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Mr. Claus Larsen-Jensen Chairman of the European Affairs Committee Folketinget Christiansborg

Copenhagen, August 7, 2003

Dear Mr. Larsen-Jensen,

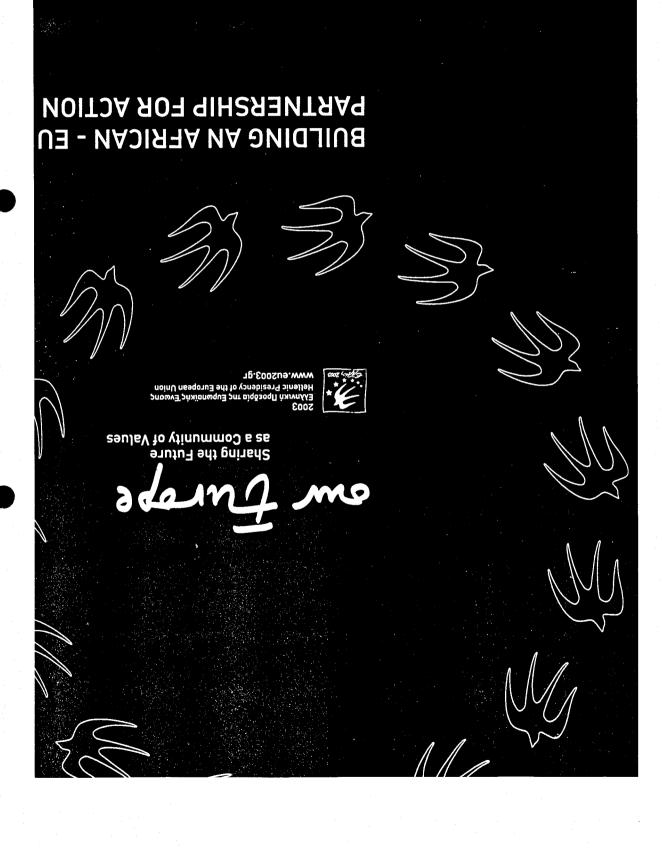
I would like to inform you that the Foreign Ministry of my country took the initiative, during the Greek Presidency of the EU, to organise in Athens, from 16 to 17 May 2003, a ROUND TABLE DISCUSSION of nineteen eminent personalities, mainly from Africa and Europe, who were particularly concerned and closely familiar with the challenges facing Africa.

The purpose of this Round Table was the formulation of specific proposals and ideas on how the European Union could contribute to Africa's efforts in achieving the goals of NEPAD in the areas of a) Conflict Prevention and Post-Conflict Rehabilitation, b) Governance and Enhancing Governing Capacity and c) Poverty Reduction.

The outcome of the Round Table is contained in the Report entitled 'Building an African-EU Partnership for Action', a copy of which I have the pleasure of enclosing herewith with the hope that you will find it interesting and useful.

Yours sincerely,

Dionyssios Zois Chargé d'Affaires a.i.



ATHENS, 16 - 17 MAY 2003

ROUND TABL

OF EMINENT ERSONALITIES

BUILDING AN AFRICAN - EU PARTNERSHIP FOR ACTION

A Report Circulated by the Presidency
Based on the Discussions of the Round Table
of Eminent Personalities
Athens, 16 - 17 May 2003

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Special thanks to Dr Asteris Huliaras Assistant Professor at Harokopion University of Athens, Sir Richard Jolly Former Deputy Executive Director of UNICEF and Mr Ejeviome Eloho Otobo Principal Economic Affairs Officer of the UN for their valuable ideas, comments and proposals which contributed substantially to the drafting of the paper.

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OPENING REMARKS OF FOREIGN MINISTER MR. GEORGE A. PAPANDREOU AT THE ROUND TABLE OF EMINENT PERSONALITIES

ATHENS, 16 - 17 MAY 2003

Your Excellencies, my dear friends, I would like to welcome you here in Athens, and I see many friends here around the table.

I would like to begin by saying that ideas, proposals and agreements on the relationship between Europe and Africa have been produced, of course, in abundance over the last fifty years. And there have also been very many statements as to the importance of this relationship over these years.

An example is that in 1950 Robert Schumann declared that Europe would, with increased resources, be able to pursue one of its essential tasks: the development of the African continent. In the year 2000, the Heads of State and Government of African States and of the European Union, in Cairo, were committed to working towards a new strategic dimension to the global partnership between Africa and Europe. And there they agreed on a plan of action.

We also have had many world conferences of the United Nations, as well as the Millennium Declaration, and here the European Union played a very important role among the developed countries in raising Africa's conditions in the consciousness and concern of the international community.

So I would say that there is testimony that Europe feels and believes it is inexorably linked to her southern neighbor. It is not only human solidarity, but also self-interest that prompts Europeans to support the development of Africa.

However, in the last fifty years we have witnessed, despite all the good will, the living standards of Africans to fall by 20%, their share of world trade to shrink from 3% to 1.2%, while, more recently, two million Africans to die of HIV/AIDS every year, and 200 million to be affected by warfare, debt rising, aid declining, and only 1% of the world investment going to Africa.

So poverty, warfare, epidemics seem to be, indeed, the weapons of mass destruction, if I could use this term, in Africa.

The causes are several and they are, of course, well known. They are found both in Africa herself, and in the outside world. And this is recognized by the African leaders, and it is truly heartening that, today, the Africans themselves are resolutely determined to take courageous steps to get rid of these problems.

The establishment of the African Union, and the introduction of the New Partnership for Africa's Development (NEPAD) is clear evidence of the commitment of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion in a globalizing world.

Inspired by democratically elected leaders, the NEPAD is a pledge to eradicate poverty in a peaceful and democratic environment, engaging civil society, and participating actively in the world economy. This initiative of African ownership has been received positively, I would say even enthusiastically, by the international community, and, specifically, by the European Union.

It must be matched, now, by a new approach from the outside, and a new partnership must be forged. From Greece's point of view, we have not yet reached a desired level of developmental assistance to Africa; we are in this area, I would say, a newcomer, as Greece used to be a receiver of aid - but now we have become a donor. This is something that we think has been an important development. But we do have historical ties with the continent, from which we are separated by a stretch of Mediterranean waters, and we wish to be a strong advocate of an effective and ongoing Europe - Africa dialogue, leading to a mutually beneficial partnership.

So let me say that the Greek government will maintain this as a priority and certainly will not allow other areas and international crises to distract us from this commitment and neglect our African preoccupation, or our African priority. I would say that neglect of Africa is politically and morally inadmissible.

So I wish to thank you very much for accepting this invitation to this Round Table. You are intimately familiar with the issue at hand, and I do hope that in this discussion we can together seek effective, realistic, concrete ways to advance this partnership, both in areas of conflict prevention and resolution, of good governance and of poverty reduction.

I believe we have a historical duty to support NEPAD and the African Union in these first and very important stages. We must try to reverse negative trends - recent ones in developmental and humanitarian assistance, in debt servicing and market access. We should deal with the causes of conflict and terrorism, with the scandal of arms

sales, and of illicit exploitation of minerals, and, of course, the problem of corruption. We should address the lamentably growing phenomenon of growing inequities and indifference. In a few words, prevent the marginalization of a continent rich in human potential, culture and natural resources - a continent where the woman is probably its most valuable resource.

And the outcome of your deliberations, in the form of a report - and I would like to thank Luka Katseli for her contribution to the discussion paper - this report will be appropriately circulated among our partners in the European Union, and will become, hopefully, an intellectual and political input to the dialogue between Europe and Africa.

Following the recent setback in this dialogue, namely the postponement of the EU - Africa Summit, which we have worked hard, of course, to promote, this report could be very important in preparing meetings at Troika levels, but also the next Summit when it does occur.

It is significant not only to maintain momentum, but possibly to bring in a more enlightened discussion on where the priorities and what the tools are, as outlined in the report. I am certain that in a variety of fora, not only within the European Union, but also in the United Nations, this report will benefit our continents.

So, with these few words, I would like to thank you again. I would like to welcome those who have arrived in Athens, and wish you both a pleasant stay and successful results.

Thank you very much.

ADDRESS BY MR. ILIAS PLASKOVITIS SECRETARY GENERAL FOR EUROPEAN AFFAIRS AT THE ROUND TABLE DISCUSSION OF EMINENT PERSONALITIES

ATHENS 16 - 17 MAY 2003

Ladies and gentlemen, I want first to welcome you here in Athens and to the Hellenic Ministry of Foreign Affairs.

Gathered here today from different parts of the globe, all of us are deeply concerned about the future of Africa's development. Despite Africa's great potential with rich human and natural resources, the continent continues to face some of the world's greatest challenges. In our view, NEPAD provides a new opportunity to overcome obstacles to development in Africa. It is a significant advance in promoting thinking for Africa and a comprehensive framework for Africa's development. It places the responsibility of Africa's future first and foremost with Africans themselves and may lead to a transformation of the continent's relations with the rest of all the world. Nevertheless, there are several challenges to the successful implementation of NEPAD. The first is building and strengthening the capacity of African countries to implement the programme. A related challenge is to translate NEPAD priorities into policies and programmes at the regional, sub-regional and country levels. Funding is a further challenge and involves at least three issues: i) the resource requirements are rather considerable with a high dependence on external assistance, (ii) the degree to which African Governments themselves finance projects and programmes will be key to the success of NEPAD, (iii) donors will also have to demonstrate tangible recognition of the principle of ownership by reviewing the conditions attached to the assistance, without sacrificing the precondition that resources provided for assistance are spent effectively.

The EU needs to play a greater role in the transformation of Africa. In this crucial period after the postponement of the Lisbon Summit, when the world focuses its attention to other parts of the world, the Presidency wishes to revitalize the dialogue and contribute effectively towards this direction. NEPAD is a framework that may contribute to a more structured Europe - Africa dialogue.

Europe needs to mobilize resources and expertise in support of this programme. Our initiative to organize this Round Table Discussion aims to forge an African - European

PREFACE

The Greek Presidency attaches great importance to the continuation and enhancement of the dialogue between the European Union and Africa. Given the postponement of the Lisbon Summit, the Presidency wishes to revitalize the dialogue and contribute effectively towards the enhancement of the partnership.

The launching of the African Union and the creation of Africa's own development programme in NEPAD (New Partnership for Africa's Development), are bold steps towards overcoming historic obstacles and fulfilling the continent's tremendous potential. Europe needs to mobilize resources and expertise in support of this programme. The problems of Africa can only be addressed through focus on genuine partnership.

The Foreign Ministry of the Hellenic Republic has taken the initiative to organise in Athens on 16 - 17 May 2003, a Round Table Discussion of nineteen eminent personalities mainly from Africa and Europe, who are particularly concerned and are closely familiar with the challenges facing Africa.

The purpose of the Round Table was the formulation of specific proposals and recommendations on how the EU could contribute to Africa's efforts in achieving NEPAD's own stated goals in the areas of a) Conflict Prevention and Post-conflict Rehabilitation, b) Governance and Enhancing Governing Capacity, c) Poverty Reduction. A background paper prepared by a drafting group served as the basis for discussion at the Round Table.

The outcome of the Round Table is the Report on Building an African - EU Partnership for Action, which will be circulated in Europe and Africa including the European Commission and the relevant organs of the African Union, to the regional institutions, the UN and other relevant organisations dealing with Africa's development.

The Eminent Personalities express the hope that the Athens Round Table will be established as an annual event, supported by the European Commission and by its member states and will become a platform for the exchange of ideas and fruitful discussions which can serve as an intellectual and political input to the dialogue between Europe and Africa.

I. NEPAD AND THE CASE FOR AN AFRICAN - EU PARTNERSHIP FOR ACTION

- 1. The New Partnership for Africa's Development (NEPAD), adopted at the Summit of the Organisation of African Unity (OAU) in July 2001, under the name "The New African Initiative" and concluded on October 23, 2001 is a path-breaking initiative on the part of African leaders, who have committed themselves to a bold programme of action for the development of the African Continent. It is a pledge to the African people and to the international community to place Africa on a path of accelerated growth and sustainable development, to eradicate widespread and severe poverty through democracy and good governance and to halt the marginalisation of Africa in the globalisation process. NEPAD is regarded by the international community as the flagship process and programme of the African Union, as well as the framework for Africa's development. It is important that the UN General Assembly adopted NEPAD as the general framework for development in Africa around which the international community, including the United Nations System (A/RES/57/2), could concentrate its efforts for Africa's development and align their programmes.
- Africa continues to experience severe problems despite its rich but untapped 2. resources. Poverty remains severe. The average annual growth rate of 3%-4% is meagre compared to the over 7% required to make a dent on poverty reduction. Around 340 million people live on less than \$1 per day, the mortality rate of children under 5 years old is 140 per 1000 and life expectancy is only 49 years. The rate of illiteracy for people over 15 is 41%. About 45 million school age children in Africa, 60% of which are females, have no access to any form of education. Africa would account for half of the world's out-of-school children by 2015. The HIV/AIDS virus is tearing apart the fabric of the most severely affected societies. About 1 out of 5 Africans live under armed conflict. Agricultural output and productivity has deteriorated so much that in several instances seasonal crop failures have resulted in famine and hunger. The terms of trade of primary commodities produced by many African countries have deteriorated while their volatility has increased. African economies are fragmented, structurally shallow and heavily dependent on primary sector petroleum, mining and agriculture. Africa's share of world trade is only 1%-2% and only 0.9% of world investment, most of which is directed to the exploitation of minerals. External debt increased from US\$ 111 billion in 1980 to US\$ 359 billion in 1999, recording an annual growth of 12%. As a ratio of GDP, Africa's external debt increased from 38% in 1980 to 65% in 1999.

- 3. But there are promising signs as well. The Organization of African Unity has been transformed into the African Union, strengthening the impetus for regional co-operation and integration. In both West and Southern Africa some conflicts have wound down, although a few still simmer, particularly in the Great Lakes Region. Democratic governance is resurgent, with growing participation of civil society. The private sector is showing renewed dynamism. NEPAD has benefited from this democratic resurgence, having been articulated mainly by leaders elected in the past few years.
- 4. Given the grave challenges that Africa faces, the NEPAD process is principally directed to the eradication of poverty and the fostering of socio-economic development. Priorities include:
- Consolidating Peace and Security
- Promotion of Democracy and Good Political Governance
- Strengthening Economic and Corporate Governance
- Development of Agriculture and of Market Access
- Human Resource Development (primarily through education, health and access to water)
- Investment in Infrastructure (energy, ICT, transport)
- Environmental Protection
- Securing Adequate Resource Flows

To achieve these overall objectives, the NEPAD Action Plan aims to achieve and sustain an average annual gross domestic product (GDP) growth rate of over 7% per annum for the next 15 years, and to reach the agreed International Development Goals by 2015.

5. NEPAD has a long history behind it. It has been built on specific initiatives for dialogue and on recovery and growth programmes promoted by African themselves or others under the auspices of the UN system, over the past two decades: the UN emergency recovery and growth programmes of the 1980s; the UN New Agenda for African Development (UN - NADAF), the World Bank's African Special Programmes of the 1980-90s; the Global Coalition for Africa of the 1990s and the HIPC (Highly Indebted Poor Country) programmes covering most of Sub-Saharan Africa and a handful of others. All these programmes have been partially successful. NEPAD seeks to do better by being African-owned, African-led and African-managed, by focusing on the real African potential that remains untapped and by trying to address the inadequacies of and shortcomings in the policies pursued both by national governments and the international community in the post-independence era. NEPAD, therefore, is a call to the rest of the world to partner Africa in her own development on the basis of her own agenda and programme of action. It is, thus, a framework for a new partnership with the rest of the world.

- 6. At the Kananaskis Summit of June 2002, the G-8 Heads of State and Government have responded positively to NEPAD by proposing an Action Plan which includes commitments for: promoting peace and security, good governance, and debt relief, confronting HIV/AIDs, increasing trade and investment, improving agricultural productivity, upgrading education, and improving water management. At the recent Evian Summit, the G-8 have reviewed the progress made in the implementation of the commitments they made in the Action Plan and invited interested countries and relevant international institutions to appoint senior representatives to join this partnership. Europe, with its longstanding tradition of development co-operation with African countries, should take the lead in answering Africa's plea for an effective partnership for action¹.
- The European Union (EU) has welcomed NEPAD as a credible programme for 7. the economic renewal of Africa and for consolidation of its democratic governance. NEPAD is perceived to be an effective vehicle for pursuing the Millennium Development Goals, and as an instrument for realizing the objectives of the Cairo Plan of Action. The continued marginalisation of Africa from the globalisation process and the social exclusion of the vast majority of its peoples constitute a serious threat to global stability. The consequences of not taking any action are high not only for Africa, but for Europe as well. The EU should thus become a catalyst for powerful action in the transformation of Africa. Beyond historical, cultural, humanitarian, and economic considerations, in a world of increasing interdependence and instability, it is in the interest of Europe to help find solutions to Africa's problems; otherwise these problems could eventually undermine global prosperity and security. In addition, as Europe faces new challenges, due to its integration, enlargement and its expanded role in the international arena it needs to re-establish its relations with the African continent on a renewed partnership basis. To this end, the EU should mobilise political will and take upon itself the challenge to forge an African - European Partnership for Action, which takes the launching of the African Union and NEPAD as points of departure and is built on shared responsibilities and mutual commitments.

NOTE

Development cooperation between Europe and Africa has been manifested in several economic agreements as well as an ongoing high level political dialogue. The Africa - Europe Summit, the first of which was held in Cairo on 3-4 April 2000, embodied the shared desire for deepening the relationship. The Summit built on earlier initiatives and sought to expand such economic agreements as the Lome Conventions, the recent Cotonou Partnership Agreement between the European Union and the ACP Countries, the Trade and Co-operation Agreement with South Africa and the Mediterranean Accords between the EU and the Mediterranean Countries of Africa Recently the EU has contributed 12 million euro for a programme in support of the AU's peace building and transition activities.

II. AN AFRICAN - EUROPEAN PARTNERSHIP FOR ACTION: AN EFFECTIVE TOOL FOR OPERATIONAL OUTCOMES

- 8. There is a growing consensus that the limited success of past policies and programmes in Africa can be attributed to the presence of one or a combination of the following factors: (a) lack of ownership in the design and implementation of programmes (b) ineffective management of financial resources (c) insufficient co-ordination and failure to meet obligations by both donors and recipients (d) limited accountability and effectiveness in implementation (e) inadequate monitoring and evaluation.
- 9. Lack of participation of recipient countries in the design of development assistance programmes often leads to reduced efficiency of resource use and limited effectiveness of development initiatives. Donor countries blame recipient countries for bad governance and administrative inefficiencies only to hear complaints about the various obstacles that Europe has placed on Africa's development ranging from trade barriers and indebtedness, inadequate funding, lack of aid co-ordination, duplication of effort and absence of participatory arrangements. Donors often end up "overriding" or "undercutting" recipients, by either providing instructions, incentives and conditionalities that are supposed to push recipients to the "right" direction but suppress instead the recipients' independent motivation and will, or by inadvertently creating conditions for long-term dependency. This vicious circle can be broken only if mutual obligations are clearly spelled out in the framework of a partnership agreement.
- 10. The proposed African EU Partnership for Action can take the form of contractual arrangements between the EU and the African Union or between the EU and groups of African countries to implement specific regional initiatives and between the EU and specific African countries for national ones. Each initiative regional or national should include a set of realistic targets and policy outcomes to be achieved through joint actions supported by predictable multi-year envelopes for funding and closely evaluated through performance indicators applied to all relevant stakeholders (both donors and recipients). The main objective of proper monitoring and evaluation is an ongoing review of the programmes and continuous improvement of operations based on results. The implementation of these initiatives can be underpinned by appropriate funds drawn and replenished from different sources of financing, such as Official Development Assistance (ODA) allocations, innovative funding sources, private contributions or debt and/or equity financing by the private sector.

- Proposals for initiatives to be included rest mainly with the African states. 11. Specific initiatives can then be chosen following an organized dialogue between all relevant African and EU stakeholders. There is a need to strengthen the institutional co-operation between EU and AU. The process can be facilitated by a mechanism of permanent consultation between the EU and the AU under which a Joint Task Force (comprising of African Union or African national representatives on the one hand, and the European Commission on the other) should be set up for: a) examining, appraising and selecting the specific proposals submitted either by African countries, Regional Economic Organisations and/ or the African Union b) identifying and mobilising potential sources of funding and support either from the EU and other public institutions or from international financial organisations and private sector sources. In doing so, it is important to secure synergy and complementarity between EU funding and other sources of finance so as to avoid duplication and generate more funding. Apart from the mobilisation of financial resources, EU support, could focus on the provision of technical assistance, on institution and capacity building, on upgrading existing governing and administrative capacity, on training and network building.
- Forging an effective African EU Partnership for Action is a move consistent 12. with the European tradition of participatory development. Supporting the role of women and civil society, including local authorities, is an important part of this partnership. The promotion of real convergence and social cohesion within Europe has been made possible through the use of multi-annual Community Support Frameworks that extended structural funds towards the less developed regions of the Community so as to finance the implementation of fully-owned, multi-annual programmes with the active participation of local recipient states, communities and social partners. The required fulfilment of specific targets, appropriately monitored and evaluated by independent bodies, has created the incentives needed to expand and upgrade local administrative capacities and to improve governance. The need for enhanced consistency, coordination and accountability has improved efficiency and effectiveness in implementation. The full ownership of the undertaking by recipient countries has ensured the mobilization of human resources and has speeded European integration.
- 13. The same model has been successfully pursued for all pre-accession countries of Eastern Europe through the Action for Co-operation in the Field of Economics and Technical Assistance to the Commonwealth of Independent States

(ACE - TACIS programmes) as well as in the ACP - EU Partnership Agreement signed in Cotonou on June 23, 2000. The proposed African - EU Partnership for Action is a further step in this direction, moving from general principles to concrete development initiatives.

14. Building upon the priorities set out in the Cairo Plan of Action and NEPAD, three broad policy areas could be selected for priority action: a) Conflict Prevention and Post-conflict Rehabilitation, b) Governance and Enhancing Governing Capacity, c) Poverty Reduction.

III. CONFLICT PREVENTION AND POST-CONFLICT REHABILITATION: PROPOSED INITIATIVE AND SUPPORT ACTIONS

- 15. Conflict prevention, crisis management, peace-building and rehabilitation are major challenges that confront Africa today. During the 1990s, conflicts and civil strifes have devastated several areas of the continent, causing hundreds of thousand of victims, destroying much needed infrastructure and productive capacity and exacerbating poverty. In some cases war has become a profitable business, involving local and foreign agents, while terrorism has inflicted serious costs in some African countries. Unless conflicts are prevented and crises resolved and managed through peaceful means, Africa will fall behind in its development efforts. The EU should and could use its position as a major international player and historic partner to help African governments in their efforts to peacefully resolve conflicts and provide assistance during the post-conflict rehabilitation period. In designing development assistance policies, conflict prevention and peace building must be part of the overall policy.
- 16. At the Cairo Summit, conflict prevention and peace building formed an important part of the declaration and the plan of action adopted by the Heads of State and Governments. In particular, the Cairo Plan of Action has emphasized co-operation on conflict prevention, management and resolution, disarmament and demobilisation, terrorism, landmines and post-conflict assistance. In the area of conflict prevention, the EU emphasised four principles: a) African ownership, b) the primacy of prevention, c) coherence among all diplomatic, military, trade and development co-operation instruments and d) more effective international co-operation.
- 17. NEPAD's Peace and Security Initiative has identified, in turn, three priority objectives: a) the promotion of long-term conditions and security, b) capacity building of African institutions (regional and sub-regional) for early warning prevention, management and resolution of conflicts, and c) the institutionalisation of commitment to the core values espoused by NEPAD through the creation of a Heads of State Implementation Committee. The recently established African Peace and Security Council is a promising step forward, aiming to promote co-ordination and reduce duplication across all regional and sub-regional initiatives.
- 18. Conflict prevention poses problems not so much in identifying countries at risk, as in articulating and applying effective and timely means. Conditions that brood conflicts often remain unattended, while initiatives to prevent conflict do not receive

full and co-ordinated international support. Perceived inequalities by population groups, political exclusion, suppression by authoritarian regimes or uprisings promoted by interests involved in illegal exploitation of natural resources, should be addressed early on, before they develop to full scale warfare through effective mediation, pressure on regimes or groups and even appropriate economic measures.

19. The principles enshrined in the Cairo Plan of Action, NEPAD, the Cotonou Partnership Agreement and other various EU documents on conflict prevention, management and resolution, should be translated into a more concrete set of operational and implementation guidelines. The AU - EU Partnership Agreement could thus include an initiative aimed at building a permanent consultative machinery between the two partners which would sustain a continuous exchange of views and would be ready, upon request of the AU or the United Nations, to prepare and fund a co-ordinated plan of action and to pursue commonly agreed policies for conflict resolution in cases where joint action is considered necessary. In co-operation with the U.N., such an initiative could also contain support actions to strengthen institutional capacity, to provide financial support for peace and security promotion at the regional and sub-regional level, to enhance coherence and co-ordination and to support post-conflict rehabilitation.

Strengthening Institutional Capacity for Peace and Security at the Regional and Sub-Regional Level

- 20. The EU should continue and reinforce its support for African mediation efforts, in situations of crisis or conflict on the continent. These support measures should be linked to capacity building at the regional, sub-regional and national levels. The EU, through a permanent consultative machinery with the African Union, could:
 - ✓ Exchange information and provide data related to early warning and technical assistance for capacity building to the African Peace and Security Council.
 - ✓ Support NGOs and promote further the role of civil society in education and other activities with a view towards enhancing democracy and integration of the modern with traditional political systems, renewing leadership, reforming the political and legal systems, promoting tolerance and dissent and the politics of inclusion.
 - ✓ Support all initiatives towards broad political participation, respect of human rights, civil dialogue and reconciliation.

Financial Support for Continental, Regional and State Institutions

- 21. In the framework of a partnership agreement, the EU should consider increasing financial support for continental and regional mechanisms for conflict prevention, management and resolution in order to strengthen the African Peace and Security Council, as well as relevant organs of SADC, ECOWAS, COMESA, IGAD and other regional organizations. Support actions could include:
 - ✓ Support for the AU Council for Peace and Security.
 - ✓ Support the African Commission on Human Rights as set up by the African Union.
 - ✓ Increase of financial support to the Peace Fund established within the AU.
 - ✓ Provision of resources for strengthening national judicial systems that can ensure persecution of war criminals, offenders of violations of human rights and of those committing crimes against women in accordance with the Cotonou Partnership Agreement and the Security Council Resolution 1325 (2000).
 - ✓ Support for national programs aimed at building professional security forces that respect the rule of law, individual rights, human dignity and democratic principles.
 - ✓ Provide technical and financial support and training for de-mining.
 - ✓ Training of African diplomats in both African and European academic establishments.

Coherence and Co-ordination

- 22. There should be greater coherence within the European Union in relation to conflict in Africa. This relates not only to the arms trade but also to the use of development assistance for conflict prevention, management and resolution either through direct programmes or indirectly through poverty eradication programmes. Support actions in that direction could include:
 - ✓ Consultations between the EU and the AU for a common policy towards Governments imposed by force or other unconstitutional means and for the application of political pressure towards the re-establishment of constitutional order.
 - ✓ Systematic monitoring of the EU's Code of Conduct on Arms Exports so as to make the code legally binding, to combat the illegal proliferation and trafficking of small arms and light weapons, to impose certification procedures and to ensure that sanctions are applied to transgressors.

- ✓ Application of rules of conduct to EU mining and natural extraction enterprises operating in Africa, so as to avoid actions that might fuel conflict in line with the initiatives undertaken by the UN Security Council.
- ✓ Promotion of concerted action to curtail illicit trade (e.g. illegal trafficking in diamonds, narcotics and, above all, human beings), and impose effective sanctions to prevent reoccurrence.

Post-Conflict Rehabilitation

- 23. Despite its importance, rehabilitation has rarely been targeted as a central priority and funding has been grossly inadequate. Rehabilitation requires building state and civil society capacity to provide basic infrastructure in primary health care, in primary education and basic vocational training, in the provision of pure water and sanitation, in building and maintaining transport and communication networks. Needless to say demobilization, demilitarization and reconciliation are important prerequisites for promoting rehabilitation. Unless these goals can be attained to a substantial degree, popular support for and belief in a sustainable peace process will remain low. Support of civil society participation in post-conflict situation is essential. Support actions in the context of an AU EU Partnership Agreement should thus include a Basic Service Provision Initiative, as outlined below, which is crucial for both conflict rehabilitation and poverty reduction purposes.
- 24. The incidence of frequent conflicts underlines the need for a broad and coordinated approach to peace-building in Africa, that transcends distinctions among pre-conflict, crisis and post-conflict stages and requires a mix of political, security, military, humanitarian and developmental responses. Of course peace making as well as peace keeping would have to be in line with relevant United Nations actions and resolution of the UN Security Council.

IV. GOVERNANCE AND ENHANCING GOVERNING CAPACITY: PROPOSED INITIATIVE AND SUPPORT ACTIONS

- 25. State capacity in many African countries is not yet sufficient for the challenges ahead to sustain poverty reduction, growth and legitimacy. Often it has been seriously weakened by the economic stringencies of the last two decades, made more severe by the anti-state stance of some adjustment policies. Many African states are unable to provide basic services or mobilise the resources needed to cover basic needs. Often state action lacks legitimacy due to non-accountability, inadequate democratic participation, insufficient accountability and credibility of parliaments, corruption, inefficiency and/or ethnic, regional or state elite discrimination leading to bad and/or ineffective governance. Europe, with its less ideological and more balanced view of the state, has an important part to play in improving the process that leads to better governance and enhancing governing capacity. The international community has an obligation to support Africa particularly by ceasing to feed corruption in various direct or indirect ways, and by the supporting corrupt and undemocratic regimes.
- 26. In the United Nations Millennium Declaration, world leaders underlined the importance of good governance, both for development and the elimination of poverty. African leaders, in the context of NEPAD, have gone one step further, by declaring that development is impossible in the absence of true democracy, respect for human rights, peace and good governance. They committed themselves to the promotion of two initiatives, namely the Democracy and Political Governance Initiative and Economic and Corporate Governance Initiatives.
- 27. Both initiatives aim to build African capacity to strengthen parliamentary oversight, to promote participatory decision-making, to upgrade administrative and civil services, to combat corruption and embezzlement, to undertake judicial reforms and to put in place the necessary policy and regulatory frameworks for private sector-led growth and effective programme implementation. Both initiatives will be anchored on the African Peer Review Mechanism, which reviews the progress in implementing the commitments made.
- 28. These are difficult tasks for any country, but especially difficult for the least-developed ones. Poverty brings about marginalisation and nurtures alienation, thus precluding participation in the political and policy processes. More importantly, widespread poverty breeds illegitimacy and weakens governing capacity. Pressing

needs to secure a minimum income and an acceptable standard of living as well as to gain access to basic services often override concerns related to transparency, accountability and inefficiency. Under such conditions, these are often perceived to be luxury goods. A vicious circle is thus created whereby poverty weakens governing capacity and bad governance aggravates poverty.

- 29. Breaking the vicious circle requires the adoption of integrated approaches designed to capitalize on synergies between policies that aim to accelerate growth and reduce poverty and policies that aim to strengthen governing and administrative capacity. It must be recognised that African countries need to adopt the type of democracy that integrates modern modes of governance with traditional ones. The establishment of democratic processes must take in to account existing social structures and cultural characteristics and should bridge old with the new modes of governance. Including institutional reforms, strengthening central government and administration is equally important to building the competencies of local governments. Capacity building is closely linked to education. These challenges can be addressed more effectively in the context of collaborative efforts and joint African EU initiatives in the context of a Partnership for Action.
- 30. Within the framework of an integrated approach to policy, it is important to consider the structure of incentives and disincentives that create favourable preconditions for improvements in governance and administrative capacity. For example, the existence of monitoring and evaluation procedures when coupled with conditionality of funding that is based on the implementation of specific targets in the process of a continuous and constructive dialogue, goes a long way towards improving governance and administrative capacity
- 31. The EU could support the African Union in this endeavor through undertaking a joint initiative for Strengthening Democratic Institutions and Accountability. Support actions could include inter alia:
 - ✓ Support for the integration of women into the social, political and economic sectors of society.
 - ✓ Expansion of financial assistance for institutional capacity building at the regional or national level.
 - ✓ Support of public administration reform.
 - ✓ Assistance for developing participatory mechanisms in decision-making and increased involvement of women as well as of national and regional civil society organizations including NGOs in governance.

- ✓ Enhancing technical and financial support for the strengthening of the legal systems, including the training of judges, the independence of the judicial systems and the development of law enforcement agencies.
- Extension of ICT support for the dissemination of information, democratic institution building and social participation.
- ✓ Funding and support for African Public Policy Institutes.
- ✓ Training of African parliamentarians on European political systems and procedures and support for political education (e.g. to journalists, parliamentarians etc).
- ✓ Training of local government managers.
- ✓ Support for exchanges of expertise and for co-operation activities between African countries to strengthen the Peer Review Mechanism.

V. POVERTY REDUCTION: PROPOSED INITIATIVE AND SUPPORT ACTIONS

- 32. Poverty reduction is the highest priority of development co-operation today. The Millennium Development Goals provide a focus for action commanding a wide international consensus. NEPAD calls for the reversal of (this frightening situation) current trends by launching a global war on poverty and underdevelopment. The EU could and should become a primary partner of the African Union in overcoming the poverty and development chasms that have widened and in assisting Africa to meet this challenge.
- 33. The Millenium Development goals will not be achieved if resources remain limited or are diverted to other priority areas, such as financing for the integration of the new incoming members to the European Union or post-war reconstruction in Iraq. Poverty will continue to plague Africa unless there are major changes in policy stance in a number of key areas, especially in the trade, aid and debt fields.
- The international community and Europe in particular should live up to their promises. Economic growth continues to be the most important precondition for poverty reduction and the expansion of trade remains the most promising vehicle for income-generation since most of the African economies are dependent on the production of primary commodities. Multilateral negotiations are presently at difficult crossroads. The Doha-Trade Round of negotiations should not be allowed to fail. The EU should take bold initiatives towards enhancing market access for African countries' goods and services through the removal of trade barriers for agricultural commodities, processed raw materials (especially wood products, cocoa butter and sisal twine) and domestic import competing foods, as well as the timely eliminations of direct and indirect subsidies to domestic producers. The "Everything but Arms" initiative should be extended to other groups of African countries besides the Least Developed ones, while caution should be exercised so that high non-tariffs quality standards are not used as indirect methods of domestic market protection.
- 35. Increasing financial resources to Africa to support poverty reduction programs requires not only the channelling of private foreign direct investment flows to create the necessary infrastructure and promote productive restructuring, but also a sizeable reduction of the debt burden. The investment and private sector development support initiative agreed upon at Cotonou could provide an important vehicle for generating and channelling resources to most African countries.

Broadening HIPC access to all of Sub-Saharan Africa will similarly be an important step in the same direction. In both areas the EU could do more, than it presently does and provide much needed leadership.

- 36. Fulfilling the pledges on aid increases made at Monterrey by Europe is only the first step towards bridging the gap between existing levels of aid and the resources needed to achieve the 0,7% target. Further delays and retrenchments induce the few countries, which had exceeded the 0,7% target to reduce their aid contributions to the detriment of the poorest recipient countries.
- 37. Poverty reduction objectives can not be achieved unless issues like indebteness, ODA reform, foreign direct investment promotion and market access are adequately addressed. However an AU EU Partnership for Action Agreement can go a long way towards meeting the International Development Goals and towards integrating European trade, investment and aid policies towards Africa. Within such a coherent and holistic policy framework, three initiatives, jointly undertaken by the EU and African states (at the regional or national levels), deserve special attention and support:
- a) Basic Service Provision
- b) Sustainable Expansion of Human and Social Capabilities and
- c) Building Productive and Trade Capacity

All three initiatives could make a measurable dent on poverty and at the same time help strengthening political governance and upgrade governing and administrative capacity. By their very nature, these initiatives, if made visible, through an effective communication campaign, could be actively supported by the NGO community and attract public and private funds as well as voluntary contributions by private citizens.

Basic Service Provision

38. A Basic Service Provision Initiative could focus on the extension of basic services both for meeting basic needs of the population as well as for conflict rehabilitation purposes. The objective of such an initiative would be to provide primary health care, especially of a preventative nature (e.g. immunization, and/or effective treatment for pandemics and HIV/AIDS) to the local population, to ensure access to primary level education, to extend pure water and sanitation facilities that improve household livelihood, to improve market access and communications through the provision of roads and basic infrastructure and finally to develop the appropriate

administrative capacity (at the local and regional level) for a functional public financial management system capable of collecting revenues and dispensing funds. The EU could actively support such an initiative through:

- ✓ Increased provision of technical assistance and support for integrated basic service provision programmes.
- ✓ Strengthened partnerships between European and African companies for infrastructural development.
- ✓ Support for the training of teachers and doctors.
- ✓ Promotion of co-ordination of the work of NGOs in basic service provision.
- ✓ Support the formation of flexible institutional arrangements to ensure local community participation.

Sustainable Expansion of Human and Social Capabilities

- 39. The expansion of human and social capabilities of Africa is a pressing priority, if Africa is to participate fully in the knowledge-based global society of the 21st century. A policy initiative in that direction would aim to secure the sustainable expansion of the ability of individuals, groups or institutions to identify, manage and resolve existing economic and social problems as well as to innovate individually and collectively with a view towards improving their life prospects. Support actions in that direction could include:
 - ✓ The design and funding of income-support programs that would subsidise
 children to go to school and/or to visit primary health-care services.
 - ✓ Support for salaried reforms in the most important public services with replacement of very expensive technical assistance personnel with local professionals, many of whom presently live abroad.
 - ✓ Enhancing its contributions to the Global Fund to fight HIV/AIDS, tuberculosis and malaria and other communicable diseases.
 - ✓ Technical assistance and funding for the modernization of the education and vocational training systems.
 - ✓ Support for the restructuring of the health system and the training of health professionals.
 - ✓ Assistance in developing synergies between education and health and the establishment of training and research networks towards human resource development.
 - ✓ Provision of low cost pharmaceuticals and drugs to treat communicable diseases.
 - ✓ Provision of ICT support in both the education and health fields.

Building Productive and Trade Capacity

- 40. Development and poverty reduction depends to a large extent on the expansion of trade and productive capacity in African countries. A joint initiative to support productive and trade capacity building could mobilize resources and coordinate actions of relevant stakeholders, including the public and private sector, as well as domestic and international organizations and financial institutions. Support actions could include:
 - ✓ Increased provision of technical assistance for the diversification of output and the export base.
 - ✓ Support for better dissemination of necessary information to agricultural peasants.
 - ✓ Developing appropriate mechanisms and institutions for export and foreign investment promotion, including Business Support Centres that can provide valuable consulting services in the areas of quality control, business planning, marketing and sales, accounting and costing, training, etc.
 - ✓ Support capacity building for trade negotiations.
 - ✓ Assistance for the development of legal and regulatory frameworks.
 - ✓ Enforcement of EU competition rules against producer/importer cartels (e.g. in sisal twine).
 - ✓ Promotion of innovative financial and insurance schemes and mechanisms to manage risks in commodity trading and to improve access of small scale and women farmers to credit.

VI. CONCLUDING REMARKS

- 41. The scale of poverty and suffering on the African continent is daunting. Africa should not be neglected due to other international crises in other parts of the globe. In a world of increasing interdependence and instability, it is in the interest of Europe to strengthen the EU African dialogue and to undertake concrete initiatives that will support lasting peace and development. The NEPAD initiative has been well received by Africa's main development partners, including the European Union, the G8, the UN and the World Bank. The maintenance of a constructive dialogue with the African Union is essential in order to achieve the priorities of NEPAD. The European Union should forge an African EU Partnership of Action with committed resources. The process outlined in this discussion paper can provide a starting point for making considerable progress towards meeting the Millenium Development Goals. Thus:
- a) The proposed African EU Partnership for Action can provide the framework for overcoming existing bottlenecks and create the appropriate incentives for the joint implementation of commonly agreed initiatives.
- b) The proposed Joint Task Force can play a significant role in appraising and selecting proposals, in mobilising potential sources of funding and support either from the EU or from international financial organisations and private sector sources and in evaluating progress.
- c) The EU could commit itself to support initiatives in the context of an African EU partnership agreement through mobilising financial resources, providing training and technical assistance, strengthening local institutional capacity and network building. Priority areas include inter alia: Conflict Prevention and Post-conflict Rehabilitation, Improving Governance and Enhancing Governing Capacity and Poverty Reduction.
- d) The design and implementation of specific initiatives under each of these three broad policy areas, as outlined in the report, could provide the basis for a fruitful dialogue and a credible commitment for joint action.
- e) The Athens Round Table of Eminent Personalities could be established as a yearly event, supported by the European Union, the African Union and other relevant stakeholders. It could become a platform for the exchange of ideas, towards the formulation of policy recommendations to strengthen the African EU Partnership based on the principles of shared responsibilities and mutual accountability.

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