Promoting Growth: Africa

Commitment

“We agree to support a comprehensive set of actions to raise agricultural productivity, strengthen urban-rural linkages and empower the poor, based on national initiatives and in cooperation with the AU/NEPAD Comprehensive Africa Agriculture Development Programme (CAADP) and other African initiatives.”

-Africa, 8 July 2005

Background

The Promoting Growth commitments contained in the Africa Document released by the G8 on 8 July 2005 builds upon a framework of cooperation established by United Nations, the G8, and African leadership. At the Kananaskis Summit in 2002, the G8 agreed to establish an Africa Action Plan (AAP). The G8 Africa Action Plan contains commitments on promoting peace and security; strengthening institutions and governance; fostering trade, economic growth, and sustainable development; implementing debt relief; expanding knowledge; improving health and confronting HIV/AIDS; increasing agricultural productivity; and improving water resource management.

The Africa Action Plan was also intended to complement the New Partnership for Africa's Development (NEPAD). NEPAD is a programme of the African Union designed to meet its development objectives and overcome its greatest challenge: the increasingly impoverished state of the continent. NEPAD aims to facilitate international assistance with African initiatives to address issues such as escalating poverty levels, underdevelopment, and the continued marginalization of Africa. Founded on the idea of mutual accountability, the NEPAD framework is based on the idea that if Africa is going to achieve the goals set out in NEPAD, both African governments and the international community must meet their commitments to African aid and development. These commitments include African Governments' commitments through NEPAD to improve economic and political governance, the G8's commitments as stated in the Africa Action Plan, and international commitments to meet the United Nation's Millennium Development Goals.

Under the auspices of NEPAD, African governments have proposed a Comprehensive Africa Agriculture Development Program (CAADP). Launched in November 2002, the objective of CAADP is to increase agricultural output in Africa by 6 percent a year over the next 20 years.

Hence, the commitments made at Gleneagles to support increases in agricultural productivity are fundamentally linked to the work being undertaken by NEPAD and the nations of Africa. Compliance with this commitment must thus be demonstrated by a cooperative aid approach that includes the NEPAD/CAADP framework.

Team Leader: Laura Hodgins

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## Assessment

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<thead>
<tr>
<th>Country</th>
<th>Lack of Compliance</th>
<th>Work in Progress</th>
<th>Full Compliance</th>
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<tbody>
<tr>
<td>Canada</td>
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<td><strong>Overall</strong></td>
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### Individual Country Compliance Breakdown

**1. Canada: +1**

Canada has demonstrated a very high level of compliance to its commitment to promote growth in Africa. Canada channels its contributions to African development through the Canada Fund for Africa, a CAD$500 million fund created by former Prime Minister Jean Chrétien prior to the Kananaskis Summit where the G8 established the African Action Plan. Through this fund Canada has pursued closer collaboration with the New Partnership for Africa’s Development (NEPAD), with the African Union, and with various African governments in order to facilitate the fulfilment of the Africa Action Plan. The fund is now in its second phase and is currently accepting proposals that aim to raise awareness of the principles and objectives of NEPAD such as governance, peace and security, health, education, knowledge, and economic development. It is accepting these proposals from the African civil society, as well as the private and public sectors. The Canada Fund for Africa Secretariat will disburse the CAD$2,500,000 in funds. The fund made a CAD$40 million investment for Africa-specific research at the Consultative Group on International Agricultural Research and a CAD$30 million investment for the construction of a bio-sciences centre for agriculture in Kenya. Moreover, the Canadian government committed to concentrate bilateral assistance in sub-Saharan Africa in its International Policy Statement, released 19 April 2005. This is consistent with its 2005 Budget promise to double aid to Africa from 2004-05 levels by 2008-09. The Statement also pledged to “continue to press forward, in close collaboration with other partners in Africa and other donors, to support regional initiatives such as NEPAD.”

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Canada has also recently introduced a number of new initiatives aimed at promoting growth in Africa. On 24 November 2005, the Minister of International Cooperation, Ms. Aileen Carroll, announced that Canada will contribute more than CAD$64 million through the Canadian International Development Agency (CIDA) to new private sector development (PSD) initiatives to help alleviate poverty in developing countries.\(^{308}\) The Minister also committed to hosting an annual PSD conference beginning in 2006. Of this CAD$64 million, CAD$9.3 million will go to revitalizing the agri-food system in Burkina Faso; CAD$1.3 million will go towards carrying out an environmental feasibility study for a power transmission line that will run through the Inga corridor in Africa; CAD$800,000 will help fund the pilot phase of the CARE Canada Enterprise Partners Program, which aims to build upon existing unregistered assets of the poor by developing bridging strategies between the formal and informal economies in developing countries; and CAD$1.4 million for the United Nations Capital Development fund, to support innovative approaches to local economic development through local governance and microfinance interventions.\(^{309}\)

Finally, at the sixth WTO ministerial conference in Hong Kong in December 2005, the Minister of International Trade, Mr. Jim Peterson, restated the importance of the Doha Development Agenda and encouraged other countries to act outside the WTO to support development.\(^{310}\) Canada receives a score of +1 for the promoting growth commitment, indicating full compliance.

Analyst: Laura Hodgins

2. France: 0

The Government of France has pursued few major commitments to promote growth in Africa since the Gleneagles Summit. The most significant initiative was the contribution of the French finance minister in the participating nations’ decision to increase funding for ‘aid for trade’ [trade capacity building] by US$4 billion, announced at the December 2005 meeting of the G7 Finance Ministers in London.\(^{311}\) France has also taken other small steps. Notable is President Chirac’s use of the December 2005 Africa-France Summit in Bakamo to emphasize the importance of supporting and training African youth. In his opening address, President Chirac highlighted the need to promote education and increase the number of centres for apprenticeship and vocational training in Africa.\(^{312}\) The French Development Minister also signed a partnership convention between the Ministry of Foreign Affairs, the French Development Agency, and the Permanent Conference of African and Francophone Chambers (of Commerce, Agriculture, Industry and Crafts). This partnership aims at increasing the availability of tools to support the growth of small business and occupational training in Africa.\(^{313}\) While France has shown fidelity to these aspects of the Gleneagles Plan, it has not taken steps to expedite the progress of the Doha Development Round. Although France agreed to the pledge made in Hong Kong to eliminate agricultural export subsidies by 2013, France took no step to reform existing EU CAP subsidies either in Hong Kong or at the December meeting of the European Council in Brussels. Instead, President Chirac urged ‘vigilance’ to ensure the stability of the CAP through to 2013.\(^{314}\) The absence of major initiatives and commitments to advance the promises


made at Gleneagles leaves France with significant work to do if it is to register compliance with its Africa commitments in the lead-up to the St. Petersburg summit. France receives a score of 0 for the promoting growth commitment, indicating work in progress.

Analyst: Steven Masson

3. Germany: 0

Since the Gleneagles Summit in 2005, Germany has demonstrated a moderate level of compliance with the promoting growth commitment. Germany’s attendance and newly made commitments at the December 2005 WTO Ministerial Conference demonstrated its support for promoting growth. During the WTO Ministerial Conference in Hong Kong, Germany pledged its support for a comprehensive development project for Less Developed Countries (LDCs). As part of the aid-for-trade commitments declared at the meetings, Germany agreed to eliminate all export subsidies on cotton in 2006. While a date for this specific project has not been firmly set, German Development Minister, Wieczorek-Zeul, commented on the general success of the WTO Ministerial Conference, noting in particular the decision to grant the poorest developing countries almost complete tariff- and quota-free access to industrialized markets as of 2008.

Germany’s compliance with its commitment to promote growth was also demonstrated through its recent meeting with the Mozambique government. During a bilateral meeting in Maputo between the German and Mozambique governments in December 2005, Germany pledged EU$86.5 million to be distributed throughout 2005 and 2006 to support Mozambique with respect to education, rural development, and sponsorship within the private sector. Mozambique is considered one of the poorest countries in the world, and was relieved of its multilateral debts at the 2005 Gleneagles Summit. Germany and Mozambique’s cooperation is a strong indicator of Germany’s compliance with the commitment concerning promoting growth. Germany, however, has not undertaken any new initiatives unilaterally, in cooperation with NEPAD’s Comprehensive Africa Agriculture Development Programme, or in cooperation with any other body. Germany therefore receives a score of 0 for the promoting growth commitment, indicating a work in progress.

Analyst: Orsolya Soos

4. Italy: 0

Italy has demonstrated partial compliance with the promoting growth commitment. From 7 June 2005 through 11 June 2005, the Undersecretary of State for Foreign Affairs Alfredo Mantica visited Angola, Gabon and Cameroon to discuss trade relations. His visit to Cameroon included a follow-up on the New Partnership for African Development (NEPAD), and on the United Nations reform project. On 31 December 2005, the Angola Press Agency reported that Italy is expected to provide three million Euros to fund agricultural projects in the provinces of Luanda, Bengo and Kwanza-Sul. This demonstrates Italy’s aspiration to comply with the commitment to improve agricultural productivity in Africa through cooperative initiatives. Italy has yet to demonstrate more significant form of cooperation with NEPAD’s

Comprehensive Africa Agricultural Development Programme, however, and thus receives a score of 0 for this commitment, indicating work in progress.

Analyst: Laura Hodgins

5. Japan: 0

Japan has registered partial compliance with the commitment to promote growth in Africa as laid out at the 2006 Gleneagles Summit. On 22 April 2005, Prime Minister Junichiro Koizumi announced that Japan would double its Official Development Assistance (ODA) to Africa by 2008. He also pledged to hold “TICAD IV” in 2008. TICAD – the Tokyo International Conference on African Development – held its inaugural meeting in 1993 and through these conferences Japan has launched a significant number of joint African-Asian initiatives to increase African agricultural productivity and fulfill the Millenium Development Goals. TICAD is committed to creating a “full synergy between TICAD’s work and NEPAD’s own approaches”. Furthermore, Prime Minister Koizumi, in his keynote speech at the Asian-African Business Summit in April 2005, suggested a “productivity movement” be promoted in Africa. He also announced that Japan will be hosting the fourth Asian-African Business Summit in 2006 and will continue to provide support for the “entrepreneurial spirit” upon which Asia-African cooperation rests.

From 14-15 July 2005, Japan hosted the International Symposium on “Perspectives of Research and Development for Improving Agricultural Productivity in Africa”. The Japan Forum on International Agricultural Research and the Japan International Research Center for Arid Sciences jointly organized this symposium. Currently, the Japan International Cooperation Agency is helping to finance a program of growth in Zambia that will focus on fostering human security through rural development. This program, termed the “Zambia Initiative”, will require the cooperation of local residents, ten aid agencies, and the government. Apart from the “Zambia Initiative and a number of pledges toward future discussions, it is not yet clear that Japan has forwarded any new policies since the Gleneagles summit that might bring it into compliance with this commitment.

Analyst: Laura Hodgins

6. Russia: 0

Russia has demonstrated partial compliance with the promoting growth commitment. On the eve of his country’s assumption of the G8 presidency, Director of the Russian Finance Ministry's department for international financial relations, Mr. Serguey Storchak, announced that the Russian Federation planned to become more active in establishing and participating in international development initiatives. Minister

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Storchak stated that “On the international scene we must be the same as other members of the G8.”

This runs counter to his comments from the last day of the Gleneagles Summit, when during the discussion of the US$55-59 billion aid pledge to Africa, he stated that Russia was not “ready to assume budgetary commitments to help the poor countries for several years into the future.” According to Russian news commentators, President Vladimir Putin currently faces domestic resistance to the aid package discussed at Gleneagles since “most Russians do not understand why huge financial and political resources must be spent for this purpose [aid to Africa].”

Although Russia has endeavoured to strengthen ties with the African Union and has pledged to support the G8 African Action Plan, these efforts have not translated into specific contributions. Most of Russia’s pledges to Africa do not mention contributions to help raise agricultural productivity, strengthen urban-rural linkages, or empower the poor; instead they emphasize an improvement in Russian-African trade relations. The development of technical ties with Africa could be construed as an indication of future compliance, as Russian-African cooperation in the field of high technologies is noted as a primary commitment in a release from the Russian Ministry of Foreign Affairs. In July 2005 Moscow hosted the fourth session of the Commission on Scientific and Technical Cooperation between Russia and the Republic of South Africa, at which both sides affirmed their common interest in carrying out joint studies in the area of energy technologies, in the fields of physics, mathematics, radio astronomy, and astrophysics, and in the exploration and utilization of outer space for peaceful purposes. Hence, Russia receives a score of 0 for the promoting growth commitment, indicating work in progress.

Analyst: Laura Hodgins

7. United Kingdom: 0

The United Kingdom has taken important steps towards reaffirming and meeting its commitments for promoting growth in Africa from the Gleneagles summit. However, it has not yet achieved full compliance. Prime Minister Tony Blair has begun to establish mechanisms to ensure that the Gleneagles commitments to promoting growth in Africa be kept. At the September 2005 United Nations Summit, the United Kingdom and several other European nations ensured 191 countries’ full endorsement of the Millennium Goals, with a special emphasis on Africa. Britain also hosted the fifth meeting of the African Partnership Forum’s Joint Action Plan on 4-5 October 2005 in London and worked towards the establishment of the Infrastructure Consortium for Africa. The meeting for the African Partnership Forum’s Joint Action Plan was hosted by Hilary Benn, the Minister of State for International Development, and addressed by both Prime Minister Tony Blair and the United Kingdom Chancellor of the Exchequer.

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G8 Research Group. At this meeting the forum agreed to provide international monitoring to the implementation of the commitments to Africa.

On 6 October 2005 Britain also chaired the inaugural meeting of the Infrastructure Consortium for Africa. The Consortium seeks to build on partnerships between donors and stakeholders to deal with African infrastructure needs, in an effort to increase economic growth and development within the region. Britain agreed to commit US$20 million over three years to support the establishment of the Consortium and a Secretariat to be located in the African Development Bank. This Secretariat will work in cooperation with the African Union (AU), New Partnership for Africa’s Development (NEPAD) and Regional Economic Communities (RECs). The establishment of the Consortium in January 2006 reaffirmed Britain’s “task of honoring the commitments [made] toward Africa’s future” and marked an innovative step in implementing an international forum for monitoring the commitments made towards Africa’s economic development in one place. The initiatives outlined above represent steps on the part of the British government towards complying with its commitment to promoting growth in Africa; however, the United Kingdom has yet to realize full compliance.

Analyst: Vaneet Sangha

8. United States: +1

The United States has registered its compliance with the obligations undertaken in the realm of promoting growth in Africa. As a member of the WTO, the United States helped to advance the Doha Development Round at the Hong Kong Ministerial Meeting, specifically agreeing to abolish agricultural export subsidies by the end of 2013. The United States has acted both multilaterally and bilaterally to increase trade capacity building, or ‘aid for trade,’ in African nations. Multilaterally, it participated in the December 2005 G7 Finance Ministers’ Meeting in London that produced a new commitment to increase aid for trade by US$4 billion. This commitment gave particular priority to infrastructure needs in Africa. On 19 July 2005, President Bush launched the African Global Competitiveness Initiative. This initiative expands existing USAID trade building efforts that have focused on Regional Trade Hubs; these hubs bring teams of experts to support trade capacity building. This specific program has a five-year funding target of US$200 million in additional resources. It will also fund the opening of a new regional trade hub in Dakar, Senegal. The African Global Competitiveness Initiative thus supports not only the Gleneagles commitments to help Africa integrate into global markets, but also aids in the development of continental trade.

In late 2005, the Bush administration renewed the eligibility of 37 countries to gain access to the U.S. market under the African Growth and Opportunity Act (AGOA). Not only was the commitment to open

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American markets for these countries maintained, but in July 2005, the Secretary of State Rice announced the creation of the AGOA Diversification Fund, through which several U.S. agencies will support the efforts of African governments to diversify their economies and capitalize on the opportunities afforded by AGOA. These efforts reinforce the G8 commitment to promote growth through the engine of trade.

In addition to the previously mentioned initiatives to open markets, and to build trade capacity and infrastructure in Africa, the United States government also announced its contribution to NEPAD’s CAADP, which aims to increase African agricultural output by 6% annually. On 15 September 2005, USAID announced a new US$200 million in programming that would be directed to support the CAADP for fiscal year 2006, as part of the Presidential Initiative to End Hunger in Africa. USAID expects similar outlays between 2006 and 2010. Finally, the U.S. made further progress towards meeting the Gleneagles commitments with USAID’s announcement that it had joined with private sector institutions to create the Global Commercial Microfinance Consortium to provide local currency financing to microfinance institutions. The above-outlined initiatives demonstrate that the United States is well on its way to meeting the Gleneagles commitments to promote growth in Africa. The United States therefore receives a score of +1 for the promoting growth commitment, indicating full compliance.

Analyst: Steven Masson

9. European Union: 0

The European Union has undertaken significant steps towards meeting its commitments concerning promoting growth in Africa at the Gleneagles summit, although full compliance has not yet been realized. The European Union has made several official reaffirmations and has taken several positive steps since the Gleneagles summit. At the United Nations Summit in September the European Union played a vital role in gaining unanimous endorsement from 191 countries to accelerate progress towards the Millennium Development Goals, with emphasis provided to the needs of Africa. Since Gleneagles, the EU has also developed and adopted the EU Strategy for Africa, which includes a formal and comprehensive framework on how EU member states will work with Africa’s regional organizations to enable African states to reach the United Nations Millennium Development Goals. EU Commissioner Louis Michel met with Africa’s regional organizations twice in September 2005 to discuss the EU Strategy and on 12 December 2005, the European Council endorsed the General Affairs and External Relations Council of the EU Strategy for Africa. This initiative will establish a long-term partnership between African states and the EU in an effort to increase Africa’s sustainable development. The Strategy aims to establish and formalize concrete projects between the European Union and Africa’s regional organizations that will further increase stability, promote economic growth, and reduce poverty within the region.
actions indicate that the European Union has made efforts to meet its commitment to promote growth in Africa, but it must increase its efforts if it is to achieve full compliance. The EU therefore receives a score of 0 for the promoting growth commitment, indicating work in progress.

Analyst: Vaneet Sangha