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Annex II**

**THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT
(NEPAD)**

THE AFRICAN PEER REVIEW MECHANISM (APRM)

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1. The African Peer Review Mechanism (APRM) is an instrument voluntarily acceded to by Member States of the African Union as an African self-monitoring mechanism.

Mandate of the APRM

The mandate of the African Peer Review Mechanism is to ensure that the policies and practices of participating states conform to the agreed political, economic and corporate governance values, codes and standards contained in the Declaration on Democracy, Political, Economic and Corporate Governance. The APRM is the mutually agreed instrument for self-monitoring by the participating member governments.

Purpose of the APRM

2. The primary purpose of the APRM is to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing of experiences and reinforcement of successful and best practice, including identifying deficiencies and assessing the needs for capacity building.

Principles of the APRM

3. Every review exercise carried out under the authority of the Mechanism must be technically competent, credible and free of political manipulation. These stipulations together constitute the core guiding principles of the Mechanism.

Participation in the African Peer Review Process

4. Participation in the process will be open to all member states of the African Union. After adoption of the Declaration on Democracy, Political, Economic and Corporate Governance by the African Union, countries wishing to participate in the APRM will notify the Chairman of the NEPAD Heads of State and Government Implementation Committee. This will entail an undertaking to submit to periodic peer reviews, as well as to facilitate such reviews, and be guided by agreed parameters for good political governance and good economic and corporate governance.

Leadership and Management Structure

5. It is proposed that the operations of the APRM be directed and managed by a Panel of between 5 and 7 Eminent Persons. The members of the Panel must be Africans who have distinguished themselves in careers that are considered relevant to the work of the APRM. In addition, members of the Panel must be persons of high moral stature and demonstrated commitment to the ideals of Pan Africanism.
6. Candidates for appointment to the Panel will be nominated by participating countries, shortlisted by a Committee of Ministers and appointed by Heads of State and Government of the participating countries. In addition to the criteria referred to above, the Heads of State and Government will ensure that the Panel has expertise in the areas of political governance, macro-economic management, public financial management and corporate governance. The composition of the Panel will also reflect broad regional balance, gender equity and cultural diversity.
7. Members of the Panel will serve for up to 4 years and will retire by rotation.
8. One of the members of the Panel will be appointed Chairman by the Heads of State and Government of participating countries. The Chairperson will serve for a maximum period of 5 years. The criteria for appointment to the position of Chairperson will be the same as for other members of the Panel, except that the candidate will be a person with a proven leadership record in one of the following areas; Government, public administration, development and private sector.
9. The Panel will exercise the oversight function over the review process, in particular to ensure the integrity of the process. Its mission and duties will be outlined in a Charter, which will also spell out reporting arrangements to the Heads of State and Government of participating countries. The Charter will secure the independence, objectivity and integrity of the Panel.
10. The Secretariat may engage, with the approval of the Panel, the services of African experts and institutions that it considers competent and appropriate to act as its agents in the peer review process.
11. The Panel will be supported by a competent Secretariat that has both the technical capacity to undertake the analytical work that underpins the peer review process and also conforms to the principles of the APRM. The functions of the Secretariat will include; maintaining extensive database information on political and economic developments in all participating countries, preparation of background documents for the Peer Review Teams, proposing performance indicators and tracking performance of individual countries.

Periodicity and Types of Peer Review

12. At the point of formally acceding to the peer review process, each State should clearly define a time-bound Programme of Action for implementing the Declaration on Democracy, Political, Economic and Corporate Governance, including periodic reviews.
13. There will be four types of reviews:
 - The first country review is the base review that is carried out within eighteen months of a country becoming a member of the APRM process;
 - Then there is a periodic review that takes place every two to four years;
 - In addition to these, a member country can, for its own reasons, ask for a review that is not part of the periodically mandated reviews; and
 - Early signs of impending political or economic crisis in a member country would also be sufficient cause for instituting a review. Such a review can be called for by participating Heads of State and Government in a spirit of helpfulness to the Government concerned.

APRM Process

14. The process will entail periodic reviews of the policies and practices of participating states to ascertain progress being made towards achieving mutually agreed goals and compliance with agreed political, economic and corporate governance values, codes and standards as outlined in the Declaration on Democracy, Political, Economic and Corporate Governance.
15. The peer review process will spur countries to consider seriously the impact of domestic policies, not only on internal political stability and economic growth, but also on neighboring countries. It will promote mutual accountability, as well as compliance with best practice.
16. Bearing in mind that African countries are at different levels of development, on joining the Mechanism, a country will be assessed (the base review) and a timetable (Programme of Action) for effecting progress towards achieving the agreed standards and goals must be drawn up by the state in question, taking into account the particular circumstances of that state.

Stages of the Peer Review Process

17. **Stage One** will involve a study of the political, economic and corporate governance and development environment in the country to be reviewed, based principally on up-to-date background documentation prepared by the APRM Secretariat and material provided by national, sub-regional, regional and international institutions.
18. In **Stage Two**, the Review Team will visit the country concerned where its priority order of business will be to carry out the widest possible range of consultations with the Government, officials, political parties, parliamentarians

and representatives of civil society organizations (including the media, academia, trade unions, business, professional bodies).

19. **Stage Three** is the preparation of the Team's report. The report is prepared on the basis of the briefing material prepared by the APRM Secretariat and the information provided in-country by official and unofficial sources during the wide-ranging consultations and interactions with all stakeholders. The report must be measured against the applicable political, economic and corporate governance commitments made and the Programme of Action.
20. The Team's draft report is first discussed with the Government concerned. Those discussions will be designed to ensure the accuracy of the information and to provide the Government with an opportunity both to react to the Team's findings and to put forward its own views on how the identified shortcomings may be addressed. These responses of the Government will be appended to the Team's report.
21. The Team's report will need to be clear on a number of points in instances where problems are identified. Is there the will on the part of the Government to take the necessary decisions and measures to put right what is identified to be amiss? What resources are necessary to take corrective measures? How much of these can the Government itself provide and how much is to come from external sources? Given the necessary resources, how long will the process of rectification take?
22. The **Fourth Stage** begins when the Team's report is submitted to the participating Heads of State and Government through the APRM Secretariat. The consideration and adoption of the final report by the participating Heads of State and Government, including their decision in this regard, marks the end of this stage.
23. If the Government of the country in question shows a demonstrable will to rectify the identified shortcomings, then it will be incumbent upon participating Governments to provide what assistance they can, as well as to urge donor governments and agencies also to come to the assistance of the country reviewed. However, if the necessary political will is not forthcoming from the Government, the participating states should first do everything practicable to engage it in constructive dialogue, offering in the process technical and other appropriate assistance. If dialogue proves unavailing, the participating Heads of State and Government may wish to put the Government on notice of their collective intention to proceed with appropriate measures by a given date. The interval should concentrate the mind of the Government and provide a further opportunity for addressing the identified shortcomings under a process of constructive dialogue. All considered, such measures should always be utilized as a last resort.
24. Six months after the report has been considered by the Heads of State and Government of the participating member countries, it should be formally and publicly tabled in key regional and sub-regional structures such as the Pan-African Parliament, the African Commission on Human and Peoples' Rights, the envisaged Peace and Security Council and the Economic, Social and

Cultural Council (ECOSOCC) of the African Union. This constitutes the **Fifth and final stage** of the process.

Duration of the Peer Review

25. The duration of the review process per country should not be longer than six months, commencing on the date of the inception of Stage One up to the date the report is submitted for the consideration of the Heads of State and Government.

Funding of the Peer Review Mechanism

26. Funding for the Mechanism will come from assessed contributions from participating member states.

Review of the APRM

27. To enhance its dynamism, the Conference of the participating countries will review the APRM once every five years.