

New Partnership for Africa's Development (NEPAD)

FACT SHEET – the ECUMENICAL TEAM for the WSSD Johannesburg 2002

History

NEPAD originates from The New Millennium for African Recovery Program (MAP) proposed by President Mbeki of South Africa and Omega Plan proposed by President Wade of Senegal plans that were merged to form the New African Initiative (NAI). The latter name was changed on 23 October 2001 in Abuja, Nigeria, to New Partnership for Africa's Development (NEPAD). African Heads of States through their Implementation Committee, chaired by President Obasanjo of Nigeria, adopted the new plan, NEPAD.

For four decades, Africa has been subjected to several development plans and declarations of intent. Despite all these plans equitable and sustainable development which focuses on gender mainstreaming, eradication of poverty, equitable distribution of resources, food sovereignty and environmental sustainability have not been achieved. Most of the previous plans proposed by African leaders, such as the Lagos Plan of Action, were rejected or neglected by the Bretton Woods Institutions. NEPAD, the latest effort of Africa's leaders, was submitted to the July, 2002 G8 Summit in Canada.

NEPAD's Objective

“This New Partnership for Africa's Development is a pledge by African Leaders based on a Common vision and a firm and shared conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and sustainable development and at the same time to participate actively in the world economy and body politic.”

Critique

While NEPAD has gained praise from the G8 countries, the people of Africa, including trade unionists, farmers, community organisers and activists, academics, NGO and religious institution representatives, were excluded during its formation. In some African countries, even government officials are not fully aware of the content of NEPAD. How can such a plan succeed without the full participation of the people of Africa? Moreover, some critics see this plan as a "super Structural Adjustment Program (SAP)" for Africa, because it does not depart fundamentally from previous programs designed by the World Bank and IMF. It does not even analyze the failure of the SAPs in Africa. The plan aims at integrating Africa further into an asymmetric system that is dominated by a few powerful countries.

Also, the overemphasis on massive private investment as a source of funding creates an impression that, for the West, "Partnership" means seeing Africa only as an investment opportunity. A good number analysts in Africa conclude, therefore, that NEPAD is not a springboard for Africa's renaissance but rather a financial straitjacket based on a globalized system that plunged Africa into a whirlpool of poverty in the first place.

Financing NEPAD

NEPAD is estimated to cost USD64 billion annually. At its recent Summit, the G8 promised only USD6 billion. This amount was already mentioned in Monterrey where USD12 billion in aid had already been approved for developing countries, half of it would go to Africa. Yet it is estimated that if most of the wealth stolen from Africa and placed in Western Banks could be returned to Africa, nobody would need the G8.

NEPAD appeals for massive Foreign Direct Investment (FDI), based on a recognition that this source of funding is dwindling. P.38 of the NEPAD document states, "**The first priority is to address investors' perception of Africa...especially with regard to security of property rights, regulatory frameworks and markets.**" This position is consistent with the policies of IMF and the World Bank advocated over the last two decades. Partnership in this sense is seen as assurance to multinational corporations, commercial banks, and international financial and trade institutions, such as the IMF, World Bank and WTO, that Africa is investable, that it is easy to repatriate wealth and that it provides a secure environment for investors.

Empirical evidence shows, however, that private capital flows usually follow economic growth - and there is no such growth in Africa. UNCTAD's 2000 report reveals that Africa, with its poor growth prospects, has attracted very little FDI. Investors will certainly not be lured by promises of good governance and democracy. As the same report shows, Africa's share in FDI has declined from a yearly average of 2% in 1990-1994 to less than 1% since 1999.

The World Needs An African People's Development (APED)

An African People's Development should be designed with the full participation of the people of Africa. This inclusive plan should detach itself from the global neo-liberal agenda, and challenge the structure and rules of the current world economic and financial system. It should be a genuine African-led development strategy with the bulk of its financing coming primarily from the following sources:

First, Africa should mobilize its own private and public resources to finance its plan.

Second, African leaders should demand:

- the repatriation of and reparations for wealth stolen from Africa due to colonialism, corruption and plunder.
- unconditional debt cancellation for illegitimate and onerous debt caused by former corrupt regimes, their allies in the North and failed World Bank projects.
- access to markets in the North.

The plan should enable African leaders to join with other countries in the South to demand restructuring of the Bretton Woods System and the WTO as a condition for Africa, and the South generally, engaging with globalization on a relatively favorable basis. A framework for retaining capital in Africa should be outlined and implemented.

The Ecumenical Team is coordinated by the World Council of Churches in collaboration with the Sisters of Mercy. It includes members of several Christian denominations and other faith-based organisations and networks, and of other collaborating partners. For further information contact: +1-212-867-5890 or +41-22-791-6111; Johannesburg during WSSD: 011-804-3777.