Africa Multi-stakeholder Consultation towards First High Level Meeting of the Global Partnership of Effective Development Cooperation

Abidjan, Cote d'Ivoire, 24-26 February 2014

Outcomes Summary

1. Introduction and Objectives of Meeting

The African Multi-stakeholder Consultation on Development Effectiveness was hosted by the Government of Cote d'Ivoire in collaboration with the Africa Union Commission and NEPAD Agency under the mechanism of the AU/NEPAD Africa Platform for Development Effectiveness (APDev). The meeting was supported by UNDP and DFID.

The Regional meeting was the final engagement of political leadership and technical experts towards forging an active African coalition at the upcoming Mexico High Level Forum of the Global Partnership for Effective Development Cooperation scheduled for Mexico in April 2014. A main objective of the regional platform was to finalize and endorse the Africa Action Plan on Development Effectiveness to serve as basis for the Continent's engagement in Mexico for impactful engagement. The endorsed Action Plan will be presented at the 2014 Conference of African Ministers of Finance and Economic Development (CAMEF) by its current chair, the Minister of Planning and Development of Cote d'Ivoire.

The consultation was held under the distinguished leadership of the Honourable Daniel Kablan Ducan, Prime Minister of Cote d'Ivoire, with high level attendance by the Minister of Planning and Development of Cote d'Ivoire, the AU Commissioner for Infrastructure and Energy and Ministers from Democratic Republic of Congo, Djibouti, Togo, Sudan, State Secretary of Chad and representatives of Ministers from Burundi, Madagascar and Egypt.

With broad-based participation, the Abidjan engagement brought together political leaders and over 180 high level representatives of more than 40 Governments, Parliamentarians, Civil Society Organizations, Universities, Private Sector and development partners. The Final Continental Consultation follows region-specific engagements held over the past two (2) years to shape the Africa's Development Effectiveness Agenda.

2. Summary Outcome

Arising from the previous consultations and underscored at this regional meeting is the overriding key message from stakeholders on the imperative of a stronger focus on Domestic Resource Mobilization (DRM), private sector governance and value addition capacities, among other issues, as part of Africa's development cooperation agenda. Additionally, the series of region-specific consultations provided a unique opportunity for African stakeholders to engage on the Continent's development cooperation priorities with the framework of development effectiveness for Mexico, as well as, re-affirm the need for the GP to be responsive to African priorities for added value.

Further, the engagement focused on the five (5) development thematic areas identified for the ministerial meeting. Among these themes are those of topmost priority to Africa, namely, DRM and domestic private sector. Overall, the 5 thematic areas considered were, 1) implementation of Busan commitments; 2) Domestic Resources, Mobilization; 3) Private Sector Development; 4) Knowledge Sharing, South -South and Triangular Cooperation; 5) Middle Income Countries.

Overall, the regional consultation reaffirmed the need for scaled up implementation of Busan commitments, an expanded African representation on the GP Governing Structures was recommended, while underscoring the need for a binding Global Action Plan in moving forward the GP more tangibly. As part of its contribution to the global action plan, an Africa Action Plan was developed and endorsed. The issue of interpreting Domestic Resource Mobilization (DRM) broader than a tax issue was strongly emphasized. Therefore, in addition to the issuing of the GP communique at the end of the Mexico meeting Africa expects an agreed global action to guide action and monitoring efforts for effective results.

3. Key outcomes and messages underscored by African stakeholders

The consultation came up with key political, process and technical outcomes aimed to ensure that the Global Partnership adds value to Africa's transformation, as well as, supporting overall inclusive growth and development.

The political leadership guiding the engagement gave clear direction in the development of the Africa Action Plan, as the Continent's clear development cooperation priorities. The Action Plan was to be built on Continental priorities, which are issues of common interest to AU Member States. Therefore the Agenda 2063, NEPAD, Africa's Post-2015 Common Position and 2011 African Position and Consensus on Development Effectiveness served as the basis for the Continent's agenda under development cooperation and GP.

a) Political and Process Outcomes

The agenda of the Consultation included a Ministerial sessions which produced several political outcomes, as well as, agreements on championing of issues of strategic importance to Africa as it pertains to the Mexico Meeting.

The session led by the AU Commissioner for Infrastructure and Energy with participation of Ministers from Democratic Republic of Congo, Djibouti, Togo, Sudan, State Secretary, Chad, as well as, representatives of Ministers from Burundi, Madagascar and Egypt made key decisions as follows.

> ➤ The African delegation to Mexico will be led by the political leadership of the Honourable Daniel Kablan Ducan, Prime Minister of Cote d'Ivoire, the Minister of Planning of Cote d'Ivoire working with the Government of Mauritania, the current Chair of the African Union, AUC Chair, Commissioners and NEPAD CEO with champion Ministers.

> ➤ The Minister of Planning in Cote d'Ivoire, who is the current chair of AUC/ECA Conference of African Ministers of Finance, Planning and Economic Development (CAMEF), will present the Africa Action Plan and take forward the conclusions of the meeting to the upcoming CAMEF in Abuja, March 2014, working with champion Ministers present at the Abidjan Meeting to prepare African Ministers for Mexico. The CAMEF meeting provides an opportunity for further coalition building towards a unified African voice in Mexico.

> ➤ Further, the engagement reaffirmed consensus on the principle that Africa's representation in Mexico will be guided by the continent's standing priorities as espoused in the AU Agenda 2063, NEPAD, African Common Position on Development Effectiveness and the Continent's Post-2015 Common Position based on the priorities set out in National and Regional Development Plans.

In summary, the collective agreement of political leadership was that the African Action Plan endorsed at this Regional Meeting will inform the Continent's participation in the First-High Level Meeting of the Global Partnership in Mexico, April, 2014.

b) Technical and Global Partnership- Content issues

➢ **THEMATIC AREA 1: PROGRESS ON IMPLEMENTATION OF BUSAN COMMITMENTS**

The Abidjan Meeting provided a unique opportunity for Africa to collectively review the promise of Busan, analyze progress over the past two years and come up with strategies geared to upscale effective implementation of these commitments. Key issues articulated by African stakeholders as follows:

- African countries should develop Development Effectiveness (DE) Action Plans towards domesticating the Busan commitments towards impactful implementation of global cooperation that takes into account of mutual accountability;
- Delegates highlighted the critical requirement for an evidence-based review of policies, strategies so that development partners conform with the new architecture of development effectiveness;
- AU Member States need to develop of Aid exit strategies, enhance an enabling environment for political and technical will to support the implementation of these strategies at member state levels;
- Govern the domestic private sector equitably and build their capacities to compete effectively at national, regional and global levels. This calls for provision of an enabling environment that recognise the importance of informal/secondary private sector;
- Create space for Regional Organisations and Parliamentarians to effectively play their roles in development processes, considering they are critical in the drafting and passing of laws governing national development such as cross border trade negotiations;
- Need for African governments to adapt monitoring instruments that address their specific concerns (such as the African Peer Review Mechanism under AU/NEPAD); strengthening implementation or use of the African Consensus to monitor progress on certain indicators.

➢ **THEMATIC AREA 2: THE PRIVATE SECTOR – BUSINESS AS A PARTNER IN DEVELOPMENT**

There was overall consensus that African countries with the support of the Global Partnership need to upscale policies and programmes that promote the development of the local private sector, including the informal/secondary sector, as well as, capacitating them to understand and play a role in public-private dialogue, partnerships, and financing. Key issues raised at the Abidjan meeting included:

- Strengthen efforts towards develop requisite capacities for a flourishing domestic African private sector. This includes creating platforms to effectively engage private sector on development issues (development of various instruments to help local SMEs and informal sector e.g. Funds, credit lines);
- Effective (Government and Development Partners) collaboration in the fight against tax evasion/avoidance, corruption and illicit financial flows;
- Providing technical and financial support for building industrial productive capacity and removing constraints on Africa's industrial development. Adequate steps to actualize the African Union's goals of establishing a Continental Free Trade Area by 2017, a Continental Common

Market by 2023, attainment of an African share of world trade of 10-15% and an intra-African trade of all African trade of 60-70% (from current baselines of respectively 2% and 11-12%) by 2040;

- The provision of investment incentives and other assistance to national companies for the establishment joint industrial enterprises and for the processing of natural resources within Africa;
- Supporting and leveraging the secondary economy and local private sector as sources of sustainable and inclusive development;
- Governments continue with provision of enabling environments for robust private sector (policy, legal and infrastructure);
- Develop Action Plans that assign roles to various stakeholders (taking into account their capacities and resource endowments), including non-state actors with M&E framework to assess performance and progress made

➢ **THEMATIC AREA 3: DOMESTIC RESOURCE MOBILISATION AND ILLICIT FINANCIAL RESOURCES**

The meeting highlighted the need for effective development cooperation to strengthen African countries' DRM initiatives through alternative financing instruments and mechanisms like equity bonds, expanding the revenue base and strengthening institutional capacities to this effect. Additionally, supporting accountability mechanisms and reforms in these institutions will strengthen strategies to combat illicit financial flows. Raised were fundamental issues for attention as follows:

- Africa needs equitable and efficient mobilisation of domestic revenue for poverty reduction and inclusive economic development. Governments should then channel revenues to fund local private businesses, education, investment, healthcare and social transfers thus promoting growth and employment and alleviating poverty;
- Accountability and transparency of the tax administration system is critical for Africa to adequately channel resources to the productive sector of the economy;
- Illicit financial flows deny developing countries significant sums that could be used to finance development. The continent should partner with development partners to develop and implement robust policies and strengthen tax justice and administrative systems to curb these illicit transfers through for example tax evasion, tax avoidance, corruption and others;
- The meeting agreed that commitments by development partners towards increasing and coordinating support targeted to increasing DRM capacity should increase. This must be complimented by parallel commitments by developing countries to prioritise and provide political leadership to implement changes and any necessary reform to drive DRM improvements;
- Need to incorporate the informal/secondary sector of African economies into the formal economies so as to utilize the funds available to fund and catalyse development efforts at national level;
➢ Need to establish a culture of security and accountability so as citizens can utilize the formal economy to protect their savings for productive purposes.

➢ **THEMATIC AREA 4: DEVELOPMENT COOPERATION AND MIDDLE INCOME COUNTRIES**

There was an overriding concern that the current emphasis on a single indicator to determine the status of MICs is restrictive and inadequate (GNI) to Africa. There should exist a coherent system of developed countries' aid and non-aid policies that impact on development (e.g. trade, economic growth) in MICs with LDCs that considers transition and exit phase indicators like HDI, Inequality Gap indicators MICs differ greatly among themselves not only with regards to socioeconomic conditions, but also in structural circumstances that determine their potential for development and production performance.

Development co-operation should contribute to:

- Preparing African countries for middle-income status. MICs often face acute problems of inequality and lack of social inclusion, and some MICs still have challenges similar to those faced by LICs;
- The development of exit strategies for countries transitioning from lower-income to middle-income status, as well as to processes and structures aimed at dealing with the transition. The African Union has set the goal of ending dependence on foreign aid by 2028, the achievement by each African country of an income status at least one step higher than its level in 2013 by 2033, and half of Africa's 34 LDCs to meet the graduation criteria by 2020;
- The development and refinement of a more comprehensive inclusive indicator for identifying and categorising MICs. A useful point of orientation is the United Nations' Human Development Index. The current emphasis on Gross National Income as the single indicator used to determine the status of MICs is restrictive and inadequate;
- Improvement in the level of experience sharing between countries that have successfully transited to MICs and commendable policies implemented to avoid issues of inequality and lack of social inclusion;
- African countries should be aware of the various risks, pitfalls and dangers associated with the new MIC status, like eligibility to borrow from funds from the commercial market (that would result in debt burden over time if transition is less successful); absence of dispute of resolution mechanisms in case of default.

➢ **THEMATIC AREA 5: KNOWLEDGE SHARING, SOUTH-SOUTH AND TRAINGULAR COOPERATION**

The Global South has become a key actor in global and regional development efforts over the past decades. Intra-Africa South-South and Triangular Cooperation have increased in terms of strategic importance and volume. Additionally, Knowledge Sharing among African countries needs to be increased to contribute to the enhancement of national and local capacities for sustainable human development. Key issues raised included:

- There is an urgency to create a database on best practices and lessons learnt by individual countries and organisations on a wide range of issues, including peace building and security, inspired by the vision of the African Union of "an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena";
- Continue to address the challenges (such as geo-politics, absence of governance frameworks, and absence of democratic institutions) that hinder African governments from sharing and adoption good practices. This must cater for provision of an enabling environment for new opportunities for SSC and TC allowing for the development of new orientations, innovations and non-traditional forms of development partnerships at all levels;

- Promotion of technology and reduction of the technology divide between countries, continents, rural and urban areas. This involves the utilization of social media, main stream media, and knowledge platforms (which include comprehensive database) and must be developed to allow for effective knowledge sharing;
- Political message to African leaders vis-a-vis Mexico is renewed practical commitment to sharing information through allocation of budgetary resources (entailing an activity/output based plan should be in place, use of various instruments for mobilising finances for development);
- Critical need for gathering and sharing African experiences on common sectoral and thematic agendas through the creation and support of learning platforms and networks among countries and across sub-regions, such as, APDev. This includes planning, monitoring and evaluation mechanisms.

> **THEMATIC AREA 6: WORKING ARRANGEMENTS AND GOVERNANCE STRUCTURES OF GLOBAL PARTNERSHIP**

  The GP governing structures need to consider efficient inclusion and diversity, as well as, democratic ownership by ensuring effective and representative participation of all stakeholders. Africa needs more seats in the governing structures of the GP for real representation and effective collaboration;
- Recognising the shift from Aid to Development Effectiveness, the continent should have more effective representation on the GP governing structures. Africa strongly reiterates the need for the promised slot for Africa (that should go to AUC/NEPAD) in the proposed re-structuring of the Steering Committee;
- The AUC/NEPAD should quickly develop Rules of Procedure and modalities for representatives in the Steering Committee to inform and communicate to the other African countries of developments in the Global Platform for Development effectiveness;
- African countries should use what they have to leverage resource mobilisation efforts and partnerships. In this process countries should send representatives, negotiators that have sufficient capacity in terms of knowledge and negotiation skills;
- African countries should also practically, effectively domesticate and operationalize the structures to enhance domesticate mutual accountability. This means providing the necessary resources for consultation.

c) **Conclusion and Way forward**

- The Government of Cote d'Ivoire with the coordinating role of the African Union Commission (AUC) and NEPAD Agency will champion Africa's priorities both at the Conference of African Ministers of Economy and Finance in March, Abuja Nigeria, as well as, the High Level Meeting of the Global Partnership of effective Development Cooperation in April, 2014, Mexico City, Mexico;
- There is a dire need to immediately speed up and intensify implementation of commitments by all stakeholders who endorsed the Principles of Paris, Accra and Busan and relook indicators and monitoring methodology;
- Countries across Africa will work to ensure that they develop a framework for the design of effective development cooperation mechanisms and the implementation of the African Action Plan while emphasizing the need for an agreed and binding Global Action Plan towards moving beyond commitments and communiques to impactful results;

- African countries call on development partners to show renewed commitment in achieving goals set for principles such as use of country ownership, predictability, and the untying of Aid for increased ownership;
- Call for agreements reached in Mexico to be focused on development support to specialized areas such as Domestic Resource Mobilization, and value addition and local private sector growth so as to enhance Africa's transformation.
- Monitoring of progress with Busan commitments and Action Plan should be monitored through domestic processes and instruments with the Africa African Peer Review Mechanism (APRM) used as the default monitoring instrument;
- Principles of Accountability as defined in the Mutual Accountability Standard for Africa with the APRM should form the basis for all accountability processes with Partners in Africa;
- The regional dimension of regional cooperation is important for Africa and the role of RECs in overseeing and guiding development cooperation relations in the different sub-regions must be expanded and strengthened.