

Address by
His Excellency, President Olusegun Obasanjo, GCFR
Chairman, African Union
On the Occasion of AFRICA DAY 2005.
Paris, May 25, 2005.

Dear fellow Africans and friends of Africa

Today, we celebrate yet another Africa Day to commemorate the unity, peace, and progress of our dear continent. I give gratitude to God for being kind to Africa and for giving us the strength and courage to engage all the contradictions and challenges that we have faced in recent times. I commend all Africans, their friends and development partners for their resilience, partnership, vision, and belief in cooperation, dialogue and unity.

I am particularly pleased to be back here at UNESCO, an organization that has stood by, and with Africa, at all times and through all issues. I commend UNESCO's culture of consensus-building, principled engagement with leaders and peoples, belief in dialogue and peace, support for innovation and creativity, and empowerment of peoples, communities and constituencies.

These beliefs and engagements have promoted peace in Africa and throughout the world.

Let me also commend and thank the leadership and members of the Africa Group at UNESCO for their consistency and infectious enthusiasm in the celebration of Africa Day in the true spirit of African unity, cooperation, and progress. Your contributions to uplifting the image of Africa and providing support for the continent are much valued.

During my recent Official visit to South East Asia, I did take time to express Africa's sympathy with, and support for the governments and peoples of that region over the recent devastating Tsunami tragedy. It is my hope that the world has drawn painful lessons from that experience and that we are better educated and poised to avoid or prevent the reoccurrence of such tragedies in the future.

This is equally an opportune moment to pay homage to a true son of Africa, the Secretary-General of the United Nations Mr. Kofi Anan for his exemplary leadership, dedication to duty, commitment to democracy and development and special attention to Africa.

I do not wish to use this opportunity to bemoan the past predicaments of our continent. We are all familiar with how the contact between Africa and the outside world precipitated death and destruction, untold misery, dislocations, distortions, contradictions, conflicts, and culminated in the underdevelopment of Africa and her marginalization in the global divisions of labour and power.

Today, my intent is actually to celebrate Africa; to show that Africa is moving away from being a region of hunger, pain, misery, backwardness and perpetual bad news, to a continent of opportunity, possibilities, and progress.

My goal is to show that on this Africa Day 2005, Africa has a lot to be proud of, achievements to show to the world, and more importantly that we have a sense of direction, a sense of mission, and a determination to engage our problems directly. Of course, as always, and as it is with any other continent, we will continue to need the understanding and support of our friends and development partners in our quest to effectively reposition the region for peace, harmony, self-sustained growth, development and democracy.

The AU believes that 2005 is a watershed in the fight to break the debilitating cycle of poverty and conflict in Africa. Let me touch on some issues that have emerged in the global system in recent times that directly affect Africa such as the Millennium Development Goals (MDGs); the Monterrey Consensus; the European Union's "Everything but Arms" (EBA); the renewal of the African Growth and Opportunity Act (AGOA) by the United States; the UN Literacy Decade (2003-2012); and most recently, the UK initiative of the Blair Commission for Africa.

These and many other initiatives and prescriptions are aimed at helping Africa overcome her challenges. But many lack the necessary political will to generate and sustain support and thus ensure implementation. This is the challenge before the world, in particular, friends of Africa. It is no longer enough to be well-meaning. It is important that we see concrete results and that development partners adhere to their own agreements, declarations, prescriptions, and voluntary commitments to help Africa. In particular, G8 and other development partners have individual and collective responsibilities to provide the opportunity to make a real difference that will ensure a secure and prosperous world for all.

It is true that Africa still has problems that constrain and indeed distort development and precipitate instability and crises. These include administrative inefficiency, corruption, waste, instability, bad governance and bad leadership, poor resource management, misplaced priorities, low investment, low savings, technology backwardness, structural deficiencies, agricultural stagnation,

institutional fragility, and general marginalization in the global system. These are not new problems though two issues can be regarded as new. First, even in the most depressed African economy, people and leaders are increasingly aware of the depth and implications of the problems and current commitment to change. Second, the majority of the 54 countries in Africa are not in the group of distressed, failed, exhausted, regressing, and unstable economies. This is something to be celebrated.

In response to the development challenges facing Africa, many African Governments are increasingly recognising the urgent need to implement far-reaching reforms and programmes, that would not only empower their peoples to embark on development initiatives to realise their creative potentials, but also strengthen the capacity to govern as well as develop long-term policies. What is new in this new wave of reforms is that they are based on dialogue, consultation, monitoring and periodic reviews and specific benchmarks have been established to measure progress.

The New Partnership for Africa's Development (NEPAD) is a deliberate attempt by the political leadership to re-engineer an African renaissance by building on the achievements of the past and establishing new partnerships, taking into account the lessons already learned through painful experience.

NEPAD is a holistic, comprehensive and integrated sustainable strategic programme, designed to fully address most of the current development challenges facing the African continent. The initiative is based on the principles of African ownership and leadership, effective partnership with development partners, as well as participation by all sectors of society. It is intended to accelerate regional and continental integration, and to build and strengthen the competitiveness of African countries and the continent. This is a new programme, designed by Africans, endorsed by the world especially our development partners and it is already making an impact on the policy landscape of Africa.

The new paradigm for African development, under NEPAD, is that Governments should provide the enabling environment to foster private sector development. This essentially involves the provision of reliable physical infrastructure; an efficient and solvent financial system; a transparent legal and regulatory system with effective mechanisms for the enforcement of contracts; an effective competition policy that is conducive to the utilisation of trade and investment opportunities; and simplified tax regimes to reduce the levels and multiplicity of taxes in order to encourage compliance. This is clearly a

significant shift away from the past where the government dominated everything.

To enhance internal linkages and the integration of African economic sectors, the continent and its development partners need to devote more attention and resources to those core areas that we have identified. Efforts should also focus on creating synergies between regional and national development strategies. Moreover, partnerships with the international community would be required to reinforce these processes.

It is, therefore, envisaged under NEPAD that infrastructure will be developed on a planned basis and in an integrated manner. Policies that would promote best practices in private enterprises would be evolved and tailored to African needs and conditions. For African leaders, we perceive these as core challenges and will continue to pursue reform with all available resources and opportunities.

To increase private capital flows and investment, priority has been accorded to a public-private sector partnership capacity building programme, through the African Development Bank, to assist in structuring and regulating transactions in the provision of infrastructure and social services. Our development partners are expected to complement these efforts through additional Official Development Assistance (ODA) and debt reduction. There is also need to consider those countries that have not been included in the Highly Indebted Poor Countries (HIPC) debt relief initiatives, in order to release resources for poverty reduction.

In particular, an African debt initiative will require agreed poverty reduction strategies and participation in the Economic Governance Initiative, to ensure that countries are able to absorb the extra resources. The debt overhang is a direct obstacle to growth and development and by implication, an obstacle to democratic consolidation. This is why we must never get tired of calling for debt relief while cooperating with our development partners to take concrete action in our favour. The discipline and transparency of our reform programme place us in good stead and qualify us for effective use of resource flows from debt relief.

In Nigeria for instance, the New Economic Development and Empowerment Strategy (NEEDS) is designed to diversify the economy, increase economic stability, reduce poverty, and create jobs. Publicly owned industries are being privatized, deregulated and liberalised to promote competition and efficiency. Infrastructure, particularly power generation, transportation and telecommunication, would be developed to enhance the growth of the private sector.

The overall objective is to mainstream public-private partnership at all levels of government for interaction with private sector associations, NGOs and civil society organisations.

With respect to the specific roles of the public and private sectors, the reform strategies being pursued by African governments focus on redefining the role of Government as a facilitator and promoter in the economy; improving security, the rule of law, and timely enforcement of contracts; reducing policy-related costs and risks; providing targeted interventions as incentives to growth in the private sector; and ensuring nationally coordinated strategies for the key sectors that drive growth, particularly agriculture, Small and Medium Enterprises (SMEs), manufacturing, oil and gas, solid minerals, tourism and services.

The momentum generated by NEPAD has brought about some identifiable achievements in several sectors. According to the *African Development Report of 2004* by the African Development Bank, Africa's growth rate stood at 3.7 per cent in 2003, representing the highest for the last four years which is also significantly higher than the 2.9 per cent growth rate achieved in 2002. The continent's trade performance improved substantially, with the trade balance increasing from US\$6.7 billion in 2002 to US\$15.6 billion in 2003. The rapid expansion in agriculture has increased food and cash crop production and this has resulted in increased foreign exchange earnings. This translates directly into better living conditions for the people.

In order to give contextual and political meaning to our reforms, African leaders have voluntarily acceded to an African Peer Review Mechanism (APRM) designed to perform a sort of collective and democratic oversight function on issues of leadership, governance, policy and programmes, and accountability and to adopt best practice from one another. This is a first of its kind in the world and I am pleased to report that almost 30 African states have so far voluntarily acceded to the Review.

Our commitment to peace and conflict resolution remains very strong. In West Africa, the AU, working very closely with ECOWAS is moving tirelessly to bring lasting peace to the sub-region. In Sierra Leone, peace is holding but it needs to be anchored in economic development and peace within the neighbouring countries of Liberia, Cote d'Ivoire and Guinea Conakry. In Liberia, we are looking forward to a successful election in October. In Cote d'Ivoire, the agreement brokered under the auspices of the AU has to be closely watched and monitored to avoid pitfalls that may derail the disarmament programme and election due in October.

In Togo, we have been able to avoid a "disguised" military coup and reduce the magnitude of violence normally to be expected after thirty-eight years of one-man rule or misrule. We have had an election that will provide a basis for a government of national unity and reconciliation to lay the foundation for true democracy. ECOWAS, the AU and the UN are jointly managing the situation in Guinea Bissau.

We must be watchful and be pro-active to manage the expected instability that may follow a change of regime in Guinea Conakry. We are designing an early warning system and carrying out country-based political risk analyses to strengthen our ability to deal with conflicts. More importantly, we are emphasising dialogue, negotiation, tolerance, inclusion, the strengthening of civil society and more reliance on legal and political as well as traditional and religious structures in the containment and management of conflicts.

These peace-making and stability-building efforts in West Africa are in addition to on-going efforts to fully implement the free trade zone agreements, creation of a single monetary zone, construction of a sub-regional gas pipeline and other infrastructure, and the unification of sub-region into a common customs territory and a single market. This will have the potentials of opening up the whole region to genuine investors who may have been constrained by the size and depth of the economies of individual member-countries of the sub-regional organization.

Let me briefly touch on our peace efforts in the rest of Africa. The Democratic Republic of Congo is gradually working to eliminate war-lordism and making efforts to bring the country under one effective central administration. It is a rich country that lacks basic infrastructure. The planned election this year or early next year will consolidate peace and lay the foundation for development. The Sudan has overcome over twenty years of civil war in the South of the country and we are working to ensure peace and to normalize the situation in Darfur and along the border between Chad and the Sudan. Rwanda has overcome the worst effects of the most shocking genocide in the modern history of Africa. It is on the path to sustainable development and the AU continues to work with the government on outstanding border issues.

Burundi is creating accommodation for its rebels to terminate conflict and emphasise dialogue and democracy. Generally, we are working to make the Great Lakes region a zone of peace.

Somalia has been able to establish a parliament and has formed a government, albeit in Kenya. Efforts are being made to assist the government to move to Mogadishu, its capital. The AU is also working to resolve the minor border issue

between Eritrea and Ethiopia and build harmony between Eritrea and the Sudan. The demarcation of the border between Nigeria and Cameroon is almost completed and progress is being made at reaching an amicable political resolution of pending issues and problems between the two countries. We must not forget the Sahara issue for which we depend on the UN for a lasting solution.

Distinguished Ladies and Gentlemen, we are in a new Africa, an Africa of hope, hard work, democracy and belief in collective action. This does not mean that the over 800 million people and 54 nations will not have problems and challenges. It only means that we have a new sense of history, a new appreciation of global balances, a better view of constraints and challenges posed by globalisation, and a deeper sense of internal unity dedicated to promoting growth, development and democracy.

While we are poised for, and are making reforms, we are prepared for the required sacrifices, hard work and patience where necessary but we still need the support of our friends and development partners especially in three areas:

First, we need technical assistance with capacity development. This is needed in all sectors and should include the ability to reverse the brain and brawn drain to promote internal levels of creativity, innovation, investment, research and development. Whatever changes we are to undertake or promote in the next decades must and should have substantial "local content" for it to reflect our culture, world-views, industry, and spirituality.

Here I must generally express Africa's gratitude and in particular, I must express Nigeria's gratitude to Mr. Matsuura, the Director-General of UNESCO for his support for UNESCO programmes in Africa and in Nigeria. He is true friend of Africa and that is why we have no hesitation or reservation in endorsing him for a second term in office.

Second, Africa needs substantial debt relief. The truth is that if we are serious about development in Africa the debt burden must be eliminated. Africa will not develop or make progress when its meager resources are frittered away on debt servicing. To put it bluntly, penalties, interest and ail sorts of questionable rescheduling arrangements are strangulating our economies and peoples. Our creditors should deal with us with some humane consideration, compassion and true commitment to our development objectives. We simply cannot run when our legs are bound and our hands tied behind our backs.

Added to this, Africa needs the repatriation of stolen funds and acknowledgement of anti-corruption fighting efforts. Continuing reliance on old

stereotypes about Africa and refusal to release funds looted from our treasures is unhelpful in Africa's quest to reposition herself for good governance, stability, growth, development and democracy.

I urge our development partners to work out realistic ways, in the true spirit of commitment to democracy and social justice to return funds stolen from Africa.

In this connection, I must express Nigeria's disappointment and dismay with the Swiss authorities who continue to hold on to Nigeria's legitimate funds corruptly looted and kept in their banks after necessary correct actions for repatriation have been taken by us and even after the Swiss Supreme Court has ruled that the funds should be returned to Nigeria. Such illegal seizure is condemned by us and we call on all men and women of honest disposition and international goodwill to condemn such Swiss action which is contrary to UN conventions against corruption and which undermine our anti-corruption crusade. We are a developing country that is very much in need of resources to promote pro-people developmental programmes and it is unfair, unjust and totally unacceptable for the Swiss, or any other country for that matter to adopt such improper positions and postures.

Third, we need improved terms of trade especially more access to industrialised country markets for our products. We want trade not necessarily aid. If the terms of trade are reasonable, we can generate resources to reduce poverty and promote development. Today, our focus is not on aid but trade even if we still require substantial assistance, especially technical assistance in the areas of infrastructure, health, water, technology, agriculture, and education to open up new opportunities and possibilities for our peoples. Such investment would go a long way to unleash the energies and potentials of the continent.

I would like to conclude by reiterating my conviction that deliberate supportive measures will lead to improved African economic performance, as well as create the necessary environment for a thriving and prosperous partnership between the public and private sectors on the continent, and a more vibrant, mutually beneficial relationship with our development partners.

Let me assure you that our resolve to make progress is firm, our commitment is strong, our focus is clear, our dedication is undiluted, and our hopes are robust, fresh and warm. We are ready to give all we have to ensure lasting peace, unity, love, harmony, dignity, growth, development and democracy for all Africans. It is our hope that our development partners will transcend stereotypes, distorted perspectives, misinformation, undeserved generalizations, and deliberate

distortions about us. For us in Africa, we are ready to march on to a better and brighter future. The question is whether our partners and friends are really ready to march in step with us!

I thank you for your attention.