

Speech by Dr Uschi Eid

Parliamentary State Secretary in the Federal Ministry for Economic Co-operation and Development and Personal G 8 Representative of the German Federal Chancellor for Africa

"NEPAD, TICAD and MDGs: Challenges for German and Japanese Development Policies"

at the Tokyo UN University on 29 September 03

[Dear Rector van Ginkel,
Dear students,
Ladies and Gentlemen]

Introduction

I am grateful that I have the opportunity today, on the occasion of my participation in the TICAD III conference, to speak with you about the challenges for German and Japanese development co-operation with Africa. Co-operation means to realise a vision together with the people in Africa, the vision of an Africa that is modern and independent, where self confident African men and women shape their own life, their own future and pursue their own path of a sustainable and democratic development. Only stimuli and efforts coming from within Africa will lead to success. However, in my view it is our task to assist the African countries politically and financially in a co-operation "on an equal footing" to achieve these goals. One crucial step towards a self-determined development and a life that is secure and prosperous is the achievement of the internationally agreed Millennium Development Goals (MDGs). Therefore, I wish to touch first on the challenges we are confronted with in the pursuance of these goals. However, I wish to touch especially upon the potentials I see for Africa's development: potential in the form of its economic, natural and cultural wealth, and also in the pronounced readiness for change and reform existing in many parts of Africa. That is why I have to focus on the New Partnership for Africa's Development (NEPAD) in which reformist African politicians have laid down their development strategy for the years to come for their continent. Finally, I would like to touch on the third round of the Tokyo International Conference on African Development (TICAD) which is opening today. Like the two preceding conferences, TICAD I and TICAD II, I hope that TICAD III will again trigger off

increased international attention to be directed towards Africa - attention directed primarily to the chances and the potential the continent harbours for its future development.

What are the challenges for Africa and priorities of our co-operation

Let me commence by giving you a brief outline of what I believe are the major challenges Africa is facing today and how Africa is responding to them and where Africa needs our targeted support in development co-operation. One should always bear in mind that Africa is a continent with 53 countries and is characterised by a great diversity – diversity in economic, political, social and cultural terms. And yet there are typically African problems, African potentials and African developments which call for specific strategies in our co-operation.

Generally speaking, it must be observed that: in spite of remarkable achievements in the political, economic and social development in some African countries, we sadly have to note that Africa as a whole is probably a continent that will be faced with **particularly great challenges** in the coming decades when it comes to the necessary economic development, poverty reduction, peace and stability, rule of law and fight against AIDS. Africa will be faced with great challenges in achieving decisive improvements in people's living conditions and giving them a chance to take their development into their own hands.

The first challenge: Poverty reduction and achievement of the Millennium Goals/Action Programme 2015

Let me first mention poverty reduction as the biggest challenge for our African partners and thus an essential goal of our co-operation: while poverty is not specific to Africa alone, it is striking and alarming that it is only in **Africa** that **poverty has increased in recent years**. The share of people living in absolute poverty, that is, people who have to live on less than one Dollar a day, rose from 47.7 % to 49% between 1990 and 2000.

Important guidance for the fight against poverty is provided by the **Millennium Development Goals** to which the international community committed itself in 2000. The central goal is to halve the proportion of people living in extreme poverty by 2015. Other goals relate to improving the social situation, like food, health and education or gender equality. Some countries have achieved **remarkable success** in the past years: for example, the literacy rate in subsaharan Africa rose from 44 % to 77 % between 1985 and 2000; in Malawi alone, school enrolment over the last decade rose by 30 %; Eritrea reduced child mortality by 20 %

over the same period; Mali increased access to clean drinking water by 12 %, and in the Chad access to basic sanitary supplies rose by 11 %.

Despite these positive examples the **overall prospects for achieving the Millennium Goals in Africa are rather gloomy**: reducing poverty by half in Africa would require an annual economic growth of 7 %; this was achieved by only six countries in 2002. Nor is the outlook any better for other Millennium Goals: it is unlikely that the goal of "giving all children up to the age of 14 access to basic education" can be achieved by all African countries: according to current estimates, this goal is unrealistic for 13 African countries, and in another 9 substantial additional efforts would be required.

It is estimated that all in all 23 African countries are currently not on the path towards achieving the Millennium Development Goals, and that there is a need for additional annual finance of about 20 to 25 billion US Dollar.

As a consequence, special attention must be devoted by the African states and their international partners to a consistent poverty reduction policy. Accordingly, the Millennium Goals and the implementation of the Millennium Declaration are a **guiding principle and measuring rod for Germany's development policy**. Together with the consensus of the Monterrey Conference on Development Financing, the Plan of Action of the Johannesburg Summit and the new African development strategy "NEPAD" they constitute the framework for our activities.

There is an overall responsibility of all governments of the 191 member states of the UN to achieve the Millennium Development Goals. With the Millennium Declaration, each individual country has entered into a special obligation. Especially the Millennium Development Goals No. 1 to 7 covering the fields of food, health, education, child mortality and ecological sustainability of development measures are targets for which **Africa holds a strong responsibility** – although we shall provide support in this venture. Millennium Development Goal No. 8 in particular describes explicitly the **tasks of the industrial countries** to shape a global partnership, for example through debt relief, trade concessions and global structures that are development-conducive by and large. Here lies the key for the economically more influential countries to improve the general conditions for an effective poverty reduction also in Africa.

Germany has taken on the challenges of the Millennium Declaration and has presented its contribution to halving extreme poverty in its so called **Programme of Action 2015** –

Poverty Reduction, a Global Task" decided by the German Government two years ago demanding coherence among different policy fields and the different ministries. Thus, global poverty reduction is, for us, also a task involving German economic, agricultural and environmental policy.

At the same time, our activities are based on a **broad societal participation**. Besides the federal ministries and the Federal Chancellor's Office, numerous groups are actively integrated: the business community, the trade unions, non-governmental organisations, scientific and academic circles, the federal states (laender) and municipalities. We wish to forge social alliances for the support of the Millennium Development Goals. To that end the German government has substantially strengthened public relations work and domestic operations to create and increase awareness for the need to strengthen Africa's capacities for economic growth, peoples' prosperity, peace and security and environmentally sound policy. We thus want to make a contribution also to the Millennium Development Goals campaign of the United Nations.

In our endeavours to help implement the Millennium Development Goals in Africa we are operating at two levels; first through our influence in international organisations like the World Bank or regional development banks and secondly through bilateral co-operation with partner countries. German development co-operation, for example, provides targeted support to national poverty reduction strategies developed under the leadership of our partner governments. In order to create a basis for self-determined lives in prosperity and security, our co-operation in the field of poverty reduction also places a special **focus on supporting basic social services, like education and health, and fighting HIV/AIDS**.

The second challenge: Strengthening economic performance

Undoubtedly the most important foundation for a far-reaching poverty reduction is to strengthen the economic performance and the integration of the African countries into the global economy. Here, too, we are faced with major challenges. Africa's share in worldwide exports fell from 3.5% in 1970 to 1.5% in 2000. The economies of about 80% of the African countries depend primarily on two export commodities. This implies very high dependency on world market prices. In most countries, this has resulted in a deteriorating economic situation due to falling commodity prices.

In order to help improve Africa's economic performance, we pursue activities at a variety of levels. For one thing, we must **improve the international structures, rules and**

agreements; for instance further consistent implementation of debt relief for the poorest countries, or a design of world trade rules that takes account of developing countries' special interests.

At the regional level, we support initiatives for **regional integration**, for instance within the newly founded African Union and the various African regional organisations, because regional integration offers an important potential for economic development: be it the East African Community, the Southern African Development Community (SADC) or the ECOWAS in West Africa. At the national level we support economic reforms, help strengthening the rule of law, support the private sector to become competitive, support socially balanced land reforms, we help to improve infrastructure, strengthen education and training, and support activities to reduce red tape or to fight corruption.

The third challenge: Preservation and sustainable use of the life-sustaining natural environment

Preserving and sustainably using the natural environment poses another great challenge: access to clean drinking water, sustainable energy supply, the preservation of fertile agricultural land, grazing land and forests are essential preconditions for a sustainable poverty-reducing development in Africa. Especially in countries where conflicts prevail, lawlessness and increasing poverty often lead to an overexploitation of natural resources (e.g. tropical timber) and, moreover, often serve to finance fresh conflicts. In order to stop to such a development and ensure careful utilisation of natural resources, we are involved, inter alia, in the **enhancement of renewable energies**. Moreover, Germany is also highly involved in the field of resource management, thereby also contributing to de-escalating conflicts about natural resources. One example in this context is the Congo Basin Initiative, which aims at the preservation of forests in the Congo basin, but at the same time at fostering transboundary co-operation in the framework of existing regional structures. We pursue the same objectives in our activities regarding watershed and river basin management; we support, among others, the Nile Basin Initiative, and the Limpopo River Basin Organisation.

The fourth challenge: Conflict prevention and peacebuilding

Sadly, one general trend in Africa over the past few decades has been a **rise in civil wars and armed conflicts**. (In 2002, five African countries experienced war, seven countries saw armed conflict, another seven countries were on the brink of civil war, and two countries were

faced with highly unstable post-conflict situations.) In addition to immediate suffering, the consequences of conflict are also a lasting increase in poverty and a destabilising effect on neighbouring countries or on the entire region.

Ultimately, conflicts can only be resolved by the societies concerned. Yet the international community can, and should indeed, do its share to support national and regional efforts for conflict prevention and management. This is why the heads of state and government at the G8 Summit in France in June this year adopted a **peace initiative for Africa** which has got specific support by the German government. The purpose of the initiative is to enable African regional organizations by 2010 to conduct effective peacekeeping missions themselves. Germany's specific contribution will consist of efforts to **strengthen the civilian component within peace keeping missions**. In this context alone, we have already provided resources for peacekeeping training centres in Ghana and Kenya and for the AU conflict resolution mechanism in Addis Ababa.

Moreover, our conflict prevention and resolution efforts include support for cross-border water management, targeted mediation and reconciliation work through our Civil Peace Service, and support for the demobilisation and reintegration of soldiers and combatants. However, another highly important aspect is international initiatives aimed at increasing the transparency of payment flows, thus making it more difficult to keep conflicts funded. Examples include the Kimberley process for the certification of diamonds and the British "Extractive Industries Transparency Initiative."

The fifth challenge: Support for good governance and democratisation

One **impediment to development** in many African countries is **government institutions that lack transparency and effectiveness in their work and corruption and clientelism**.

A government will only be truly dedicated to development if its actions are transparent to the people and can be monitored by the parliament and a free press. Moreover, legal certainty and an effective and transparent public administration are a vital prerequisite for investment, domestic and foreign investment – and thus, for sustainable economic development. And, finally, corruption drains an economy of important resources.

One central **priority area of German development co-operation** in Africa thus involves promoting good governance, reinforcing democratisation and human rights, and strengthening the position of women. Our measures cover support of decentralisation processes as well

as legal and judiciary reforms, legal counselling and also support of civil society groups, with the aim of attaining a long-term democratisation of societies.

NEPAD: Africa's answer to these challenges and the support by the G 8

With the **New Partnership for Africa's Development (NEPAD)**, African reformers have taken the lead for Africa's development. NEPAD, as a political strategy, gives the framework for urgently needed reforms. Thus, NEPAD constitutes a milestone towards realising Africa's vision of its continent to make all efforts for peace and security, to end dictatorship and adhere to democratic values, to become attractive for domestic and international investment, to share its wealth of natural and cultural resources with the rest of the world and to be an equal partner on the global political stage. And this is why in spite of some negative developments and setbacks we believe that NEPAD is the guiding vision for Africa's development. What is particularly encouraging is the fact that a mutual **peer review process** will give the framework for internal reforms. 16 countries have already agreed that their policies be peer reviewed. Ghana and Uganda will be the first two countries, in which the procedure most probably is going to start at the end of this year.

During their Genoa Summit in 2001, the G8 countries had decided to support NEPAD, and in 2002, they adopted the G8 Africa Action Plan (GAA). During this year's Summit, the G8 presented the previous steps for implementing the GAA and committed themselves to continue their dialogue with NEPAD member states. So far, Germany has made its contribution especially through enhancing peace and security, supporting responsible governance and the joint utilisation of international waters. We are particularly keen on continuing what is called the "Berlin process" under which the peace initiative for Africa was developed and which wants to get the implementation of conflict prevention and conflict resolution under way.

TICAD III and possibilities of Japanese-German co-operation

At the **TICAD III Conference** that is beginning today, international support for NEPAD will again be one of the focal issues. I very much hope that this conference will send yet another signal that may provide backing to Africa's reform forces and that will increase their weight within their own societies. After all, NEPAD's success will hinge on whether those who are willing to pursue reforms will be able to continue their policies consistently and make this the prevailing trend among Africa's nations.

Another item at TICAD III will be increased **South-South co-operation**. Here, too, I hope that the conference will provide some impetus for this important issue of regional co-operation. Co-operation between countries of the South, be it within Africa or between Africa and Asia, is often potentially even more fruitful than the support we provide, precisely because the problems to be solved are much more closely related.

As one of the largest donors with an annual ODA contribution of about 1 billion US Dollar, Japan plays a vital role in Africa – especially through its substantial activities in health, education and infrastructure, but also with a major contribution to relieving the debt burden of the poorest African countries. And just a few months ago Japan gave fresh impetus to its co-operation with Africa through its **Japanese Initiative for Co-operation for Africa**.

As far as Japanese-German co-operation is concerned, we have laid a very good foundation, in particular, in the **water sector** which constitutes a central priority for both countries. Important steps in this regard included the International Conference on Freshwater held in Bonn in December 2001 and the Third World Water Forum in Kyoto in March this year where I had the honour to participate. I would be glad if our good co-operation could be continued, especially with regard to the G8 Africa Action Plan, under which Germany will be especially active in the field of cross-border water management.

But there are other areas, too, in which I hope that co-operation will become even more intensive in future. The priorities which Japan has established for its work with Africa, namely "human-centred development, poverty reduction through economic growth and consolidation of peace", are very similar to our German priorities. So I hope that Japan and Germany will seek to engage in **even more intensive co-operation** in these areas. To this end I would personally like to contribute by intensifying the German-Japanese dialogue on development co-operation. I also see concrete starting points at the international level: firstly, in the joint implementation of the G8 Africa Action Plan, and here especially the peace initiative for Africa; secondly, we should focus together on achieving the Millennium Development Goals. And finally, it is also important to be in the same boat when it comes to shaping global structures. Especially after the temporary failure of the world trade talks in Cancún, we must jointly make efforts, for example, for designing world trade rules in such a way that the developing countries are given an equal share in them. This also means that we in the industrial countries must be prepared to make concessions, for example, by facilitating market access for products from developing countries and reducing trade-distorting subsidies in our own countries.

Final remarks

I would like to thank the Japanese government to give us an opportunity here at the TICAD conference to further concretise these starting points of our co-operation for the future. Only if we work together, if we co-operate and co-ordinate within the OECD countries and work in a true partnership with our African partners, we can achieve the Millennium Development Goals, meaning that African men, women and children can live a life in dignity.

Thank you for your attention.