelopment of poor countries to the dominance by rich countries in the international system[32]. This creates a system of the center and the periphery, the latter being developing countries. As observed by two theorists on dependency theory Hans Singer and Roy Summit, it is an exploitative relationship that ensures that weaker countries are depended on developed countries for their prosperity and wellbeing[33]. It 'renders attempts by poor nations to be self-reliant and independent in their development effort difficult and sometimes even impossible'[34].

However, there has been a growing acceptance of neo-liberal policies internationally and as this paper will argue in the preceding chapters, there is a move that best explains the nee interdependency relationship through neo-liberal theories. Therefore, neo-liberal theory best explains and frames the focus of this research paper. According to dependency theories the international system is structured such that developed countries in the North hold political and

[32] Tadaro, M. Op Cit. pp. 78-79.
[33] Singer, H. and Summit, R.: Economic progress and prospects in the Third World : Lessons of development experience since 1945. Aldershot : Edward Elgar, 1993, pp. 5-20.
[33] Ibid.
[34] Ibid. p. 78.

economic leverage and use it through international institutions to keep developing countries under their control and continually depended on them though foreign aid and unbalanced trade[35]. This ensures that their position and relationship in international relations is forever tied to the activities and acceptance or support of developed countries.

Furthermore, they point out that developed countries set standards, requirements and institutions that developing countries have to subscribe to because of their weak position in the international system[36]. They only gain acceptance when they are part of these and maintain the systems and orders within the system. Such that their well being and success is directed and linked to the developed world, these relations are exploitative and are about power[37]. Consequently, those with more power undermine and impose their ideas, institutions and systems on weaker states, which are most developing countries.

In an attempt to frame activities in international relations, dependency theories ignore that poor countries or developing countries are also opportunistic actors and see the benefit of mutual gain[38]. Even though their position might be relatively weak, they gain leverage through economic inter-dependency. This ensures that they are also taken seriously and as valuable actors in international relations. In this system, to which they choose to participate as willing and active participants they devise strategies to maximize their benefits[39]. It is no longer sufficient to view developing countries as generally being dependent on rich countries. Neo-liberal theory shows that through interconnected economic activities in the world they become important actors too, who cannot be easily influenced and exploited though an interdependent relationship.

The ideology held by dependency theorists rejects neo-classical structural change models by Rostow and others, which argue that there are stages of development which all countries must go through and that poor countries are held backwards because of the inherent structures of their systems[40]. Additionally, other theories put forward like the Harrod-Dormar and the Lewis

[35] Ibid.
[36] Ibid
[37] Ibid.
[38] Rostow, W. W. The Stages of Economic Growth: A Non-Communist Manifesto. London: Cambridge University Press, 1960, pp. 1-4.
[39] Ibid.
[40] Ibid.

models explain the underdevelopment of poor countries through factors of investment and economic growth are found to be too limited to fully explain the conditions in developing countries[41].

It is neo-liberal theories that best capture the current changes in the international system. These 'inherent structures' are being revived to take advantages of new opportunities and changes that have taken place in the 21st century[42]. Economic growth has once again become the focus of effective policies and institutions in developing countries. This has come out of a long process of trial and error, realizing the need to connect with the world through the economy. The strength of each country is increasingly being measured by its economic gains and institutions and policies that promote this[43]. This is not seen as a burden or extra responsibility, but a chance not to be left behind as the world moves more and more into a global economy.

Methodology

The kind of inquiry I want to undertake lends itself within qualitative and quantitative approaches. Due to its subjective nature, the paper will focus on identifying the causal relationship between the World Bank and NEPAD. Primary to this inquiry is how this results in either complementary or contradictory policies and programmes. The paper will answer the impact of World Bank involvement against the results or successes or lack thereof of initiatives supported by the Bank.

The processes that I will use include conducting a thorough review of literature on the subject, using statistical analyses and conducting interviews. Primary sources in this research include official documents and reports from the World Bank and NEPAD, the AU, the African Development Bank and the United Nations. Secondary sources comprise of existing literature on the subject of international development, the World Bank and NEPAD. These include books, journals, published articles and newspapers.

[41] Tadaro, M. Op Cit. pp. 62-70.
[42] Ibid.
[43] Ikome, F. N. Op Cit pp. 76-77.

Literature review

According to Lancaster, external interventions, for example through aid, are ineffective in promoting development in Africa[44]. This view is perhaps influenced by reasons that even though it has been one of the largest recipients of foreign aid in the developing world, the continent remains increasingly underdeveloped and has become marginalised in the global economy[45]. There are many who share this idea including Lewis[46], who argues that internal arrangements can hamper prospects for economic growth and viable markets if they are not aligned to a liberal political and economic system.

Lewis and Lancaster are attributing the problems with Africa's development to the internal structures of its economy, institutions and politics. Ineffective economic and political policies are cited as examples of internal dispositions that work against achieving development. Furthermore, issues of good governance and aid management have been lacking factors in the promotion of development through aid in Africa[47]. As a consequence, the article highlights that after 1993 there has been a sharp decline in aid flows to the continent and a detrimental shift from a bilateral to a multilateral aid disbursement system. These two momentous changes in the international system are considered to signal a '… declining interest and engagement on the part of significant world powers in Africa[48].

Their argument is well presented by showing that Africa was one of the most aided regions in the world however; its dismal performance with aid interventions poses the question of what went wrong[49]. It is at this juncture that Lewis and Lancaster make the affirmation that there is no link between aid and development. They highlight that aid is ineffective in the absence of productive

[44] Lancaster, C. Op Cit pp. 208-212.
[45] Jones, D.: Aid and Development in Southern Africa. Overseas Development Institute: London, 1977, p. 75.
[46] Lewis, A.: Theory of Economic Growth. London: Unwin, 1955, pp. 45-60.
[47] Ibid.
[48] Ibid. p. 212.
[49] Ibid.

economic and political policies and that it is incapable of encouraging governments to implement structural changes to contribute significantly to development[50].

This thinking is in line with what Nicholas van de Walle calls the *adjustment regime*[51] which primarily aims to manage Africa's economic crisis and encourage reform. At the same time it shows contradictions in the practice, because in order for there to be reform, there needs to be continued aid flows. This challenges the rationale that aid is ineffective in encouraging reform, actually you need more aid in order to implement the reform strategies and make them sustainable. Nonetheless, the point being made is that development has to start from within the continent, in order to make any external intervention effective[52].

Reform programmes are inherently destabilising to many African economies, as earlier outlined and to ensure their proper and effective implementation large resources flows are needed[53]. This is because in the initial stages for the state to pull out of the economy, cut down on public spending and privatise state enterprises, much is lost in the short term. Most governments cannot afford the risk of having public uproar due to insufficient state sponsoring of education and health, lessened social grants or even the high number of unemployed people that were in the public system. The Bank and IMF have supported and argued that these reforms produce sustainable economic growth and development, but in the short term they are hazardous to African economies[54].

Ikome highlights that regional development policies have dragged the continent far behind and marginalised it increasingly from the spoils of open participation[55]. Good intended policies like the Lagos Plan of Action were not effectively implemented and the argument is that it would have failed the continent either way. However, a major reason it was not effectively implemented

[50] Ibid. pp. 232-233.
[51] Van de Walle, N.: African Economies and the Politics of Permanent Crisis. Cambridge: Cambridge University Press, 2000, p. 210.
[52] Ibid.
[53] Ibid.
[54] Manuel, T. 'Africa and the Washington Consensus: Finding the right path' in Finance and Development, September, 2003, pp. 18-19.
[55] Ikome, F. N. Op Cit pp. 76-77.

is the fact that it rejected neo-liberal policies and did not receive financial and technical support from the World Bank and other international development institutions[56].

More important was the fact that many African leaders did not want to give up control over their economies, which serve as a source of political power and economic leverage over their opponents[57]. They are further suspicious of dominant countries that might use their power and influence to undermine their national rule and use the platform to advance their economic interest at the expense of weak economies[58]. For example, Rod Alence shows that due to the size of its economy, the role of South Africa in the Southern African Customs Union (SACU) threatens weaker countries and fuels suspicions about its objectives. Also, the country benefits more than the other members in the Union[59]. It is because of this that it plays a key role in the region and has been accused of dominating both the political and economic spheres in the region. It is this that has become an impediment to efficiently integrating Africa's economies both internally and internationally. This defeats the argument of collective strength; instead regionalism exposes the weakness of the collective.

It was in this context that the development debate emanated between rich developed countries and poor developing countries about the best route to achieve development. Developed countries supported by international economic institutions, including the World Bank and the International Monetary Fund (IMF) advocated for development strategies that focused on economic growth and the efficacy of the market[60]. Development would be the outcome of a process that limited state spending on social goods and invested in capital formation.

Therefore, it would include the opening up of domestic markets to international trade and the free movement of goods and services. The ultimate objective is having an industrialized economy that is vibrant and integrated into the world economy[61]. Pursuant to these ideals they

[56] Ibid.
[57] Lancaster, C. Op Cit pp. 208-212.
[58] Ikome, F. N. Op Cit pp. 76-77.
[59] Alence, R. 'SACU and the political economy of regionalism: towards a deeper and broader integration?' in SAIIA Trade Policy Briefing, No. 12, 2006, p. 5.
[60] World Bank. 1999 Annual Review of Development Effectiveness. Washington, D. C: The World Bank. 1999, pp. xi-xii.
[61] Ibid

imposed requirements (SAPs) to poor countries that were attached to loans and credit conditions to ensure that these neo-liberal policies are implemented and thus incentive driven in the process. This has become known as development from the North, which refers to a process that is externally induced and driven by the international community, mainly spearheaded the Bank and IMF[62].

On the other side, there was what became known as 'development from the South', which was being internally driven by regional bodies and institutions. Initially this started as a reaction to the overstated role played by developed countries in the domestic affairs of individual states and how they insisted on determining the development path for developing countries[63]. At the same time it was a rejection of SAPs and neo-liberal policy prescriptions from these two institutions. African leaders and their counterparts in the developing world were calling for a change in the international system to make it more equitable, fair and accommodating to heir needs[64].

In order to get their voices across and be taken seriously they came up with new policies and programmes that sought to chart a new way about addressing the development challenges of the South. A first wave of these strategies from the South was critical of SAPs and blamed rich countries through the support of the Bank and IMF for their woes and continuing underdevelopment[65]. They emphasised the importance of not just looking at the economy as the only factor to development. Social development and programmes to counter poverty, hunger and diseases were strategic priority areas. The best way to address the condition of Africa is to first address social problems and invest heavily is social goods and services as long term development objectives[66].

However, existing research shows that with the establishment of NEPAD by the African Union there has been an increase on the continent of internalizing neo-liberal policies[67]. It is an attempt

[62] Singer, H. W. 'The New International Economic Order: An Overview' in The Journal of Modern African Studies, Vol. 16m No. 4. 1978, pp. 539-695.
[63] Callaghy, T. Innovation in the Sovereign Debt Regime: From the Paris Club to Enhanced HIPC and Beyond. Operations and Evaluations Department, World Bank, Washington, D. C. 2004, pp. v-viii.
[64] Owusu, F. Op Cit. pp. 1657-65.
[65] Ibid.
[66] NEPAD. Op Cit. 2001, p. 1.
[67] Gelb, S. 'The New Partnership for Africa's Development (Nepad): A Brief Overview'. Global Insight, Issue No. 19, June, 2002, pp. 1-2.

to integrate ideas and strategies promoted within development from the North and development from the South. It is hoped that it will give new life to the relationship between the continent and the international community. The new plan is African led and seeks new international strategic partnerships. The assumption being that these plans are already determined, but to make them work the continent will seek the engagement of the international community[68].

Therefore, the idea that Africa is growing more insignificant among the world's major powers becomes unacceptable in light of the above literature review[69]. What is happening is that African issues have become a major world topic though the establishment of NEPAD and has been receiving much support from international development institutions such as the World Bank. This has allowed for Africans to engage the international community, whilst being realistic about conditions that would help accelerate their development and their voice and agenda has echoed throughout the international community[70]. The continent is again gaining prominence and is being taken seriously with much progress taking place At almost every international forum the continent's issues have been part of the agenda.

For example, then British Prime Minister, Tony Blair embarked on an Africa tour in 2002, where he visited a few countries on the continent and acknowledged efforts by governments to accelerate development[71]. This is one example of the accentuated attention the continent has received since NEPAD. Additionally, at the 2002 G8 Summit in Kananaskis, Canada, the host, Prime Minister Jean Cherétien was eager to have Africa's concerns as first priority, despite protest by the US to have terrorism and Palestine issues first[72]. NEPAD leaders at the time, former Presidents Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria and current President Abdelaziz Bouteflika of Algeria have often been invited to address the Summit, which is only reserved for G8 member countries. The European Union has endorsed NEPAD and pledged assistance to many African countries on the path of sustainable development. In 2000 in

[68] Ibid.
[69] Lancaster, C. Op Cit. p. 212.
[70] Moss, T., et al, 'An Aid Institutions Paradox? A Review Essay on Aid Dependency and State Building in Sub-Saharan Africa' in Centre for Global Development, Working Paper No. 74, Washington DC, 2006, p. 3.
[71] Owusu, F. Op Cit. p. 1664.
[72] DevNews. 'G8 aid to Africa at risk, Canadian Minister warns', November 2002, p. 1. http://www.DevNews.com. Accessed 16 February, 2010.

Portugal and 2002 in Norway Mbeki was invited to address the summits[73]. Then World Bank President, James Wolfeson affirmed his continued support for NEPAD and the new role played by African leaders[74].

The plight and efforts of African leaders are at center stage and the continent is getting the exposure it has been seeking for a very long time. Furthermore, it allows the continent to set up similar programmes to accelerate efforts through the new regime[75]. Similar to the old system of aid lending that was a relationship between the donor and recipient country, this shift is not coincidental and Africa leaders are not doubtful of the new system and this is evidenced in how NEPAD seeks to engage the international community as a partner[76]. Ikome shows how through NEPAD the continent is experiencing increased investment and capital formation[77]. This is made possible by the new opportunities of unrestricted finance and capital flows throughout the region. Which is resulting in increased internal interest to build up and fund industrialisation to enhance regional capacity. Investments are fueling the economy and help in accelerating economic growth[78].

However, the argument presented by Ikome is justified that the continent cannot shield itself from the effects of globalization and therefore needs to be creative in how it will engage the international community, whilst protecting its interests[79]. That way, weaker states that would be the most affected can be assisted, because the region as a whole is affected and the costs are distributed, even though uneven[80]. Nonetheless, being part of a collective shields weaker states and ensures that their economies do not collapse. It does this by fostering the creation of large economies and markets. This allows small producers to contribute and reach a larger population group, in turn this implies that they have to produce and supply more, due to increased demand. Therefore, making the whole region into one big economy, this means they will have the

[73] Owusu, F. Op Cit. p. 1664.
[74] Wolfensohn, J. The Other Crisis: 1998 Annual Meeting Address. Washington, D. C: The World Bank. 1998, p.11
[75] Noel, A. 'The New Global Politics of Poverty' in Global Social Policy, Vol. 6, No. 3, 2006, pp. 304-311.
[76] Jackson, P. Op Cit. pp. 657-664.
[77] Ibid.
[78] Ibid.
[79] Ikome, F. N. Op Cit. pp 90-91.
[80] Alence, R. Op Cit. p. 5.

capacity and power to engage with the world on a regional basis and as such can sustain the pressures and demand of being part of a global economic system[81].

This view is held by many African leaders, in particular the South African former president, Mbeki, who promoted the efforts of the African Union to integrate the continent into a unit that is politically and economically organised to deal with globalisation, whilst at the same time building up a strategic base from within, from which to advance Africa's agenda[82]. This is where the efforts of the New Partnership for Africa's Development (NEPAD) come to the fore, for Africa to be empowered to solve development problems alongside the international community. Mbeki argued that for the continent to truly break free from the scourge of underdevelopment it must initiate and drive the process from within, based on a shared vision by the African people. 'We will determine who we are, what we stand for, what our vision and hopes are, how we do things, what programmes we adopt to make our lives worth living, who we relate to and how'[83].

Therefore, NEPAD is a strategic plan in regional development, because it does not advance a system of high protectionism and alienating the continent from the global economy[84]. On the contrary, it maintains a global vision that is well complemented by the World Bank and other international economic institutions. This ensures that it deals with development problems as part of the international community. Hence, this research positions itself within these competing interests between regionally led initiatives and international conditionalities for sustainable growth and development. It will attempt to show how despite the harsh requirements imposed by international institutions like the World Bank on the development agenda of poor countries, some regions have been effective in coming up with strategies that appeal to the requirements of the Bank, whilst remaining regionally driven and sensitive to their specific context.

NEPAD has been effective in being continent owned and driven, yet appealing enough to get the support of the Bank and the successful implementation of its programmes[85]. At the same token, the research is not oblivious to the contradictions that would persist between the policies and

[81] Ibid.
[82] Vale, P. and Maseko, S. Op Cit. pp. 122-123.
[83] Mbeki, T.: Africa Define Yourself. Mafube: Cape Town, 2002, p. 71.
[84] Ibid.
[85] Ibid.

programmes of the Bank and NEPAD and the power relations that result is some programmes being fully supported and some not getting support at all[86]. However, what is significant in this study is the ability of NEPAD to work with the Bank to achieve regionally determined development goals and ensure the successful implementation and achievement of the Comprehensive African Agricultural Development Programme (CAADP), the Short Term Action Plan on Infrastructure, energy, transport, ICT and water and sanitation (STAP), the Tourism Action Plan and the Environment Action Plan[87].

From this introductory chapter it becomes clear that neo-liberal theory as outlined here, is an important framework in trying to understand the revival of regional initiatives and the focus of international engagements with African initiatives, especially NEPAD. It highlights key issues within development discourse about NEPAD and its neo-liberal leanings, including its much publicized support. The next chapter will discuss further the history of Africa's development initiatives' failures and reasons thereof. It will show the context of the creation of NEPAD and how it sought to be a re-defined development policy for the continent.

[86] Ibid.
[87] Gelb, S. Op Cit. pp. 1-2.

CHAPTER 2

RE-DEFINING DEVELOPMENT POLICY IN AFRICA: THE CASE FOR NEPAD

It is clear that in order move forward Africa has had to integrate itself into the global system and adapt its policies and institutions. In 2000 the World Bank published a report titled *Can Africa Claim the 21st Century?*[88] The report painted a grim picture of the continent's struggles and its inimical internal positioning. A major point it emphasised was that many development problems have become largely confined to Africa; these include illiteracy, child mortality, malaria, HIV/AIDS and conflict. As a consequence its position has deteriorated in the global economy and it has only secured a limited share of the global economy.

Despite the negative rhetoric of the report, it did not just give an account of the failures of the continent, on the contrary it also offered concrete solutions and recommendations on how Africa can claim the 21st century. It started by stating that for the continent to accelerate development it must be committed to a sound and extensive vision for development and nation building[89]. Areas for claiming the 21st century that are advocated by the report include increasing competitiveness and diversifying economies, building infrastructure for growth, reducing aid dependence, strengthening civil participation and democracy and investing in human capacity as a strategy for long term economic development and poverty reduction[90].

A new vision for development in Africa

The New Partnership for Africa's Development (NEPAD) is founded in the shift in thinking by African leaders to play a proactive and engaging role in accelerating development on the continent. NEPAD is a comprehensive plan and a development agenda for Africa[91]. It is aimed at taking ownership of the perpetual state of underdevelopment and seeking new solutions to broker the stalemate that has characterised the continent for many years.

[88] The World Bank. 'Can Africa Claim the 21st Century?' Washington DC: The World Bank. 2000, pp. 1-38.
[89] The World Bank. Op Cit. pp. 2000. 1-38.
[90] Ibid.
[91] NEPAD. Op Cit. 2001, p. 1.

It is a development programme and policy framework developed from the New Africa Initiative (NAI), which was an amalgamation of the Millennium Partnership for the African Recovery Program (MAP), developed by Mbeki, Obasanjo and Bouteflika, and the Omega Plan by Senegalese President Abdoulaye Wade[92]. The objective is to promote sustainable development that reflects social, economic and environmental factors that are essential components in the continent's development strategy. Emphasis is on a long term African owned and led development programme, through five priority areas:

- The Comprehensive African Agricultural Development Programme (CAADP)
- The Short Term Action Plan on Infrastructure (STAP)
- African Peer Review Mechanism (APRM)
- The NEPAD Health Strategy
- Tourism Action Plan

To achieve this, NEPAD's strategy focuses on **sustainable development** (peace and security, democracy, economic and corporative governance and regional economic integration), **priority sectors** (infrastructure, human capacity development and agriculture) and **mobilising resources** (increasing public-private partnerships, improving management of public revenue and increasing flows of external funding)[93]. Chief to this strategy is the realisation that institutions have a role in economic development, the ability to influence and direct economic activities, attract investments and drive industrial growth. NEPAD pursues this ideal of being the creator and promoter of an environment for increased investment and greater participation and gain in economic activities[94].

[92] Van Niekerk, K. and Houdart, F. Op Cit. pp. 1-5.
[93] NEPAD. Annual Report 2002: Towards Claiming the 21st Century. Midrand: NEPAD Secretariat. 2002, pp. 7-13.
[94] Acemoglu, D. 'Root Causes: A historical approach to assessing the role of institutions in economic development' Finance and Development, June 2003, pp. 27-29.

A compromise approach: finding common ground between regional and international development strategies

However a major breakthrough this is, NEPAD's strategy fails to call for a drastic transformation of the international system. This is among the many criticisms it has faced and that it does not address issues of reform and power leverages that dominate the development and implementation of policies towards poor countries[95]. NEPAD is accepted and accommodated simply because it complements neo-liberal policies that characterise the international political economy. This is the fundamental basis of the new World Bank-NEPAD relationship. It is in this regard that its strategy falls short of winning the confidence of African nationalist that have for many years blamed developed countries for their woes[96].

Looking deeper at NEPAD's strategy it is true that it does not call for any significant re-configuration of the international system and power relations[97]. This would not fit in with its liberal pose of partnership and integration. It is this conformity side that fails to speak to broader issues of development policy and practice in poor countries. Taylor and Nel argue that the agenda being pushed by such strategies '…holds within it seeds for further marginalization', whilst serving '…the interests of externally orientated fractions within key (comparatively developed) African states, while leaving the rest of the continent to sink or swim, as it were with the globalization current[98]'

The idea of partnership is rejected by local social movements and non-governmental organizations (NGOs), who are critical of NEPAD, as complete compromise because it seeks to integrate the continent into an already defective system[99]. This is because when NEPAD was introduced there was already a continuing move internationally to focus more on improving governments' effectiveness in managing macro-economic growth and to drive development and

[95] Taylor, I and Nel, P. 'New Africa', globalization and the confines of elite transformations: 'Getting the rhetoric right, getting the strategy wrong'. Third World Quarterly, Vol. 23, No. 1, 2002, pp. 1-18.
[96] Vale. P. 'Nepad: Fiction or Fantasy?' in Dawn Ontario: Disabled Women's Network Ontario. 2009, pp. 6-8. http://dawn..thot.net/nepadd.html#1
[97] Van Niekerk, K. and Houdart, F. Op Cit. pp. 1-5.
[98] Taylor, I and Nel, P. Op Cit. p. 4
[99] Alexander, A. and Mbali, M. 'Have the Slaves left the Master's House? A Report on the Africa Social Forum' Journal of Asian and African Studies, Vol. , No. , 2004, pp. 4-5.

poverty alleviation[100]. There are four policy problems that characterise poor countries and NEPAD tries as best as possible to develop a strategy that will speak to these issues, *economic growth, social equity, international transaction and public sector management*[101]:

Economic growth refers to an increase in GDP and GNI per capita and focuses largely on economic activities and production. Developing countries are faced with the challenge of turning around weak and fragile economies to become strong and competitive, through industrialization, acquiring new technologies and investing in production[102]. Emphasis is on services and goods that yield greater income and revenue as opposed to public ones that are classified as social good and services[103]. This infers that the state has duty to provide these free of charge to its citizens as they are considered basic needs.

Social equity looks at the role the state can play in ensuring that resources are evenly distributed, especially to people and groups who would normally find it difficult to benefit from such a distribution[104]. Governments have to find ways of protecting the most vulnerable groups through the creation of 'safety nets'. This is mostly done through a social welfare system, which allows for free basic education, health care, pension and unemployment provisions. States would have to continually be generating additional sources of funding for such an expensive system to be efficient. This system is popular in developing countries were large numbers of the population is poor and as such depend on the government intervention[105].

International transaction refers to all the institutions and policies developed by states in order to effectively participate in the global economy[106]. Similar to economic growth, governments can become preoccupied with creating favourable conditions for trade and economic growth, allowing it better chances to engage with the world. This focuses on interest rates, exchange rates, inflation, trade policy and free market policies.

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[100] Rondinelli, D. A and Montgomery, J. D. 'Managing Economic Reform: An Alternative Perspective on Structural Adjustment Policies'. Policy Sciences, Vol. 23, No. 1, 2000, pp. 2-3.
[101] Ibid.
[102] Ibid.
[103] Dos Santos, T. Op Cit. pp. 15-18.
[104] Rondinelli, D. A and Montgomery, J. D. Op Cit. pp. 2-3.
[105] Noel, A. Op Cit. pp. 304-311
[106] Rondinelli, D. A and Montgomery, J. D. Op Cit. pp. 2-3.

Public sector management looks at efforts taken by government to ensure that the public sector is efficient in managing projects and finances[107]. New forms of governance focuses on stringent measures of effective public sector management similar to those in the corporate sector. This ensures that the same levels of efficiency in the corporate sector are found in the public sector, from recruitment, remuneration to operational models that are customer orientated. This has been influenced by neoliberal reconfiguration of the role and function of the state in a globalized world[108].

Therefore, there was need for African leaders to focus on all these areas to make development policies effective. This is because the Asian Tigers (Hong Kong, Singapore, South Korea and Taiwan) became the best example in the developing world[109]. They pursued all areas, instead of focusing on just one. Their experience in accelerating rapid economic growth showed possible avenues for countries to mobilize and direct resources to the above four areas to achieve maximum results[110].

All four Asian Tigers have a highly skilled labour force and have focused their efforts in sectors were they have comparative advantage internationally[111]. They are noted for maintaining significantly high economic growth and rapid industrialization. The greatest of lessons is for the need to be flexible in policy development and implementation in order to benefit from a globalized international system[112]. African leaders thus, saw an opportunity to advance a new development strategy that will solve continental problems, whilst answering the call to increasingly engage with the international community.

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[107] Ibid.
[108] Dumenil, G. and Levy, D. 'The Neoliberal (Counter-) Revolution' in Saad-Filho, A. and Johnston, D. (eds.): Neo-Liberalism: A critical reader. New York: Pluto Press, 2005, pp. 25-30.
[109] Rondinelli, D. A and Montgomery, J. D. Op Cit. p. 8.
[110] Moyo D. Dead Aid. London: Penguin Group, 2009, pp. 3-7.
[111] Lee, J., LaPlaca, P. and Rassekah, F. 'Korean Economic Growth and Marketing Practice Progress: A Role Model for Economic Growth of Developing Countries' Industrial Marketing Management, Vol. 37, Issue 7, October 2008, pp. 753-7.
[112] Rondinelli, D. A and Montgomery, J. D. Op Cit. p. 8

Africa's changing strategies and claiming the 21st Century

African leaders saw an opportunity to seriously adjust policies to attain sustainable development in the 21 Century[113]. This opportunity must be shared by all stakeholders to allow for an effective strategy that is result orientated. NEPAD is therefore, an invitation to the international community to build a new partnership to address the development challenges of the continent, to overcome poverty, to accelerate economic development, to combat diseases, to manage natural resources efficiently and to build infrastructure[114].

It is a consequential realisation that the old politics of blaming external factors and the international community for Africa's underdevelopment is ineffective, especially if a solution lies with cooperating within this system[115]. Furthermore, given their role in adding to the dilemma and how previous efforts failed dismally to attract the support of international funding; African leaders were obliged to reconsider their position. They now would have to engage the international community to accelerate the achievement of development goals on the continent[116].

Serious responsibility had to be taken, because they could no longer hide behind previous strategies that focused on state controlled economies for development and inward looking trade that resulted in protectionism[117]. Although well intended, there was a stagnation on progress being made. Growth has been slow relative to other developing regions, a fall in technology and the collapse of material accumulation. This implies that Africa's investments have been falling post 1973[118].

The invitation to partner with African leaders on a new development policy called the *New Partnership for Africa's Development* was extend to many actors and each responded

[113] Ibid.
[114] G8 Africa Action Plan. Kananaskis Summit 2008: Canada. Accessed 5 January 2010, pp. 1-5. http://www.spfo.unibo.it/NR/rdonlyres/6DDF24EE-482A-4D30-86EC-63CE6E53B682/147037/G8AfricaActionPlan2002.pdf
[115] Owusu, F. 'Pragmatism and the Gradual shift from Dependency to Neoliberalism: The World Bank, African Leaders and Development Policy in Africa'. World Development, Vol. 31, No. 10. 2003, pp. 1657-65.
[116] Ibid. p. 1658.
[117] Ndulu, J. B. and O'Connel, S. 'Governance and Growth in Sub-Saharan Africa'. Journal of Economic Perspectives, Vol. 14, No. 3. 2000, pp. 241-242.
[118] Ibid.

differently[119]. It had to appeal to as wider an audience as possible, but more important, it had to appeal to the neoliberal thinking of Western countries and institutions[120]. Therefore, NEPAD was developed out of a need to drive forward a developmental agenda between Africa and the developed world that is based on a common vision for the development of the continent. This vision is based on three factors:

Appreciation for the developmental needs of Africa. The shortage of resources and skilled human capacity renders the African continent incompetent to fully participate and gain from a globalised economy. This is because it is held back by the lack of, or insufficient capital, finance and new technologies to accelerate its integration and growth[121]. Without serious commitment and allocating resources to key strategic sectors of the economy it will increasingly become marginalised and alienated from the global economy. This means how income is accumulated and distributed has become a huge development focus on the continent. Hence, the increased call for more aid and the attempt by governments to strengthen the efficient management of public finances[122].

Democratic accountability. Governments should take responsibility and be accountable on efforts they take to speed up development and improve the lives of their people[123]. Decisions that are taken regarding the distribution of income and resources should be in line with development goals, and seek to protect and promote such goals. This refers that governments' role and work should be measured by their commitment and ability to address development challenges[124]. This thinking was expressed more vividly through the Millennium Development Goals, which were introduced by the United Nations[125]. These include objectives to halve the poverty rate, achieve universal primary education, promote gender equality, and combat HIV/Aids and many others that have become the task of goverments and must be achieved by 2015.

[119] G8 Africa Action Plan, Op Cit. pp.1-5.
[120] Owusu, F. Op Cit. p. 1658.
[121] Barnes, L.: Op Cit. p. 7-8.
[122] Van Niekerk, K. and Houdart, F. Op Cit. pp. 1-5.
[123] Taylor, I and Nel, P. Op Cit. pp. 1-18.
[124] Ibid.
[125] United Nations Development Programme: Conference Paper of the Pan-African Youth Leadership Summit: Africa 2015. Dakar, Senegal, 27-30 June, 2004.

Inability to hide behind the guise of sovereignty. For many years governments' used sovereignty as a guise to hide their corruption and contribution to the continent's underdevelopment. They hid how foreign aid was misused to sponsor illegal military operations and maintain patronage that ensured the security of particular regimes[126]. Their activities went unchecked including human rights violations and abuses. In order for development to be a concerted effort, governments must commit to being transparent and open to scrutiny[127]. The implication of this means external actors will have access and be allowed to participate in the development process of the continent. However whilst it being continent owned and led, they participate as strategic partners that have a vested interest in the long-term outcome of the process.

In defending the development of NEPAD and its ability to accelerate development on the continent and in response to the World Bank Report it received a positive vote of confidence. The 2002 NEPAD Annual Report titled *Towards Claiming the 21st Century* was published as a review of the achievements it has made in moving forward in ensuring that the continent achieves its development goals[128]. The then Chairperson of NEPAD Heads of State and Government Implementation Committee (HSGIC) Obasanjo, highlighted that NEPAD is uniquely positioned to take the continent forward, given new developments and changes in the global economy[129].

> *Africa's prospects for growth and development are affected by trends prevailing in the global economy. Due to the emergence of the global war on terrorism and the wars in Afghanistan and Iraq, it can be argued that international security issues have, to a large extent, displaced other priorities on the global agenda. It is of great concern that these issues may obscure the focus on poverty and underdevelopment, particularly in Africa, despite the intrinsic linkage between these issues and a safe, secure and stable world*[130].

[126] Owusu, F. Op Cit. pp. 1657-65.
[127] Ibid.
[128] NEPAD. Annual Report 2002: Towards Claiming the 21st Century. Midrand: NEPAD Secretariat. 2002, pp. 7-13.
[129] Ibid. pp. 8-9.
[130] Ibid.

Therefore, any development policy must be developed and implemented within this context of competing global priorities. For NEPAD to be effective it has to accept and embrace that if it does not appeal to the developed world, the continent will become further marginalised[131]. Additionally, it could forfeit being part of '… a vibrant world economy, an equitable international order and [access to] increased capital flows in order to address poverty and to achieve the required growth rates on the continent'[132]. This new understanding and framing of NEPAD's development strategy and its priorities is best summarised in box 2.1 below:

BOX 2.1 NEPADs DEVELOPMENT STRATEGY

Strengthening mechanisms for conflict prevention, management and resolution at the subregional and continental levels, and to ensure that these mechanisms are used to restore and maintain peace;

. Promoting and protecting democracy and human rights in their respective countries and regions, by developing clear standards of accountability, transparency and participatory governance at the national and sub-national levels;

. Restoring and maintaining macroeconomic stability, especially by developing appropriate standards and targets for fiscal and monetary policies, and introducing appropriate institutional frameworks to achieve these standards;

. Instituting transparent legal and regulatory frameworks for financial markets and the auditing of private companies and the public sector;

. Revitalising and extending the provision of education, technical training and health services, with high priority given to addressing the problem of HIV/AIDS, malaria and other communicable diseases;

. Promoting the role of women in social and economic development by reinforcing their capacity in the domains of education and training; by developing revenue generating activities through facilitating access to credit; and by assuring their participation in the political and economic life of African countries;

. Building the capacity of the states in Africa to set and enforce the legal framework, and to maintain law and order;

. Promoting the development of infrastructure, agriculture and its diversification

Source: NEPAD 2001

NEPAD seems to have grasped with its priority issue and their proper alignment ensures effective implementation of sustainable policies and programmes. The transformation of key development institutions is the first step in ensuring that development is achieved in an

[131] Ibid.
[132] Ibid. p. 9.

environment that pursues development holistically to focus on all factors that are important, politics, economics and society[133].

The *New Partnership for Africa's Development* advocates for new politics of development in Africa and internationally[134]. Most important for Africa is that the continent must step up and take advantage of new opportunities and trends in the global economy. The overall aim of NEPAD is to eradicate poverty in Africa and to place African countries both individually and collectively, on a path of sustainable growth and development and thus halt the marginalisation of Africa in the globalisation process[135]. A key strength of NEPAD is the new focus on partnership and integrating into the global economy, in order to fully benefit from it[136]. Strategic cooperation with the international community will help the continent achieve its goals and eradicate poverty and hunger. This is not simply about aid; it also prioritises institutional capacity development, technological transfers and opens opportunities for Africa to participate in the global economy.

The section outlined clearly how in developing NEPAD African leaders were correcting old policies that failed the continent due to over ambitious goals, ineffective capacity for implementation and most important the issue of keeping them relevant. Additionally, they were responding to these failures and attempted to make the development policy more relevant to new changes in the global economy. The move away from a dependency modeled policy framework to a more neo-liberal friendly one. It becomes very clear that a key strength of NEPAD is its economic interdependency postulation and its willingness to be flexible to new changes in the global economy. The next chapter will show how this is among the main reasons for international support of the initiative and primarily look at how the World Bank has responded and supported its success.

[133] Ibid.
[134] Ibid.
[135] Ibid.
[136] Hope, K. R. 'From Crisis to Renewal: Towards the successful implementation of the New Partnership for Africa's Development'. African Affairs, Vol. 101, No. 404. 2002, pp. 382-480.

CHAPTER 3

WORLD BANK RESPONSES TO NEPAD

For many years the struggle for development in Africa becomes controversial through the continent's engagement with the World Bank over its development policy[137]. This is because previous attempts perpetuated the African 'crisis' further and made the Bank critical of any formula by African leaders to remedy the dilemma. The continent is still the most underdeveloped region in the world and all new processes to move it forward are often hampered by political interference and the need for African leaders to assert themselves to the international community[138]. This is the context in which NEPAD was introduced, almost as broker strategy with the development community and the Bank.

When NEPAD was instituted it was well received by the international community and especially the Bank[139]. This is because as briefly stated in the previous chapter there were already changes happening in the international system that precipitated the birth of NEPAD. This came after many years of confrontation and disagreement on an appropriate path to development that both African leaders and the Bank shared.[140]. The continual struggle was not benefiting the continent and its people and finally a compromise strategy that would incorporate the demands of the developing world, without compromising the position of the Bank.

> *The two decades of ideological debate between the Bank and African leaders did not improve the lives of ordinary Africans. Indeed, in many cases, the situation at the beginning of 2000 was not better than it was in the 1960s with a large number of people still living in poverty. The persistence of underdevelopment compelled both the Bank and African leaders to re-evaluate*

[137] World Bank. 1999 Annual Review of Development Effectiveness. Washington, D. C: The World Bank. 1999, pp. xi-xii.
[138] Ibid.
[139] Ibid. pp. 1660-1.
[140] Rondinelli, D. A and Montgomery, J. D. Op Cit. pp. 2-3.

their approaches to development, and the process has brought these two institutions much closer than anyone could have anticipated 20 years ago[141].

The Comprehensive Development Framework (CDF)

In 1999 under the drive of the President James Wolfensohn, the Bank published its evaluation report titled *Annual Review of Development Effectiveness,* which called for a holistic development framework that focuses not only on macroeconomic stability, but also on political, social, cultural and environmental concerns of developing countries, it is called the Comprehensive Development Framework (CDF)[142]. The new president was critical of the Bank's record with SAPs and their ability to effectively address development and called for a new development framework. A holistic sustainable approach, country ownership, strategic development partnerships and results orientated are four CDF basics which have become fundamental to the Bank's development policy and its approach to NEPAD[143].

The CDF was already paving way for progressive development cooperation with poor countries and was speaking to issues that they have been highlighting for many years[144]. What SAPs did was to impose policies that only spoke to the economic sector, while the rest had to suffer consequences which resulted from this linear approach[145]. However, it is clear that in order for development to be effective it must be a balanced approach that aims to integrate all factors and ensure they work together in agreement to address political, economic and social issues[146].

There is a gradual shift away from the adjustment regime that advocated for structural adjustment and re-alignment of national economic policies in order to make free market policies productive and accelerate economic growth to a comprehensive approach to development[147]. The

[141] Owusu, F. Op Cit. p. 1660.
[142] World Bank. 1999 Annual Review of Development Effectiveness. Washington, D. C: The World Bank. 1999, pp. xi-xii.
[143] World Bank. Op Cit. 1999. pp. xii
[144] Owusu, F. Op Cit. p. 1661.
[145] Ibid.
[146] Wolfensohn, J. The Other Crisis: 1998 Annual Meeting Address. Washington, D. C: The World Bank. 1998, p.11
[147] World Bank. Op Cit. 1999. pp. xii.

new approach identifies countries at the core of development programmes and hence prioritises the importance of country and regional led policies. The approach is long term and is multi dimensional, because its indicators are not just economic growth, but also the level of social investment, poverty alleviation and effective public sector management[148]. There is a need in the CDF to continually monitor and improve the development process in order to achieve maximum outcomes. This shift from planning and adjustment to the comprehensive development framework is illustrated in table 3.1 below.

TABLE 3.1 DEVELOPMENT PARADIGM SHIFTS

Planning	Adjustment	Comprehensive Development Framework
• Pervasive market failures • Government-led development	• Pervasive government failures • Market-led development	• Situation-dependent failures • Country-led development through partnerships
• Centrally driven; detailed blueprints	• Short-term adjustments	• Long-term vision, social transformation, adaptive learning process
• Investment-led development • Resource allocation by administrative fiat	• Incentive-led development • Investments and institutions follow it	• Investment, incentives, and institutions considered jointly
• Planners and engineers dominant	• Economists and financial experts dominant	• Multidisciplinary approach
• Industrialization with import substitution	• Liberalization and privatization	• Liberalization, regulation, and industrial policy to match state capability
• Donors fill resource gap	• Donors determine resource envelope	• Country drives aid coordination based on comparative advantages
• Donors place foreign experts	• Donors impose policies	• Donors provide advisory assistance to empower stakeholders with options
• Marginal role for monitoring and evaluation	• Donor-driven monitoring of policy implementation	• Participatory monitoring and evaluation to enhance learning and adaptation

Source: World Bank, *Annual Review of Development Effectiveness,* 1999

It is in this new context therefore, that NEPAD was introduced to the international community and the new framework created an opportunity for African leaders to think differently about their present and future development strategies[149]. It is a bold step forward, which unlike previous plans, first of all puts the responsibility of solving the continent's problems in the hands of Africans themselves. Instead of blaming developed countries and external factors that contributed to their underdevelopment, such as unfair trade policies, insufficient aid and the debt burden among others; African leaders realised how they had failed their own people and continued the cycle[150].

[148] Ibid.
[149] Owusu, F. Op Cit. pp. 1660-2.
[150] Van de Walle, N. Op Cit. pp. 200-10.

Secondly, it commits to finding new solutions to old problems by driving the process from within Africa as a starting place[151]. When a process is owned by an institution that implements it, it will be effective because it is implemented by those who design and understand it. NEPAD is owned and driven by African leaders themselves and are therefore better implementers of their own policies, which were designed as per their specific context[152].

Thirdly, although NEPAD is working within a neo-liberal framework, it extends its development focus to include not just economic growth, but poverty alleviation, environmental sustainability, peace and security, democracy and institutional governance[153]. These factors, as discussed in the previous chapter, are maintained as necessary for any sustainable growth and development on the continent[154]. It is here that conditions to development are set out by African leaders themselves, instead of them being pressurised from the Bank and other leading institutions[155]. This shows they understood their limits to growth and what they can do to overcome them[156].

The internalisation of conditionalities can also be attributed to the global position of Africa in world politics and its limited leveraging power in areas of development policy and economic growth[157]. Its political and economic power has been significantly diminishing over the years and the African agenda which was about how developed countries underdeveloped the continent, was losing momentum[158]. Therefore, the establishment of NEPAD allowed for the re-defining of that agenda with more emphasis on how development will be achieved considering new changes in the global economy.

Fourthly, NEPAD was well received by the Bank because it called for a new engagement with the developed community and international institutions that was not solely based on aid[159]. This

[151] New Partnership for Africa's Development (NEPAD) Op Cit. pp. 2005. 1-2.
[152] New Partnership For Africa's Development (NEPAD) Op Cit. 2000. pp. 1-2.
[153] Ibid.
[154] Ibid.
[155] Owusu, F. Op Cit. pp. 1661.
[156] New Partnership For Africa's Development (NEPAD) Op Cit. 2000. p. 1-2.
[157] Owusu, F. Op Cit. pp. 1661.
[158] Asante, S.K.B. Regionalism and Africa's development: Expectations, Reality and Challenges. MacMillan: London, 1997, p. 17
[159] New Partnership for Africa's Development (NEPAD) Op Cit. 2000. pp. 1-2.

new partnership focused more on integrating Africa into the global economy, instead of alienating it. It utilises various strategies and avenues to progressively be part of the global economy and collectively work together to solve Africa's problems with the rest of the world[160]. What makes NEPAD different is that it seeks to develop strategic partnerships with developed countries and international institutions to bolster efforts to counter the scourge of underdevelopment[161].

Deconstructing the meaning of development

The development experience of Asian Tigers, inspired not only a new hope among developing countries, as outlined in the preceding chapter, also prompted an enquiry into the role of the state and development that focuses heavily on economic growth[162]. There was a shift in thinking about the state as an obstacle to realising that an efficient and capacitated state has the potential to drive forward the development agenda[163]. Other factors (politics and social) were seen as important ingredients to the overall achievement of sustainable development in poor regions.

Accordingly, development policies and programmes began to focus hugely on giving support to the state and allowing it to be able to develop and implement effective development programmes that meet their immediate challenges[164]. Issues of democracy, governance and accountability became necessary because the state was becoming powerful and this power had to be monitored, so that it is not used to disadvantage society. The role and function of the state was once again an issue in the development debate. When NEPAD spoke of these issues it was fitting well into the new debate and thus gained acceptance, for it spoke one language with the international community and most important with the World Bank[165].

Therefore, the international environment was receptive to new ideas on how to broker the stalemate in Africa and NEPAD became that mediator between the continent and the

[160] Owusu, F. Op Cit. pp. 1662-3.
[161] Ibid.
[162] Lee, J., et al. Op Cit. pp. 753-7.
[163] Asante, S.K.B. Regionalism and Africa's development: Expectations, Reality and Challenges. MacMillan: London, 1997, p. 17
[164] World Bank. Op Cit. 1999. pp. xii-xiii.
[165] Ibid.

international community. It was unique, because it was initiated by African leaders and how they wanted to be part of the solution, instead of being told by the Bank what the problems and solutions were[166]. NEPAD is exactly what the Bank was waiting for; they shared the same neo-liberal views about development and have a pressing burden to ensure that the continent does not deteriorate. In this new environment, NEPAD established the Capital Flows Initiative and Market Access Initiative to fund its projects and aims to raise about $64 billion annually[167]. This flow of capital is expected to come from external sources through debt relief, development assistance and private capital. This is in line with the need to ensure its sustainability and its projects. 'To this end, NEPAD has successfully managed to reverse the downward trend in development assistance to Africa'[168].

Therefore, it has given confidence to the Bank to engage the African continent on development issues within a neoliberal framework that seeks further integration of the continent into the global economy[169]. The Bank's response and support of the initiative is important to the sustainability of NEPAD and future success. This is because dynamics in the international system can either be an advantage or disadvantage for the continent. Therefore the element of risk is spread across Africa and the international community[170]. This allows for NEPAD to minimise the cost of engaging Africa in an unbalanced global system, whilst maximising on outcomes and benefits.

More important is the fact that there is, for the first time, an agreement about an appropriate framework to address underdevelopment on the continent that is shared by both the Bank and African leaders[171]. At the same time, it allows the Bank, once again, to be at the helm of development policy and programmes in Africa through the CDF[172]. The paradigm shifts from it being just an African initiative, to be one that is effective under this new framework. This reveals the flexibility and re-structuring of the Bank's policy prescription. If NEPAD is to succeed it will

[166] Pender, J. 'From Structural Adjustment to Comprehensive Development Framework: Conditionality Transformed?' Third World Quarterly, Vol. 22. No. 3. 2001, pp. 402-405.
[167] Kanbur, R. 'The New Partnership for Africa's Development (NEPAD): An Initial Commentary.' Politikon: South African Journal of Political Studies, Issue 29, No. 1, 2002, pp. 87-90.
[168] NEPAD. Annual Report 2002: Op Cit. p. 67.
[169] Kanbur, R. Op Cit. pp.402-405.
[170] Ibid.
[171] Ibid.
[172] World Bank. Op Cit. 1999. pp. xii-xiii.

also be credited to the Bank's framework and support. It is from here then, that the Bank ensures the success of NEPAD and why it has been behind the initiative since inception[173].

Supporting NEPAD and Africa's development

In 2004, the World Bank's Vice President for Africa Region Gobind Nankani during his first week as vice president addressed the NEPAD Multistakeholder Dialogue in Johannesburg, South Africa. He used the opportunity to highlight the Bank's support for NEPAD and how partnership with the Bank can counter future challenges for the new initiative[174]. The Bank is fully behind NEPAD and African leaders to seek solutions to the problems that have marred the continent for so long. This is expressed in the address by the vice president:

> *We are proud to be a partner in helping NEPAD to achieve its vision;*
> *We have tried to be active in partnering with NEPAD on its initiatives;*
> *We see [three] main challenges going forward: strengthening credibility, accelerating growth and strengthening delivery by regional institutions;*
> *We stand ready, in each of these areas, to be a committed and strong partner with NEPAD as it works to achieve immediate results and to implement its longer term vision[175].*

Public Expenditure Tracking in Agriculture Programme

A main support by the Bank is towards the Public Expenditure Tracking in Agriculture, which is about effective public service management. This has gained momentum over the years with the Bank being more involved in informing how finances are managed in the public sector[176]. The issue of public sector management is at the heart of development initiatives, because they are institutions most responsible for implementing development projects. Therefore, if public sector

[173] Kanbur, R. Op Cit. pp.402-405.
[174] Nankani, G. NEPAD: Multistakeholder Dialogue, Johannesburg. Washington, D.C.: The World Bank. 2004, pp. 1-4. http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICA/
[175] Ibid. p. 4.
[176] World Bank World Bank Support to NEPAD: Washington, D. C: The World Bank, 2006, pp. 1-3.

efficiency is not addressed as a development concern it can delay and hamper good sustainable projects.

Comprehensive Africa Agricultural Development Programme (CAADP)

The Comprehensive Africa Agricultural Development Programme (CAADP) is an initiative by NEPAD which aims to promote effective natural resources management in order to accelerate agricultural output and sustainability on the continent[177]. 'CAADP is an agriculture and rural development agenda that is driven by Africa's own collective responsibility and commitment along a shared vision'[178]. In support of CAADP, the Bank is involved in agricultural and water management projects in Southern and Western Africa and in the Niger River Basin and the Nile River Basin[179].

Furthermore, because the issue of agriculture is tied up to land tenure, property rights and productive use, the Bank has been working together with NEPAD to launch TerraAfrica in 2005[180]. This is a partnership on sustainable land management that promotes efficient country driven land management that looks at land resources planning to counter possible depletion. In 2007 the project received the attention of the Food and Agriculture Organisation (FAO) Committee on Agriculture, which reiterated the pledged to further fund it through the Global Environment Facility (GEF)[181].

Action Plan on Environment Initiative

A third project to receive support is the Action Plan on Environment Initiative which is a response to global warming, raising population growth, increasing poverty, natural disaster,

[177] NEPAD. Comprehensive Africa Agricultural Development Programme. Midrand: NEPAD, 2003, pp. 5-17.
[178] NEPAD. Preparations for the April 2009 Agriculture and Lands African Ministers' Conference and the June/July 2009 Heads of State and Government Summit: Concept Note and Preparation Framework. Midrand: NEPAD, 2009, p. 1.
[179] World Bank. Op Cit. 2006, pp. 1-3.
[180] Ibid
[181] Food and Agriculturel Organisation (FAO). Follow up to Agenda 21 and the World Summit on Sustainable Development (WSSD). Committee on Agriculture, Twentieth Session, Rome, 25-28 April, 2007, pp. 1-3.

diseases and limited natural resources[182]. The project aims to address Africa's development challenges and incorporates social, economic and political challenges into the implementation plan. Its main objective is to counter the negative effects of land ruin, drought, wetlands, and climate change and protect fisheries, coastal resources[183]. This includes the promotion of appropriate technology for conservation, capacity development and skills transfer. The initiative's focus areas are part of CAADP and get most of its support from the Bank through it[184].

Furthermore, about $ 500 million has been made available though the International Development Agency to fund projects within the Environment Initiative to the Eastern African Submarine Cable System (EASSy)[185]. This is a submarine fiber-optic communications cable that will stretch from South Africa to Sudan, connecting all countries on route to bring economical and reliable broadband services to 25 African countries. The project will be completed by World Bank funding totaling $ 424 million[186].

Additionally, the Bank lends its support through the Clean Energy Investment Framework (CEIF), established in 2006/2007 to promote the reduction of emissions, adaptation to climate change and increase energy access[187]. All projects under this initiative receive technical support, funding and advice under the Clean Energy Fund and the Strategic Climate Fund[188]. This is a realization that environmental issues cannot be separated from economic and trade issues and as such must receive support in line with Africa's economic development concerns.

Short Term Action Plan on Infrastructure

The Short Term Action Plan on Infrastructure seeks to speed up the process of increased infrastructural development and improvement on the continent[189]. This refers to rail and road

[182] NEPAD. Action Plan on Environment Initiative. Midrand: NEPAD and The United Nations Environment Programme, 2003, pp.v-10.
[183] Ibid.
[184] NEPAD. The NEPAD Action Plan for the Development of African Fisheries and Aquaculture. NEPAD-Fish-for All Summit, Abuja, Nigeria 22-25 August, 2005, pp. 8-9.
[185] World Bank. Sustainable Infrastructure Action Plan. Washington, D. C: The World Bank, 2009-2011, pp. 9-11.
[186] Ibid.
[187] Ibid.
[188] Ibid.
[189] World Bank. Op Cit. 2006, pp. 1-3.

systems, telecommunication and water and electricity supply, including trade systems, facilities and management. There is serious need on the continent for investment in physical infrastructure and support for systems that would facilitate the integration of the continent into the global economy. This should be done in a manner that seeks to strengthen and improve internal systems and for new and existing infrastructure[190].

> *Since August 2005, the World Bank has funded a US$199 million NEPAD Trade and Transport Facilitation project in the East African sub-region. Before the end of fiscal year 2006 (July 2006) it will present to its board an additional US$270 million IDA financing of additional NEPAD regional projects, including the West and Central Africa Air Transport Safety project, the Senegal River Basin Multi-purpose Water Development project, and two projects in support of the West Africa Power Pool.*[191]

Furthermore, the Bank supports the Southern Africa Power Market Programme (SAPP), which assists countries in Southern Africa to have regional competitiveness and growth by having a reliable power supply[192]. It has received about $ 178.5 million to finance the upgrade of infrastructure for Democratic Republic of Congo (DRC) to export increased power to SADC countries[193]. This will over time improve the region's management of the power market and allow it to be more efficient in regulation, pricing and service distribution.

World Bank-NEPAD priority factors

The Bank and NEPAD hold similar views about the development of the continent which is based on four priority factors that include governance, human development, growth and partnership[194]. Firstly governance, which refers to the economic role of the state, set of policies to carry out its functions, transparency and accountability, including participatory democracy has become

[190] Ibid.
[191] Ibid. p. 1.
[192] Ibid.
[193] Ibid.
[194] Ibid.

entrenched as part of the development discourse and practice[195]. These ideals are reflected in NEPAD's Peer Review Mechanism (APRM)[196]. Good governance is seen as a necessary precursor to development on the continent that ensures that states comply to agreed political, economic and corporate governance values[197]. Its objective is to encourage the adoption and implementation of policies, standards and practices that lead to political stability, high economic growth, sustainable development and sub-regional economic integration[198].

Secondly, the focus on human development is in line with lessons learnt from previous development experiences that economic growth does not fully account for literacy levels, population growth, life expectancy, gender inequality, social and political freedoms[199]. The United Nations Development Programme (UNDP) introduced the Human Development Index (HDI), as an alternative measure that does not measure only income as an indicator of development, but includes how long people live and their levels of education[200], as good sign posts as to the level of a country's development. NEPAD is therefore, in tune with this new orientation of development policy internationally.

Thirdly, the growth of economic infrastructure, increased regional integration and private sector development are key essentials to achieving sustainable economic development in Africa[201]. The absence of large markets and high economic activity on the continent is an obstacle that can be overcome by investing in these three areas and allowing this growth to be private sector led. Fourthly, strategic partnerships are crucial in any development efforts that aim to reverse decades of underdevelopment that was perpetuated through internal and external means[202].

It is therefore, a project that requires the input of all stakeholders, both locally and internationally to be effective and achieve far reaching results. NEPAD embraces the opportunity to engage the

[195] Guhan, S. 'World Bank on Governance: A critique'. Economic and Political Weekly, Vol. 33. No. 4. 1998, pp. 185-187.
[196] Bekoe, D. and Landsberg, C. 'NEPAD: African Initiative, New Partnership?' International Peace Academy Workshop Report. New York: IPA. 2002, pp. 9-10.
[197] Ibid.
[198] New Partnership for Africa's Development (NEPAD) Op Cit. 2000. pp. 1-2.
[199] Ibid. p. 10-11.
[200] Fosu, A. K. 'Poverty and Development' in Bulletin of the World Health Organization, Vol. 85, No. 10, October 2007, p. 734.
[201] Guhan, S. Op Cit. pp. 185-187.
[202] Ibid.

world in solving Africa's problems and ensuring that it gets the support it needs both in the short and long term[203]. The continent still falls behind in comparison to its counterparts in the developing world in overcoming underdevelopment and without rigorous participation Africa may not reach its full potential. This is why NEPAD is necessary and important to the region.

This becomes a great opportunity for what is termed the *Africa agenda* to be sold to the world again, in a more integrated and comprehensive package: NEPAD[204]. It is part of global processes that are already taking place and has positioned itself such that it does not get left behind and misses another chance to bring about development in Africa. Therefore, based on this shared vision the Bank's financial, capacity building and investment support of NEPAD has been increasing over the years from about $3.5 billion in 2003 to $4.4 billion in 2004[205]. The Bank has also been in a process of identifying an Institutional Development Fund (IDF) Grant to support the NEPAD Secretariat.

Despite this not meeting the required NEPAD annul expectant budget of $64 billion, it is a progressional step for the new partnership[206]. NEPAD also has other partnerships with individual developed countries and international insitutions and groups, including the Group of Eight developed countries (G8) and the European Union[207]. Furthermore, the Bank established a new Department for Regional Integration to focus on its partnership with NEPAD and other regional institutions. The Bank focuses its partnership on strengthening the credibility of NEPAD, accelerating growth (avoiding conflicts, ensuring compliance with the APRM and ensuring the participation of the private sector) and strengthening regional institutional delivery[208].

Continued resources to fund NEPAD are largely depended on investment, debt relief, development aid and more important, greater access to markets in developed countries[209]. The have been many proposals on the best model to fund NEPAD and some have discussed this within the context of the Marshall Plan developed by the United States after World War II to

[203] Guhan, S. Op Cit. pp. 185-187.
[204] New Partnership for Africa's Development (NEPAD) Op Cit. 2000. pp. 1-2.
[205] Nankani, G. Op Cit. pp. 1-4.
[206] Kanbur, R. Op Cit. pp.89-90.
[207] Bekoe, D. and Landsberg, C. Op Cit. pp. 7-8.
[208] Ibid.
[209] Dawn Ontario: Disabled Women's Network Ontario. "Nepad and Globalisation' Some Initial Thoughts". Johannesburg: Alternative Information & Development Centre (AIDC), South Africa: 2009, pp. 5-6.

help in the reconstruction of Europe[210]. This would mean large-scale investment in various forms including loans, capital funding for new industries, technology and infrastructure[211]. However, consensus has not yet been reached when it comes to this proposal, because it would require loans which would further the indebtedness of the region[212].

It is apparent from this chapter that although widely received by the Bank, an outstanding issue that remains is that of finding a more sustainable approach to fund and support NEPAD. The vision to have sustained economic growth of 7% per annum can only be achieved through increased integration within the global economy[213]. Thus it has been necessary for the Bank to foster a favourable environment for NEPAD to grow and be effective[214]. This should not in anyway overshadow efforts by NEPAD to prioritise access to international markets and using internal resources effectively. This is what makes it an effective partnership, it is about efforts locally and internationally to make development work and this is why the Bank has been such a positive respondent to NEPAD[215]. It is an advantage for African leaders and the Bank to each formulate policy frameworks that speak to each and find areas of cooperation. The next section will seek to outline basis of this new relationship and understand how it better addresses gaps that previously existed.

[210] Ibid.
[211] Ibid.
[212] Vale, Peter. Op Cit. pp. 6-8.
[213] Ibid.
[214] Ibid.
[215] Ibid.

CHAPTER 4

THE BASIS OF THE WORLD BANK-NEPAD RELATIONSHP

Having received much support form the Bank, as outlined in the previous chapter the current development framework is complementary to the initiative. The Bank's CDF empowers NEPAD to be successful in accelerating development in Africa in a changing global order[216]. This is because NEPAD shares the same development principles proposed by the CDF. Both the Bank and African leaders had to find common ground and work together for the benefit of the continent and commonality was created through the Bank's new framework and NEPAD[217]. The following four development principles are characteristics within these two policy frameworks and they strengthen the partnership that makes NEPAD effective:

Long-term holistic strategy

In order for development to be tackled effectively policies should be long term focused and include not only economic, but political, social and environmental factors[218]. Issues of poverty eradication and effective natural resources management are critical to achieving development. This coupled with the nature and function of institutions in accelerating development through appropriate policy formulation and implementation, all through to programme execution[219].

Development is multifaceted and because of this, addressing it involves many ingredients that are not limited to the economy. Therefore, this necessitates a strategy that addresses each development problem individually and as part of a whole, whilst ensuring it does not compromise the effectiveness of other ingredients[220]. The strategy should be informed by the need to achieve something long term that will not be easily eroded or reversed.

[216] World Bank. Op Cit. 1999. pp. xi-xii.
[217] Owusu, F. Op Cit. pp. 1660-2.
[218] World Bank. Op Cit. pp. 2-3.
[219] Owusu, F. Op Cit. pp. 1660-1.
[220] Wolfensohn, J. Op Cit. pp.11-12.

The institutional composition of NEPAD ensures that it is well geared to not just address economic issues, but also poverty, economic development, governance and democracy[221]. The Bank also, recognizes that its previous prescriptions that focused too much on economic growth failed to address the unintended, but obvious consequences they had on social welfare and government efforts to curb poverty and other social problems[222].

Even though economic growth is important, which African leaders have realised, it must be one of the development objectives and not the only or most important one if development is to be sustainable on the continent[223]. In bridging the gap, African leaders and the Bank recognise the importance of having a long term strategy that is holistic of all factors and have included this in both the CDF and in NEPAD. Therefore, the concept of development has been expanded to incorporate these new ideas, of human development, politics, social and cultural issues, the environment and economic growth[224].

To assess that development policies and programmes are holistic and sustainable the Bank uses the Country Assistance Strategy (CAS), which is premised on a country's eligibility for credits and grants that has to be supportive of Poverty Reduction Strategy Papers (PRSPs)[225]. This allows for a line up of CAS to a country's strategy and outlines a comprehensive social spending programme for 3-5years[226]. CAS captures the fundamental nature of efforts by governments to eradicate poverty and bring about economic growth which is reflected in the preparation of PRSPs as part of a national development strategy.

Furthermore, through its endorsement of the MDGs the Bank supports countries to accelerate efforts in achieving these goals[227]. The very nature of the goals has a long term process and strategy that is integrated and can be adjusted to the specific requirements of individual states.

[221] New Partnership for Africa's Development (NEPAD) Op Cit. 2000. pp. 1-2.
[222] World Bank. Supporting Development Programs Effectively: Applying the Comprehensive Development Framework Principles: A Staff Guide. Washington, D. C: The World Bank. 2004, 3-7.
[223] New Partnership for Africa's Development (NEPAD) Op Cit. pp. 1-2.
[224] Wolfensohn, J. Op Cit. pp.11-12.
[225] World Bank. Supporting Development Programs Effectively: Applying the Comprehensive Development Framework Principles: A Staff Guide. Washington, D. C: The World Bank. 2004, 3-7.
[226] Ibid.
[227] Ibid.

African countries then have a good opportunity to incorporate the goals in their development strategies to ensure a long term, holistic approach[228]. Both the CAS and incorporation of the MDGs are effective measurements for long term development policies.

Accordingly, NEPAD has focused its development strategy on accelerating the achievement of the MDGs and PRSPs as part of CAS, and thus speaks to the same issues as the Bank[229]. In response to this the Bank supports poverty reduction efforts and in reducing the burden of Heavily Indebted Poor Countries (HIPC) to ensure that maximum resources are given to public spending and its contribution to poverty alleviation[230]. Until 2002, the Bank was spending $3.5 billion annually on social development projects to address poverty, hunger, unemployment and pandemic diseases[231]. This is a direct response to the ongoing internal efforts in Africa to plan, prioritize and execute development programmes within an integrated long term framework.

Country ownership

Development that is effective is best owned and carried out by countries themselves, instead of development institutions[232]. The process must be driven internally through national development strategies, which determines priority sectors of each country or of the collective. NEPAD is part of this critical call for countries to own and drive their own development processes and have within themselves the prerogative to call on the international community to partner with them on their efforts[233].

CDF principles emphasise that policy and institutional changes cannot be imported or forced, in the absence of domestic ownership[234]. This is because they are not sufficient on their own to sustain investments and progress in the long term. Instead, development interventions should have internal and external components that each and jointly speak to different issues as part of an integrated strategy. The mantra that has become synonymous with African development policies

[228] Ibid.
[229] New Partnership for Africa's Development (NEPAD) Op Cit. 2000. pp. 1-2
[230] Bekoe, D. and Landsberg, C. Op Cit. pp. 15-16.
[231] Ibid.
[232] World Bank. Op Cit. 2004. pp. 2-3.
[233] New Partnership for Africa's Development (NEPAD) Op Cit. 2000. pp. 1-2.
[234] World Bank. Op Cit. 1999. p. xii.

and programmes, specifically since the establishment of NEPAD is the saying that goes *an African problem, an African solution*[235]. This is the new attitude that was well captured by the promoters of NEPAD, Mbeki and Obasanjo, who highlighted that the partnership is a commitment by African leaders that they have a responsibility and duty to find solutions to the continent's problems[236]. More important, is that the process will de determined and driven through internal processes and NEPAD becomes an effective tool that speaks of the needs of the continent and how they should be addressed. This makes the entire development practice efficient, because international institutions are engaging the continent on an already existing plan of action that not only gives diagnosis of the problems, it also gives remedies and ongoing work to address it[237].

> *Therefore, development assistance is most effective when it is driven by demand from the country, not by internal incentives among development assistance agencies to supply certain types of assistance, and when it is deployed only in support of programmes, projects and policies for which there is sufficient country ownership*[238].

Country ownership requires that there is enough political support within a country to implement and drive development policies[239]. There should be general agreement about certain development goals, outcomes and processes that will be used as mandate for government to carry out the strategy. In the case of NEPAD, the initiative is less known by ordinary citizens on the ground, however it has become the selection of a few African leaders who are considered visionaries and progressive, both on the continent and internationally[240].

The absence of ordinary citizens in the conceptualisation of NEPAD has drawn criticism that it is not owned by African people, but is imposed by elitist leaders who have succumbed to the

[235] Vale, P and Maseko, S. Op Cit. pp. 122-123.
[236] Ibid.
[237] New Partnership for Africa's Development (NEPAD) Op Cit. 2000. pp. 1-2.
[238] World Bank. Op Cit. 2004. pp. 7-8.
[239] Ibid.
[240] Ecumenical Team. 'New Partnership for Africa's Development (NEPAD): Fact Sheet'. World Council of Churches (WCC). Johannesburg. 2005, pp. 1-2.

demands of rich countries[241]. Non-governmental organisations, such as the Ecumenical Team of the World Council of Churches and the Alternative Information and Development Centre in Johannesburg, South Africa are critical of neo-liberal overtones and the similarities in NEPAD and other international development policies, including the CDF[242].

They cite examples of how rich countries and international institutions persuaded Mbeki and Obasanjo to agree on Zimbabwe's expulsion from the Commonwealth, after allegations that the Presidential elections were not free and fair[243]. This shows power politics still influences the decisions of African leaders and this expands to other areas of global interest. They call for a full participatory process by all African people that will be called the African People's Development (APED). 'This inclusive plan should detach itself from the global neo-liberal agenda, and challenge the structure and rules of the current world economic and financial system'[244]. The outlining document for APED highlights three demands that will be advocated by African people as part of its development agenda:

• *The repatriation of and reparations for wealth stolen from Africa due to colonialism, corruption and plunder.*
• *Unconditional debt cancellation for illegitimate and onerous debt caused by former corrupt regimes, their allies in the North and failed World Bank projects.*
• *Access to markets in the North*[245].

African leaders are aware that the initiative is still new and unknown in many parts of the continent and efforts are being taken as part of the Africa Peer Review Mechanism (APRM), which aims to be an open multi-stakeholders governance process[246]. The criticisms raise serious concerns about the extent of ownership of NEPAD. Nonetheless, the initiative was stimulated by African leaders themselves in light on changes in the global economy. Based on experience, they had witnessed how previous development plans failed because they were not part of a broader development framework. Therefore, the CDF presented a good opportunity to be part of new

[241] Ibid.
[242] Dawn Ontario: Disabled Women's Network Ontario. Op Cit. pp. 5-6.
[243] Ibid.
[244] Ibid. p. 2.
[245] Ibid.
[246] New Partnership for Africa's Development (NEPAD) Op Cit. 2000. pp. 1-2.

processes that share common values about Africa's development needs[247]. Based on this, NEPAD is fully owned and directed within Africa, by Africans[248].

The setting up of various structures and programmes within NEPAD is to guarantee that development is a two way process that is sustained internally and externally. Through the Bank's support, the STAP is making considerable progress in preparing and executing projects for transport, water and the energy sectors[249]. These are crucial in meeting economic development targets and ensuring effective private sector development. Furthermore, CAADP is supported by the Bank to meet deadlines for the treatment and expansion of areas under irrigation, rural infrastructure and market access for trade opportunities, food supply and enhanced focus on agricultural research and technology[250].

Strategic development partnerships

A shared initiative ensures that all stakeholders are part of the process and that there is effective resource mobilisation to meet the costs of development strategies and complement government efforts[251]. NEPAD outlines three factors that are at the heart of development partnerships, these are, increasing domestic savings, efficient public resources management and increasing capital inflows of external resources[252]. This is all based on its ability to attract and sustain the interests of foreign governments, institutions and the private sector.

Such networks which have governments at the centre as the main coordinator allow for the vision of development to be shared and configured in light of new changes that necessitates flexibility in development policies and programmes[253]. Furthermore, this ensures that NEPAD does not duplicate the work that is already being undertaken by international development

[247] Guhan, S. Op Cit. pp. 185-187.
[248] New Partnership for Africa's Development (NEPAD) Op Cit. 2005 pp. 1-2.
[249] Van Niekerk, L. and Houdart, F. Op Cit. pp. 3-4.
[250] Ibid. p. 3.
[251] Ibid. pp. 3-4.
[252] Gelb, S. Op Cit. pp. 1-4.
[253] Ibid.

institutions and thereby, wasting resources and efforts that would best be appropriated to new or under resourced projects[254].

It becomes obvious then that the very nature of forming strategic partnerships addresses issues of coordinating development efforts effectively, identifying new projects and old ones that are ineffective. Issues of allocating increased resources to less funded projects, improved policy development and implementation, working together and benefiting from the strengths of other stakeholders[255]. Important to this is the establishment of '… simpler and common processes and systems that reduce transactions costs involved in development assistance and make use of already existing country institutional structures, processes and systems[256].

Development practice has shown that if the Bank and African policies and projects do not speak to each other and create an environment to work together through common principles and goals the development project will suffer most[257]. Through the CDF and NEPAD, commonality has been found and encouraged through other various endeavours that foster increased partnership between the Bank and African leaders[258]. It stems from the realisation that development cannot be an imposed and exclusive process by international development institutions, regional bodies or national governments.

The CDF and NEPAD framework are fostering a partnership that is open and accessible to the people and institutions that it engages with in order to address issues that speak to the core of the problems[259]. An important aspect of this is knowledge and information sharing between the two, which allows for a more vigorous approach to development. The approach is then fed information which is regularly updated and relevant as changes in technology, the market and politics affect the process both from inside and outside the continent[260]. Strategic partnerships

[254] World Bank. Op Cit. 2004. pp. 13-16.
[255] Ibid.
[256] Ibid. p. 15.
[257] Declaration on Africa's Development Challenges. CODESRIA-TWN-AFRICA Conference on Africa's Development Challenges in the New Millennium, Accra 23-26 April 2002, pp. 1-4.
[258] Owusu, F. Op Cit. pp. 1662-3.
[259] Ibid.
[260] World Bank. Op Cit. 2004. pp. 13-16.

ensures that the Bank and NEPAD can reach areas and address issues as they happen and apply the best possible solutions based on its combined resources and expertise[261].

Therefore, NEPAD's strength is greatly enhanced to be able to do things that previous development strategies could not even attempt to do[262]. The Bank supports Regional Economic Communities (RECs) in preparing projects within the NEPAD framework, advises on sector regional trade harmonisation and in strengthening the capacity of regional bodies on the continent, such as the Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC), the West African Economic and Monetary Union (UEMOA) and the Economic and Monetary Community of Central Africa (CEMAC)[263]. In 2004 it gave a grant of $ 348 000 to fund Public Expenditure Tracking in Agriculture and in 2003 a grant of $500 000 to support the implementation of the NEPAD Agenda in West Africa. Furthermore another grant of $300 000 was given by the Bank in the same year to support the NEPAD Environmental Action Plan which is in line with CAADP[264].

To streamline the work of NEPAD and its partners into a coordinated system that addresses similar issues and works in tune with its objectives, the NEPAD Secretariat prepared the Capacity Development Strategic Framework (CDSF)[265]. The CDSF which is to be adopted at the next African Union Summit in February 2010 will be a common reference for supporters of capacity development on the continent and is founded on principles that focus efforts of development interventions[266].

The focus areas of the CDSF are leadership transformation, citizen transformation, utilizing African potentials, skills and resources for development, capacity of capacity builders, integrated approaches and continuous improvement processes and lastly, knowledge based and innovation driven processes[267]. This ensures that all development partners working with NEPAD can focus

[261] Owusu, F. Op Cit. pp. 1662-3.
[262] Gelb, S. Op Cit. pp. 1-4.
[263] Van Niekerk, L. and Houdart, F. Op Cit. p. 4.
[264] Ibid.
[265] NEPAD. The AU/NEPAD Capacity Development Strategic Framework (CDSF). Midrand: NEPAD Secretariat, 2009, 1-5.
[266] European Commission: Capacity4Dev. 'NEPAD Launches Capacity Development Framework'. Accessed 24 December 2009. http://capacity4dev.ec.europa.eu.nepad-launches-capacity-development-framework.
[267] NEPAD. Op Cit. 2009, pp. 9-12.

their interventions on enhancing the focus areas and maximising efforts to tackle common problems more rapidly and effectively[268].

The Secretariat refers to the CDSF as a 'guiding framework' that seeks to offer a comprehensive strategy for identifying and solving common capacity problems in development interventions in Africa[269]. Its strength is in its new proposals that stress the importance of getting the most out of Africa's resourcefulness, solutions and originality and hence the above focus areas of the CDSF are an integral part of this framework[270]. This is indeed an important document, that when endorsed, will guide the focus and parameters of development partnerships on the continent.

Furthermore, forming strategic development partnerships does not only emphasis the role of external governments and institutions, but also of the private sector[271]. The promotion of public-private-partnerships (PPPs) will ensure that investments, capital demands and savings are covered in partnership with the private sector. A healthy private sector environment has the potential to 'address investors' perceptions' and attract increased investments, not just internally, but from international corporations as well[272].

This becomes more important in sectors that governments do not have the capacity or the costs of engagement are more than they can commit[273]. It is about promoting a good partnership that allows the private sector to focus on its competitive area and direct these activities to contribute to development goals. Economic growth requires a vibrant private sector that is not inhibited by government interventions; however governments still play an immense role in ensuring that the PPPs speak to national development strategies and are part of the broader development objectives[274]. African leaders have seen what an effective role the private sector can play in accelerating development, by providing skills and jobs that could not be sufficiently provided through the state apparatus[275].

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[268] Ibid.
[269] Ibid.
[270] Ibid.
[271] Ibid.
[272] Dawn Ontario: Disabled Women's Network Ontario. Op Cit. p. 5.
[273] World Bank. Op Cit. 2004. pp. 24-25.
[274] Ibid.
[275] NEPAD. Op Cit. 2009, pp. 9-12.

However the effects of PPPs would contract if strong institutions are not established and capacitated to coordinate development programmes and ensure that all partnerships are part of an integrated plan to achieve results[276].The Bank cautions of the need for strong institutions to carry out the development agenda and make it part of all development plans within a country and the continent. This is well addressed through NEPAD and its Secretariat, based in South Africa[277].

Therefore, an important starting point in making development work in Africa is to build strong public institutions that will be effective in executing development plans[278]. Allen and Wienhold, argue for example, that the cancellation of debt does not necessarily have a positive effect on the development of poor countries[279]. They are critical of the fact that debt cancellation promotes future lack of responsibility and accountability by governments, because of the possibility that if they owe long enough they will not have to pay. It becomes a question of effective planning and prioritisation of national resources against foreign external development interventions[280].

Results orientated

A history of Africa's development shows how previous policies dragged the continent far behind and marginalised it increasingly from the rewards of globalisation[281]. This was due to good intended policies not effectively being implemented[282]. The pace at which the processes have been ongoing has been disheartening. This was due to lack of political commitment to implement and enforce economic agreements and policies into time bound, achievable and realistic goals that will counter the effects of underdevelopment[283].

[276] Ibid.
[277] Van Niekerk, L. and Houdart, F. Op Cit. p. 5.
[278] Moss, T., et al, Op Cit. p. 4.
[279] Allen, T. and Wienhold, D. 'Dropping the Debt for the New Millennium: Is it Such a good Idea?' in Journal of International Development, Vol. 12, 2006, pp. 860-862.
[280] Ibid.
[281] Ikome, F. N. Op Cit pp. 76-77.
[282] Ibid.
[283] Mshomba, R. E. Op Cit. pp. 179-180.

Therefore, development policies, projects and programmes must be evaluated by results in order to determine their reach and impact to broader development objectives[284]. '…this depends on accurate tracking of progress toward development goals, with a clear focus on poverty reduction and growth'[285]. Effective and appropriate indicators should be utilised to both keep up with the progress and monitor results. The measurement should be based on global development goals as championed by the MDGs, NEPAD sector areas, national development strategies and development partnerships[286]. Results should be at the centre of effective development.

Results inform ongoing and future management of development programmes and ensure that there is proper quality control. The move from focusing heavily on inputs to outputs is critical to achieving sustainable development in Africa[287]. Additionally, knowledge can be generated and shared with all stakeholders on the progress and if necessary makes it easy to detect faults and correct them to counter deviating from set outcomes[288]. The Bank has acknowledged that when it comes to monitoring the development effects of projects it falls short across all sectors, however notes the importance of having good monitoring and evaluation (M & E) systems in place as part of development processes.

Areas of evaluation that can become good development indicators are those that significant effort has been invested and where development outcomes are shared by both NEPAD and the Bank's framework. However, the CDF is critical of efforts that address social problems and how this speaks to the problem of development policies and projects. 'Despite the stated goal of pro-poor growth, policy prescriptions have deviated little from those of the 1980s'[289]. There is failure in addressing links between poverty and macro-economic policies, reflected as trade, agriculture, rural development and other national policies that have a bearing on poverty alleviation efforts.

Pursuant to effective development management, NEPAD focuses on the following broad categories to accelerate and measure its development impact. Firstly, sectoral priorities including the Human Resource Development Inititaive, includes energy, transport, telecommunications,

[284] World Bank. Op Cit. 1999. p. xii.
[285] Ibid. p. xviii
[286] Ibid. xviv.
[287] Ibid. pp. 3-4.
[288] Ibid.
[289] World Bank. Op Cit. p. 19.

water, trade, agriculture, the financial sector, poverty reduction, health, education and health are infrastructural and human development centered[290]. Secondly, mobilising resources focuses on capital inflows and market accessibility[291].

However it is still a challenge to measure the results of development programmes and the MDGs have become the most appropriate standard that applies globally. It is shared by both the Bank and NEPAD, therefore there is rigorous pursuit to ensure that African countries are able to deliver and meet the deadline[292]. The CDSF that is proposed by NEPAD will be the first step in ensuring that development programmes on the continent include a results orientated component and advises on suitable assessment framework[293]. Table 4.1 summarises the new focus areas of the CDSF:

Table 4.1 Features of the Integrated Approaches and Continuous Improvement Approaches within CDSF

Levels	**Conventional Way of Capacity Building**	**Alternative Way of Approaching Capacity Development**
Individual Level	Focus on technical skills	Focus on performance and competence, Focus on leadership, responsibility and accountability to results/success of the whole organization
Institutional Level	Input-oriented approach to: Putting more people Putting more resources	Output and result driven process to reform Transformation Re-organisation and simplification of processes improving the performance of existing staff and leadership
System level	Analysis of inputs and outputs in a linear way Real issues dealt under 'assumptions'	Systemic analysis of the deeper problems in terms of institutions, their processes, structures, regulations, resources, peoples competence and
	M&E mainly at the end of processes and delegated to other authorities – long delays in the system	Monitoring and evaluation are totally integrated in the design and at all stages of the process of change and driven by the people who manage the change. Fast learning loops help to steer the change process

Source: NEPAD, Capacity Development Strategic Framework, 2009

[290] New Partnership for Africa's Development (NEPAD) Op Cit. 2009 pp. 24-50.
[291] Ibid.
[292] World Bank. Op Cit. 2004. p. 33.
[293] NEPAD. Op Cit. 2009, pp. 12-13.

Through its recommended *Integrated Planning and Implementation Approaches and Continuous Improvement Processes*[294], NEPAD will focus on coordinating standard approaches that address 'system failure' and general impasses in producing real sustainable results. Furthermore, it will introduce a standard of accountability for development impact outcomes, which looks at the efficient use of inputs to ensure outputs become the focus of the implementation process[295]. Additionally, continuous assessment of the work and impact of development institutions in the process will become regular to scrutinize successes against failures and thus inform how these institutions engage or improve their engagement[296].

The framework will be effective in promoting sustainable development in Africa because it will inform how development strategies are planned and executed in a coordinated and comprehensive framework. It will guide the management and assessment of programmes and will allow for increased knowledge building and sharing. Lastly, the framework will foster a common development vision on the continent with the Bank and other international development partners[297].

The partnership between NEPAD and the Bank paves the way for increased cooperation on development policy and projects. This is because by identifying commonalities in their strategies, they have been able to work on a mutual partnership that addresses the challenges of the continent and brokers the stalemate[298]. Even though this does not re-dress and reconfigure the international system in favour of the continent, it has made it easier to introduce and work with new ideas. It is therefore, a good place to start the process of a new international economic order[299].

The chapter has shown how having shared objectives ensures that there is also a shared focus on what has to be achieved by whom and how. This makes the development process a shared process that is owned by all who participate and contribute to it. It is in this manner that they are able to influence each other about new and effective practices that can be tested from time to

[294] Ibid.
[295] Ibid.
[296] Ibid.
[297] Ibid.
[298] Bekoe, D. and Landsberg, C. Op Cit. pp. 15-16.
[299] Ibid.

time[300]. Furthermore, the engagement with the Bank, by NEPAD will increase the Africa's participation in the decision making of development interventions towards the continent[301].

The opening can be used as a good starting point to agree on and negotiate for the long term abandoning of SAPs, reforming the Bank and IMF, more debt relief and a new international economic order[302]. Africa can begin to position itself strategically to be a true global player with real power over its affairs and future well being. Opportunities that have been brought by the partnership should be capitalised and built upon for greater impact on the development discourse. The next concluding chapter will highlight how the partnership has impacted on the overall development agenda and raise questions of how to move to the next step and build upon the little gains.

[300] Magubane, B.: African Sociology: Towards A Critical Perspective. African World Press: Trenton, 2000, pp. 373-378.
[301] Mbeki, T.: Africa: The time has come. Mafube: Cape Town, 1998, p. 31-35.
[302] Chenery, H., 'Restructuring the World Economy' in World Development, Vol. 2. No. 10-12, 1974, pp. 1-9.

CHAPTER 5

CONCLUSION

The paper has shown that through the establishment of NEPAD there has been a revival of the African agenda and new attention has been given to development issues of the continent[303]. More important, is that the initiative has the support and backing of the World Bank to ensure its sustainability and effectiveness[304]. The research showed that it is this relationship between NEPAD and the Bank that promotes effective policy development, implementation and project management.

The implication that this carries for African policy making is that the continent has to adapt itself to changes in the international system. However, the adoption of neo-liberal policies into the framework of NEPAD has ensured its survival in a globalised international system[305]. This has allowed it to gain acceptance and support from leading international role players, such as the EU, IMF and most important the World Bank[306]. It is being heralded as a breakthrough in development policy from the continent. This is because it puts the responsibility of finding new ways of solving the continent's problems upon African's themselves and creates an opportunity to engage the international community in this Africa-led process.

In the same light through NEPAD, there has been an understanding and appreciation of the development context of poor countries which was often not precipitated by the Bank. The re-definition of its development framework that incorporates both social and economic factors as part of the development process has been well received[307]. It is therefore, a compromise approach that is designed to meet the demands and wishes of African countries and the international community, especially the Bank. It is a suitable common ground that addresses the

[303] NEPAD. Op Cit. 2001, p. 1
[304] World Bank. Op Cit. 1999. pp. xii.
[305] Economic Commission for Africa. What NEPAD Implies for African Policy Makers. Twenty-first meeting of the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development. Johannesburg, South Africa. 16-18 October 2002, pp. 1-23.
[306] Owusu, F. Op Cit. pp. 1662-3.
[307] Kanbur, R. Op Cit. pp.402-405.

concerns of both parties in a mutually beneficial arrangement[308]. The complementary relationship is advancing economic development on the continent. There has been major improvement in infrastructural development, effective resources management and increased focus on the provision and improvement of better social services, including health care.

The theoretical framework aimed to explain the shift from dependency to neo-liberal thinking in how policy is conceptualized and implemented on the continent. For a very long time the wellbeing of the continent was tied to that of rich countries and their policies were defined in this context[309]. The continent grew suspicious of the intentions of rich countries and how they were being used to benefit and boost their development, whilst they were being held back by exploitative and biased policies[310]. In defiance some alienated themselves from the international system with dire consequences to their political and economic welfare. On the other hand, some used the system to acquire foreign aid and credit facilities that were not used to support development programmes, but to sustain illegitimate and corrupt regimes[311].

In the long run, many countries on the continent had fragmented economies and a debt burden that hampered on future development. To remedy the situation the IMF and Bank promoted SAPs to restructure these economies and align them to how liberal economies should function[312]. Structural policies were not benefiting the continent and many countries complained of their debilitating effect on their society. They imposed restrictions on state spending and social investment to support development. Instead focus was on economic growth as the primacy of the development initiative[313]. On the contrary, African countries highlighted that development should also include factors such as education, health, poverty eradication and other social investment programmes that benefit society.

In pursuit of their vision, they introduced various policies that contradicted and blamed developed countries and international economic institutions, represented by the Bank for their plight. These plans did not receive the attention and support of the Bank, because they escalated

[308] Ibid.
[309] Singer, H. and Summit, R. Op Cit pp. 5-20.
[310] Ibid.
[311] Dos Santos, T. Op Cit. pp. 15-18.
[312] Lewis, A. Op Cit. pp. 45-60.
[313] Owusu, F. Op Cit. pp. 1662-3.

tensions and sought to put all blame for the underdevelopment of the continent onto the international community[314]. Even though there was some truth in it, it only focused on external factors and ignored internal issues that perpetuated the situation. There was therefore, a stalemate about an acceptable framework that would incorporate the concerns of the international community about economic growth and of developing countries about social development. It becomes clear through the discussion in this paper, that there needed to be a plan that no party can be fundamentally suspicious of.

The paper showed that many changes in the international system precipitated the shift in how the Bank and African leaders see the development project and its process. The rise of the Asian tigers and possibilities of the role of the development state in the economy, calls for a new international economic order, new leaders that influenced the agendas of many global meetings and forums and various calls from the developing community for the restructuring of international institutions[315]. All these processes led to a discussion about a review of the Bank's policies and resulted in a review of the development framework.

What emanated from this was a new understanding of the development needs of poor countries. This also opened doors for innovative thinking around a global development framework that would be shared by everybody in the international system. The argument presented in this paper is that the process was heightened by the introduction of the MDGs[316]. Furthermore, CDF which was introduced by the Bank's President Wolfensohn, has become the focus point of the Bank's new development framework[317]. It embodies the same issues in the MDGs both developed and developing countries agree. It is important to note that even though there is not a complete rejection of SAPs, there new framework is quite critical of their role and conditions under which they can be effective.

Therefore, NEPAD was established in this context and this is why it has received much focus and support by the Bank. It ties in with its development framework, because just like CDF it is

[314] Ibid.
[315] Ibid.
[316] Rondinelli, D. A and Montgomery, J. D. Op Cit. pp. 2-3.
[317] Wolfensohn, J. Op Cit. p.11

innovative about how to address development challenges in poor countries[318]. One interesting factor about this regional initiative is that, is that is also does not reject SAPs. On the contrary, it is in NEPAD that you begin to see an embracing and internalisation of conditionalities[319]. The difference this time is that these conditionalities are negotiated and seen as crucial to accelerating economic growth.

It is due to this that it is being supported by the Bank and the new partnership has ensured that the continent is on track regarding its development objectives. For the first time there is a clear, well defined and logical understanding that is shared on the continent, then with the international community. It is a strategic partnership that will drive the agenda of the continent forward and ensure that it succeeds in its pursuit for a prosperous Africa[320]. The partnership has meant that Africa is taking serious its commitment to achieve the MDGs, to effectively manage public finances, to supervise progress, to engage the international community and more important to work with the private sector in advancing development.

The partnership is sustained by shared values between the Bank's framework and NEPAD. That development must be a long term strategy; it must be country owned and drive; it should strive to build strategic partnerships with the private sector and international community to support projects and it must have clear, realistic and achievable goals[321]. The complementary policy frameworks result in the design and implementation of effective projects between NEPAD and the Bank. They have found strength in cooperating than in ignoring each other.

However, deeper issues that still remain is how will African leaders further use NEPAD as a platform to lobby for increased changes in the international system, beginning with the Bank. Will NEPAD engage the Bank on more substantative matters of abandoning SAPs, debt cancellation and increased access to international markets? How far does its impact reach with the Bank and within the international system, can it negotiate beyond the current status quo? Will it forever be supported only because it ascribes to neo-liberal policies? These questions point to issues about the future of the World Bank-NEPAD relationship and impact on the continent. If

[318] World Bank. Op Cit. 1999. pp. xii.
[319] NEPAD. Op Cit. 2001, p. 1-5.
[320] World Bank. Op Cit. 1999. pp. xii..
[321] Ibid.

NEPAD is to truly make a difference that can be long term and sustainable, it must address embedded structural differences in the international system[322].

It is important to highlight the importance of the World Bank-NEPAD relationship because for the first time African leaders have an agenda that is being received and supported internationally. The process is internally driven and highlights a shift of how development processes are to focus more on what is needed at the grassroots, as opposed to what should be given[323]. There is possibility that more regional initiatives will receive the attention of the Bank as a way of accommodating new ideas and seeking effective partnerships that are outcome focused.

Nonetheless, the partnership has been strategic in ensuring that NEPAD was not merely a onetime process and that it is taken serious through the support of the Bank[324]. Many of the projects in support of infrastructure development, natural resources management and environmental sustainability have resulted in high returns in revenue on projects that are complete and in generating employment and skills transfer[325]. The paper asserts that relationship between the World Bank and NEPAD is beneficial in promoting development in Africa and its support of the initiative ensures it is successful in achieving progress.

[322] Hope, K. R. Op Cit. pp. 382-480.
[323] Economic Commission for Africa. Op Cit. pp. 1-23.
[324] Owusu, F. Op Cit. 2003. pp. 1657-65.
[325] World Bank. Op Cit. 2006, pp. 1-3

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