



**The Commission for Africa (CFA) Report:
Responses of the UK development community**

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ACCRONYMS AND ABBREVIATIONS

APRM	African Peer Review Mechanism
AU	African Union
CFA	Commission for Africa
DEFRA	Department for Environment, Food and Rural Affairs
DFID	Department for International Development
EITI	Extractive Industries Transparency Initiative
EPAs	European Economic Partnership Agreements
EU	European Union
GSP+	General System of Preferences
HIPC	Heavily Indebted Poor Country
ICT	Information & Communications Technology
IDS	Institute of Development Studies
IFF	International Finance Facility
IFI	International Funding Institution
IMF	International Monetary Fund
NEPAD	New Partnership for African Development
NGO	Non-governmental organisation
ODI	Overseas Development Institute
SDT	Special and differential treatments
SME	Small and Medium Enterprise
SSA	Sub-Saharan Africa
THET	Tropical Health and Education Trust
TICAD IV	Tokyo International Conference on African Development
UK	United Kingdom
UN	United Nations
WDM	World Development Movement
WTO	World Trade Organisation

EXECUTIVE SUMMARY

International development policy – and Africa in particular – have perhaps never had such high profile as they currently have in the UK (United Kingdom). ‘Double aid to half poverty’ characterises the current narrative of UK aid policy in Downing Street. What is also clear is that there will continue to be a massive political push on issues of African development throughout 2005.

In order to inform this unprecedented focus on African development, UK Prime Minister Tony Blair launched the Commission for Africa (CFA) in February 2004. This was set up as an independent body with seventeen Commissioners, nine of whom are African. The Commission for Africa’s report – *Our Common Interest* – was published on 11 March 2005 and highlights poverty in Africa as ‘the greatest tragedy of our time’.

Virtually all UK commentators agree that the CFA Report provides an extremely comprehensive and useful analysis of the challenges facing Africa and possible responses to this. People will continue to argue about its content, but overall most accept that it clearly is a landmark publication.

This report draws on the CFA report itself and comments published in the UK soon after its release. The aim is to help stakeholders in Japan (and elsewhere) better understand (i) What is in the CFA report – focusing on the six areas mentioned above; and (ii) Responses of the development community in the UK to the CFA report. The main areas where action is proposed (as set out in the Executive Summary) are clustered into six areas, discussed separately here.

Getting systems right: Governance and Capacity Building

Governance is termed the key issue by the CFA report: ‘the issue of good governance and capacity-building is what we believe lies at the core of all of Africa’s problems.’ The CFA identifies two main components of good governance with a range of measures proposed under each: capacity - ability to design and deliver policies; and accountability - how the state answers to its people. The CFA also highlighted a number of measures to reduce corruption.

The responses in this area were interesting - by far the largest number of responses to any area of the report came here. While overall there was agreement with the central role given to governance, commentators particularly felt that the CFA report lacked depth in two main areas:

- Internal causes of poor governance – the report did not cover the fundamental role the political system plays in Africa’s problems, namely, its ‘neo-patrimonial’ nature: African states are not developmental.
- What can be done to address poor governance – due to the political nature of much of the problem, experience with primarily technically focused programmes such as ‘governance reforms’ and ‘capacity building’ have had limited success. Donors need to develop a more political understanding of the role aid plays and focus on creating incentives to encourage the emergence of developmental regimes. Ultimately, however, only Africans can change their own politics.

The Need for Peace and Security

Ongoing conflict and violence are a key challenge to African development. The key recommendation in the CFA report is to build the capacity of African states and societies to prevent and manage conflict with particular support for the African Union and UN to play a key role. Comments felt that current inequitable access to resources as a major cause of conflict was not adequately highlighted. A related point was the need to recognise the role climate change may play in future in fuelling conflict in Africa.

Leaving No-one Out: Investing in People

The report highlights the widespread lack of access to basic services and that African health and education systems are now on the point of collapse. Solutions proposed mostly concern funding. A balanced emphasis in education on secondary and tertiary education as well as primary was well received. Proposals to fully fund the Global Fund for HIV/AIDS, TB and Malaria were criticised, however, as they seemed to assume that money is the major stumbling block to tackling HIV/AIDS and other diseases; systems and social structures play a greater role and must be seen as key to finding sustainable solutions.

The report is strong on social protection which was felt to be an important innovation although there was too much selectivity on which groups are most in need - orphans and vulnerable children received most attention at the expense of the disabled, refugees, internally displaced persons and the unemployed. Concerning service delivery there was not enough attention on the problems of differential access to healthcare in urban and rural areas and the role of the state and non-state actors in service provision was left ambiguous.

Going for Growth and Poverty Reduction

The report is unambiguous that growth is needed to reduce poverty. Priorities for growth are agriculture, especially small farms, small businesses in general, and also jobs in urban areas to counter-act what is described as 'premature urbanisation'. A lot of emphasis was placed on the role of infrastructure in encouraging growth.

Emphasis on infrastructure was well received - it also echoes the conclusions of the earlier 'Sachs report'. However, the CFA authors shied away from discussion of macro- and meso-economic reforms and the role of land rights. There was also criticism that the recommendation was to only 'reduce' the use of policy conditionality. Inadequate attention was also given to types of growth: some African countries have recently experienced strong growth but there are questions concerning the social impact of this. The impact of growth on levels of inequality and environmental sustainability must also be considered.

More Trade and Fairer Trade

The analysis in the CFA report identifies that Africa faces two major constraints for trade: It does not produce enough goods, of the right quality or price, to enable it to break into world markets; and it faces indefensible trade barriers which, directly or indirectly, tax its goods as they enter the markets of developed countries. Recommendations includes measures to improve Africa's capacity to trade and donor actions to remove trade barriers.

Comments felt that the analysis was correct in recognizing that ultimately trade, not aid, is the answer. Recommendations for cuts to Northern subsidies were 'radical' but highly unlikely to be followed. The focus on commodities, though, seemed to be in danger of encouraging a 'victimisation psychosis' on trade as Africa has experienced falling market shares for many commodities and Asian exporters faced much worse barriers and have been able to achieve a lot. Regarding the current deadlock in the WTO it was felt that this could be alleviated with a 'development test' of WTO proposals – without something like this the Doha round is unlikely to be successful.

Where Will the Money Come From: Resources

The basic call in the CFA report is for additional aid resources of \$25bn per year by 2010 and then, pending review, another \$25bn per year by 2015. Means of achieving this are: commitment to a timetable to reach 0.7% of national income; the International Finance Facility; and 100 per cent debt cancellation as soon as possible.

Absorptive capacity was highlighted as a concern among analysts although NGOs see this as less of an issue. The need to prioritise spending in the case that not all of these resources are raised was also flagged – the CFA's approach is that all areas need to be tackled at the same time which seems idealistic and impractical. Overall, a number of commentators questioned the fact that with its primary focus on finance and resources, the premise of the report seemed to be that Africa's main problem is a lack of resources. Illustrating once again the key nature of governance and, in particular, politics, the emphasis was made that rather than focusing on finding funds, the greater need is to think about *why* funds *so far* have not made much difference.

Whatever the outcome of the Gleneagles G8 Summit and the other events this year, the in-depth analysis provided by the Commission for Africa report and the many considered responses to it, will continue to serve as useful material to inform future decision-making concerning assistance to Africa. The basic points are relevant to all:

- Africa is a major problem.
- It does affect us all.
- Much is changing.
- Much can be done.
- All have responsibility – action needs to be taken.

Change requires political will among G8 and other developed nations as well as in Africa. The CFA process has taken a small step towards building this. The challenge is to seize the opportunity 2005 offers to build on this to work together to make a difference.

Three issues can be seen to have particular relevance for Japan over the long-term:

- One of the big opportunities for Japan is the re-emergence of infrastructure. There is increasing interest for Japan to better understand and share the lessons of its aid and development experience in Asia.
- One particularly challenging area is how Japan can respond to the new emphasis given to governance issues. Currently Japan has much greater experience in technical areas of capacity building rather than political governance.
- Interestingly, in three years time Japan will also be hosting the G8 Summit. This will coincide with the fourth Tokyo International Conference on African Development (TICAD IV). Asia-Africa cooperation and mutual learning is already a core component of the TICAD process and could be a useful way for Japan to contribute during 2005 while looking forwards to 2008. TICAD IV could play a valuable role in reviewing the progress of the recommendations set out by the CFA.

1. Introduction

International development policy – and Africa in particular – have perhaps never had such high profile as they currently have in the UK (United Kingdom). ‘Double aid to half poverty’ characterises the current narrative of UK aid policy in Downing Street. What is also clear is that there will continue to be a massive political push on issues of African development throughout 2005.

This focus in the UK on Africa affects other stakeholders. This is because the UK is using its 2005 Chairmanship of the G8, and Presidency of the European Union (EU) in the second half of 2005, to push for a massive increase in efforts to reduce poverty in Africa. The focus on Africa is part of a wider momentum that includes the G8 meetings in Gleneagles for the G8 Summit in July (of which Africa has been identified as one of the two priorities – the other being climate change), the World Trade Organisation (WTO) Ministerial Meeting in Hong Kong in November and the Millennium Development Summit which will take place in September in New York, where the first five-year review of progress towards the Millennium Development Goals will be discussed.

In order to inform this unprecedented focus on African development, UK Prime Minister Tony Blair launched the Commission for Africa (CFA) in February 2004. This was set up as an independent body with seventeen Commissioners, nine of whom are African. The stated objectives of the CFA were:

- To generate *new ideas* and *action* for a *strong and prosperous Africa*, using the 2005 British presidencies of the G8 and the European Union as a platform;
- To *support the best of existing work on Africa*, in particular the New Partnership for African Development (NEPAD) and the African Union (AU), and help ensure this work achieves its goals;
- To *help deliver implementation of existing international commitments* towards Africa;
- To *offer a fresh and positive perspective* for Africa and its diverse culture in the 21st century, which challenges unfair perceptions and helps deliver changes; and
- To understand and help fulfil African aspirations for the future by *listening to Africans*.

Although the CFA process was launched with scepticism even among some of the Commissioners, wide-ranging consultations were carried out which served the primary aim of the CFA – to generate the political will for change. The process included three meetings of the Commissioners and two rounds of open consultations. Consultations were held in 49 countries across Africa, in every G8 country, throughout Europe, in India and in China. The CFA received nearly 500 formal submissions and examined a vast wealth of analysis.¹ A CFA Secretariat based in

¹ Paul Vallely, principal author of the report, writing in *The Independent* newspaper (World Bank information service).

London, funded and hosted by the UK Department for International Development (DFID), with approximately 30-35 staff, carried out the main bulk of the work.²

The Commission for Africa's report – Our Common Interest – was published on 11 March 2005 and highlights poverty in Africa as 'the greatest tragedy of our time'. The report is divided in two parts – as outlined by the Commission itself: *'The first, The Argument, addresses itself to that wider audience and succinctly sets out our call to action. The second part, The Analysis and Evidence, lays out the substance and basis of our recommendations so these can be held up to public scrutiny. Our Recommendations are set out between these two sections.'*

The main areas where action is proposed (as set out in the Executive Summary) are clustered into six areas, namely:

- Getting systems right: Governance and Capacity Building
- The Need for Peace and Security
- Leaving No-one Out: Investing in People
- Going for Growth and Poverty Reduction
- More Trade and Fairer Trade
- Where Will the Money Come From: Resources

This report draws on the CFA report itself and comments published in the UK soon after its release. The aim is to help stakeholders in Japan (and elsewhere) better understand (i) What is in the CFA report – focusing on the six areas mentioned above; and (ii) Responses of the development community in the UK to the CFA report.

The report is structured as follows. Section 2 is divided into seven sections - the key elements of the CFA report and a short introduction. For clarity, each of the topic sections is sub-divided into two parts: the first of these is on 'what the report says', looking at how the issue is set out and recommendations provided; this is followed by 'responses'. Some sections are much larger than others due to their relative importance and / or strong debate in the area. The six topics also invariably overlap to a greater or lesser degree. Section 3 provides a short conclusion to the paper.

² After the publication of the CFA Report 2005, a reduced staff will continue working in the Secretariat until the G8 Meeting in July (and possibly beyond this).

2. CFA report findings and responses in the UK

2.1. Introduction – overall response in the UK

Before addressing the specific areas of the report, a few points are worth noting about the overall response in the UK to the CFA report. Regardless of what is made of the politics behind the Commission for Africa, virtually all UK commentators agree that the CFA Report provides an extremely comprehensive and useful analysis of the challenges facing Africa and possible responses to this. People will continue to argue about its content, but overall most accept that it clearly is a landmark publication.

Simon Maxwell, Director of the Overseas Development Institute (ODI), for example, notes that, ‘The Commission for Africa Report is an exhilarating, exhausting and intriguing read. Exhilarating because of its breadth and because of its political impetus. Exhausting because of the breadth of its ambition and the comprehensive nature of its proposals. Intriguing because of the new twists embedded in its narratives, and because of the intellectual challenges it poses.’ In a similar vein, senior ODI researcher David Booth writes that ‘there are many excellent and some innovative things in it.’

Overall the report is seen as surprisingly direct in its identification of the problems including some politically sensitive issues. There seems basic agreement in the media with the CFA analysis (although with different emphasis). Major UK-based non-governmental organisations (NGOs) have also welcomed the report but place more emphasis on external constraints to African development than the internal ones emphasized in the report. Some NGOs have, however, criticised the overall approach of the report. In particular they point out that it is problem, rather than solution based and seems to stem from an assumption that the ‘West knows best’ – problems are in Africa and solutions come from outside.³

³ A succinct summary of the position of many major NGOs in the UK is set out by ActionAid in the ten recommendations of their ‘African Commission for Britain’ (see Annex 4):

2.2. Getting systems right: Governance and Capacity Building⁴

2.2.1. What the report says

The issue

Governance is termed the key issue by the CFA report: 'the issue of good governance and capacity-building is what we believe lies at the core of all of Africa's problems.'

A history of bad governance is identified as one of the main causes of the crisis currently facing many African countries. Weak governance and the absence of an effective state were identified early on in the CFA consultations as being of crucial importance. The CFA assessment of governance in Africa suggests that important gains have been achieved: fewer wars and more democratic elections. The report also acknowledges the role that the international community has sometimes played in encouraging bad governance.

Recommendations

The CFA identifies two main components of good governance with a range of measures proposed under each. The two components are:

- Capacity: ability to design and deliver policies
- Accountability: how the state answers to its people

However, the argument is that action is needed on many fronts and at the same time.

Improving capacity requires:

- Strong political and financial support for the AU and NEPAD, including for the African Peer Review Mechanism (APRM)
- Donors should change behaviours and get behind African countries' own strategies of capacity building
- Need to build up professional skills and knowledge, by strengthening African higher education (estimated investment of \$500 million a year over next 10 years to revitalise Africa's institutions of higher education and up to \$3 billion over 10 years to develop Centres of Excellence in science and technology)

Improving accountability requires:

- Good economic and financial management systems
- Strengthening of the justice system
- Training for parliamentarians
- Training local authorities
- Encouraging a free independent media
- Emphasis on strengthening civil society (through capacity building and funding)

The CFA also highlighted a number of *measures to reduce corruption*:

- When dealing with natural resources: multinational and domestic companies should adhere to standards and codes of conduct, and shareholders and consumers should put pressure on companies to do so

⁴ For a public discussion of many of these issues, please see:
http://www.odi.org.uk/Africa_Portal/governance.html

- Supporting the Extractive Industries Transparency Initiative (EITI) through funding and political endorsement
- Expanding transparency principles to other natural resources sectors like forestry and fisheries, and to public procurement, especially in construction and engineering

2.2.2. Responses

The responses in this area were interesting - by far the largest number of responses to any area of the report came here – indicative of the importance of the issue, echoed by its priority focus within the report.⁵ While overall there was agreement with the central role given to governance, commentators felt that the CFA report lacked depth in three main areas:

- Internal causes of poor governance
- External causes of poor governance
- What can be done to address poor governance

These are covered separately below, with a fourth section setting out a number of additional comments that do not clearly fit these three categories.

Internal causes of poor governance

A number of commentators noted the lack of serious political analysis in the CFA report. David Booth terms this the report's 'biggest blind spot': 'nowhere is it said plainly that the root of the problem is the nature of African political systems. ... In other words, there is no examination of *why* African politicians are so little interested in building capable states, or why business people and voters are still so disinclined to punish leaders for poor performance. There is much talk about high-level corruption but little sense of how pervasive corruption now is, and why. ... there will be no significant rethinking of why state capacity does not respond to 'capacity building' and how politics might be transformed faster.'

A closely related issue is the emerging debate about whether the recommendations on governance are sufficiently robust to deal with the pervasive problems of clientalism and patronage in Africa, a phenomenon often described as 'neo-patrimonialism'. In its mild form, this school of critics calls for more attention to politics. In its more forceful incarnation, the argument is that aid, never mind more aid, acts to decapitate African political systems: it breaks the link between governments and their people, creating alternative structures of accountability which tie governments to their donors. The report doesn't quite tackle this issue head-on, although there are many recommendations in the report which have to do with accountability and state-building. Both strands of thought would agree, however, that African countries need strong, developmental states (Maxwell; Booth; Court).

Despite recent work by DFID and other donors on using political analysis to inform aid programmes (Drivers of Change analysis⁶), Booth is also disappointed that there is no mention of this type of approach anywhere in the CFA report. As a result a commitment to development in Africa is being assumed by the writers of the report

⁵ Similar messages concerning the importance of governance can also be seen in the recent Millennium Report by Jeffrey Sachs and the World Bank's Global Monitoring Report 2005 (Fritz, 2005).

⁶ See earlier paper – Warrener (2004)

that is not necessarily there. These issues are echoed in more detail in analysis by Matthew Lockwood (2005). Although written just before publication of the CFA report, his paper provides powerful analysis of the internal causes of poor governance in Africa. Key points of his argument are set out in Box 1.

Box 1: Main points of Lockwood analysis on African political systems

Thinking by both NGOs and governments 'is confused, because that thinking either does not recognise or does not draw out the implications of the central role of politics and the state in Africa's development problems'.

Historical analysis of current political systems in Africa:

- Colonial period brought indirect rule of Africa through tribal leaders. People were subjects, not citizens with rights.
- Decolonisation occurred very swiftly – elections were held with little notice so political parties had to mobilise supporters very quickly. They therefore used the systems that were already in place – patronage systems – to get votes. Voters were offered material benefits for their votes and candidates were offered individual benefits for their votes. A system of political patronage developed.
- Within this system, civil service appointments were made not on the basis of merit but through 'clientelism' – patronage between a patron and clients. As civil service salaries declined in the 1980s, rewards shifted from 'the employment itself to the possibilities of extracting rents'. 'Clientelism therefore bred corruption'.

Clientelist politics are persistent and have the following consequences:

- Clientelism leads to 'neo-patrimonial states that are broadly 'anti-developmental' (or at best non-developmental)'
- 'Pressure to reform from donors has presented a threat to the clientelist system, and regimes have taken time to respond by finding ways to circumvent, adapt to or undermine reform programmes'

As a result 'developmental states in Africa will not emerge unless and until the clientelist elements of African politics are tightly controlled or eradicated. ... this will not be easy.'

Transformation of this 'is only going to come from within Africa – in the final analysis, only Africans can change their own politics'.

Donors need to be aware that the challenge is how to engage with the nature of clientelist regimes - there is 'a huge job of basic civic education to be done'. The task is far from easy – at present many benefit from the clientelist systems and people 'can't eat democracy...'

Source: Lockwood (2005)

External causes of poor governance

Media coverage as well as NGOs focused to a large extent on issues of corruption, especially by Multinational Corporations, and the need for repatriation of state assets.

Specific issues mentioned relating to sources of external corruption that contribute to poor governance in Africa were:

- Northern governments e.g. narcotics industry to meet Northern demands and the 'rapid growth of unregulated private military companies' (Research by Mick Moore, IDS Press Comment, 2005)
- The World Development Movement stated that the CFA 'analysis is very disappointing on corporate regulation' – the lack of binding agreements for the regulation of companies ignores 'the fact that, in 2003, a group of developing countries (including Kenya, India, China and Pakistan) called for urgent action to develop *'legally enforceable norms of investors' or corporate conduct'*.'
- BBC analysis called the UK the 'laundromat of choice' for stolen funds from Kenya and Nigeria highlighting the role the UK plays in African state theft (Smith)
- Wintour in the Guardian emphasised the point made in the CFA report that no G8 nation has signed the United Nations (UN) anti-corruption convention, committing the West to repatriate stolen funds. He added: 'the amount stolen and now held in foreign bank accounts is equivalent to more than half the continent's external debt'.

What can be done

Commentators agree with the CFA report that governance is the key issue. There is widespread disappointment over the lack of concrete and realistic suggestions concerning what can be done though. In connection with the two previous sections on the internal and external causes of poor governance, there are two strands to this: actions to be taken by African states themselves and actions to be taken by donors.

Many comments point to a key weakness that the CFA report is not strong on implementation by African states themselves. The report says 'governance (is) first and foremost a responsibility of African countries and people' but the report is more concrete on things donor governments can do (repatriating assets of corrupt leaders and initiatives on foreign company bribe givers). And a killer fact: Having said that governance is the key ('without progress in governance, all other reforms will have limited impact'), the composition (p. 85) of the Commissions Expenditure Recommendations for governance is 4%.

The Rainforest Foundation highlights the omission of consideration of land tenure and rights and the importance of civil and human rights. Also there is 'too little emphasis on the role of African civil society in holding governments accountable'. Another commentator also felt that too much faith was being placed by the report in the African Union, NEPAD process and APRM (Court).

The predominant focus of the report is on donor-led governance programmes. However, as Fritz (2005) points out, such work is difficult to do and success has been very limited so far: 'while donors have done more to support better governance in recent years, there is little systematic knowledge about whether this work is having a real and sustainable impact'. Fritz provides a table of different types of possible governance reform work (see Annex 1). She makes the following points concerning overall approaches to governance programmes and choices to be made between different methods:

- It is important to focus on 'good enough' governance - developed countries took a variety of paths to 'good governance' illustrating that many different forms of institutions can produce the same outcome. The relationship between good

governance and growth may also be two-way rather than good governance being a precondition for growth.

- As a result of the above, donors need to have a political and pragmatic focus rather than a technocratic and normative approach.

The role of incentives in the uptake of such programmes is paramount. Even if donors have some influence over policies, recipient governments have power over implementation – whether governance reforms happen or not will depend on domestic political processes (Lockwood): ‘The evidence is that whether governance reforms have been taken up *depends on political commitment from the most senior levels*. The limits of the governance approach confirms Alex de Waal’s aphorism that governance is ‘government minus politics’... It is the reluctance and difficulty that donors have with engaging with politics that makes them turn again and again to governance reforms. However, without such engagement, it will be impossible to address the chronic governance failures seen across the continent’ (Lockwood, 2005, emphasis added).

David Booth feels that ‘capacity building’ is a ‘cop-out’ on how to deal with poor governance. Both the terms ‘capacity building’ and ‘governance’ are neutral and non-threatening whereas the issue is that incentives to put skills to use in African public services are very weak: ‘African bureaucracies are shot through with a culture that defends mediocrity and punishes excellence’.

Lockwood’s paper is pessimistic about the ability of governance reforms to bring about the political changes necessary within African society. With greater awareness of the role of aid in creating incentives for reform, or otherwise, through use of Drivers of Change or similar analysis outsiders may be able to take on a supporting role in bringing about the necessary change, but little more. As Fritz concludes: ‘Governance is a challenging obstacle for the 2005 agenda, but it is not surmountable – if the development community is willing and able to take politics more seriously’.

Therefore although there are humanitarian arguments for aid, ‘aid flows to Africa have helped maintain ... regimes in power’ (Lockwood) and aid has become part of the system that is supporting neo-patrimonial states across Africa. Donors are in a trap as well as it is not easy to suddenly cut aid. Lockwood suggests that the humanitarian role for aid is still valid - providing basics such as health through fighting AIDS or providing infrastructure - but this must be balanced with a more political understanding of the role aid plays and a focus on creating incentives to encourage the emergence of developmental regimes. One suggestion would be to employ outcome based indicators that are the same across all countries and to provide aid on the basis of progress on them. This would serve to make aid more explicitly political – although there is resistance to this within the donor community, the point is that aid is *already* political.

Additional comments

- The report fails to mention the high unit cost of public services in Africa, compared with Asia (e.g. John Roberts work comparing Bangladesh and Kenya). This is a key issue that should be a matter of concern to donors.

- Shelia Page points out that there is no mention of the problem of government aid dependency – rather than country aid dependency. Increasing accountability to parliaments is mentioned but this does not seem to sufficiently take account of the fact that a large part of the problem is that parliaments have a lack of fiscal control when governments are donor funded. Changing the locus of fiscal power needs to be a priority issues, not just capacity building for parliaments.
- John Roberts also feels that the report does not provide adequate focus on budget and expenditure management processes – these need to be greatly improved in order to absorb funds more effectively. The focus on governance and transparency is good but not sufficient.

2.3. The Need for Peace and Security

2.3.1. What the report says

The issue

The report starts with the key challenge that war places on development in Africa: 'Africa has experienced more violent conflict than any other continent in the last four decades. In recent years things have improved in many countries, but in other places violent conflict is still the biggest single obstacle to development. Investing in development is investing in peace.'

Recommendations

The key recommendation to tackle conflict set out by the CFA report is to build the capacity of African states and societies to prevent and manage conflict. This includes:

- using aid better to tackle the causes of conflict.
- improving the management of government incomes from natural resources and introducing international agreements on how to control the 'conflict resources' which fuel or fund hostilities.
- controlling the trade in small arms.

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

2.3.2. Responses

The World Development Movement (WDM) pointed out that the omission of discussion of the impact of climate change from the report is a serious error. This is particularly in view of the fact that this is the other priority focus of the G8 Summit and recent work has been carried out by DFID on the specific impact climate change is likely to have in Africa.⁷ Tony Blair has called climate change 'a bigger threat than terrorism' and resource-fuelled conflicts may well increase as the world's climate changes.

A similar point is made by the Rainforest Foundation who felt that the problem of inequitable access to resources as a major cause of conflict was not adequately addressed by the CFA report. The solution they put forward to address such conflicts is to devolve management of resources to the local level. They also highlight the need for a permanent UN Expert Panel on natural resources and conflict in Africa.

⁷ Joint Department for Environment, Food and Rural Affairs (DEFRA) and DFID report, African Climate Report, available at:
<http://www.defra.gov.uk/environment/climatechange/ccafrika-study/pdf/africa-climate.pdf>

Awori writing in the Guardian makes the point that the UK government has no right to claim superior moral authority regarding conflicts in Africa as in 2003 10 out of the 14 countries experiencing conflict in Africa bought arms from the UK.

2.4. Leaving No-one Out: Investing in People

2.4.1. What the report says

The issue

The report highlights the widespread lack of access to basic services and that African health and education systems are now on the point of collapse. The report argues that they are not only 'an urgent matter of basic human rights and social justice. But it is also sound economics: a healthy and skilled workforce is a more productive one'.

Recommendations

Solutions proposed mostly concern funding, but also approaches to ensuring delivery and results. The emphasis on funding is significant: 'Almost half of the extra aid we recommend should be spent on health, education and HIV and AIDS.'

In *education*, there is particular emphasis on providing 'proper' support for the Education for All initiative (eg donors pay for removing primary school fees). Secondary, higher and vocational education, adult learning, and teacher training should also be supported within a balanced overall education system.

In *health*, 'Top priority must be given to scaling up the services needed to deal with the catastrophe of HIV and AIDS which is killing more people in Africa than anywhere else in the world.' More generally regarding health, the key is: 'The elimination of preventable diseases in Africa depends above all on rebuilding systems to deliver public health services in order to tackle diseases such as TB and malaria effectively. This will involve major investment in staff, training, the development of new medicines, better sexual and reproductive health services and the removal of fees paid by patients, until countries can afford it. Funding for water supply and sanitation should be immediately increased, reversing years of decline'.

2.4.2. Responses

Responses were largely supportive and it was felt that there were some positive surprises – although there was some marked criticism under the treatment of health issues. Comments fell into four areas: education, health, social protection and service delivery.

Education

Here the surprise was the emphasis on a balanced education system – including secondary and higher education. Research has highlighted the importance of this, despite the powerful policy narrative and past emphasis on primary education. The Report (surprisingly) trumpets the importance of science and of universities: \$2.5 bn a year are earmarked in the spending proposals for these sectors. (Maxwell, 2005)

Health

Roderick, writing for the NGO Justice Africa, made a number of comments concerning HIV/AIDS. It acknowledged the CFA's attention to governance issues but felt that the report missed out the importance of participation in tackling HIV/AIDS: a major factor in successful work in Uganda, Senegal or Mozambique was the

'inclusion of governmental and non-governmental groups in mobilising mass action against the epidemic'. It also felt that the report did not adequately acknowledge the fact that HIV/AIDS is a 'unique threat to governance'.

Proposals to fully fund the Global Fund for HIV/AIDS, TB and Malaria were also criticised as they seem to assume that 'money is the major stumbling block to tackling HIV/AIDS. It is not. ... Progress on HIV/AIDS needs thought on strengthening democratic systems, bureaucracies, police and militaries, and public financing; extra money, while welcome ... should actually be of secondary concern' (ibid). Dealing with social structures 'that encourage HIV/AIDS to proliferate and become entrenched' also need to be part of the solution.

International agreements and bodies do exist to deal with HIV/AIDS which gives an indication that there is global political will to deal with the problem. They were – rightly – referenced in the CFA report but Roderick felt that problems with them and how these are going to be dealt with – issues such as their limited implementation capacity, for example – were an important omission.

The role of the UK and other developed nations in Africa's health problems was highlighted by a BBC report that noted that Britain, along with Canada, 'has been one of the worst poachers of African health workers' (Smith).

The Rainforest Foundation felt that more attention needed to be given to disease prevention rather than simply treatment, mentioning the fact that deforestation is often a factor causing the spread of disease.

Social protection

The report is strong on social protection which was felt to be an important innovation. Institute of Development Studies (IDS) researcher, Stephen Devereux, noted three advances in the treatment of social protection:

1. Going beyond safety nets and emergency relief – addressing social risk and social exclusion
2. Pre-emptive action is better than reactive
3. Social protection is most effective as part of integrated package of interventions – for example, HIV/AIDS needs an integrated approach

However he did feel that there was too much selectivity in the report on which groups are most in need: most focus was on orphans and vulnerable children with less focus on those with disabilities, refugees, internally displaced persons and the unemployed.

Another issues is that if social protection programmes are mainly donor funded the 'focus on external grant funding could reinforce a stigmatising view of social protection as 'globalised charity', and risks perpetuating aid dependency with no obvious exit strategy'. African governments themselves may also not prioritise social protection schemes so there is a need to convince them that such schemes are 'an investment in future economic growth' (Devereux, 2005).

Service delivery

The Tropical Health and Education Trust (THET) felt the report didn't go far enough in discussing how to deal with the problems of differential access to healthcare in

urban and rural areas. The fundamental issue is not necessarily resources but how to deliver benefits to the poor. This was echoed by the Rainforest Foundation who felt there was a greater need to emphasise education and health and the local level including the use of local languages and respect for nomadic lifestyles.

Overall the issue of the role of the state and non-state actors in service provision was left ambiguous in the report. Although there were calls for the rapid expansion of primary health and education provision, other sections of the report discussed the role of faith groups and business. Maxwell (2005) felt this needs to be discussed in more detail.

2.5. Going for Growth and Poverty Reduction

2.5.1. What the report says

The issue

With regard to growth, the message in this section of the report is unambiguous that growth is needed to reduce poverty. The report also notes that 16 countries in sub-Saharan Africa (SSA) have grown at 4% or more per annum. in the last decade. Priorities for growth are agriculture, especially small farms, small businesses in general, and also jobs in urban areas to counter-act what is described as 'premature urbanisation'.

Recommendations

In terms of recommendations, some of the key issues are:

- 'Changes in governance are needed to make the investment climate stronger.'
- Growth will also require a massive investment in infrastructure to break down the internal barriers that hold Africa back. Donors should fund a doubling of spending on infrastructure – from rural roads and small-scale irrigation to regional highways, railways, larger power projects and Information & Communications Technology (ICT).
- There should be particular emphasis on agriculture and on helping small enterprises.
- The programme for growth takes over a third of the total additional resources the CFA proposes.

2.5.2. Responses

Commentators in the UK made the following observations. These are grouped under 'factors leading to growth' and 'types of growth'.

Factors leading to growth

A surprise was the emphasis the report gave to infrastructure, out of the variety of factors that contribute to growth. In fact some termed this the main innovation of the Africa Commission, albeit an innovation that is consistent with some of the work of the UN Millennium Project, published early in 2005 as the Sachs Report. Maxwell (2005), for example, termed the rediscovery of infrastructure as 'probably the biggest single development story of 2005'.

Despite this emphasis, though, Sheila Page looked more closely at the figures and saw that the proposed budgeting for the new funds only suggested doubling spending on infrastructure – the same as for all types of aid spending: 'The figures don't seem to give as clear a picture of priority spending as the spin seems to imply' (See Annex 1 and 2).

John Roberts of the ODI felt that the CFA authors had shied away from (necessary) discussion about macro- and meso-economic reforms, about which many African countries have quite a good story to tell. The empirical evidence is that reforms have been helpful, at least eventually. Due to this omission, the implicit message is that any old exchange, fiscal, monetary, price, regulatory etc policies will do so long as

proximate development results seem to be achieved – this could be damaging in the longer term: ‘The effects of inefficient, destabilising and inconsistent policies will not immediately be apparent, but if the donors give them cover now, as they did before in the 1970s, they will come to regret it’.

Another surprising omission was the absence of any reference to land rights - vital to establish if a growth strategy is to be agriculture- and investment-based (Roberts).

John Roberts also noted that the ‘loud advocacy of aid for irrigation and for Small and Medium Enterprise (SME) development is not evidence-based’. Many evaluation studies have been carried out on such approaches, much of them showing unfavorable or at least ambiguous benefits.

The World Development Movement felt the role of policy conditionality was inadequately discussed. Although the CFA noted ‘the use of policy conditionality associated with external assistance should be strongly reduced’, WDM and other NGOs are strongly campaigning for policy conditionality to be scrapped altogether. The Rainforest Foundation, on the other hand, feel that policy conditionality should still be used to bring about reform in areas such as natural resource management and land rights, for example.

Finally, although the report trumpets the need for a Big Push, Lockwood noted that ‘big increases in aid for Africa have failed to produce a take-off into sustainable growth in the past’.

Types of growth

The report noted the success in recent years with improved growth rates seen in Ghana, Mozambique and Tanzania. David Booth felt this did not adequately take into account the fact that there are ‘big questions about the limited social impact of this growth’. This point was echoed by the Elliot in the Guardian who stated that there is ‘concern among many economists in that the report disregards inequality in its desire to secure growth’. There is a danger that Africa may follow the Latin American model whereby high growth rates come accompanied by rising inequality.

Too little attention was given to the environmental sustainability of growth strategies, was another point raised by the Rainforest Foundation. For example, the direct link assumed to exist between economic growth and poverty reduction may be too simplistic where growth strategies may depend on exploitation of natural resources. In such cases, once again, many are may become poorer as the country grows and such growth may not be sustainable over the long-term.

2.6. More Trade and Fairer Trade

2.6.1. What the report says

The issue

The analysis in the CFA report identifies that Africa faces two major constraints for trade:

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

The report notes, for example, that customs delays add over 10% to the cost of African exports. Exports to other African countries are constrained by poor infrastructure and high tariffs, and amount to only 12% of total African exports. And, in general, African countries just do not have the capacity to trade.

Recommendations

The recommendations in the report address the issues as follows:

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

For donor countries, reducing the barriers to Africa's trade means: (i) abolishing 'trade-distorting subsidies to their agriculture and agribusinesses'; (ii) 'lower tariffs and other non-tariff barriers to African products'; (iii) 'completing the Doha round of World Trade talks in a way which does not demand reciprocal concessions from poor African nations'; (iv) 'providing transitional support to Africa as global trade barriers are removed.'

2.6.2. Responses

Overall it was noted that there were inconsistencies in the treatment of trade in the report. Shelia Page found trade barriers called 'appalling' in all the references in non-trade sections, but arguments to the effect that 'Africa doesn't really face serious trade barriers', in the trade section.

Issues raised about this section dealt with: openness to trade; trading commodities; trade barriers in the North; and the WTO.

Openness to trade

Roderick felt that: 'The Commission deserves recognition for calling for global free trade, and recognises, at least, that trade is the ultimate answer, rather than aid'. The report doesn't quite bring itself to address the widespread view that African economies should be considered as 'infant economies', which need protection on

their own account in order to develop, though. Maxwell notes that the British Government, in the 2004 Trade and Investment White Paper, 'Making globalisation a force for good', were surprisingly sympathetic to this argument, explicitly recognising the argument for 'same destination, different speeds'.

Trading commodities

John Roberts felt that the paper is in danger of nourishing what he called 'victimisation psychosis' on trade: 'The points made on sugar and cotton are fair enough, but do not explain decades of falling market shares for these and other commodities. Asian exporters faced much worse barriers, and look what they were able to achieve.'

Furthermore, 'although the report shows how Africa has lost world market share in commodities in which it had a comparative advantage, it does not properly discuss marketing, transport and handling costs disadvantages and exchange rate overvaluations. It is good on the need to improve transport and communications infrastructure though' (ibid).

The World Development Movement felt that the CFA has 'little of use to say on the issue of commodity price collapse... nothing is said on the need for supply control or commodity agreements... (it) is a step backwards from the Brandt Commission in 1980 that called for stabilisation of commodity prices at a remunerative level and greater support for international commodity agreements'.

IDS work on 'Asian driver' economies – in particular, the growth of India and China – is also showing that this is pushing down the price of manufactures in Africa while commodity prices are rising: 'this trend has major implications for trade in Africa, which must be taken into account if the Commission's recommendations are to be implemented successfully'.

Aside from commodities, Sheila Page also noted that the report only had 'a few afterthought paragraphs on services and ... no mention of tourism'.

Trade barriers in the North

IDS agreed with many of the recommendations of the CFA report on trade. Rather than extending European Economic Partnership Agreements (EPAs) – which are forcing African countries to liberalise against their will, IDS proposes that 'the EU extend and develop its General System of Preferences (GSP+) scheme approved in early 2005 in order to provide African states with Cotonou-equivalent treatment'.

IDS termed the CFA recommendation of major cuts to agricultural subsidies in developed countries 'very radical'. However, the chance of progress on EU cutting its import duties is unlikely. Patrick Smith of the BBC stated: 'few in Brussels believe Mr Blair stands much chance of getting farm subsidies dismantled by 2010'. – France, Germany and Italy (all G8) benefit hugely from the EU's Common Agricultural Policy.

IDS analysis emphasised that EU 'Rules of origin' are 30 years out of date and a major hindrance to African exports. EU food and plant health regulations are also major issues for African importers.

The WTO

Regarding the current deadlock in WTO IDS felt that this could be alleviated with a 'development test' of WTO proposals: 'radical change is needed to the WTO provision on special and differential treatments (SDT). Unless there is such change, it seems unlikely that the Doha round will come to a successful conclusion. African and other developing country governments are entirely rational in refusing to agree to any proposal they do not fully understand and have not analysed. Their technical constraints and the highly labour-intensive mode of negotiation within the WTO mean that it is virtually impossible for them to be confident that they have fully understood all the minutiae of the proposals that are under review.' The CFA does not cover this in adequate detail.

Sheila Page noted that the CFA report section on multinational institutions basically only considered the World Bank and International Monetary Fund (IMF) - the WTO seemed to be only there 'as an afterthought'. Furthermore, in CFA analysis of these multilateral institutions, 'there is nothing on the potential benefits of African countries working with other countries with similar interests; it is all about Africa operating only as Africa'.

2.7. Where Will the Money Come From: Resources

2.7.1. What the report says

The issue

The basic call in the CFA report is for additional aid resources of \$25bn per year by 2010 and then, pending review, another \$25bn per year by 2015.

In their analysis however:

‘Ensuring the money is well-spent will depend on two factors. First, good governance in Africa must continue to advance. But, second, donors must significantly improve the quality of aid and how it is delivered: that means more grants, more predictable and untied aid, and donor processes that are less burdensome on the already stretched administrations of African countries. It must also be better harmonised with the aid of other donors and better in line with the priorities, procedures and systems of African governments. Above all, it must be given in ways that make governments answerable primarily to their own people.’

Recommendations

The headline CFA recommendations in this area are that:

- Rich nations should commit to a timetable for giving 0.7 per cent of their annual income in aid.
- Aid should be front-loaded through the immediate implementation of the International Finance Facility.
- For poor countries in sub-Saharan Africa which need it, the objective must be 100 per cent debt cancellation as soon as possible.

2.7.2. Responses

Responses here can be divided into those concerning the following topics:

Absorptive capacity

A divide can be seen on this issue between many of the NGOs and some analysts who work on aid policy. While NGOs are generally in favour of increases in aid, analysts raise concerns that a ‘Marshall Plan approach’ may be a recipe for the waste of a colossal amount of money. In particular, there is not enough emphasis on the aid effectiveness agenda. (Killick, Richard Dowden, Meghnad Desai)⁸

The view also emerged that there is not as much as there should be in the report on budget and expenditure management processes, which need to be toned up in order to absorb more aid efficiently. The messages on governance and transparency are good, but not alone sufficient (Roberts).

Simon Maxwell, on the other hand, was less negative than other analysts – he felt that ‘the report tackles this issue head on, and with some plausibility: there are several relevant appendices, including country case studies of Mozambique and Ethiopia which examine how aid has successfully been scaled up’.

⁸ Richard Dowden in *The Observer*; Meghnad Desai in *the Independent* (World Bank information service).

Priorities

Although there is a strong argument for a 'big push' the report sets out no priority areas, stating only that 'all areas need tackling together.' Some noted that this could be problematic if the expected level of resources is not reached. Jeffery Sachs made a clearer case for 'quick wins' to be focused on first in his recent report for the UN. As the CFA report doesn't seem to do this there is a danger is that by trying to do everything at once, the end result will be that not much can be achieved with the attendant risk of an increase in aid fatigue once again (Maxwell).

Debt

The Jubilee Debt Campaign were pleased that the report recognised that debt relief is 'hugely important' for Africa but that it 'has not been wide enough or deep enough' so far. Concerning the CFA's recommendations for: 100% debt cancellation as soon as possible; a 'transparent debt compact' as the means for delivery of debt cancellation; cancellation must be offered to non-Heavily Indebted Poor Countries (HIPC)s such as Nigeria; and the 'key criterion' for debt relief – 'money be used to deliver development, economic growth and the reduction of poverty for countries actively promoting good governance', Jubilee made the following comments:

- The new debt compact needs to be made swiftly – it must not become a cause for further delay
- Debt cancellation needs to be 'genuinely fair and transparent'. The IFI's SDTs have jeopardised this in the past. Although reform of the IFIs is necessary current debt relief procedures need to avoid being compromised by the fact that this will not occur anytime soon.
- The report importantly recognises that conditionality needs to be reduced – this must mean that debt relief is not used 'as a tool for imposing harmful economic policies on poor countries'.

International Finance Facility (IFF)

As Eurostat recently reached its conclusion that IFF borrowing will be considered as public borrowing other donors are less likely to endorse this method of raising the additional resources requested by the CFA report (Roberts).

The report's premise was that lack of resources is the problem

On a different note, a number of commentators felt that with its primary focus on finance and resources, the premise of the report had been that a lack of resources is the problem.

For example, although David Booth admires the aim to reverse the 'decline in aid flows that occurred during the 1990s, and improving the quality of aid', he feels that the opinions of Tony Blair and Gordon Brown on the need for more resources were 'never up for discussion': there is 'too much talk about finding more money, as if raising money for good and well-managed causes were really a problem'. Rather than focusing on finding funds, the greater need is to think about *why* funds *so far* have not made much difference.

Similar sentiments were echoed by Roderick who also questioned the need for new funding commitments when the long-standing 0.7% agreement has not been met by the majority of donors. Their analysis in fact reveals that meeting the 0.7% commitment will create more funds that are being requested in the CFA report. The

fact that the bar has been lowered here indicates that there is a lack of confidence that previous commitments will be met – the CFA proposals are therefore also unlikely to be met either.

Other

Roderick Africa felt that the lack of precise accounting for the huge sum requested 'leads to the entirely reasonable assumption that the authors lack confidence about either the likelihood of such mammoth expansions of funding, or on the report's recommendations being enacted, or both'. There is therefore a need to have precise accounting for the report to have a 'credible shape'. To emphasise their point they state that DFID wouldn't accept a grant application for 40% more funds than were clearly budgeted for but this is what the CFA report looks like.

The Rainforest Foundation felt that increasing the accountability of aid, mentioned by the report, is a good aim as aid expenditure is very accountable to the public even in donor countries, this would be very unlikely to happen in recipient nations.

3. Conclusion

All commentators emphasise that the report will mean nothing if the words are left to gather dust on a shelf. Although there may be some disagreement over the analysis, there is widespread agreement that actions need to be taken.

Although there has been some scepticism concerning the value-added of work that in many ways is similar to previous studies such as the 1980 Brandt North-South report, there are a number of important differences between now and when previous work of this nature was carried out. Three key differences are:

1. Never before has there been this much global admission that something needs to be done by all
2. The report is backed by incumbent governments – both in the UK and in many African countries
3. Africa is changing – recent growth can be seen and more peaceful multi-party elections are taking place

Decisions to be announced at the G8 Summit may have already been decided in 'back-room' discussions, but the analysis set out by the CFA report will be of value long after the Summit is over. This is not least due to the other significant events occurring in 2005 for the global development community: the UN Millennium Summit in September and the WTO Ministerial Meeting in Hong Kong in November.

In fact, whatever the outcome of the Gleneagles Summit and the other events this year, the in-depth analysis provided by the Commission for Africa report and the many considered responses to it, will continue to serve as useful material to inform future decision-making concerning assistance to Africa. The basic points are relevant to all:

- Africa is a major problem.
- It does affect us all.
- Much is changing.
- Much can be done.
- All have responsibility – action needs to be taken.

Change requires political will among G8 and other developed nations as well as in Africa. The CFA process has taken a small step towards building this. The challenge is to seize the opportunity 2005 offers to build on this to work together to make a difference.

Three issues can be seen to have particular relevance for Japan over the long-term:

Infrastructure: One of the big opportunities for Japan is the re-emergence of infrastructure. There is a new emphasis on economic growth, infrastructure and the productive sector (areas where Japan is seen as stronger). There are some key lessons to be learned from past experience (e.g. the key to successful infrastructure is also dealing with institutions). There is increasing interest for Japan to better understand and share the lessons of its aid and development experience in Asia.

Governance: As has been seen here, governance issues, particularly the political structures and systems of Africa, are viewed by many as *the* hindrance to Africa's development. Perhaps one particularly challenging area therefore relates to how Japan can respond to the new emphasis given to governance issues. This is an area where some other donors have invested heavily in building up their own capabilities. Currently Japan has much greater experience in technical areas of capacity building rather than political governance.

TICAD IV: Interestingly, in three years time Japan will also be hosting the G8 Summit. This will coincide with the fourth Tokyo International Conference on African Development (TICAD IV). This could potentially be another major opportunity to place African development high on the international agenda. Asia-Africa cooperation and mutual learning is already a core component of the TICAD process. As this was picked up on as a point missing from the CFA analysis, this could also be one useful way Japan can actively contribute during 2005 while looking forwards to 2008. TICAD IV could also play a valuable role in providing a review of the progress of the CFA.

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Informal comments made by John Roberts, Sheila Page and Julius Court, all ODI.

Annex 1: Costing of the Commission's recommendations - percentage breakdown

(taking no account of constraints of absorptive capacity*)

Additional annual public expenditure needed to implement each item of the Commission's package in full (US\$ billion)	75.0
Composition of Commission's Expenditure Recommendations	(per cent)
Governance (Chapter 4)	4.0
Peace and Security (Chapter 5)	2.0
HIV and AIDS (Chapter 6)	13.0
Education (Chapter 6)	10.0
Health (Chapter 6)	26.0
Social Inclusion (Chapter 6)	5.0
Growth, Infrastructure and Trade (Chapter 7, 8)	27.0
Mitigation of Shocks (Chapter 9)	5.0
Contingencies	7.0
Commission's Package of Recommendations (US\$75 billion)	100.0

Source: CFA report, p.317

Annex 2: Costing of the Commission's recommendations - detailed breakdown of costs
 (taking no account of constraints of absorptive capacity*)

	Resource Estimates for 2010 (US\$ billion)
Governance (Chapter 4)	2.6
- APRM trust fund	0.01
- AU Institutional Transformation Program	0.02
- Programme costs for AU (excl. Peace & Security)	0.02
- Improve statistical systems	0.06
- Higher education	0.50
- Science & technology (Centres of Excellence)	2.00
Peace and Security (Chapter 5)**	1.7
- Arms control	0.04
- UN peacebuilding fund	0.25
- Expand World Bank Post-Conflict Reconstruction Trust Fund	0.06
- Clearing arrears for post-conflict countries	1.00
- AU Peace Fund	0.30
HIV and AIDS (Chapter 6)	10.0
Education (Chapter 6)	7.5
- Primary education (incl. through FTI)	3.75
- Secondary education	3.75
- Extra for curriculum development	0.04
Health (Chapter 6)	19.6
- WHO/NEPAD health systems strengthening	1.50
- Human resources	5.00
- GAVI	0.50
- Polio eradication	0.00
- Malaria and HIV and AIDS vaccine development	1.00
- Sexual and reproductive health services	0.29
- Programmes against parasitic and infectious debilitating and blinding diseases and micronutrients	0.30
- 'Tuberculosis and HIV and AIDS linkages' program	0.25
- Commission for Macroeconomics and Health basic health package	10.58
- Protection against vitamin and mineral deficiency	0.14
Social Inclusion (Chapter 6)	4.0
Growth (Chapter 7)	20.1
- Infrastructure (incl. irrigation, water, sanitation, slum upgrading, transport, power)	20.00
- Investment Climate Facility	0.08
- MIGA	0.02
- Africa Enterprise Challenge Fund	0.01
- Youth Employment Network	0.01
- Growing Sustainable Business Initiative	0.004
Environment (Chapter 7)	0.01
Trade (Chapter 8)	0.1
- Meeting sanitary and phytosanitary standards	0.07
- Improve productive capacity	0.02
- Trade facilitation (incl. customs reform)	0.004
Mitigation of Shocks (Chapter 9)	3.8
Contingency Funding	5.6
TOTAL	75.0

* It should be noted that certain sectoral external financing exercises already make some assumptions on domestic resources.

** Peace & Security estimates are examples of possible activities and are NOT based on a 'full sector needs assessment'

Source: CFA report, p.353

Annex 3: Range of policy options for supporting better governance

approach	strengths	risks	'good practices'	which donors/ external agencies?	implications for the 2005 agenda
(Political/governance) selectivity	provide incentives to countries selected as well as to those close to meeting targets may allow to achieve quick wins in the countries which are selected	'donor orphans', what to do about poor performers with large-scale developmental challenges? contested criteria and judgements	transparent criteria and selection process harmonized among donors [?]	bilateral multilateral (EU/IFI)	can help to identify those countries to which scaling up and providing budget support is a good option is likely to miss most countries with poor prospects of meeting the MDGs experiment with varieties of selectivity (eg by defining different peer groups)
(Political/governance) conditionality	can provide incentives to any kind of country targets progress rather than past achievement	difficult to apply fairly across countries and over time encourages 'window dressing'	use sparingly works best when there is a bigger carrot than just aid (eg EU accession)	bilateral donors EU IFIs (governance)	can be relevant to reaching the MDGs if focussed on equity issues in countries with relatively strong and stable but unaccountable institutions (L-MICs)

		can induce political instability (can be seriously harmful)			
public sector capacity building	improving the effectiveness of the public sector	risk of failure when support by the political leadership is lacking	platform approach; tailoring intervention to countries' needs and conditions	all donors	not directly relevant for reaching the MDGs but important for ensuring sustained improvements in government and ultimately in development outcomes
political dialogue	can allow direct and frank exchanges with the political leadership seek influence through building trust	too soft for chronically bad governments diversion of developmental and foreign policy imperatives can be very personalised, risk of abrupt changes no enforcement mechanism	requires effective combination of foreign and development policy should be neither arrogant nor ignorant/evasive about problem areas	bilateral donors EU	if direct and frank may help donors to assess the commitment of governments to reaching the MDGs, to realise political constraints and to design intervention strategies accordingly
working with a range of political actors (parliaments, political parties, policy advocacy groups)	provide support beyond the executive to foster a better political culture	aid becomes too 'political', too much involved in partisan issues	capacity building for parliaments and parties	political parties and advocacy groups: bilateral donors through party foundations (and other channels)	not directly relevant for reaching the MDGs but important for ensuring sustained improvements in government and ultimately in development

				parliaments: wider range of bilateral and multilateral donors	outcomes
working with CSOs/NGOs	strengthen societal organisation, demand for better politics and policies	creates donor-dependent CSOs of little relevance in the country based on unrealistic expectations about the role of civil society where a wider positive political culture is lacking	pursue this as one component rather than exclusively avoid too much agenda setting by donors	all donors	not directly relevant for reaching the MDGs but important for ensuring sustained improvements in government and ultimately in development outcomes
Support for peer review mechanisms	regional promotion of better governance; can build on the self-interest of countries to promote regional development and stability standards and procedures tailored to regional situation	too soft on peers no follow-up	needs to be in-depth and rigorous needs to have follow-up mechanisms	regional governments supported by donors	if sufficiently rigorous may be used as one indicator for selectivity for scaling-up aid

Source: Fritz (2005)

Annex 4: Recommendations of ActionAid's 'African Commission for Britain'

- Stop forcing African countries to open up their markets
- Stop export dumping
- Reach the promised aid target of 0.7% of GDP
- Stop tying economic policy conditions to aid
- Cancel unpayable debt
- Ensure access to free and comprehensive treatment for people living with HIV and AIDS
- Stop UK corporations undermining basic human rights
- Cut carbon emissions
- Work to prevent and resolve armed conflict
- Stop supporting bribery and corruption in Africa

Source: African Commission for Britain; ActionAid (2005)