

**ASSEMBLY OF HEADS OF STATE
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Annex I

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

**DECLARATION ON DEMOCRACY, POLITICAL, ECONOMIC
AND CORPORATE GOVERNANCE**

NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT
(NEPAD)

**Declaration on Democracy, Political, Economic and
Corporate Governance**

Preamble

1. We, the participating Heads of State and Government of the member states of the African Union (AU), met in Durban, South Africa, at the inaugural Assembly of the African Union and considered the report of the New Partnership for Africa's Development (NEPAD) Heads of State and Government Implementation Committee established at the Organization of African Unity (OAU) Summit in Lusaka, Zambia, in July 2001.
2. In the general context of our meeting, we recalled our shared commitment underlying the establishment of NEPAD to eradicate poverty and to place our countries, individually and collectively, on a path of sustainable growth and development and, at the same time, to participate actively in the world economy and body politic on equal footing. We reaffirm this pledge as our most pressing duty.
3. In reviewing the report of the NEPAD Heads of State and Government Implementation Committee and considering the way forward, we were also mindful of the fact that, over the years, successive OAU Summits have taken decisions aimed at ensuring stability, peace and security, promoting closer economic integration, ending unconstitutional changes of government, supporting human rights and upholding the rule of law and good governance. Among these decisions are:

- a. the Lagos Plan of Action, and the Final Act of Lagos (1980);
 - b. the African (Banjul) Charter on Human and Peoples' Rights (1981);
 - c. the African Charter for Popular Participation in Development (1990);
 - d. the Declaration on the Political and Socio-Economic Situation in Africa and the Fundamental Changes Taking Place in the World (1990); and
 - e. the African Charter on the Rights and Welfare of the Child (1990).
 - f. the Abuja Treaty establishing the African Economic Community (1991);
 - g. the 1993 Cairo Declaration Establishing the Mechanism for Conflict Prevention, Management and Resolution;
 - h. the Protocol on the Establishment of an African Court on Human and Peoples' Rights (1998);
 - i. the 1999 Grand Bay (Mauritius) Declaration and Plan of Action for the Promotion and Protection of Human Rights;
 - j. the Framework for an OAU Response to Unconstitutional Changes of Government (adopted at the 2000 OAU Summit in Lome, Togo, and based on the earlier decision of the 1999 Algiers OAU Summit); and
 - k. the Conference on Security, Stability, Development and Cooperation (CSSDCA) Solemn Declaration (2000); and
 - l. the Constitutive Act of the African Union (2000)
4. We, member states parties to the aforementioned instruments, reaffirm our full and continuing commitment to these and other decisions of our continental

organization, as well as the other international obligations and undertakings into which we have entered in the context of the United Nations. Of particular significance in this context are the Charter of the United Nations and the United Nations Universal Declaration on Human Rights and all conventions relating thereto, especially the Convention on the Elimination of All Forms of Discrimination against Women and the Beijing Declaration.

5. Africa faces grave challenges and the most urgent of these are the eradication of poverty and the fostering of socio-economic development, in particular, through democracy and good governance. It is to the achievement of these twin objectives that the NEPAD process is principally directed.

6. Accordingly, we the participating Heads of State and Government of the member states of the African Union have agreed to work together in policy and action in pursuit of the following objectives:-
 - Democracy and Good Political Governance
 - Economic and Corporate Governance
 - Socio-Economic Development
 - African Peer Review Mechanism

Democracy and Good Political Governance

7. At the beginning of the new century and millennium, we reaffirm our commitment to the promotion of democracy and its core values in our respective countries. In particular, we undertake to work with renewed determination to enforce
 - the rule of law;
 - the equality of all citizens before the law and the liberty of the individual;
 - individual and collective freedoms, including the right to form and join political parties and trade unions, in conformity with the constitution;
 - equality of opportunity for all;

- the inalienable right of the individual to participate by means of free, credible and democratic political processes in periodically electing their leaders for a fixed term of office; and
 - adherence to the separation of powers, including the protection of the independence of the judiciary and of effective parliaments.
8. We believe in just, honest, transparent, accountable and participatory government and probity in public life. We therefore undertake to combat and eradicate corruption, which both retards economic development and undermines the moral fabric of society.
9. We are determined to increase our efforts in restoring stability, peace and security in the African continent, as these are essential conditions for sustainable development, alongside democracy, good governance, human rights, social development, protection of environment and sound economic management. Our efforts and initiatives will also be directed at seeking speedy peaceful solutions to current conflicts and at building Africa's capacity to prevent, manage and resolve all conflicts on the continent.
10. In the light of Africa's recent history, respect for human rights has to be accorded an importance and urgency all of its own. One of the tests by which the quality of a democracy is judged is the protection it provides for each individual citizen and for the vulnerable and disadvantaged groups. Ethnic minorities, women and children have borne the brunt of the conflicts raging on the continent today. We undertake to do more to advance the cause of human rights in Africa generally and, specifically, to end the moral shame exemplified by the plight of women, children, the disabled and ethnic minorities in conflict situations in Africa.
11. In Africa's efforts at democracy, good governance and economic reconstruction, women have a central role to play. We accept it as a binding obligation to ensure that women have every opportunity to contribute on terms of full equality to political and socio-economic development in all our countries.

12. To fulfil these commitments we have agreed to adopt the following action plan:

13. In support of democracy and the democratic process

We will:

- ensure that our respective national constitutions reflect the democratic ethos and provide for demonstrably accountable governance;
- promote political representation, thus providing for all citizens to participate in the political process in a free and fair political environment;
- enforce strict adherence to the position of the African Union (AU) on unconstitutional changes of government and other decisions of our continental organization aimed at promoting democracy, good governance, peace and security;
- strengthen and, where necessary, establish an appropriate electoral administration and oversight bodies, in our respective countries and provide the necessary resources and capacity to conduct elections which are free, fair and credible;
- reassess and where necessary strengthen the AU and sub-regional election monitoring mechanisms and procedures; and
- heighten public awareness of the African Charter on Human and Peoples' Rights, especially in our educational institutions.

14. In support of Good Governance

We have agreed to:

- adopt clear codes, standards and indicators of good governance at the national, sub-regional and continental levels;
- accountable, efficient and effective civil service;
- ensure the effective functioning of parliaments and other accountability institutions in our respective countries, including parliamentary committees and anti-corruption bodies; and
- ensure the independence of the judicial system that will be able to prevent abuse of power and corruption.

15. To promote and protect human rights

We have agreed to:

- facilitate the development of vibrant civil society organizations, including strengthening human rights institutions at the national, sub-regional and regional levels;
- support the Charter, African Commission and Court on Human and People's Rights as important instruments for ensuring the promotion, protection and observance of Human Rights;
- strengthen co-operation with the UN High Commission for Human Rights; and
- ensure responsible free expression, inclusive of the freedom of the press.

Economic and Corporate Governance

16. Good economic and corporate governance including transparency in financial management are essential pre-requisites for promoting economic growth and reducing poverty. Mindful of this, we have approved eight prioritized codes and standards for achieving good economic and corporate governance.

17. These prioritized codes and standards represent those "fundamental" internationally, regionally, and domestically accepted codes and standards that all African countries should strive to observe within their capacity capabilities. In other words, they are the codes and standards that need to be complied with as a minimum requirement, given a country's capacity to do so.

18. We believe the eight prioritized and approved codes and standards set out below have the potential to promote market efficiency, to control wasteful spending, to consolidate democracy, and to encourage private financial flows - all of which are critical aspects of the quest to reduce poverty and enhance sustainable development. These codes and standards have been developed by a number of international organizations through consultative processes that involved the

active participation of and endorsement by African countries. Thus, the codes and standards are genuinely global as they were agreed by experts from a vast spectrum of economies with different structural characteristics. They are the following:

- a. Code of Good Practices on Transparency in Monetary and Financial Policies;
- b. Code of Good Practices on Fiscal Transparency;
- c. Best Practices for Budget Transparency;
- d. Guidelines for Public Debt Management;
- e. Principles of Corporate Governance;
- f. International Accounting Standards;
- g. International Standards on Auditing; and the
- h.** Core Principles for Effective Banking Supervision.

19. We have also approved other key codes and standards in transparency and financial Management. These include

- a. Principles for Payment Systems;
- b. Recommendations on Anti-money laundering and;
- c. Core principles for securities and insurance supervision and regulation

Socio-Economic Development

20. We believe that poverty can only be effectively tackled through the promotion of:

- democracy, good governance, peace and security;
- the development of human and physical resources;
- gender equality;
- openness to international trade and investment;
- allocation of appropriate funds to social sector and ;
- new partnerships between governments and the private sector, and with civil society.

21. We reaffirm our conviction that the development of Africa is ultimately the responsibility of Africans themselves. Africa's development begins with the quality of its human resources. We, therefore, undertake to work towards the enhancement of our human resources through the provision of more and better education and training, especially in Information and Communications Technology (ICT) and other skills central to a globalising world; and better health care, with priority attention to addressing HIV/AIDS and other pandemic diseases.

22. The marginalisation of women remains real despite the progress of recent years. We will, therefore, work with renewed vigour to ensure gender equality and ensure their full and effective integration of women in political and socio-economic development.

23. Globalisation and liberalisation does not mean that there should be no role for government in socio-economic development. It only means a different type of government. We, therefore, undertake to foster new partnerships between government and the private sector; a new division of labour in which the private sector will be the veritable engine of economic growth, while governments concentrate on the development of infrastructure and the creation of a macro-economic environment. This includes expanding and enhancing the quality of human resources and providing the appropriate institutional framework to guide the formulation and execution of economic policy.

24. The regional economic communities remain the building blocks for Africa's economic integration. We will, therefore, continue to strengthen them in every way practicable and to relate their evolution more closely to the development of the African Union.

25. We welcome the strong international interest in and support for NEPAD. It is our intention to build on this promising foundation, working with our development partners and the wider international community to:

- forge new forms of international co-operation in which the benefits of globalisation are more evenly shared;
- create a stable international economic environment in which African countries can achieve growth through greater market access for their exports; the removal of trade barriers, especially non-tariff barriers and other forms of protectionism; increased flows of direct foreign investment; debt cancellation; a meaningful increase in ODA; and the diversification of their economies. Africa's prosperity will be a multiplier in world prosperity.

26. NEPAD is founded on a hardheaded assessment of the political and socio-economic realities in Africa today. We do not, therefore, underestimate the challenges involved in achieving NEPAD's objectives, but we share a common resolution to work together even more closely in order to end poverty on the continent and to restore Africa to a place of dignity in the family of nations.

27. No African country is a replica of another and no African society is a mirror image of another. However, we believe that the variety within our oneness can be enriching. It is part of the purpose of this Declaration to mobilise all those enriching qualities to build African unity, in respect of the specific of our countries.

African Peer Review Mechanism

28. We have separately agreed to establish an African Peer Review Mechanism (APRM) on the basis of voluntary accession. The APRM seeks to promote adherence to and fulfilment of the commitments contained in this Declaration. The Mechanism spells out the institutions and processes that will guide future peer reviews, based on mutually agreed codes and standards of democracy, political, economic and corporate governance.

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