

# Understanding the NEPAD Agency

*How to translate vision into practice?*

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This background paper is part of a series on the Political Economy Dynamics of Regional Organisations (PEDRO). It was prepared in March 2017. In line with ECDPM's mission to inform and facilitate EU-Africa policy dialogue, and financed by the Federal Ministry for Economic Cooperation and Development, BMZ, the studies analyse key policy areas of seventeen regional organisations in Sub-Saharan Africa. In doing so they address three broad questions: What is the political traction of the organisations around different policy areas? What are the key member state interests in the regional agenda? What are the areas with most future traction for regional organisations to promote cooperation and integration around specific areas? The studies aim to advance thinking on how regional policies play out in practice, and ways to promote politically feasible and adaptive approaches to regional cooperation and integration. Further information can be found at [www.ecdpm.org/pedro](http://www.ecdpm.org/pedro).

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# 1. Introduction

The new millennium saw some profound changes in the makeup of continental institutions in Africa with the transformation of the *Organisation of African Unity* into the *African Union* (2002) and with the creation of an entirely new one, the *New Partnership for Africa's Development (NEPAD)*. NEPAD emerged from three distinct processes: one process in support of democracy and good governance on the continent, another process of developing new partnerships within and beyond Africa, and a third one of attracting investments and improving terms of aid, trade and debt relief. This background paper answers questions about the political traction at national level to translate these objectives into practice, with particular attention to the role of NEPAD. The paper pays special attention to the influence of some of powerful states in Africa that shaped the NEPAD agenda and outcomes.

This paper distinguishes two major phases in the history of NEPAD. From its establishment in 2001 until 2010, the NEPAD Programme was managed through a Secretariat operating outside of the African Union (AU). But over time, with new government leaders replacing the initial African sponsors, the original drive and direction changed. In January 2010, the AU Summit decided to fully integrate NEPAD into the African Union structures and to transform the Secretariat into a Planning and Coordinating Agency, NPCA, or NEPAD Agency.

However, a recent high-level AU report has found that while the incorporation of the NEPAD Agency as a technical body of the AU may have materialised, "in practice it has not yet been fully integrated" (African Union, 2017, p. 10). Meanwhile, a third wave of wholesale institutional reforms has been called for, with direct implications for NEPAD. Section 2 lays out the major foundational factors, functions, governance arrangements and agenda characteristics of the first two phases of NEPAD.

The nature of the political traction behind NEPAD changed as its Secretariat became a core continental player. In order to implement its agenda, NEPAD had to mobilise resources, which was perceived by a number of pan-African stakeholders as competition for scarce budgetary resources. Section 3 deepens the analysis and explains the principle drivers as of the mid 2000s that resulted in the transition towards the NEPAD Agency in the second phase.

This report also tries to answer the question when and why NEPAD has enjoyed political traction and when it has been most effective. As the scope and ambition of the NEPAD agenda is too vast to do justice in this rather brief paper, it only looks at two sectors that exemplify some of the key drivers and obstacles, or the areas where NEPAD has political traction. Section 4 deals with one ambitious programme that was pivotal in launching NEPAD, the *African Peer Review Mechanism*, and with a specific NEPAD example of the Fisheries and Aquaculture Programme.

The report relies on a combination of desk work and a field visit. Interviews were held at the NEPAD Agency, the German Embassy in Pretoria, GIZ and the KfW Development Bank.

## 2. On assessing the political traction of NEPAD

### 2.1. Context and foundational factors

The 1990s were characterised by major institutional changes on the African continent against a

background of global evolutions. The latter included the geostrategic thawing in international relations following the end of the Cold War, further economic transformations (of production methods, transport and logistics, global trade patterns) and a repositioning of the place of Africa in the global economy, which saw emerging economies and new global players, including Brazil, India and China. Russia joined the leading seven rich countries that had formed the G7, which became the G8. In 1999 the G7 committed to cancel 90% of debt for a group of heavily indebted countries, many of which African. That same year, the world's 20 major economies, the G20, met for the first time, with participation of South Africa as the only African country. One year later, the world pledged - through the UN Millennium Declaration - to halve poverty by 2015.

In Africa, the process of decolonisation and democratic transformations expanded<sup>1</sup>. Such developments did not end violent conflicts, but marked the beginning of new avenues to resolve, prevent or contain major ongoing or (re-)emerging conflicts. Some of these conflicts resulted from intense political competition and the related transfers of power. Others related to deep rooted, hard to solve grievances or other causes. The genocide in Rwanda and the *Great African War* that it triggered (involving eight African countries at its height) proved to be a wake-up call to adapt the ageing continental institutions to new needs and potential.

Since the nineties and mid-nineties, Africa's two major emerging democracies, Nigeria and South Africa, increasingly engaged in peace building and conflict resolution. These *swing states*<sup>2</sup> shared concerns about the regional spillovers of violent conflicts, about the reputational damage to among others the investment climate, and about the continued military interventions on the continent by non-African forces. Both countries were run by charismatic, high-profiled and well-networked leaders. Together with other reform-minded heads of state they pushed to adapt the structures and mandate of the Organisation of African Unity to the changing environment. From these dynamics emerged the African Union.

Against this background, three sets of continental processes took shape, involving three sets of players; processes that ultimately converged around the creation of what became the *New Partnership for Africa's Development*. Unlike the African Union, which evolved from an existing continental organisation, NEPAD started as an appealing "big idea"<sup>3</sup> - or, rather, a compromise of three big ideas. This explains the initial political traction (see section 3), the organisational and governance structure, and the content priorities of the NEPAD agenda. Over time, the configuration of political and other drivers changed. This section outlines the two major configurations that emerged, i.e. the *NEPAD Secretariat* (2001-10) in which NEPAD operated more independently from the AU, and the *NEPAD Agency*, which in 2010 was integrated in the AU, with renewed attempts a few years later to further reform the institution and its modus operandi.

## 2.2. The *newness* of NEPAD (2001-2010)

### **Energetic beginnings**

When Africa's Heads of State and Government endorsed the policy framework of NEPAD in its final form at a special summit (October 2001), it was presented as an "African-owned and African-led development programme", a "pledge by African leaders", and a "long term vision". It set out to develop

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<sup>1</sup> Freedom House counted three *electoral democracies* in 1989, a figure that rose to 20 barely ten years later.

<sup>2</sup> Used as states with relative economic, diplomatic, military and political weight in influencing cross-country and regional dynamics.

<sup>3</sup> De Waal (2002) called NEPAD "both 'a big idea' and an umbrella for best practices".

a “new partnership” between Africa and the international community around common goals, principles and based on Africa’s “own agenda” and cultural, human, economic, ecological and political assets (NEPAD, 2001). The base document reflects critically on past efforts to “set out continent-wide development programmes” that have failed for “a variety of reasons, both internal and external, including questionable leadership and ownership by Africans themselves” (idem). The criticism of (neo)colonialism, Cold War patronage and structural adjustment programmes was balanced with self-critical comments about the lack of democracy in Africa, the weak culture of human rights and poor state legitimacy as prime reasons for underdevelopment.

The “new partnership” in the acronym referred to two types of partnership relations. Firstly, the end of the Cold War offered new opportunities in international relations, with emerging new global alliances and emerging economies. These opportunities were epitomised by the *UN Millennium Declaration* with its promise of developed countries increasing and improving aid, reducing debt, and increasing capital flows to developing countries, including in Africa. A second opportunity for partnering around development objectives, according to NEPAD, related to the spread of democracy on the continent, and the potential this offered for intra-African partnerships. NEPAD also openly criticised the numerous implementation gaps as many African governments did not implement the continental programmes or policies in vital areas such as “infrastructure, capital accumulation, human capital, institutions, structural diversification, competitiveness, health and good stewardship of the environment” (idem).

NEPAD called on the international community and on Africa to take a number of steps to fill these implementation gaps. It re-emphasised the need for combined international action on debt cancellation, more and better aid, trade agreements that offer improved access for Africa to markets, and foreign investments. NEPAD called on African leaders to abide by the principles of democracy, good governance, human rights and sound economic management so as to create the conditions for poverty reduction and sustainable development. It called on African leaders to “take joint responsibility” for eradicating poverty and for “halting the marginalisation of Africa in the globalisation process” (idem, p. 13).

### **Governance systems of NEPAD**

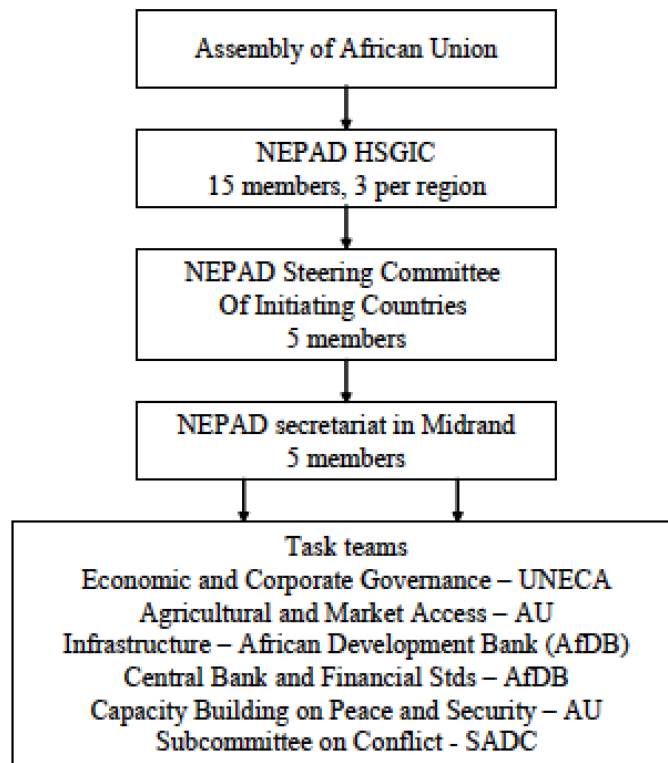
The governance of NEPAD involved a *Heads of State and Government Implementation Committee*, a *Steering Committee*, a *Secretariat* and *Special Task Teams*. The Implementation Committee had total discretion and only reported annually to the AU Summit. It met three times per year to take decisions on strategic issues and to review progress. It consisted of three government leaders of each of the five regions. The five presidents who had initiated NEPAD (South Africa, Algeria, Senegal, Nigeria and Egypt) each held a permanent seat in this Implementation Committee, with ten other members chosen from the three regions.

The Steering Committee consisted of the personal representatives of the initiating countries. The Steering Committee developed the detailed plan of action and oversaw the work of the NEPAD Secretariat. It met regularly with full participation of the AUC. The NEPAD Secretariat was based in Midrand, South Africa, and located in the *Development Bank of Southern Africa*. It took on tasks of liaison, coordination, administration, fundraising, feasibility studies and logistics. It outsourced work to lead agencies or experts.

According to the first CEO of NEPAD, the South African Wiseman Nkuhlu, the initial four years were characterised by active participation of the five founding Presidents, with strong backing from a small secretariat promoting the vision and mobilising financial support. Intense lobbying, conferencing and

advocacy within Africa and beyond marked the inception and kick-off phase of NEPAD.

**Figure 1:** Organogram of NEPAD governance system (Zimmerman et al., 2009, p. 46)



Internationally, there was a lot of applause for this promising and outspoken African newcomer. In Africa, however, many government leaders were more cautious, the more so as the first highly visible NEPAD programme, the African Peer Review Mechanism (APRM), related to promoting good governance and democracy through peer reviews. South Africa strongly promoted this programme, and did a lot of the heavy lifting to establishing the ground rules and lay the institutional and organisational foundations. Another visible programme, the Comprehensive Africa Agriculture Development Programme (CAADP), was launched at the Summit of July 2003.

Yet little consideration had been given to implementation of this agriculture and food security programme. This fell upon Regional Economic Communities (RECs) and member countries, and given the little preparatory dialogue and buy-in, there were considerable gaps in policy implementation (Nkuhlu, 2008). In order to fill these gaps, innovations were introduced in the governance system, such as the participation of the REC representatives in the NEPAD Steering Committee.

In addition to the challenges of implementation, there were also pressures on NEPAD to fully integrate into the AU system. While NEPAD had been recognised as an "AU Programme" as early as the Summit of July 2001 in Lusaka, the location of its headquarters in Pretoria - and not the AU headquarters in Addis Ababa - remained contested. There were also the uncertainties about funding, and the risks of competition with other AU organs over scarce external sources of funding. Nkuhlu in 2008: "The NEPAD Secretariat is in limbo. Its role in the implementation phase has not been agreed with the AU Commission. There is also lack of clarity about its funding. This is what must be resolved for NEPAD to regain momentum" (Nkuhlu, 2008).

### 2.3. Integration of NEPAD into the AU - from Secretariat to Agency

The integration pressures on the NEPAD Secretariat grew over time. Harmonisation, coordination and policy coherence were some of the buzzwords in the debates on NEPAD reforms and on its contributions to continental integration. As the NEPAD Secretariat operated loosely in relation to the AUC, one assumption was that integrating it more firmly within the AU system would enhance its effectiveness in its partnership roles through RECs and other AU organs. At the level of the AU and RECs, a protocol was signed in 2008 that provided the framework for relations between RECs and the AU. The agreement on a *Minimum Action Plan*, moreover, sought to contain the agenda overload and identify regional and continental priorities.

The need to integrate NEPAD into AU structures and processes was recognised as early as 2003, when the AU Summit of July mandated the Chairpersons of the AUC and the Heads of State and Government Implementation Committee to work towards operationalising such an integration within three years. However, by 2007, this was yet to be finalised, and the major institutional audit of the AU carried out the same year further reiterated the need for integration. It would take another two years for the Summit decision and the audit recommendation to be implemented.

In 2010, the NEPAD Secretariat was incorporated as an *Agency* into the AU. Despite the pressures to relocate its headquarters, its home base remained in Midrand, South Africa. The agency left the premises of the Development Bank of Southern Africa though. More importantly, as an agency, NEPAD's roles and responsibilities vis-à-vis the AUC were clarified to ensure coordination and planning as the technical body of the AU in the implementation of its mandate (Annual Report 2011).

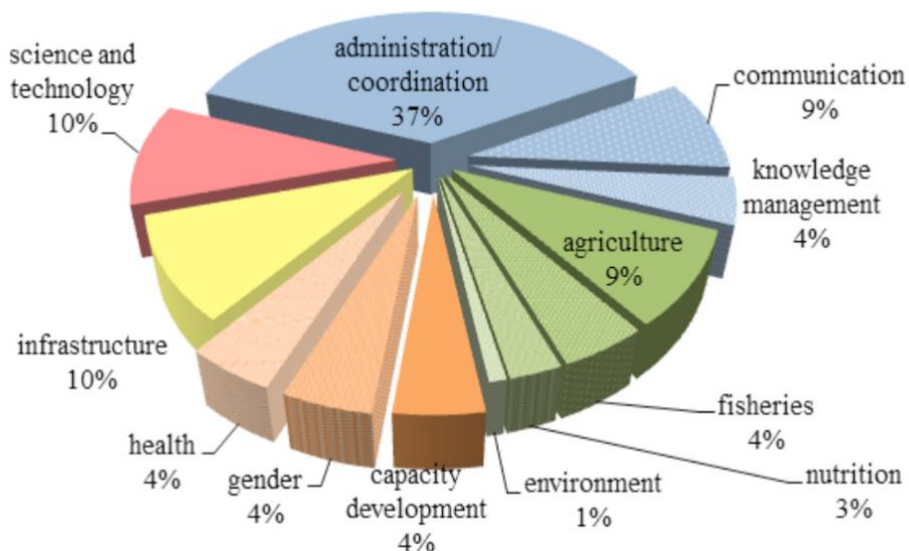
The governance structure changed, and the (*Heads of State and Government*) *Implementation Committee* turned into an *Orientation Committee*. It became a subcommittee of the AU Assembly that provides political leadership and strategic guidance on the implementation of the NEPAD Programme. The Orientation Committee (HSGOC) now consists of 20 member states elected by the Assembly. They represent the five regions of the AU. The Chairperson of the AUC also participates in HSGOC Summits and the CEO of the NEPAD Agency represents the agency on the Orientation Committee. The Chairperson of the Orientation Committee reports to the AU Assembly. The deliberations and decisions of this body steer the work programme of the NEPAD Agency, and it meets back to back with the Summit. The agency reports to the Steering Committee and to the AU *Permanent Representatives Committee*, which is the permanent AU organ in which all 55 member states have representatives.

Since these reforms, relations with AUC, according to the NPCA Annual Report of 2011, have improved “on the whole, on issues of resource mobilisation, particularly through joint sessions” (Annual Report 2012, p. 22). Furthermore, NEPAD's operating modalities were adapted to the AUC's, for example in staff employment rules and regulations. Further restructuring has resulted in a clustering into four strategic programmes: (i) industrialisation, science, technology and innovation, (ii) regional integration infrastructure and trade, (iii) natural resources governance and food security, and (iv) skills and employment for youth. In terms of staffing, the AU approved in July 2012 94 positions for the agency to be filled over a period of five years. By mid-2013 half of staff were in support functions. The other half consisted of professional staff distributed according to the relative financing importance of the programmes, with an emphasis on science and technology, infrastructure, agriculture and communication (see figure 2). The organisation had finalised a major recruitment drive by the end of 2016 (Annual Report 2016). As the NEPAD Strategy 2014-2017 indicates, the distribution of content personnel seems to be in line with the prioritisation by donors (NEPAD, 2014, p.



17). This may be read as an indication that the setting of priorities and allocation of human resources is dictated by the reality of the financial attractiveness to external funders of particular programme areas and sectors (see section 3).

**Figure 2:** NEPAD Agency staff distribution (NEPAD Strategy 2014, p. 17)



In January 2017, further reforms were announced to the AU institutions with direct implications for NEPAD. The *Kagame Report*<sup>4</sup> commented on the bloated AU agenda as the continental body “is currently involved in almost every area related to the continent’s development. The AU’s work lacks clear focus. This makes it difficult to channel resources strategically and results in a fragmented and ineffective organisation”. The report also remarked that coordination between the AUC and NEPAD “is still a challenge, with each conducting planning and resource mobilisation activities independently, in some cases even competing for the same financial resources”. It noticed that both NEPAD and the AUC focus on industrialisation and infrastructure, with parallel reporting channels from NEPAD to the AU Assembly and to the Permanent Representatives Committee. The Kagame Report recommended that NEPAD “should be fully integrated into the Commission, possibly as African Union’s development agency, aligned with the agreed priority areas and underpinned by an enhanced results-monitoring framework” (AU, 2017, p. 10).

### 3. On the political interests of member states

The genesis of NEPAD reveals some of the underlying political economy behind continental and regional dynamics in Africa. Against the bigger canvas of efforts to adapt the Organisation of African Unity (OAU) to the changing global environment, two parallel and potentially competing country led processes emerged around Africa’s relationships with the international community. Distinguishing the actors and factors in these two phases allows to refine the understanding of what shapes the NEPAD agenda, and the actors and factors that influence its added value and effectiveness.

<sup>4</sup> The Imperative to Strengthen our Union. Report on the Proposed Recommendations for the Institutional Reform of the African Union. By H.E. Paul Kagame, 29 January 2017.



### 3.1. First phase (1999-2010): the drivers behind the New Partnership

At the end of the 1990s, a number of dynamics unfolded in Africa that centred in one way or another on relations with the development partners as investors, trading partners or donors. Initially, five African government leaders played a central role in what became the *New Partnership for Africa's Development*. These champions kept the NEPAD Secretariat deliberately outside of the AU structures. Yet the changing dynamics around implementation of its mandate and a changing of the political NEPAD guards - with two most initial champions leaving presidency - created the conditions for its integration into the AU by 2010. The following major stakeholders and dynamics shaped the course of action.

#### From two to five champions

By the end of the 1990s two separate processes unfolded to mobilise external resources for Africa's development. One process revolved around the dynamics of the OAU and a few of its powerful member states. In July 1999 the OAU Summit tasked the presidents<sup>5</sup> of Nigeria (Obasanjo), Algeria (Bouteflika) and South Africa (Mbeki) to engage the international community on the total cancellation of Africa's external debt and on the closing of the digital divide. A year later, the OAU Summit broadened the mandate of the group of three to interact with old and emerging global players on a "genuine partnership" in support of Africa's recovery. As the title of the visionary plan suggests - *Millennium Partnership for the African Recovery Programme (MAP)* - it sought to inspire an *African Renaissance*<sup>6</sup> around political, economic, cultural and social regeneration.

Meanwhile, the Senegalese President Wade had launched a distinct process targeted at donors, but focused on mobilising external resources for Africa's transnational infrastructure development. His idea was to attract financial resources by selling development bonds and to allow for major subcontracting by Western companies to implement infrastructure works on the continent. This OMEGA Plan was presented at the Franco-Africa Summit in January 2001, but enjoyed little support beyond the *francophonie*.

Based on both plans, and on the resolutions on Africa of the *UN Millennium Summit* in 2000, the UN Commission for Africa developed a *Compact for Africa's Recovery*. This document was presented to the African ministers of finance and development planning in May 2001. The UN Commission for Africa refined the notions of improved partnership relations between donors (*development partners*) and recipient countries (*developing partners*). Experiments on "enhanced partnership" had been tried out between like-minded donors and developing countries such as Ghana, Mali, Rwanda and Uganda. Resulting innovations included principles of mutual accountability in support of shared development outcomes and ownership, as well as harmonised donor practices to reduce transaction costs of aid.

Concerned with fragmentation and weakening Africa's stand in the international community, the OAU Summit of mid 2001 gave five African heads of state - Senegal, Nigeria, Algeria, South Africa and Egypt - the mandate to come up with a joint plan, the *New Africa Initiative*. This initiative was well received at international forums of potential backers such as the World Economic Forum, the G8, and the European Union. Finally, the OAU Summit of October 2001 rebaptised the resulting outcome document as the *New Partnership for Africa's Development*.

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<sup>5</sup> At that time Algeria held the chair of the OAU, South Africa of the Non-Aligned Movement and Nigeria was chair of the Group of 77 in the UN.

<sup>6</sup> Before being sworn in as president in South Africa in June 1999, T. Mbeki had started campaigning around African Renaissance, and building a "genuine partnership" around a *New Agenda for African Recovery*.

So, the NEPAD document contained the core components of three continental processes. The presidents Bouteflika, Mbeki and Obasanjo led the first process. Especially Obasanjo and Mbeki left a strong imprint on the NEPAD agenda as they both mobilised considerable reputational capital behind the call for new ways of partnering. To get optimal support from African countries, the plan was framed in the language of *African Renaissance*, which affirmed the centrality of Africa's cultural heritage and common values. In order to raise the attention of the rich North there was a businesslike emphasis on investment<sup>7</sup>, trade and "new" relations with external partners. An uneasy compromise was reached between "Wade's grandiose OMEGA Plan for *grands projects* across Africa and Mbeki's more pragmatic idea for a secretariat that coordinates and seeks finance for major cross-border projects" (Africa Confidential, 2007). Wade's one dimensional agenda, with its emphasis on infrastructure development, was also integrated in NEPAD, minus the references to tied aid. Instead, the already well developed ideas from UNECA about "enhanced partnership" relations between North and South featured prominently in the NEPAD compromise text, and would shape part of its agenda and ways of working.

### External credit - internal friction

NEPAD prides itself of being homegrown, a continental initiative "by Africans and for Africans". Yet, there is a fundamental paradox to manage. At the core of NEPAD there are the shared objectives of its initiators to attract foreign investments, make external trade more attractive for Africa's development, have external debt cancelled, increase aid volumes<sup>8</sup> and improve the partnership relations underpinning all this. The global environment was ready for this new partnership, with the UN preparing for a global consensus around development goals, with pandemics such as HIV/AIDS and with unsustainable debt levels that all required coherent, development oriented partnerships. NEPAD offered just that.

The overtones of the project document were about forward looking reciprocity between development and developing partners. It called on African leaders to commit to "good governance", democracy, human rights and the rule of law as these were considered to be the conditions for poverty reduction and sustainable growth and the pillars for "enhanced partnerships" (NEPAD, 2001). NEPAD embraced the principle of mutual accountability, thereby stressing the need for donors to be accountable to developing partners for their promises and ways of working, but simultaneously emphasising the obligations of African countries to develop accountable and transparent governance, including the good governance of aid.

The latter part of this NEPAD message was not well received in parts of Africa as it was not in line with the widely held view of non-interference, of national level sovereignty and pan-African solidarity against externally imposed agendas. The process of establishing NEPAD coincided with debates with similar undertones but centred on transforming the OAU. Established in an entirely different era, with different background conditions of decolonisation and for entirely different objectives, this continental body was ill adapted to the new challenges, especially in the area of peace and security. While there was a lot of divergence among the member states about the direction the new pan-African body was to take, a few powerful countries - with strong ideas, resource base, scope of influence and networking abilities - aligned behind a shared reform agenda.

Among Africa's major powers, Nigeria felt that the costs of its contributions to peacekeeping in West

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<sup>7</sup> Together with Algeria, these three countries received most foreign direct investments between 1993-1998 (Taylor 2005).

<sup>8</sup> As agreed under the Millennium Declaration of the UN (2000).

Africa were getting too high and needed to be shared more widely. South Africa demanded a more assertive continental peace architecture, but it also stressed the need for democratisation, a cultural revival and a more attractive investment climate. Libya's Colonel Gaddafi saw his chance for pushing a grandiose project of political unification of Africa. Through his diplomatic offensive and financial hand-outs Colonel Gaddafi had mobilised a group of African countries behind the idea of a political union, the *United States of Africa*. Nigeria and South Africa opposed this plan, and sought a more gradual transition behind a functional common agenda in a purposeful continental architecture with a strong mandate and sufficient means to tackle instability and promote peace and security.

In the end, the moderate, pragmatic position won the day. These debates may have played a role in the preferences of President Mbeki and President Obasanjo to keep NEPAD outside of the OAU or its successor-in-the-making, the AU. Both presidents were careful not to expose NEPAD too much to the Libyan sphere of influence, with the likely fallout on the readiness of global players to support the initiative (De Waal, 2002). Neither did President Mbeki want to see NEPAD subjected to the slow and cumbersome procedures of the OAU - with its practice of consensual decision-making - and machinations of ill-governed countries, as this would paralyse NEPAD.

At a rhetorical level, developed countries engaged positively with NEPAD. NEPAD's presidential pioneers were invited to the global forums of the G8 (later also the G20), the World Economic Forum, and the Organisation for Economic Cooperation and Development in Paris (OECD). Major donors, including the European Union, the UK, Germany, Japan and the US, considered the partnership ideas to be innovative and encouraging. NEPAD ideas echoed well with the global consensus that had emerged in 2000 around the UN Millennium Development Goals (2000) and were also in line with the global consensus to improve the effectiveness of aid<sup>9</sup>. Overall, the NEPAD contribution to building external partnerships was recognized and welcomed (AU, 2007). However, these interactions with the global forums may have also contributed to inflating the 'big idea'-component of the NEPAD agenda and to some overselling on hard-to-keep promises of governance reforms (De Waal, 2002, p. 464).

### **NEPAD's hard landing**

Seven years into its existence, NEPAD had not managed to convince donors to take appropriate actions to back up their rhetorical support with deeds. The main architects from the early days were on their way out. Initially, President Mbeki had found a staunch supporter in the UK Labour government. A number of European donors were prepared to support bits and pieces of the NEPAD agenda. However, the decisive financial push from the world's largest donors - the EU, Japan and the US - did not materialise. Some of the major assumptions underlying NEPAD were too weakly grounded to win over donors to support the NEPAD Secretariat and its programmes in decisive ways. Also, in the area of trade and investments the big push forward wasn't made. There were numerous factors at work that help explain this reluctance, many of which relate to the structural diversity between African countries in terms of levels of development, size of economies, institutional capabilities, political institutions, military and diplomatic power etc.

Hence, different African countries signed up to NEPAD for different types of *partnerships* and with the West and for different envisaged outcomes and interests. For the more developed and connected African economies, access to markets and potential investors was far more important than aid. The Senegalese President Wade stood for those on the continent who called for Western aid for

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<sup>9</sup> A global agreement was reached in Paris on the so-called *Paris Declaration on Aid Effectiveness (2005)*, later updated and expanded in the *Accra Agenda for Action (2008)*, and the principles of development effectiveness (Busan, 2011 and Kenya, 2016). NEPAD and the African Development Bank were the first pan-African institutions to sign up to the Paris Declaration.

transfrontier infrastructures development (as per his original OMEGA Plan). Five years into NEPAD, he considered the undertaking a failure as it had not attracted the foreign funding for cross-border projects in Africa (Africa Confidential, 30th November 2007). Generally speaking, aid dependent African countries prioritised the volume of aid and the types of aid modalities. And the highly indebted African countries stressed cancellation of debt, and were prepared to *signal*<sup>10</sup> to the donors their willingness to introduce major reforms to their governance systems. Debt has been largely canceled and there has been a gradual increase in the level of aid. Still, it is not possible to credit NEPAD for these changes, or assess its likely contribution.

More importantly, the realisation gradually sunk in that major changes or impact on the ground would not materialise any time soon (Nkuhlu, 2008). Implementation of the overall NEPAD strategy rests with national governments, RECs and the AU organs. Nkuhlu, a former chair of the Development Bank of Southern Africa, was advanced by President Mbeki to become the first head of the NEPAD Secretariat. After he had served his term, he felt that “the centre of activity should have shifted from the NEPAD Secretariat to the implementers from 2004 onwards” (idem, p. 4).

Importantly, few in the West believed that AU member states, merely by being member of NEPAD or making strong statements at pan-African summits, would substantially improve the situation at home in politically laden areas such as human rights, competitive democracy, abidance by the rule of law and inclusive development. Or as Herbert expressed it, “It is clear that a few people attending a conference do not have the clout to change the direction of the ship of state. NEPAD needs a far more robust form of engagement at national level”. Hence, “only token funds would flow to the NEPAD Secretariat. In all other respects, existing aid systems would remain in place” (Herbert, 2008). It became obvious that African governments would have to deliver on their good governance pledges first, before the West would support in substantial ways their reform efforts.

This reluctance of main donors to visibly and fully support NEPAD or effectively deliver on commitments made about *good donorship*<sup>11</sup> weakened the position of the NEPAD Secretariat and its backers. Disagreements between the presidential pioneers further weakened the NEPAD appeal. Such disagreements revolved, for example, around the interpretation of causes of political conflict and instability in Zimbabwe. President Obasanjo differed with President Mbeki’s approach to the crisis in Mbeki’s northern neighbour. The Senegalese President Wade even openly undercut Mbeki’s mediation efforts in Zimbabwe by offering his own contribution as it couldn’t be left alone to Mbeki. By 2009, many of the political backers of NEPAD had left office: Mbeki, Obasanjo, but also President Chissano (Mozambique), President Mkapa (Tanzania), President Kufuor (Ghana) had left the national political and pan-African scenes. At the South African political scene, the embattled Mbeki had to give way, to a successor who shifted attention to domestic priorities. Under the new President Zuma, South Africa lost much of its voluntarist glow and global appeal in the area of good governance and democracy<sup>12</sup>.

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<sup>10</sup> See also Synthesis report of PERIA (Vanheukelom et al., 2016, p. 13) reflecting on this aspect of signaling support for donor induced reform measures that primarily look good on paper, rather than improve institutional functions.

<sup>11</sup> Those principles relating the donor commitments about development effectiveness of the Paris, Accra and Busan global compacts (see infra).

<sup>12</sup> According to the latest count (January 2017) President Zuma has been charged with 783 counts of corruption and fraud by South African prosecutors (*The Economist*, 21 January 2017).

## 3.2. Second phase (as of 2010): agenda inflation and budget constraints

### Pressures on the agenda setting

Soon after it was established, sustained calls were made to integrate NEPAD into the AU, but it was only at the AU Summit of January 2010 that this integration materialised. In the early days of NEPAD the five pioneering presidents participated in the meetings of the Heads of States and Government Implementation Committee and played influential roles. Before the meetings of the AU Assembly, they would have separate meetings to prepare the NEPAD agenda and report to the AU. Nigeria and South Africa were also the principal African funders of NEPAD's operational budget, so they exerted considerable influence. Gradually, the influence was shared with other NEPAD driven instances such as the sectoral ministerial conferences around the key areas of work - agriculture and food security, governance, environment, fisheries, infrastructure development (interview, January 2017).

Over the years, both as a Secretariat and as an Agency, NEPAD staff have managed to carry the weight of an expanding agenda and further fragmentation of the sources of funding. The number and diversity of activities in priority policy areas that touch on all aspects of Africa's sustainable development agenda increased. What started with principally two main areas of work - a food security agenda and promotion of good governance - has expanded to infrastructure development, climate change, gender, innovation, medicine, energy, capacity development, and many other topical issues. In 2007, the AU audit report had already commented on agenda inflation and was "of the view that the spread of [NEPAD] activities has represented a major impediment that needs to be addressed" (AU, 2007, p.141). The pressures behind further agenda inflation have mounted with the integration into the AU.

With the new NEPAD governance system, a larger number of member countries feel entitled and have more ways to voice their own priorities and define the agenda. NEPAD no longer only reports to the members of the *Heads of State and Government Orientation Committee* (which replaced the Secretariat's *Implementation Committee*) but also to all the members of the Permanent Representatives Committee of the 54 member countries in Addis. The Orientation Committee is now one of the subcommittees of the AU. Interviewees within the NEPAD Agency confirm that this has contributed to a general recognition of NEPAD as a technical body of the AU and the RECs (interviews, December 2017). Yet, this participation also comes at a price. While the NEPAD Agency has tried to prioritise its agenda within four thematic areas, there are now more actors who sense they have a legitimate voice and expect their priorities to be integrated in the agenda. Hence, the "agenda gets really bloated, and we still face resource constraints" (interview, January 2017). There is a "fine balance to be found between what can be done and what is relevant for Africa and what donors are pushing" (idem), or "to solve the discrepancy between its increasing responsibilities and uncertain future resources" (NEPAD, 2014).

### On the sources, volume and preferences of funding

Reforms have been introduced to the budget and budget process with the creation of the NEPAD Agency. Some of the budget related challenges have also a direct impact on agenda inflation and ownership issues. On the basis of rather scarce publicly available budget data, the following picture can be deduced.

Since the integration of NEPAD into the AUC, the Agency draws its financial resources mainly from three sources. First, NEPAD receives an amount from the annual AU budget, a contribution that cannot increase with more than 5% annually (interview January 2017). The AU budget financed the Agency for the first time in 2010 with US\$4.4m to cover the costs of its integrating in the AU structures

and processes. Income from the AU decreased in 2011, but increased for the period 2011-13. In 2015, the approved appropriation from the AU amounted to US\$7.3m (Annual Report 2015). This is considered to be a guaranteed source of financing, and is meant to contribute to covering operational costs.

Secondly, the NEPAD Agency receives voluntary contributions from AU member states, mostly from the members of the Orientation Committee (the standard contribution from smaller economies is US\$ 100,000; Cameroon stands out with US\$500,000), with more substantial contributions from its five original country leads (each US\$1m). The AU and member states contributions largely cover the operational costs<sup>13</sup>. The NEPAD Annual Report 2015 reported that the voluntary member states contributions from Rwanda, Senegal, Nigeria, South Africa, Kenya, Ethiopia and Zimbabwe amounted to US\$2.4m. The Annual Report 2013 refers to member states contributions of US\$9.25m, a difference for which we have not found an explanation yet.

A third source of financing is mostly earmarked donor funding for programmes. These amounts are off-budget. The agency reported that it had managed to maintain donor support in sectors of agriculture, fisheries, science and technology, gender and ICT. Main donors included UK, Spain, Sweden, Germany, World Bank, and the *Bill and Melinda Gates Foundation*. The agency derives a management fee of about 1.3% on the overall volume of programme support it receives as a contribution to sustain some of its core support functions (NEPAD Strategy, 2014). In its analysis of the 2009-2013 trends, NEPAD indicates that the agency's budget "originates mainly from donor funding (just under 80%<sup>14</sup>). This situation impedes full ownership of our development agenda" (idem, p. 18). During that period, the agency received a total of \$84.7m<sup>15</sup>, of which:

- 54.3% originated from donors - exclusively earmarked for programme funding
- 18.4% came from the AU subventions
- 26% was provided from member state contributions, mainly from among the group of five original sponsors of NEPAD
- 1.3% from management fees.

Bartsch (2016, p. 37) provides the following figures: 2014/15: US\$81m (of which US\$33m from member states and US\$48m from donors) and for 2015/16: US\$80.8m (of which US\$38.2m from member states, US\$42.6m from donors). Budget transparency and comparability over time is rendered difficult by the use of differing data categories. The Annual Report of 2016 reports that US\$25m had been budgeted for programmatic delivery, and that during the first three quarters of the financial year US\$18.3m had been released. Yet in a separate table, the budgeted amount for programmes is listed as US\$13.7m, with US\$6.1m spent by the third quarter of the year (expected to increase during the last quarter of the year to US\$10m). While there is some difficulty in interpreting the different sets of data, they indicate two trends. The scope of activities and the funding for NEPAD operational costs and programmes are increasing. Secondly, the dependency rate on external funders has increased as the programme funding seems to have taken a bigger part of the growth of the NEPAD budget.

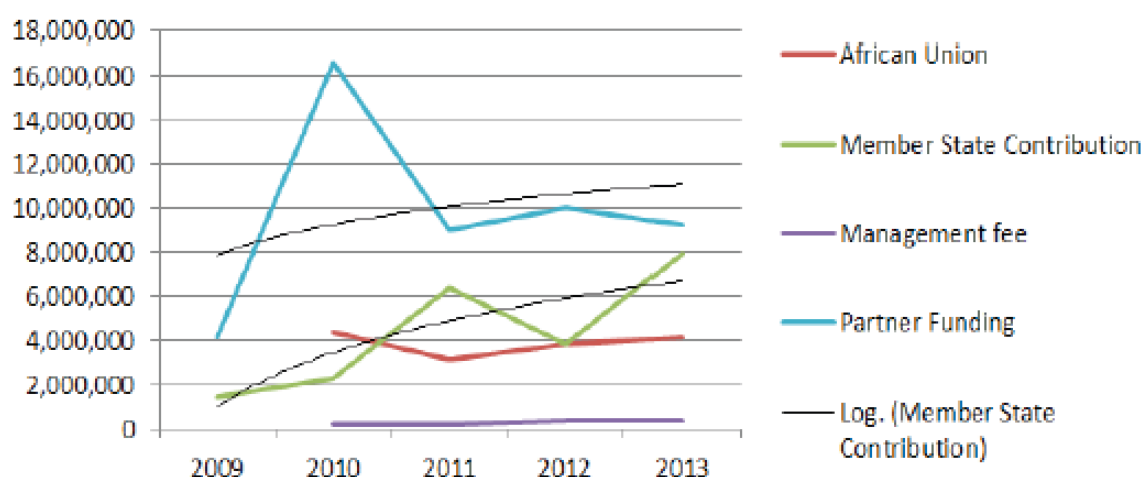
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<sup>13</sup> The author could not access systematic data on member contributions over time, hence it is impossible to assess predictability of this source of funding. This is largely in line with the lack of data for the AU (see also chapter 2, PERIA report on the African Union).

<sup>14</sup> This figure does not correspond with the 54.3% in the next paragraph (all figures from NEPAD Strategic Plan 2014-2017). Major donor partners include: AfDB, Bill and Melinda Gates Foundation, CIDA, DANIDA, DfID, KfW, Norfund, Spanish Ministry of Economy and Competitiveness.

<sup>15</sup> The figure of US\$84.7m does not add up when compared with the data in the accompanying figure in the Strategic Document.

**Figure 2:** Trend on income received 2009-13 (NEPAD Agency, 2014)



Currently, the NEPAD expenditures reflect “the importance of some major funding agencies” and their preferences for agriculture, food security and nutrition (funded by a pool of donors through a multi-donor trust fund), capacity development and gender (due to a large grant from Spain), for human development and for education (Bill and Melinda Gates Foundation and China), to give but a few examples. While these are preferences that more or less align with the vast NEPAD agenda, the practice of earmarking by donors risks skewing the balance between different NEPAD priorities. Furthermore, there is a danger that donors add or impose their own priorities. Another example of such risk included the agreement end 2016 between a major donor and the AUC chairperson to support a programme for reducing youth unemployment on the continent through NEPAD. Admittedly, the Agency was ill prepared for tackling such typically country level policies (interviews in: Addis Ababa, May and November 2016; Pretoria, December 2016; January 2017).

### On predictability of funding

These sources of funding also influence their predictability as they are governed by different sets of rules. The three sources and channels of funding contribute to erratic funding:

- The AU funding of the NEPAD Agency comes through the AUC budget. It was hoped that the restructuring of the Agency would enhance the contribution from the AUC, and thus also improve ownership. The ownership link with the AU, however, is not that straightforward and unproblematic, though. Nor is the funding that predictable given the AU’s own income vulnerabilities. Still, this source and arrangement offer more predictability as the agency is now integral part of the AUC, with the AU assuming legal obligations towards the agency’s personnel.
- The contributions to NEPAD from the member states are voluntary, which comes with a degree of unpredictability. Historically, contributions from the five founding members have been important. Funding increased from 2009-13, mainly due to Nigerian and South African voluntary contributions. Senegal also increased its contribution in 2013. Egypt and Algeria, two other founding partners, have stopped their contributions meanwhile, with other countries joining the club, including Rwanda. This Central African country plays an ever stronger role in the debates about resource mobilisation at country level and in the context of financing Africa’s continental organisations.



- The amounts of funding from donors “are poorly predictable from one year to the other and are uneven” (NEPAD Agency, 2014, p. 18). 2013 showed a decrease in donor funding, and there is also a tendency to further fragment the contributions (from nine contracts in 2009 to forty-one in 2013), thereby lowering the amounts per contract and increasing the transaction costs.

Erratic funding hampers the possibilities to plan, to develop strategic and responsive human resource policies, and to engage in effective implementation. The Strategic Plan pointed out that while there have been periods of better execution capacity (reflected in a healthy ratio of budget income and expenditure) the 2013 figures showed that this trend was still fragile. The figures for 2016 (although indicative for only the first three quarters of the year) projected an expected expenditure ratio of 73% by the end of the year (US\$10m out of budgeted programme budget of US\$13.7m).

If the gap between planned programme budget and spending persists or widens, this “might also affect the readiness of funding partners to sustain disbursements” (idem, p. 19). The NEPAD strategy, therefore, proposes to “focus on improving the responsiveness to opportunities offered by new sources of financing”. Yet, in case these new sources of financing<sup>16</sup> don’t resolve the underlying flaws of the current funding modalities, or remain too tightly tied to donor preferences and modus operandi, the proposed cure may result in further loss of ownership by African member states.

## 4. On the areas with most traction for continental cooperation through NEPAD

This section answers the question about political traction of NEPAD with member states in two specific areas of work. It takes the political economy approach to the sector or issue specific level. Given the vastness of the NEPAD agenda this report concentrates on two programmes. It deals with one of NEPAD’s earliest and most visible programmes, the African Peer Review Mechanism (APRM), and with one project in the NEPAD programme of *Natural Resources Governance and Food Security*. This choice cannot do justice to the variety of NEPAD activities<sup>17</sup> and areas of work. But by focusing on the issue-specific actors and factors they can reveal where, why and at what level NEPAD can make a difference, and the specifics of the political traction.

### 4.1. The African Peer Review Mechanism - on the politics of governance

The *African Peer Review Mechanism* was the first flagship and breakthrough programme of NEPAD. It was well received by the international community - and a bit more hesitantly within Africa. Technically well designed, the political ambitions in terms of APRM contributions to encouraging “good governance” and democratic objectives seemed at odds with the political realities and incentive environment in African countries, as the Kenya case illustrates. Meanwhile, the APRM has entered into a new phase, with attempts to revive it.

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<sup>16</sup> The *quest* for new sources of funding has a long history, and though there are some concrete proposals being vigorously pursued by the AU, quick solutions that extend to NEPAD don’t seem to be on the horizon yet.

<sup>17</sup> Other programmes, such as the *Programme for Infrastructure Development in Africa*, the *Comprehensive African Agricultural Development Programme* and the AU efforts on climate change are dealt with in *The Political Economy of Regional Integration. The African Union* (PERIA, Vanheukelom, 2016).

## The assumed power of peering

The nineties in Africa saw a “parade of state dysfunction” (Herbert, 2003) with abuse of power that sparked conflict, state collapse and genocide. In their blue-print model for African renewal, President Mbeki and President Obasanjo pushed for NEPAD to break with the principle of non-interference that had allowed some of Africa’s leaders to get away with plunder, stolen elections, coups d’états and gross human rights violations. At its launch in October 2001, NEPAD spelled out that “development is impossible in the absence of true democracy, respect for human rights, peace and good governance”. It also introduced a mechanism whereby consenting African leaders would be judged by their peers. The *African Peer Review Mechanism* was formally launched at the inauguration Summit of the African Union, with seventeen countries voluntarily joining during the kick-off phase.

As of December 2016, 35 countries had signed an APRM memorandum of understanding and had agreed in principle to a peer review process. There have been 17 country reports and peer review cases. The process took a rather energetic start, with Ghana, Mauritius and Rwanda setting the tone, to be followed by Kenya, South Africa, Mozambique, and Algeria. All countries signing a memorandum automatically join the *African Peer Review (APR) Forum*. The APR Forum represents the highest body governing the peer review process. The heads of state of this forum appoint a panel of seven eminent persons to serve as an *African Peer Review Panel*. This panel manages the review process and protects the integrity of the process and findings through overseeing the appointments of technicians or organisations that are involved in the review process.

The *Country Review Team* is led by one eminent person, is supported by a group of independent experts and undertakes the peer review. Each review team is specifically constituted for one particular review process for one country. An APRM secretariat manages the technical and administrative aspects of the reviews and the drafting of a *Country Review Report*. A *National Governing Council* provides strategic policy direction, commissions technical studies, and oversees the implementation of the peer review process at the country level. The parameters for its composition encourage a broad based participation with “upstanding citizens who command the respect of the general public” (SAIIA, 2015).

A typical peer review involves a broad range of state and non-state actors in the five stages of the process. The APRM documents outline a rather sophisticated<sup>18</sup> - some would say cumbersome - system of peer reviewing, unique to the continent. It encourages in-country and cross-country openness and transparency on core political and other commitments that had been agreed through pan-African protocols and treaties, but that had never been assessed or monitored. Unlike the automatic membership by all African countries of the African Union, APRM membership requires countries to voluntarily accede to a memorandum of understanding, an approach that commits these countries to participate in peer assessments and to follow through on the recommendations.

The APRM architects had high hopes to contribute to the objectives of good governance and democratic rule through peer review processes. The stated expectation was to mobilise the soft power of peer reviews, and by doing so to open dialogue on governance failures and best practice way-outs. It assumed that African leaders could be tempted to engage in reform trajectories through the exchange of good ideas, potentially shaping a renewed compact between state and society. Somehow, it was also assumed that many of the public sector reforms to improve governance were rather straightforward, technical and time-bound processes. There was, moreover, hope that such

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<sup>18</sup> The South African president Mbeki was a staunch supporter and his administration was instrumental in drafting APRM base documents and in setting up the mechanisms to kick-start the APRM process (Landsberg, Fractured).

compacts and open peer partnerships would convince donors to drop *old school* conditionalities of aid, and to start trusting the partner country's commitments and mechanisms to improve governance. The case of Kenya's peer review process provides a good reality check on political economy dynamics around this process.

### **The real power of politics - the Kenya case**

The APRM process in the mid 2000s in Kenya provides some insights of how and why different stakeholders at national level engage in such peer reviews. As in Ghana, the first country to undertake a peer review, the Kenyan government had unseated a party that had been in power for decades. The newly elected leaders in Ghana and Kenya "seized on the APRM as an opportunity to signal a different, more accountable mode of governing" (Herbert and Gruzd, 2008, p. 189). For the first time ever, African governments would voluntarily engage in the experiment of opening up to an assessment by internal stakeholders and by external peer reviewers. Inevitably, the prevailing political climate and power play affected the ways in which the peer review processes unfolded.

The details of these interactions between Kenyan state and non-state actors and stakeholders are well covered (Gruzd et al., 2011; Bing-Pappoe, 2010; Herbert and Gruzd, 2008). They help appreciate the numerous process outputs - including the assessments, the multi-stakeholder dialogues and the research - that an average APRM process generates or facilitates. Two such early outputs were the *Country Self-Assessment Report* and a *National Plan of Action*, which included specific, time-bound commitments. These commitments, according to Bronway (2008), largely shied away from difficult political issues.

The external governance assessment, was much more articulate about political governance failures. The APRM Eminent Persons unambiguously warned the government leaders of the AU of political risks and threats to stability in Kenya when they presented the country's peer review report. The country report referred to politically inspired violence in Kenya, referring to the "role of prominent members of the ruling party and high ranking government officials in fuelling the so-called ethnic clashes". The report also warned about the lack of investigation and prosecutions and the danger that this would reinforce the "public perception of impunity" and further aggravate and reinforce "polarities and suspicion" (APRM, 2006, p.13). Unlike the Plan of Action, the Eminent Persons clearly highlighted the concrete political hurdle of the lack of independence of the judiciary, as the President had far ranging powers in appointing the Chief Justice and members of key judicial bodies (idem, p. 90)<sup>19</sup>.

However, there are obvious limits to accountability pressures through such peer process. At the level of the African Peer Review Forum, for example, the Kenya case illustrated a reluctance of government leaders to also effectively respond to the outcomes of the peer review mechanism to which they had signed up to. There is no public monitoring of meetings among government leaders, with only anecdotal evidence of tense discussions in such high level forums. In the case of Kenya, however, there was an insider's account of the APR Forum meeting where the Eminent Persons presented the Country Review Report (May 2006). None of the presidents of the Forum were prepared to ask critical questions to the Kenyan president. They all praised the report and commended Kenya for being candid. Also at the national level, there was little peer pressure with "little formalised role for parliamentarians or civil society to hold government's feet to the fire should it fail to perform" (Manby, 2008, p. 3).

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<sup>19</sup> The Plan of Action pointed to the need to "ensure the judiciary maintains the rule of law" and to the passing of the Judicial Service Bill. However, it refrained from proposing concrete steps to end executive interferences with appointments in the judiciary and to ensure respect for the rule of law.

Two years later, major ethno-political violence broke out in Kenya over disputed election results. Despite some of the open discussions and the level of criticism during the APRM process, the government had failed to take political action on critical concerns relating to ethnic politics that fed the conflict and on the need for an independent judiciary, of prime importance for effective mediation and conflict resolution. The lack of a credible, independent judiciary ignited the violence over the contested electoral results and the role of the equally contested Electoral Commission. Later the *International Criminal Court* referred to the same underlying causes - including the lack of credible judiciary and political manipulation - that were already diagnosed in the peer review of 2006. Three years after the break-out of post-electoral violence, the Kenyan parliament did pass the *Judicial Service Act*, among other things to strengthen the independence of the justice system, with further constitutional guarantees for an independent judiciary by guaranteeing its financial independence<sup>20</sup>.

### **New lease of life**

The APRM went into decline “more or less from the time when Mbeki and Obasanjo left the political stage” at the end of the 2000s (Fabricius, 2016). As of 2013 (until 2016) no further peer processes were started. The APR Secretariat was running on a skeleton staff (with only five professionals remaining by 2016) and without a permanent CEO between 2008 and 2016. The organisation was facing financial troubles because of poor financial management and non-payment by some member countries. In 2014, nine out of 34 member countries<sup>21</sup> had paid contributions (US\$2.3m). Members who don't pay their contributions are not sanctioned, hence non-payment devalues the membership and the “currency of the APRM” (idem). Annual fees are set at US\$100,000 per year, with the five biggest members paying each US\$1m a year. According to Fabricius (2016) some countries with poor governance records have joined APRM in order to obtain good publicity, or to undermine the process.

Since 2014, there have been new signs of life with the appointment of a new chair of the APR Panel of Eminent Persons, with the temporary appointment of the NEPAD CEO, Mayaki, as chief executive of the APRM, and - more recently - with the nomination of Eddy Maloka as the Secretariat's CEO. In 2015, the AU Summit elected the Kenyan President, Kenyatta, to head the APR Forum of Heads of State. The peer review process in Djibouti is the first new one to be launched since 2011. Meanwhile, there are prospects for other first country peer reviews in Chad, Senegal, Sudan, Sierra Leone and Cote d'Ivoire. Kenya has announced its second peer review. President Kagame recommended that the APRM - as part of the institutional reforms of the AU - “could be strengthened to track implementation and oversee monitoring and evaluation in key governance areas of the continent” (African Union, 2017). The prospects for technical and other improvements to the peer review mechanism, the expansion of a technocratic mandate to monitor the global Sustainable Development Goals in Africa, and the recent strengthening of the APRM Secretariat in Midrand further point in the direction of a revival.

Though this one country case does not provide the full spectrum of possibilities offered by this governance programme, it may help clarify some of the limits, but also the potential of peer review processes in terms of governance reforms. The Kenya case cautions against high expectations or overoptimism about the likely impact of external peer pressures and internal peer related dynamics in support of a major push behind democracy and good governance on the continent. At the pan-African level, there was a reluctance from government leaders to criticise peers given a historically ingrained

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<sup>20</sup> The judiciary is now rated among the more reformed institutions in Kenya. Still, there is a “persisting struggle between the status quo and progressive elements” (Booth et al., 2014, p. 28).

<sup>21</sup> Burkina Faso, Ethiopia, Kenya, Mozambique, South Africa, Sudan, Rwanda, Uganda and Zambia.

reluctance to criticize fellow presidents and a resistance to being bullied by external players. At a national level, enlisting the support of ruling elites seemed futile, “because to do so involves trying to enlist the support of elites who are expected to undermine their own positions and the positions of their clients” (Taylor, 2005, p. 72).

In the early days of the APRM process, Chris Stals<sup>22</sup>, member of the first APR Panel of Eminent Persons, had already warned against exaggerated expectations of sensational results. He put peer reviews in a more realistic perspective by hinting to a more realistic prospect that “every time you go to a country and plant three or four or five ideas, you will get change” (Herbert, 2003). When expectations are kept in check, it is easier to see and appreciate the potential of APRM dynamics. APRM has created in-country platforms and processes for more inclusive, open-ended debates between state and non-state actors about core political, economic and social governance challenges. This has raised the status of some of these governance challenges, has enhanced transparency in a number of countries, and enabled that some of the cases of poor governance were further investigated. Inevitably, it is the context specific political momentum within a given political settlement that shapes the opportunities for such peer dynamics and outputs to contribute to effective governance reforms.

## 4.2. Working with the grain - the case of fisheries governance in Guinea

NEPAD has worked for over a decade on agriculture and food security. An increasingly important part of its work on *natural resource governance and food security* relates to fisheries. Typically, NEPAD is active at continental level with setting a policy framework for good fisheries governance, with sensitising and generating awareness around for example the real economic value of the fisheries sector. As the region has become a hotspot for pirates and for illegal fishing, NEPAD created working groups to reduce piracy, to improve governance of the fisheries sector as well as trade (standards, measure value addition, etc.). But it also undertakes country specific pilot projects, as was the case in Guinea.

By the mid 2000s NEPAD had managed to establish a Partnership for African Fisheries and a NEPAD Action Plan for Fisheries. Through research<sup>23</sup>, through platforming (for example to elevate fisheries as an important economic sector) and through pilot programmes in countries such as Ghana, Sierra Leone and later also Guinea, NEPAD raised the policy profile of the often neglected fisheries sector. A Conference of African Ministers of Fisheries and Agriculture endorsed the importance of fisheries in 2009, with the Heads of State and Government later agreeing on a pan-African fisheries policy framework.

NEPAD demonstrated its added value and the political traction in a number of countries by piloting and supporting country specific governance and trade dynamics in the fisheries sector. In the case of Guinea there was strong political buy-in from the highest level. Fish is one of the key commodities for the country, the environmental conditions of the Guinea 300 km *Economic Exclusive Zone* are conducive to high fisheries productivity. The annual marine harvest is estimated at 99,000 metric tonnes with an additional 4,000 metric tonnes from inland fisheries. Both generate in excess of 500,000 direct and indirect jobs. With fisheries exports at US\$33m, it contributes to 4.5% of the overall exports (Diop, 2016). It is also an important factor in contributing to the country’s objectives of

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<sup>22</sup> Former head of the South African Reserve Bank and first Minister of Finance in the first democratically elected government in South Africa.

<sup>23</sup> An FAO study re-evaluated the value of African fisheries at US\$24bn - originally estimated to be US\$4bn.

food and nutrition security.

However, the sector is underperforming as it experienced internal fisheries related governance challenges and external problems. In fact, since 2006 Guinea's fish products could no longer access high end markets such as the European Union. The EU had barred imports after its Food and Veterinary Office concluded that the Guinean fish and fisheries products did not meet the required EU standards on food safety. Moreover, in 2013 the EU *red-carded* Guinea because it considered the government to be non-cooperative in fighting illegal, unreported and unregulated fishing. The EU is the biggest importer of fisheries products in the world, and it bans fisheries products that are not certified as legal. These developments helped strengthen the incentives for public authorities in Guinea and the private sector to engage in sector reforms.

In 2013, the NEPAD Agency provided technical and financial support for a sector wide stakeholder meeting about fisheries reforms in Guinea. A proper analysis of various bottlenecks in the fisheries value chain and multi stakeholder workshops identified priority measures and policy reforms. The NEPAD Agency provided technical support, targeted inputs for the country's *Office of Sanitary Control*, training of ministry staff to kickstart the operationalisation of the laboratory, and further advice for regulatory and policy reforms. The highest political level took an interest, and in 2015 the President of Guinea participated in a technical meeting of experts, where the reform strategy that was developed with the assistance of NEPAD was further clarified. Two months later, the President invited the CEO of the NEPAD Agency to the capital Conakry and requested further support from the Agency. With a modest sum of US\$150,000, NEPAD was able to facilitate and fast-track a number of strategic improvements in the fisheries sector. These included, among other things, upgrading the sanitary controls, providing capacity development, organising a validation workshop that included the business community, and engaging with the donor community to encourage alignment with the country's strategies and reform measures.

Furthermore, through the NEPAD Agency, this pilot experience was elevated to a regional and continental level. The NEPAD CEO invited the President of Guinea to become the Champion of the continental Fisheries and Aquaculture Programme. Guinea also became the first African vice-chair for the Africa Regional Group of the global initiative to fight fish piracy of the UN Food and Agricultural Organisation<sup>24</sup>. By mid 2016 the EU lifted all restrictions on fish imports from Guinea.

One NEPAD interviewee observed that "we cannot do this in all countries. We have to take a particular problem, a specific issue that matters and see that it is addressed" (Interview, December 2016). The intensity of this NEPAD involvement may be hard to replicate in other African countries but it did demonstrate the types of added value when there is a good degree of political traction around a particular issue of relevance to key public and private stakeholders. Moreover, a powerful external driver - the EU market for Guinean fish produce - strengthened the incentives for improved governance in the sector. By promoting Guinea as a champion on the continent, the NEPAD Agency also created an additional incentive for sustained national level political leadership on improved sector governance. The NEPAD Agency managed to adapt its overall approach in the fisheries sector to the national level conditions and incentive environment, with political buy-in of key political actors strongly motivated to solve a trade related crisis with its major fisheries market, the EU.

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<sup>24</sup> The FAO adopted in 2009 the Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing.



## 5. Conclusions

The establishment of NEPAD in 2001 both reflected and projected a sense of optimism among African government leaders about the chances of “halting the marginalisation of Africa”. There was hope that NEPAD would contribute to embody a new partnership on the continent and between the continent and the international community. The *African Renaissance* consisted of sustainable development, good governance and democratisation. In return, Africa called upon the international community to put its weight behind renewed aid efforts, debt cancellation, investments and trade regimes that support Africa’s economic transformation. This process coincided with a process of transformation of the old African Organisation of Unity to a more modern and adapted African Union.

Two major African swing states - South Africa and Nigeria - gave direction to both processes, and developed alliances with other member states. In the case of NEPAD, five member states were at the core of the governance system, with the explicit backing of the OAU. While there was convergence between these drivers around high-end objectives, there were also divergences on priorities and strategies. Moreover, there remain deep political, economic and socio-cultural differences among African countries, often tied up with foundational and historical factors that prove to be major stumbling blocks for regional integration. These differences translated into poor ownership over the gradually expanding NEPAD agenda, and resulted in disappointing degrees of implementation at national level.

As the political traction from the initial supporters waned, NEPAD became more open to pressures to turn into a specialised agency within the African Union. The initial traction was further undermined by the lack of a breakthrough in creating a new partnership with the international community, be it around substantial increase in aid volumes, more mature global partnerships, developmental trade agreements, or a boost in external investments in infrastructure. The donor responses in all these areas were mixed. Some aspects of the partnership between donors and Africa improved, yet on the whole these changes did not substantially alter the incentive environment in support of meaningful governance reforms. Overall, donors remained cautious about Africa’s promises of democracy, good governance and development.

In terms of budget and agenda-setting, the incorporation of NEPAD into the AU did not alter the degree of dependency from the NEPAD Agency on external funders. The AU provides a yearly financial contribution to NEPAD, but donors continue to play an important role in financing programmes, technical assistance and contractual personnel. In doing so, donors may continue to shape - and potentially overload - the NEPAD agenda, with a continued risk of hampering an evolution towards a stronger sense of ownership among African member states.

Over time, the roles and agendas of the NEPAD Secretariat (as of 2001) and subsequently the NEPAD Agency (as of 2010) have grown in importance and volume. Meanwhile, however, President Kagame has recommended in a report on further institutional reforms of the AU that “NEPAD should be fully integrated in the Commission”. The Kagame Report recommended that the planning and resource mobilisation happen independently from one another, and proposed parallel reporting lines to the apex body of the AU and permanent representatives in the capital Addis Ababa. So in that respect, the political steer behind NEPAD has taken a different course from its early years.

The political steer in these early days was strongly felt in the first NEPAD programme of the African Peer Review Mechanism. This innovative mechanism in support of good governance received external applause and guarded internal backing. A fair number of countries signed up to these



principles and engaged in peer review processes. These country level processes created opportunities for many first time ever dialogues and for consultations between state and non-state actors around assessments or studies of different aspects of governance challenges. However, the initial expectations and ambitions of profound political change through external and internal peer reviews was based on over-optimistic assumptions about citizen power and the commitment of political elites to major institutional reforms, as the Kenya case illustrated.

The NEPAD support to improved fisheries governance in Guinea provided a case of clear political traction at the highest level in government. The NEPAD Agency managed to combine and adapt its various roles, mandates and capabilities to the incentive environment and to the interests of multiple stakeholders. Through a range of actions it contributed to pilot and kickstart a process that generated sufficient country level buy-in behind improved fisheries governance. This in turn helped overcome some of the most pressing constraints for Guinea to re-gain access to its most important fisheries market (the EU).

These two cases seem to further illustrate that political traction for certain aspects of the diversified NEPAD agenda is more likely where its approach and its level of ambition have been finely attuned to the incentive environment of the country in which it operates and to the political interests of ruling elites.

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