



**Wittenberg Center
for Global Ethics**



Africa Forum 2006 Fostering Entrepreneurial Spirit

Minutes of the 2nd Panel: The Institutional Dimension “NEPAD – Vision and Strategic Framework” Institutions and Governance as Condition for Entrepreneurship Monday, 4th December 2006

Convened by Prof. Doris FUCHS, WCGE

- H.E. Prof. Firmino MUCAVELE, CEO of NEPAD Secretariat
- H.E. Horice MEGHAR, Ambassador of the PDR of Algeria
- Prof. Dr. Ingo PIES, Martin-Luther-University Halle-Wittenberg
- Ute KLAMERT, GTZ Regional Director for Southern Africa
- Dr. James KAJETE, NEPAD Council Europe

Executive Summary

The 2nd panel of the Africa Forum 2006 focused on the institutional dimension. The panel discussed the role of NEPAD as a vision and strategic framework for fostering entrepreneurial spirit in Africa. The lively and stimulating debate convened by Prof. Doris Fuchs highlighted the importance of institutions and governance for advancing political, social and business entrepreneurship and the role of NEPAD in that process. As the first speaker, H.E. Prof. Firmino Mucavele gave a comprehensive and thorough overview of the philosophy, strategy, and instruments of the New Partnership for Africa's Development. Underscoring NEPAD's 12 key principles, he called attention to the necessary conditions, the sectoral priorities and the significance of resource mobilization through the NEPAD framework. In addition, Prof. Mucavele not only portrayed the progress and lessons to be learnt so far but also focused on future implementation issues. Complementing this perspective, H.E. Hocine Meghar, Ambassador of the People's Democratic Republic of Algeria, pointed to the fact that NEPAD is not a magic formula. Rather, it is a new vision that provides an opportunity to create a new institutional environment in Africa. By this logic, NEPAD is both about changing the way Africa is behaving and about changing the way other countries look at Africa. There are many promising developments in Africa that prove wrong the perception of Africa as the lost continent. Approaching NEPAD from the perspective of economic ethics, Prof. Ingo Pies developed the argument that NEPAD can serve as a productive credibility mechanism helping to institutionalize good governance in Africa. He argued that NEPAD can bring to bear the win-win logic of commitment for mutual betterment that can be set free both by political and business entrepreneurs. Ute Klamert, GTZ Regional Director for Southern Africa, identified a number of critical questions NEPAD needs to address. She also made clear that aid can only be effective if aid groups learn to not only work for Africa but with Africa. Finally, Dr. James Kajete presented how the NEPAD Council Europe seeks to organize young professionals with the aim of supporting the implementation of NEPAD.

These inputs by the panelist sparked a lively and fruitful debate that also involved many active contributions by the audience. These comments raised questions as to the role of the state, the definition of good governance or the importance of education. While discussants held diverse views concerning a number of issues, there was a strong consensus that there are no grounds for Afro-pessimism. Africa herself holds the key to peace and sustainable development. As Prof. Mucavele summarized the basic message of NEPAD: "We Africans can do it!"

Input by H.E. Prof. Firmino Mucavele

NEPAD is a socio-economic program of the African Union, developed by the Africans, based on partnership among African countries with objective to promote sustainable development in Africa. It is based on the following 12 key principles:

1. African ownership and responsibility;
2. Partnerships among Africans citizens, among African countries, and partnership with international community, for the development of Africa;
3. Self reliance and reduced dependency on Aid through strengthening of the private sector;
4. Self-confidence on our resolve to implement NEPAD;
5. Self-esteem in our heritage and African history;
6. Protection and promotion of democracy;
7. Good political, economic and corporate governance;
8. People-centred development;
9. Promotion and protection of Human Rights;
10. Accountable leadership;
11. Gender equality; and
12. Action oriented partnership.

The NEPAD framework focuses on three parts:

1. *Necessary conditions*: These include ensuring peace, security and stability, and good governance.
2. *Sectoral priorities*: There are six sectoral priorities - namely agriculture and food security, infrastructure, science and technology, environment, markets and market access, and tourism.
3. *Resources mobilization*: There are four types of resources to be mobilized – human resources, natural resources, institutional resources as well as financial resources.

Progress

1. NEPAD has moved from a concept to implementation mechanisms
2. the Regional Economic Communities become pillars for NEPAD implementation
3. more countries introduce the NEPAD principles into their development planning
4. higher level of engagement in the international arena

NEPAD Implementation:

- Capacity Building by strengthening the NEPAD Secretariat
- Infrastructure: Infrastructure Consortium for Africa and Investment Climate Facility
- Information and Telecommunication Technologies: Eastern Africa Submarine Cable System
- Promoting and advancing development corridors

Input by H.E. Horice Meghar

NEPAD is not a magic formula. Rather, it is a new vision. It is an opportunity to create a new institutional environment in Africa. NEPAD is about changing the way Africa is behaving and, at the same time, it is about changing the way other countries look at Africa. In the past, Africa has been often perceived as the lost continent. NEPADS seeks to end the marginalization of Africa out of the rest of the world. And, indeed, there is reason for optimism:

1. *Peace, stability and security:* Peace is gaining ground in Africa. NEPAD provides new instruments to better understand and address intra-African conflicts (e.g. Darfur)
2. *Democracy:* Democracy and liberty are expanding. New developments include the African Parliament. On the national level, countries strengthen their human rights efforts
3. *Civil society and private sector:* Civil society and the private sector emerge as new partners for co-operative forms of governance.

To be sure, there is still need for reform in the political, judicial, financial and educational system. Nevertheless, progress has been achieved. The African Peer Review Mechanism (APRM) now covers 26 countries that voluntarily accept to be scrutinized and criticized by their peers. On a global scale, this is a unique and extraordinary development. It should be valued as such by Africa's partners in the world.

Input by Prof. Dr. Ingo Pies

At first sight, commitments seem to be a sacrifice. However, if a commitment induces others to honor the commitment with a productive reaction, then commitments can be a powerful investment. They can make cooperation possible and create a win-win situation. This is what entrepreneurial spirit is about. Entrepreneurs set free the logic of commitment, which is in effect a win-win logic – a logic of mutual betterment. By this logic, NEPAD can serve as powerful credibility mechanism: a commitment device for institutionalizing good governance in Africa. The public declaration and resolve to implement the rule of law as well as sound economic policies is therefore not a sacrifice that does not pay off. Rather, it is a powerful investment for a better future in Africa. In this process, there are no ready-made blue prints. To simply copy Western models from Europe will fail to address the specific needs in Africa. Yet, if NEPAD proves to be successful, there surely will be lessons to be learned in Europe as well.

Input by Ute Klemert

Talking about NEPAD, a number of critical questions can be raised with regard to the economy, entrepreneurship, governance and institutions.

Economy:

There has been stable economic growth for several years in Africa. Inflation is low, and budget deficits are modest. However, there are two different schools of thought as to how to interpret this situation. The pessimists argue that Africa will remain caught in the poverty trap: desertification, depleting resources and population pressure will eat up the fragile economic growth. Optimists argue that Africa is on the rise and will finally overcome long-term poverty.

Entrepreneurship:

There are different kinds of entrepreneurship – but which one is needed for sustainable development? FDI? Is it about Africans investing in Africa? What are the sectors to be invested in? While multinational enterprises might be well prepared for this challenge, what about small and medium sized enterprises?

Governance:

How are political entrepreneurs responding to NEPAD? Is NEPAD taken seriously by politicians other than the usual subjects who show up at NEPAD conferences? What are the respective roles and responsibilities of NEPAD, the AU and the Regional Communities?

Institutions:

There is a lack of human resources and management capacity. It remains unclear if and how aid should be given in the future. There is too little real cooperation. Aid groups and the private sector often live in two separate worlds. Instead of working *for* Africa these groups should get the opportunity to work *with* Africa.

Input by Dr. James Kajete

The NEPAD Council is an organization by young professionals with the aim to support the implementation of NEPAD. The Council focuses on the questions of how professionals and other individuals can support the NEPAD initiative.