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PRESS RELEASE

AFRICA – TIME FOR CHANGE HAS COME

Blair: Africa's plight the 'biggest moral challenge of our generation'

11 March 2005. The time for excuses is over. Action needs to be taken to address Africa's poverty now. This is the message Prime Minister Tony Blair will deliver as he unveils the report of the Commission for Africa today.

The Prime Minister will say:

"There can be no excuse, no defence, no justification for the plight of millions of our fellow beings in Africa today. That is the simple message from the report published today.

"We cannot allow this to continue. It is, I believe, the biggest moral challenge of our generation. A challenge for all of us – for the governments of Africa and the countries of the developed world."

Addressing an international audience at the British Museum in London, the Prime Minister will call on rich nations to support Africa's own development initiatives - and deliver on the promises they have made to Africa.

For its part, Africa must continue to strengthen the foundation for its own development by driving forward progress on governance, democracy and tackling corruption and creating the right conditions for investment.

The Commission's report is based on an analysis of the causes of the problems Africa faces, and the actions needed to bring change. It argues for a comprehensive package, proposing actions which will need to be implemented together, for success. Governance and security are at the heart of the proposals, with a strong raft of measures for investing in people, generating growth and poverty reduction. This will require a major increase in resources, up to 100% debt cancellation for all low-income African countries, and above all, the international community and Africa working in partnership.

The Commission proposes increases in resources of $25 billion per year by 2010, and after a review of progress, a further increase of $25 billion by 2015. After this, the Commission would expect a further $25 billion to be generated internally, within Africa.

If the recommendations are delivered, the Commission argues that:

- Africa will become a more equal partner in the global community
- African countries will be able to achieve growth rates of 7%
- Africa will make a powerful acceleration towards meeting the Millennium Development Goals on halving poverty

The Commission makes specific recommendations on:

Governance

- Repatriation of illicitly acquired state funds and assets
- Endorsing the Extractive Industry Transparency Initiative and extending transparency principles beyond the oil sector, to forestry and fishing
- Supporting Africa's efforts to strengthen its own bodies and programmes, including funding for implementation of the results of the African Peer Review Mechanism

Peace and security

- Opening negotiations on an international arms trade treaty by 2006
- Supporting the establishment of a new UN peace-building commission
- Funding to support the African Union's work on preventing and resolving conflict.

Investing in people

- Funds for training one million nurses and doctors by 2015
- African governments to undertake to remove school fees for basic education to help every child go to school, with funding from donors until countries can afford it themselves
- An additional $7-8 billion per year to help African governments deliver quality education
- $5 billion over 10 years for colleges and universities
- $20 billion to support Africa's health services
- An extra $10 billion a year to help prevent, treat and care for people with HIV and AIDs

Growth and poverty reduction

- Extra $10 billion a year up to 2010 for investment in infrastructure, then a further increase of $10 billion for the next five years
- Setting up a $100 million Africa Enterprise Challenge Fund to support the private sector and small and medium sized enterprises
- $100 million over ten years to monitor climate change

More trade and fairer trade

- Investing in the capacity of Africa to trade
- Reducing internal trade barriers, reforming customs
- Developed countries to eliminate cotton and sugar subsidies immediately, and end all export subsidies to agriculture by 2010
- Make development a priority of the Doha Round at the next round of WTO meetings in Hong Kong, December 2005

Resources, aid and debt

- Doubling aid to sub-Saharan Africa, front-loaded by the International Finance Facility
- Give untied, predictable, harmonised aid, and mainly in the form of grants
- 100% debt cancellation as soon as possible for countries in sub-Saharan Africa which need it
- Develop workable proposals for international levies on air tickets.

The report demonstrates in detail that the proposed increase in aid of $25 billion can be used effectively and that Africa has the capacity to absorb these additional resources.

Notes to Editors

1. The Prime Minister will launch the *Our Common Interest: the Report of the Commission for Africa* at 9.00hrs GMT, Friday 11 March 2005 at the British Museum, London. He will be joined by fellow members of the Commission, Gordon Brown; Trevor Manuel; Hilary Benn; Anna Tibaijuka and Tidjane Thiam.

2. The report will be available online at http://www.commissionforafrica.org from 0930hrs GMT, Friday 11 March 2005. Hard copies will be available for press attending the launch event.

3. A 5-minute video will be available for broadcasters. Contact Media service bookings at Ascent Media, Tel: 0207 878 0000. E-mail: bookings@ascentmedia.co.uk

4. The report will also be launched in Addis Ababa, Ethiopia, by members of the Commission, including Prime Minister Meles Zenawi and K.Y.Amoako.

5. An executive summary of the report is at Annex A. A full list of the Report's recommendations is at Annex B.

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Commission for Africa

Our Common Interest
The Report of the Commission for Africa

Executive Summary

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

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

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

Getting Systems Right:
Governance and Capacity-Building

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

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

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

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

The Need for Peace and Security

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

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

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

Leaving No-One Out: Investing in People

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

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

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

Top priority must be given to scaling up the services needed to deal with the catastrophe of HIV and AIDS which is killing more people in Africa than anywhere else in the world. But this must be done through existing systems, rather than parallel new ones.

Governments should also be supported to protect orphans and vulnerable children and other groups who would otherwise be left out of the growth story. Almost half of the extra aid we are recommending should be spent on health, education and HIV and AIDS.

Going for Growth and Poverty Reduction

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

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

More Trade and Fairer Trade

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

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

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

Where Will the Money Come From: Resources

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

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

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

For poor countries in sub-Saharan Africa which need it, the objective must be 100 per cent debt cancellation as soon as possible. This must be part of a financing package for these countries – including those excluded from current debt schemes – to achieve the MDGs, as promised in Monterrey and Kananaskis.

Conclusion

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

Commission for Africa

Our Common Interest
The Report of the Commission for Africa

Recommendations

A. Governance and Capacity-Building

B. Peace and Security

C. Leaving No-One Out: Investing in People

D. Growth and Poverty Reduction

E. Trade

F. Resources

G. How to Make All This Happen

ANNEX B

Recommendations

Africa has begun to make progress in the long battle against poverty. But to sustain that will require a stronger partnership between African nations and those of the rich world. That means action, and change, on both sides.

Africa must take the lead in this partnership, take on responsibility for its problems and take ownership of the solutions – which are far more likely to work if they spring from African insights and judgments than if they are imposed from outside. The international community, for its part, must cease to do those things by which it harms or disadvantages the world's poorest people. It must do what it can to support the reforms which are underway in Africa; these must accelerate significantly if the continent is to prosper and poor people are to share in that prosperity. It must support Africa's regional initiatives, including the African Union and its NEPAD programme, to work together to generate and promote these reforms.

Some of our recommendations – on infrastructure, on health, on education – require significant transfers of money from the developed world to Africa. Others –underpinned by new approaches to African cultures – require changes to behaviour, ways of working and priorities. Others call on the international community to stop doing things which damage Africa. All these should be seen as an integrated package. Partners must work together to implement this package with commitment, perseverance and speed, each focusing on how they can make the most effective contribution.

ANNEX B

A: Recommendations on Governance and Capacity-Building

Weak governance has blighted the development of many parts of Africa to date. Weak governance can include bad government policies and an economic and political climate which discourages people from investing. It can also include corruption and bureaucratic systems that are not open to scrutiny and therefore are not answerable to the public. And it includes a lack of accountability and weakness in mechanisms to ensure that people's voices are heard and their rights upheld, such as parliaments, the media and the justice system.
At the core of the governance problem in many parts of Africa is the sheer lack of capacity of national and local government ministries, and the problems of recruiting and keeping skilled staff, equipped and motivated to do their job. The continent's regional and pan-African organisations, including the African Union and its NEPAD programme, which are so important to Africa's future, also need strengthening.

Investing in capacity-building

• Developed countries should give strong support – both political and financial – to Africa's efforts to strengthen pan-African and regional bodies and programmes, including the African Peer Review Mechanism.
• African governments should draw up comprehensive capacity-building strategies. Donors should invest in these, making sure that their efforts are fully aligned with these strategies rather than with their own competing priorities and procedures.
• Skilled professionals are key to building improvements in the administration and technical ability which Africa so gravely lacks. The international community should commit in 2005 to provide US$500 million a year, over 10 years, to revitalise Africa's institutions of higher education and up to US$3 billion over 10 years to develop centers of excellence in science and technology, including African institutes of technology.

Increasing accountability and transparency

• Parliaments in both developed and other developing countries should establish partnerships to strengthen parliaments in Africa, including the pan-African parliament.
• Independent media institutions, public service broadcasters, civil society and the private sector, with support from governments, should form a consortium of partners, in Africa and outside, to provide funds and expertise to create an African media development facility.
• Developed country governments, company shareholders and consumers should put pressure on companies to be more transparent in their activities in developing countries and to adhere to international codes and standards for behaviour.

• The international community should give strong political and financial support to schemes such as the Extractive Industries Transparency Initiative (EITI) to increase the transparency of payments made to, and received by, governments and should encourage its acceptance by all resource-rich African countries. It should support the development of criteria and a means of validating EITI implementation; and support and fund capacity building among public servants as well as civil society, by contributing to the EITI Multi-donor Trust Fund.
• Principles of transparency such as those in EITI should be extended to other natural resource sectors, including forestry and fisheries.
• Timber importing countries should ensure they do not trade in illegally acquired forest products and should procure only legally sourced timber and products.

Corruption

Corruption is a systemic challenge facing many African leaders. They must demonstrate renewed political will to fight it at all levels in the economy and society. Many African nations have begun this task. Increased transparency by African governments will assist this. But fighting corruption involves tackling those who offer bribes as well as those who take them.
• Developed countries should encourage their Export Credit Agencies (ECAs) to be more transparent, and to require higher standards of transparency in their support for projects in developing countries. Developed countries should also fully implement the Action Statement on Bribery and Officially Supported Export Credits agreed by members of the industrialised nations group, the OECD.
• Countries and territories with significant financial centres should take, as a matter of urgency, all necessary legal and administrative measures to repatriate illicitly acquired state funds and assets. We call on G8 countries to make specific commitments in 2005 and to report back on progress, including sums repatriated, in 2006.
• All states should ratify and implement the UN Convention against Corruption during 2005 and should encourage more transparent procurement policies in both Africa and the developed world, particularly in the areas of construction and engineering.

Strengthen information systems

• Good information is essential to informed policy making and effective delivery. Donors should provide the additional amount required to help Africa improve systems to collect and analyse statistics, to meet criteria normally regarded as an acceptable minimum (estimated at about an additional US$60million per year).

B: Recommendations on Peace and Security

The right to life and security is the most basic of human rights. Without increased investment in conflict prevention, Africa will not make the rapid acceleration in development that its people seek. Responsibility for resolving conflict in Africa should lie primarily with Africans, but there is much more the developed world can do to strengthen conflict prevention. Investing in development is itself an investment in peace and security.

Tackling the causes of conflict, and building the capacity to manage them

- To make aid more effective at reducing conflict, all donors, the international financial institutions, and the United Nations should be required to use assessments of how to reduce the risk of violent conflict and improve human security in formulating their country and regional assistance strategies.
- As a matter of priority and no later than 2006, the international community should open negotiations on an international Arms Trade Treaty (ATT).
- The international community must also adopt more effective and legally-binding agreements on territorial and extra-territorial arms brokering, and common standards on monitoring and enforcement. These agreements could be integrated into a comprehensive ATT.
- To speed up action to control the trade in natural resources that fund wars, the international community should:
- agree a common definition of ‘conflict resources’, for global endorsement through the United Nations;
- create a permanent Expert Panel within the UN to monitor the links between natural resource extraction and violent conflict and the implementation of sanctions. The panel should be empowered to recommend enforcement measures to the UN Security Council.
- OECD countries should promote the development and full implementation of clear and comprehensive guidelines for companies operating in areas at risk of violent conflict, for incorporation into the OECD Guidelines on Multinational Enterprises.

Building regional and global capacity to prevent and resolve conflict

The international community must honour existing commitments to strengthen African peacekeeping capacity, including support for training and logistics. But it must move beyond this to increase investment in more effective prevention and non-military means to resolve conflict.

• To enable the AU to act quickly and effectively to prevent and resolve violent conflict, donors should agree to fund at least 50 per cent of the AU's Peace Fund from 2005 onwards. As far as possible, and in return for the implementation of effective financial accountability by the AU, these contributions ought to be unearmarked and provided jointly on an annual basis. Where funds are provided directly to RECs, these should also be co-ordinated and, where possible, unearmarked.
• In 2005, the UN and regional organisations must take steps to clarify their respective roles and responsibilities, and the criteria for taking action to prevent and resolve conflict. They must also establish effective co-ordination mechanisms.
• In 2005, the UN Security Council should establish the UN Peacebuilding Commission, as proposed by the United Nations High Level Panel on Threats, Challenges and Change. It should have the powers and resources required to fulfil its mandate to prevent violent conflict, and co-ordinate post-conflict reconstruction.

Post-conflict peacebuilding

As well as supporting the UN Peacebuilding Commission to improve the co-ordination of post-conflict peacebuilding, we recommend further measures:
• Donors should fund the rapid clearance of arrears for post-conflict countries in Africa to enable early access to concessional financing from international financial institutions. In line with this report's recommendations on aid quality, they should also allocate long-term and predictable grant financing sufficient to meet the reconstruction needs of post-conflict countries.

C: Recommendations on Leaving No-One Out: Investing in People

There is no substitute for the large increase in resources that are required to reverse years of chronic under-investment in education, health and social protection. Effective use of these large new resource flows will require comprehensive plans for delivery and for monitoring results. To this end, African governments must continue to strengthen governance and ensure the participation of ordinary people and local communities in decisions on development. For its part, the international community must deliver what it has promised. Both African governments and international donors must ensure that opportunities are available to all.

Education

- Donors and African governments should meet their commitments to achieve Education for All, ensuring that every child in Africa goes to school. Donors should provide an additional US$ 7-8 billion per year as African governments develop comprehensive national plans to deliver quality education.
- In their national plans African governments must identify measures to get girls as well as boys into school with proper allocation of resources. Donors should meet these additional costs.
- African governments should undertake to remove school fees for basic education, and donors should fund this until countries can afford these costs themselves.
- To ensure that high quality education is delivered, African governments must invest in teacher training, retention of staff and professional development. Teacher/child ratios should be brought to under 1:40 in basic education. Donors should commit to predictable long-term funding to enable this.
- Education should provide relevant skills for contemporary Africa. Donors should fund regional networks to support African governments in the development of more appropriate curricula at all levels.

Health

- African governments should invest in rebuilding systems to deliver public health services. Donors should provide US$7 billion over five years for this, behind the Health Strategy and Initial Programme of Action of the African Union’s NEPAD Programme.
- Donors and African governments should urgently invest in training and retention to ensure there are an additional one million health workers by 2015.

• African governments should meet their commitment to allocate 15 per cent of annual budgets to health and put in place strategies for the effective delivery of health services. Donors should increase their funding to support these strategies, making up the shortfall, from an additional US$10 billion annually immediately and rising to US$20 billion annually by 2015. The assistance should go predominantly through national budgets.
• Where African governments remove fees for basic healthcare as part of reform, donors should make a long-term commitment to fill the financing gap until countries can take on these costs.
• Donors should fully fund the Global Fund to Fight AIDS, Tuberculosis and Malaria.
• Donors should commit to full funding of the Global Alliance for Vaccines and Immunisation (GAVI) through the International Financing Facility for Immunisation. They should also meet their commitments to the Polio Eradication Initiative to eradicate polio in 2005.
• The World Health Organization's 'Two diseases, one patient' strategy should be supported to provide integrated TB and HIV care.
• African governments and donors should work together to ensure that every pregnant mother and every child has a long lasting insecticide treated net and is provided with effective malaria drugs.
• Donors should ensure that there is adequate funding for the treatment and prevention of parasitic diseases and micronutrient deficiency. Governments and global health partnerships should ensure that this is integrated into public health campaigns by 2006.
• African governments must show strong leadership in promoting women's and men's right to sexual and reproductive health. Donors should do all they can to enable universal access to sexual and reproductive health services.
• Donors should develop incentives for research and development in health that meet Africa's needs. They must set up advance purchase agreements for medicines. They should increase direct funding of research led by Africa, coordinated by the Regional Economic Communities and in collaboration with the global health partnerships.

Water and sanitation

• Starting in 2005, donors must reverse the decline in aid for water supply and sanitation, to enable African governments to achieve the Africa Water Vision commitment to reduce by 75 per cent the proportion of people without access to safe water and sanitation by 2015. The G8 should report back by 2007 on implementation of the G8 Water Action Plan agreed in 2003.

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HIV and AIDS

• The international community must reach a global agreement in 2005 to harmonise the current disparate response to HIV and AIDS. This must be in support of bold and comprehensive strategies by African governments that take account of power relationships between men, women and young people.
• As agreed in the UNGASS Declaration of Commitment on HIV and AIDS, African governments and the international community should work together urgently to deliver the right of people to prevention, treatment and care. Donors should meet the immediate needs and increase their contribution to at least US$10 billion annually within five years.

Protecting the most vulnerable

• African governments should develop social protection strategies for orphans and vulnerable children, supporting their extended families and communities. Donors should commit to long-term, predictable funding of these strategies with US$2 billion a year immediately, rising to US$5 to 6 billion a year by 2015.
• Donors should support the African Union's NEPAD Programme to develop a rights and inclusion framework and support countries to develop social protection strategies by 2007.
• Donors and African governments should endorse and implement the UN Framework for the Protection, Care and Support of the Orphans and Vulnerable Children.
• Donors and African governments should provide direct budgetary support to pan-African organisations to support their work in protecting women and children's rights.

D: Recommendations on Growth and Poverty Reduction

Poverty in Africa will continue to rise unless there is greater economic growth – and of a kind in which poor people can participate. And none should be excluded. Policy makers must always consider the impact of policies on poor people. The package of proposals set out in this and other chapters should enable sub-Saharan African countries to achieve and sustain growth rates of seven per cent by 2010. And they will also boost the participation of poor people in the opportunities created by growth. In so doing they will work to reduce income inequality, which can undermine the impact of growth on poverty.
Our proposals here are divided in two. The first set relates primarily to promoting growth. Faster growth and greater poverty reduction require major investment in infrastructure, agriculture, urban development, the creation of a climate which fosters investment, and policies which take careful account of the environment and climate change. Growth will be driven by the private sector, but government creates the conditions for this – the challenge is to build a strong partnership.
The second set of proposals relates to promoting poor people's participation in that growth. In this, particular emphasis should be placed on much stronger opportunities and rights for women, who are often key to small enterprise growth. Young people need job opportunities. The business community can also play a part in these areas.

Promoting Growth

Africa needs an additional US$20 billion a year investment in infrastructure. To support this, developed countries should provide an extra US$10 billion a year up to 2010 and, subject to review, a further increase to US$20 billion a year in the following five years. This should support African regional, national, urban and rural infrastructure priorities – ranging from rural roads and slum upgrading to information and communication technology and the infrastructure needed to support greater integration of Africa's regions and to enable Africa to break into world markets.

African governments must unleash the strong entrepreneurial spirit of Africa's people. To promote this, donor governments and the private sector should co-ordinate their efforts behind the proposed Investment Climate Facility of the African Union's NEPAD programme. This requires US$550 million from donors and the private sector over seven years to identify and overcome the obstacles to doing business. In addition, developed countries should support a fund of the Multilateral Investment Guarantee Agency, the world's public agency for risk-bearing, to insure foreign and domestic investors in post-conflict countries in Africa. Support should also be extended to domestic investors across sub-Saharan Africa.

As part of a wider set of measures to promote agricultural and rural development, Africa must double the area of arable land under irrigation by 2015. Donors should support this, initially focusing on funding a 50 per cent increase by 2010, with an emphasis on smallscale irrigation. Other measures include improving the investment climate; rural infrastructure; research and the spread of new agricultural techniques; security of tenure and land rights, particularly for women; and investment in small towns to encourage the growth of local and regional markets.

Poor people's participation in growth

Developed countries should set up a US$100 million Africa Enterprise Challenge Fund to support private sector initiatives that contribute to small enterprise development by giving them better access to markets. The Fund will encourage new partnerships in the financial and non-financial sectors and contribute to the African Union's objectives of promoting job creation for young people and women's entrepreneurship.
African governments must take the lead in promoting employment for young people, both women and men, in their policies for growth. Donors should assist African governments in formulating and implementing national action plans on employment through the Youth Employment Network, as endorsed by the African Union.

Promoting the role of business

The Commission calls for a sea change in the way the business community, both domestic and international, engages in the development process in Africa. Businesses must sign up to leading codes of good social and environmental conduct, including on corruption and transparency, and focus their efforts on co-ordinated action to tackle poverty – working in partnership with each other, with donors, with national governments, and with civil society, including trades unions. In support of this, developed countries should support the UNDP Growing Sustainable Business initiative in the region. For their part, donors and African governments must develop more effective partnerships with the private sector.

The environment and climate change

In support of the Environment Initiative of the African Union's NEPAD programme, donors should strengthen environmental considerations in all their programmes. Donor governments and international institutions, including the World Bank, the UN Environment Programme (UNEP) and the UN Development Programme (UNDP), should encourage the inclusion of environmental sustainability in African government's poverty reduction strategies. These should include indicators for monitoring environmental performance.

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Developed countries should set targets for greater use of new cleaner energy technologies to stimulate the global market and encourage their use in developing countries. Donors should work to improve the climate observation network through the Global Climate Observation System, bilateral support, and a co-ordinated capacity building programme between donor and African research institutions. From 2008, donors should make climate variability and climate change risk factors an integral part of their project planning and assessment. They should meet their commitments on funding to help African countries adapt to the risks and impacts of climate change.

E: Recommendations on Trade

Increased trade is vital to increased growth. Africa's share of world trade has slumped to just two per cent from six per cent twenty years ago, and Africa has fallen behind its competitors. Africa faces a huge challenge if it is to reverse this and catch up. African governments must drive this process and be allowed to develop their own trade policies.

Action in three key areas by African countries and the international community, working together, could make this happen by: supporting African-owned strategies for building the capacity to trade; dismantling the rich world's trade barriers through the Doha Round of world trade negotiations; and providing transitional support to help Africa adjust to new trading regimes.

Improving Africa's capacity to trade

• And Africa must increase its capacity to trade. It should remove its own internal trade barriers between one African country and another. Measures to facilitate trade will be key, including reform of customs and other regulations. And it must increase efforts to achieve greater economic efficiency through integration and increased co-operation within African regions. Some of these steps will be relatively easy and low cost.
• Africa should do more to improve the economic environment for farmers and firms, backed up by major investments of aid from international donors to ensure Africa can produce and trade competitively. Funding for infrastructure should, in part, be spent on improving African transport and communications to bring down costs.

Improving Africa's access to the markets of the rich world

• Developed countries should ensure the Doha Round of world trade talks makes development its absolute priority at the December 2005 meetings of the WTO in Hong Kong. The Doha talks should conclude no later than the end of 2006 in order to make an early difference to Africa and other developing countries.
• Rich countries must agree to eliminate immediately trade-distorting support to cotton and sugar, and commit by 2010 to end all export subsidies and all trade-distorting support in agriculture when they meet in Hong Kong. At the conclusion of the Doha talks they should agree to reduce progressively all tariffs to zero by 2015, and reduce non-tariff barriers. By doing this they will cut massive wasteful spending, and provide huge benefits to their own public, and to Africa and other developing countries.
• Higher-income developing countries should also do more to reduce their tariffs and other barriers to trade with Africa.

• In making development a priority in trade talks, including in the new trade agreements Europe is currently negotiating with Africa, liberalisation must not be forced on Africa through trade or aid conditions and must be done in a way that reduces reciprocal demands to a minimum. Individual African countries should be allowed to sequence their own trade reforms, at their own pace, in line with their own poverty reduction and development plans. Additional financial assistance should be provided to support developing countries in building the capacity they need to trade and adjust to more open markets.
• Special and Differential Treatment must be made to work better for Africa and other developing countries, by making resort to legal disputes conditional on assessing development concerns. A review of Article XXIV of the General Agreement on Tariffs and Trade in order to reduce requirements for reciprocity and increase focus on development priorities may be useful.
• Although Africa wants to meet developed country product standards, it is struggling to meet the costs of doing so. Rich countries should apply a development test, including an impact assessment, when designing these standards, to minimise the barriers they may create, and urgently provide help to meet them.

Helping Africa adjust to new trade regimes

It will take time to build Africa's capacity to trade, and to deliver reform in the Doha Round. During this period, Africa will need transitional support if it is to make progress.
• Developed countries should remove all barriers to all exports from low-income sub-Saharan countries, by extending quota and duty-free access to all of them. This will cost developed countries very little. They should cease to apply rules-of-origin requirements in a way designed to hinder rather than help African exporters, by allowing Africa to source inputs from anywhere in the world, and requiring only that they add a minimum of 10 per cent of value in their processing. Europe's new trade agreements with Africa must move quickly on this. If all developed countries extended quota and duty free access to all low-income sub-Saharan African countries this could raise annual incomes in sub-Saharan Africa by up to $5 billion.
• Rich countries should also provide aid to help African economies adjust to a more open global trade regime, and to enhance the benefits to and limit the detrimental impacts on poor people.

F: Recommendations on Resources

To increase the growth rate in Africa, and to make strong progress towards the Millennium Development Goals, the volume and quality of external aid to sub-Saharan Africa must change radically. Aid to sub-Saharan Africa should increase by US$25 billion per annum over the next three to five years. This must be accompanied by a radical change in the way donors behave and deliver assistance, and by continued strong improvements in governance in African countries. We show that in these circumstances this increase in aid can be used effectively. Additional finance should be raised in various ways, including the immediate launch of the International Finance Facility.

Aid quality

- To improve the quality of aid an annual discussion should take place between the Development Ministers of the OECD countries and African Finance Ministers, along with representatives of civil society and international organisations. This should consider aid allocation criteria and make suggestions for a better distribution, including between middle and low income countries. In countries where governance and institutions are weaker, donors should seek to provide adequate and effective flows through appropriate channels, bearing in mind the need to avoid undermining national systems and/or long-term sustainability.
- Aid should be untied, predictable, harmonised, and linked to the decision-making and budget processes of the country receiving it. The length of the commitment should be related to the purpose: for example, aid for infrastructure and public expenditure support should be committed for terms longer than aid for technical assistance.
- Aid to Africa should be mainly in the form of grants.
- The use of policy conditionality associated with external assistance should be strongly reduced. Ways of strengthening mutual accountability, and of monitoring implementation, should be put in place. The activities of the IFIs and donors should support and not undermine, institutions of accountability in African countries, for example by helping countries to strengthen international codes and standards and by avoiding heavy burdens of reporting.
- Through a new facility, donors should help African countries to address problems caused by commodity-related shocks and natural disasters.

Aid quantity

- Aid to sub-Saharan Africa should be doubled, that is, increased by US$25 billion per annum, over the next three to five years to complement rising levels of domestic revenue arising from growth and from better governance. Following a review of progress towards the end of this period, a further US$25 billion per annum should be provided, building on changes in the quality of aid and improvements in governance.

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Debt relief

• For poor countries in sub-Saharan Africa which need it, the objective must be 100 per cent debt cancellation as soon as possible. This must be part of a financing package for these countries to achieve the MDGs, as promised in Monterrey and Kananaskis.
The key criterion should be that the money be used to deliver development, economic growth and the reduction of poverty for countries actively promoting good governance.
• Accordingly, work should begin immediately to establish a transparent debt compact to include all sub-Saharan African low-income countries, including those excluded from current schemes. It should cancel debt stock and debt service by up to 100 per cent, and cover multilateral and bilateral debt.
• As an urgent measure, financing should immediately be put in place to provide 100 per cent multilateral debt service cancellation, where this is necessary to achieve the MDGs.

Financing mechanisms

• Donor countries should commit immediately to their fair share of the additional US$25 billion per annum necessary for Africa.
• Ways of financing the doubling of aid to Africa should include the immediate launch of the International Finance Facility.
• Rich countries should aim to spend 0.7 per cent of their annual income on aid, with plans specified for meeting this target.
• Further work should be undertaken to develop workable proposals for specific international levies to raise additional finance (for example from compulsory or voluntary charges on airline tickets).

G: Recommendations on How to Make All This Happen

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

Strengthening the African multilateral institutions

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

Changing the multilateral organisations
Strategy

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

Voice

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

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Putting in place effective independent monitoring mechanisms

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