



NEPAD

A PROGRAMME OF THE AFRICAN UNION

New Partnership for Africa's Development (NEPAD) Annual Report 2003 / 2004

African Union Headquarters
P.O. Box 3243
Addis Ababa
Ethiopia
Tel: (251) 1 51 77 00
Fax:(251) 1 51 78 44
Website: <http://www.africa-union.org>

NEPAD Secretariat
P.O. Box 1234
Halfway House, 1685
South Africa
Tel: +2711 313 3716
Fax: +2711 313 3684
Website: [http:// www.nepad.org](http://www.nepad.org)

TABLE OF CONTENTS

SECTION A: STRATEGIC CONTEXT

<i>Statement by H.E. Chief Olusegun Obasanjo, President of the Federal Republic of Nigeria and Chairperson of the NEPAD Heads of State and Government Implementation Committee</i>	<i>4</i>
<i>State of NEPAD Implementation by the Executive Head of the NEPAD Secretariat</i>	<i>6</i>

SECTION B: SECTORAL PROGRAMMES

<i>NEPAD: An Introduction.....</i>	<i>12</i>
<i>Agriculture¹.....</i>	<i>14</i>
<i>Health.....</i>	<i>18</i>
<i>Education</i>	<i>20</i>
<i>Infrastructure.....</i>	<i>22</i>
<i>Information and Communications Technology (ICT).....</i>	<i>25</i>
<i>Science and Technology.....</i>	<i>29</i>
<i>Environment.....</i>	<i>31</i>
<i>Tourism.....</i>	<i>35</i>
<i>African Peer Review Mechanism</i>	<i>37</i>
<i>Private Sector and Civil Society.....</i>	<i>40</i>
<i>Engagement with Development Partners</i>	
<i>Partnerships with National Governments, Regional Economic Communities and Regional Development Finance Institutions</i>	<i>43</i>
<i>Relationships with Development Partners and Multilateral Institutions</i>	<i>45</i>
<i>Communications</i>	
<i>Communication and Outreach</i>	<i>50</i>

SECTION C: Financial Reports

<i>Explanatory notes to the Annual Financial Reports for the year ended 31 March 2004.....</i>	<i>54</i>
<i>Receipts and Payments by Source for the Financial Year Ended 31 March 2004</i>	<i>57</i>

SECTION D: Annexures

<i>Annexure 1 - Resolutions of the G8 Evian Summit</i>	<i>58</i>
<i>Annexure 2 - List of Short-Term Action Plan Projects Financed by the ADB Group during 2002 - 2003.....</i>	<i>60</i>
<i>Annexure 3 - NEPAD's Achievements in the First Three Years</i>	<i>61</i>

ABBREVIATIONS AND ACRONYMS

ADB/AfDB	African Development Bank
ACP	African, Caribbean and Pacific Group of States
AMU	Arab Maghreb Union
APRM	African Peer Review Mechanism
ASEAN	Association of Southeast Asian Nations
AU	African Union
CAADP	Comprehensive African Agricultural Development Programme
CEN-SAD	Community of the Sahel Saharian States
COMESA	Common Market for Eastern and Southern African States
EAC	East African Community
ECA	United Nations Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOSOC	United Nations Economic and Social Council
ECOSOCC	Economic, Social and Cultural Council of the AU
ECOWAS	Economic Community of West African States
EC	European Commission
EU	European Union
FAO	Food and Agriculture Organisation
FARA	Forum for Agricultural Research in Africa
G8AAP	G8 Africa Action Plan
HIPC	Highly Indebted Poor Country
HSGIC	Heads of State and Government Implementation Committee
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICT	Information and Communications Technology
IFAD	International Fund for Agricultural Development
IGAD	Inter-Governmental Authority on Development
IMF	International Monetary Fund
ISPAD	Information Society Partnership for Africa's Development
ITC	International Trade Centre
MDGs	Millennium Development Goals
NEPAD	New Partnership for Africa's Development
OAU	Organisation of African Unity
ODA	Overseas Development Assistance
OECD	Organisation for Economic Co-operation and Development
OSAA	Office of the Special Advisor on Africa
RECs	Regional Economic Communities
SADC	Southern African Development Community
SALW	Small Arms and Light Weapons
STAP	Short-Term Action Plan
TICAD	Tokyo International Conference on African Development
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UN-NADAF	United Nations New Agenda for the Development of Africa in the Nineties
WEF	World Economic Forum
WFP	World Food Programme
WHO	World Health Organisation
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation

Statement by H.E. Chief Olusegun Obasanjo, President of the Federal Republic of Nigeria and Chairperson of the NEPAD Heads of State and Government Implementation Committee



The New Partnership for Africa's Development (NEPAD), the African Union's socio-economic renewal programme, is a watershed in the history of our continent. It is so because it represents a unique commitment by Africans to lead decisively the social, economic and political transformation of the continent in partnership with the international community.

In July 2004, we marked the third anniversary of the adoption of NEPAD, and reviewed its progress and the international context of the programme's implementation.

I am pleased to confirm that we are making good progress to date. We have been strengthening our leadership in the resolution of major conflicts on the continent and also our institutions, especially the organs of the African Union. We have now launched the Pan African Parliament and the Peace and Security Council. The implementation of the African Peer Review Mechanism (APRM) is progressing well, with 23 African countries now having acceded to the mechanism. APRM country reviews have commenced in four countries, namely Ghana, Rwanda, Kenya and Mauritius, while others are preparing to be reviewed. This reflects the determination of African leaders to abide by their commitments contained in the Constitutive Act of the African Union and in the NEPAD founding document.

These are important preconditions in ensuring political stability and the establishment of conditions for sustainable development across the continent. We realise that an effective African Union is crucial to ending conflicts, fostering peace and consolidating democracy and good governance on the continent. It is also crucial in enabling Africa to speak more

effectively with one voice on matters of strategic importance to the continent.

On the economic front, we are encouraged that an increased number of African countries achieved economic growth of 3.0 percent and above in 2003. Sixteen countries achieved a growth rate of between 3.0 and 5.0 percent compared with only 11 in 2000, while 18 countries achieved economic growth of 5.0 percent and above in 2003 compared with 16 in 2000. Nigeria, the biggest economy in West Africa, notably achieved growth of more than 5.0 percent.

It is also auspicious that the improved economic performance by an increased number of African countries has been accompanied by a strengthening of economic fundamentals. According to the African Development Report 2003, the fiscal deficit of the continent declined to 3.0 percent from 3.4 percent in 2002; the trade balance increased to US\$15.6 billion from US\$6 billion in 2002 and the debt service ratio continued to decline, reaching 15.2 percent of exports in 2003.

To accelerate and focus development efforts, comprehensive integrated development plans and programmes covering various NEPAD priority areas have been approved by the Assembly of the African Union after due consideration by Ministers of relevant sectors. These areas include political, economic and corporate governance, agriculture, health, education, science and technology, environment, tourism, and sub-regional and continental infrastructure.

Importantly, resources have been secured for a number of high priority projects, including the rebuilding of agriculture research and

technology development in support of agriculture across the continent. Funding has also been secured for major energy projects in West and Southern Africa.

Notwithstanding the substantial momentum and progress, the pace of implementation is not satisfactory. We need to speed up the mobilisation of domestic resources, particularly from the private sector and multilateral institutions. I will be giving particular attention to the issue of resource mobilisation in the coming year.

Secondly, we need to speed up the preparation of expanded national development plans as well as build the capacity of our National Governments to enable us to manage more ambitious programmes. Unless this is done, the African continent will not achieve the Millennium Development Goals (MDGs).

In this regard, we must intensify our leadership of the campaign against HIV/AIDS, which remains the most urgent challenge we face. About 30 million Africans are affected by the pandemic. We commend the good progress being made in East Africa in this area, and urgently call on all African leaders to redouble their efforts. We also call on our international partners for increased support in terms of international commitments already made in this area, for instance, as regards the Global Fund for AIDS, Tuberculosis and Malaria.

Thirdly, we must mobilise political support for increased development assistance flows. Developed countries must meet commitments already made to provide increased resources to African countries that are making progress with the implementation of programmes and commitments under NEPAD.

More broadly, we will continue to search for sustainable and more creative solutions to the challenges of poverty and marginalisation that affect the majority of Africans, most of whom live on less than one dollar a day. We will also continue to address key global issues such as the fight against terrorism, high indebtedness

by poor African countries, and the promotion of a global trading regime that enables Africa to benefit from its comparative advantages, in particular in agriculture. Africa's expectations in respect of the latter are that the post-Cancun trade negotiations will lead to an agreed timetable for highly industrialised countries to phase out agricultural subsidies and tariff escalation on processed agricultural products.

It is a pleasure for me to thank once again all the African Heads of State and Government for their confidence and support. It has been an honour to serve as Chairman of the NEPAD Heads of State and Government Implementation Committee since its establishment in October 2001. I would also like to take this opportunity to salute my colleagues in the NEPAD Heads of State and Government Implementation Committee for another outstanding year in our efforts to rejuvenate the socio-economic development of our continent.

Finally, my sincere gratitude goes to the members and leadership of the NEPAD Steering Committee and the African Union Commission. Without your hard work, commitment and co-operation, we would not be where we are today.

Olusegun Obasanjo
President of the Federal Republic of Nigeria
and Chairperson of the NEPAD HSGIC

State of NEPAD Implementation by Prof. Wiseman Nkuhlu, Chairperson of the NEPAD Steering Committee and Chief Executive of the NEPAD Secretariat



Introduction

Over the past three years, NEPAD has entrenched itself as the policy framework for the socio-economic development of the African continent. For this reporting period, we have focused on five major thrusts:

- Advocacy and outreach;
- Preparation and implementation of NEPAD priority programmes;
- Implementation of the African Peer Review Mechanism (APRM);
- Promoting the integration of NEPAD principles and programmes in national and regional development plans, including Poverty Reduction Strategy Papers (PRSPs); and
- Engaging the industrialised countries and multilateral institutions on development issues.

Advocacy and Outreach

The African Heads of State and Government have continued to champion NEPAD both in Africa and internationally. President Joaquim Chissano of Mozambique made the implementation of NEPAD the priority of his term as Chairperson of the African Union. NEPAD featured at the United Nations General Assembly in September 2003, the Tokyo International Conference on African Development and the World Summit on the Information Society, among other events.

Regional Summits on the implementation of NEPAD were held in West Africa and East Africa during the period under review. In both events,

the Heads of State and Government of the respective regions reaffirmed their resolve to lead the implementation of NEPAD programmes in their regions. This is a significant development and other regions, including Southern and Central Africa, are following suit by organising high-level NEPAD implementation conferences through their respective Regional Economic Communities (RECS).

A number of African countries have established national NEPAD Steering Committees with representation from civil society and business and have also hosted numerous NEPAD events. These initiatives are supported by the Communications and Outreach Department of the NEPAD Secretariat through workshops held in different countries, dissemination of brochures, the provision of information on the website as well as radio and television programmes.

The United Nations (UN) system and development partners also intensified advocacy in support of NEPAD through workshops, seminars and conferences. The Secretary General of the UN produced his first report on the implementation of NEPAD in October 2003 and the Office of the Special Adviser on Africa also helped to advocate NEPAD internationally.

Progress with Implementation

As intimated last year, we had to ensure that implementation started in earnest during the year under review. I am pleased to confirm that we have made considerable progress in agriculture, infrastructure, environment and with the implementation of the APRM.

Following the approval of the Comprehensive African Agricultural Development Programme (CAADP) by the African Heads of State and Government in July 2002, our attention turned to strengthening ownership and leadership by African Ministers of Agriculture, National Governments and RECs. Secondly, we focused on strengthening co-operation with development partners, especially the Food and Agriculture Organisation (FAO), the World Bank, World Food Program (WFP), International Fund for Agricultural Development (IFAD), USAID and the African Development Bank (ADB).

As a result of the two-pronged approach, National Governments are giving increased priority to agriculture and to the preparation of integrated agricultural and rural development plans. Further, development partners are increasing their support to the sector. The FAO is supporting the preparation of medium-term development plans, which include the identification of bankable projects in more than 49 African countries. The World Bank has also earmarked US\$500 million for boosting agricultural research and technology development through the implementation of the Multi-Country Agricultural Productivity Programme.

We believe that a firm foundation is being laid for launching an African agricultural revolution. A good start has been made. However, to succeed, we must mobilise all government departments and stakeholders in support of agriculture and rural development to provide a platform for resolving food insecurity and establishing a firm foundation for self-sustaining development. In addition, we need courageous leadership to convince the development partners to commit increased resources to agricultural development along the priorities outlined in the CAADP.

We are also complementing our food production and security efforts with the promotion of food fortification and other programmes to improve the quality of food intake, specifically to address micronutrient

deficiencies. Deficiencies in iron (anaemia), vitamin A and iodine, among others, undermine the physical and intellectual capacity of young people and women. In this regard, negotiations are under way to develop an African Micronutrient Programme with a group of international development partners, led by the Global Alliance for Nutrition (GAIN), and involving donors such as UNICEF, the World Food Program and the Micronutrient Initiative. Food security and nutrition have special significance in the context of HIV/AIDS as they are important factors in enabling people to cope with disease.

Regarding infrastructure, the focus is on supporting the preparation and implementation of multi-country projects that are critical to Africa's competitiveness and economic integration. During the year, progress was made and a number of high priority projects identified in the NEPAD Short-Term Action Plan (STAP) were implemented. The ADB approved the financing of nine investment projects amounting to US\$580 million and World Bank financing for STAP projects amounted to US\$570 million. Most of the projects financed were in the energy and transport sectors. The most important project financed by the World Bank was the interconnection of Power Pools in West and Southern Africa.

Progress has also been made regarding arrangements for developing key shared river basins. Agreements have been reached with development partners to prioritise the following river basins in sub-Saharan Africa: Lake Chad, Orange Senqu, Niger, Volta and Lake Victoria/Kagera Basin. These were selected to kick-start the pilot work on Integrated Water Resource Management.

Progress is also being made on key information and communications technology projects. In response to the call by African leaders, African private sector companies are leading the provision of cellular networks across the continent. There are now more cellular phones than fixed line phones in Africa.

The NEPAD Secretariat is facilitating two very important projects, namely the optic fibre submarine cable on the East Coast and the e-Schools projects. Both projects have strong private sector support and are nearing implementation.

The other priority area in which significant progress was made during the year was environment. Detailed implementation plans were prepared for a number of high priority projects. The work was done under the leadership of African Ministers of Environment and with the support of the UN Environmental Programme. The projects were presented to a donor conference in December 2003. We are now conducting follow up meetings with individual partners.

Work on other priorities, including education, science and technology and tourism, is continuing. The focus on education is to update the plan prepared two years ago and to monitor the World Bank Fast Track Initiative. Flagship projects in science and technology were identified last year and detailed plans are being prepared by a Steering Committee appointed by the African Ministers. Tourism Ministers met in the Seychelles in May 2004 to approve a detailed plan on tourism which was endorsed by the African Union Summit in July 2004.

The challenge in education and health is to ensure that commitments already made are met. This applies to both sides. African countries have to increase the capacity of government departments to plan and implement more intensive programmes, and development partners must meet commitments in terms of additional resources. NEPAD's role is primarily one of monitoring and advocacy.

The African Union Commission is leading the preparation of African positions on multilateral trade negotiations. NEPAD is providing the process with the leadership of the HSGIC and technical support through the Secretariat. On debt, President Wade of Senegal is leading the process.

An experts meeting took place on 17-18 November 2003 and a major conference is planned for 2004.

Implementation of the African Peer Review Mechanism

The Panel of Eminent Persons took responsibility for implementing the APRM mechanism in July 2003. Since then they have finalised all necessary guidelines for implementation and reviews have commenced in four countries — Ghana, Rwanda, Kenya and Mauritius.

Adoption of NEPAD Sectoral Programmes as Frameworks for National Development Plans

One of the priorities of NEPAD remains the adoption of NEPAD programmes as frameworks for regional and national development plans. This is crucial in ensuring that countries achieve the Millennium Development Goals (MDGs) and sustainable development. If investments in key priority areas, including education, health, agriculture, rural development, energy, water and sanitation, and ICT are maintained at current levels, African countries will not achieve these goals, nor will they achieve sustainable development by the year 2015.

NEPAD proposes integrated development plans for each priority area with more ambitious investment levels. The programmes have been developed through participatory processes and have been endorsed by African Heads of State and Government.

The challenge now is for individual African countries and the RECs to use the generic programmes that have been developed to prepare regional and country specific plans to enable increased investment to take place. The NEPAD process is now tackling this challenge through the engagement of individual countries and the RECs.

Engaging Industrialised Countries and Multilateral Institutions

NEPAD is engaging development partners and multilateral institutions because, without additional resources from the highly industrialised countries, African countries will not be able to achieve the MDGs and NEPAD's objectives.

It is for this reason that engagement with the G8 members and the OECD countries, as major contributors of development assistance to Africa, is so important. For NEPAD to yield tangible results, implementation of reforms and preparation of detailed programmes by African countries must be matched by an increased flow of resources from the development partners.

The establishment of the African Partnership Forum (APF) is both an opportunity and challenge for African countries. It is an opportunity to move from a donor/recipient relationship to a true partnership. The Forum could be used to monitor progress on commitments by both sides and therefore lead to genuine mutual accountability. The challenge is for African countries to work together in a coherent manner. There must be clearly defined objectives that are agreed on by African representatives on the Forum and a mutually agreed strategy for pursuing them, otherwise the APF will add no value.

In addition to engaging the development partners through the APF, the Steering Committee and the Secretariat held direct discussions with organisations such as the African Development Bank, World Bank, European Community and FAO. As a consequence, a better understanding is developing and, in some cases, breakthroughs are being made. For instance, as a response to engagement by NEPAD, the World Bank is now financing multi-country and regional programmes and is using Official Development Assistance (ODA) funding. Support for both the Southern African and West African Power Pool projects is on a multi-country basis with

the commitment of ODA funds.

Integration of NEPAD into African Union Structures and Processes and Institutional Arrangements

Progress is being made regarding management and administration. The NEPAD Secretariat participated in the preparation of the African Union Strategic Plan and Work Plans for the period 2004 to 2007. Programmes have been harmonised. This is indeed a major step forward. Some of the key principles underlying the integration issue have been articulated by H.E. Mr. Alpha Konare, Chairperson of the African Union Commission. The integration document is being revised and the process should be finalised within months.

Funding and Staff Complement of NEPAD Secretariat

For the current year, the development facilitation and administration costs of NEPAD, including the APRM Secretariat, amounted to about US\$9.7 million and were financed primarily by the initiating countries through secondment of staff and contributions to the budget. Steps have now been taken to mobilise contributions from other NEPAD participating countries.

The staff complement totalled 53 as at March 2004, up from 35 last year. The distribution of professional staff by countries was as follows: Algeria (1), Benin (1), Cameroon (3), Cote D'Ivoire (1), DRC (3), Egypt (1), Kenya (4), Lesotho (1), Malawi (1), Mauritius (1), Nigeria (2), Rwanda (1), Senegal (2), Sierra Leone (1), South Africa (25), Togo (1), Uganda (2), Zambia (1), Zimbabwe (1).

For 2004/5, the estimated budget is US\$11.358 million while it is anticipated that the staff numbers will increase to 65.

Challenges of Implementing NEPAD

In conclusion, progress is being made on a number of fronts, but there are also major challenges. Political leadership of transformation in line with the NEPAD principles needs to be strengthened. In addition, National Governments must use the NEPAD programmes as frameworks for improving their national development plans.

Although the implementation of projects in agriculture and infrastructure has started, the challenge now is to accelerate capacity building and pace of implementation.

Broadening ownership and participation remains a major challenge. More countries have established National NEPAD Steering Committees and a number of civil society organisations, labour unions and business associations are participating at country and continental level, but in most countries, information has not been disseminated. We will be doubling our efforts in the coming years and also calling on our partners, both on the continent and internationally, for support.

Above all, there must be increased commitment to genuine economic integration, first within each REC and second, across RECs. This must be demonstrated by a show of political will to deal with the legal and illegal impediments to the flow of goods, people and capital across borders.

On the international front, the major challenge is to make breakthroughs on multilateral trade negotiations, debt cancellation and increased flows of development assistance and foreign direct investment. The industrialised countries have not shifted their positions, even in areas that are causing great harm to very poor African countries such as subsidies on cotton. Lack of progress on multilateral trade negotiations and debt cancellation in particular are a cause for great concern.

The dialogue with the G8 and OECD countries through the African Partnership Forum is still at a delicate stage. It needs to be nurtured sensitively, but the mechanism holds great promise as a forum for building trust and facilitating the mutual monitoring of progress.



African Heads of State at the 1st AU Summit in Durban, South Africa, 2002

Acknowledgements

In conclusion, I would like to thank all our development partners and institutions. NEPAD, which is about a new partnership, would not have made such strides without their support and involvement. I also wish to place on record the fact that NEPAD has been put on the map fundamentally because of the direct leadership and engagement of our leaders in the Heads of State and Government Implementation Committee. I wish to salute, in particular, the inspiring leadership of President Obasanjo, Chairman of the HSGIC.

Lastly, the work done by the Members of the NEPAD Steering Committee has been exemplary in managing our process. I want to also convey my sincere appreciation and thanks to all the staff of the Secretariat for their hard work and dedication to our cause. In this respect, I would like to make special mention of two former members of staff of the Secretariat, Mr. Sunday Dogonyaro and Mr. Smunda Mokoena, whose dedication was instrumental in spearheading NEPAD in its formative stage.



Prof. Wiseman Nkuhlu
Chairperson of the NEPAD Steering
Committee
and Chief Executive of the
NEPAD Secretariat



16th NEPAD Steering Committee Meeting, Midrand, South Africa, October, 2003

NEPAD: An Introduction



1. WHAT IS NEPAD

The New Partnership for Africa's Development (NEPAD) is a vision and strategic framework for Africa's renewal. The NEPAD Strategic framework document arises from a mandate given to the five initiating Heads of State (Algeria, Egypt, Nigeria, Senegal, and South Africa) and by the Organization of African Unity (OAU) to develop an integrated socio-economic development framework for Africa. The 37th and last Summit of the OAU in July 2001, in Lusaka, Zambia, formally adopted the strategic framework document, and soon after this, the preparation of detailed implementation plans for each priority sector began.

The plans prepared focused on challenges that are common to most African countries; looking at projects that were critical to sub-regional and continental economic integration, policy reforms and increased investment in priority sectors and indicative flagship projects. Above all they highlighted the need for country and regional ownership and leadership.

The Initial Action Plan for implementation was accepted at the 1st African Union Summit in Durban, South Africa, in July 2002. The 2nd African Union Summit in Maputo, Mozambique, in July 2003, concentrated on the elements of the third phase of the NEPAD process, namely implementation.

2. WHAT IS THE NEED FOR NEPAD

NEPAD is designed to address the

current development challenges facing the African continent. Issues such as escalating poverty levels, underdevelopment and the continued marginalisation of Africa needed a new radical intervention, spearheaded by African Leaders, to develop a New Vision that would guarantee Africa's Renewal.

3. THE PRIMARY OBJECTIVES OF NEPAD

The primary objectives of NEPAD are:

- a) To eradicate poverty;
- b) To place African countries, both individually and collectively, on a path of sustainable growth and development;
- c) To halt the marginalisation of Africa in the globalisation process and enhance its full and beneficial integration into the global economy; and
- d) To accelerate the empowerment of women

4. THE KEY PRINCIPLES OF NEPAD

NEPAD is based on a number of key principles, namely:

- Good Governance as a basic requirement for peace, security and sustainable political and socio-economic development;
- African ownership and leadership as well as broad and deep participation by all sectors of society;

- Anchoring the development of Africa on its resources and the resourcefulness of its people;
- Partnership between and among African peoples;
- Acceleration of regional and continental integration;
- Building the competitiveness of African countries and the continent;
- Forging a new international partnership that changes the unequal relationship between Africa and the developed world; and
- Ensuring that all partnerships with NEPAD are linked to the Millennium Development Goals and other agreed development goals and targets.

5. THE NEPAD PROGRAMME OF ACTION

The NEPAD Programme of Action is a holistic, comprehensive and integrated sustainable development initiative for the revival of Africa, guided by the aforementioned objectives, principles and strategic focus. NEPAD has eight sectoral priorities, the implementation of which is aimed at attaining the programme's goals.

The sectoral priorities are:

- Infrastructure (ICT, Energy, Transport, Water and Sanitation)
- Human Resource Development
- Agriculture
- Culture
- Science and Technology
- Mobilising Resources
- Market Access
- Environment

6. THE STRUCTURES FOR IMPLEMENTING NEPAD

NEPAD is a programme of the African Union. The highest authority of the NEPAD implementation process is the Heads of State and Government Summit of the African Union, formerly known as the OAU.

The Steering Committee of NEPAD comprises the Personal Representatives of the NEPAD Heads of State and Government. This Committee oversees projects and programme development.

The NEPAD Secretariat co-ordinates and facilitates the implementation of projects and programmes approved by the HSGIC.



Parliamentary Expert Briefing on NEPAD, Nairobi Kenya, August, 2003

Agriculture^I



Progress

- **NEPAD Agricultural Programme Action Plan 2003 – 2015**

An action plan for the implementation of the CAADP was developed by the Regional Economic Communities (RECs), with the support of development partners¹ and

regional knowledge networks. The action plan includes programmes/projects, which are now NEPAD flagship programmes/projects, related to the four pillars of CAADP: land and water management; infrastructure and market access; increasing food supply and reducing hunger; and agricultural research and technology dissemination and adoption.

An Emerging NEPAD Initiative Against Malnutrition

One of the major challenges facing Africa, and which a number of initiatives including the Millennium Development Goals have set out to tackle, is that of hunger and malnutrition. About one third of the region's population is undernourished, with a large number of the malnourished being very young children who lack micronutrients such as iron, vitamin A, iodine and folic acid in their diets. This lack of nutrition and anaemia in young people and women contributes significantly to maternal morbidity and mortality and to the low birth weights of infants.

Micronutrient deficiencies can cause irreversible damage to health such as blindness, contribute to maternal death during childbirth, and to infant and child death as a result of otherwise common childhood illnesses. But in most cases micronutrient deficiency causes weakness, undermining education and productivity, as well as increasing susceptibility to illness, creating a vicious cycle of malnutrition, disease and educational under-development. A recent study found that being exposed to randomly available nutritional supplements between the ages of 6-24 months significantly improved the probability of attending school and of passing the first grade.

Ending micronutrient deficiency, therefore, can provide the foundation for the elimination of poverty and for sustainable economic progress in sub-Saharan Africa. NEPAD aims to complement its food security and production efforts through the promotion of various programmes which address the quality of food intake, particularly micronutrients. The GAIN initiative is a direct response to the NEPAD priorities linked to the Comprehensive Africa Agriculture Development Programme (CAADP) and the Health Strategy.

- **Mobilising National Budgetary Allocations for Agricultural Development**

African Ministers of Agriculture reviewed progress on the 10 percent budget target during the 23rd regional conference of the Ministers of Agriculture, held in March 2004 in South Africa. The NEPAD Secretariat is now working with partners to develop a tracking system for the implementation of the target, with the support of the Food and Agriculture Organization (FAO), the World Bank and the International Monetary Fund.

The tracking mechanism will be part of a peer review mechanism that is envisaged for the sector.

- **Mobilising International Support for CAADP's Implementation**

CAADP Support Group

The NEPAD Secretariat has convened a CAADP Support Group to mobilise international financial and technical resources for the implementation of CAADP. Membership of the CAADP Support Group consists of the principal financing institutions: (World Bank, African Development Bank (ADB) the International Fund for Agriculture Development (IFAD) and multilateral organisations), and includes, where appropriate, sub-regional development banks and interested NEPAD bilateral partners. The CAADP Support Group will facilitate the mobilisation of resources and support the implementation of CAADP and its action plan.

National Medium-Term Investment Programme (MTIP)

Through the support of the NEPAD Secretariat, 49 countries have received financial support from the FAO to formulate MTIPs in Agriculture. The MTIPs will provide a basis for the preparation of

bankable investment project profiles.

- **NEPAD Food Reserve System Review**

The NEPAD Secretariat has facilitated a comprehensive continent-wide review of food reserve systems. The review was led by the WFP and included FAO, World Bank and European Union initiatives. The objective was to provide an overview of the variety of food reserve systems available and the continent's experience in managing food reserves in order to assist policy makers to make informed decisions about available options. The findings of the review were to be presented to the African Union Assembly in July 2004. A framework will be put in place to assist RECs and member countries to implement new strategies for dealing with food reserves and early warning systems.

- **Strengthening Agricultural Research and Development**

The Multi-Country Agriculture Productivity Programme (MAPP)

NEPAD, through the Forum of Agricultural Research in Africa and with World Bank support, is engaged in consultations with regional stakeholders on the MAPP towards the implementation of the CAADP's fourth pillar. MAPP's goal is to achieve sustained rural poverty eradication by strengthening African agricultural technology systems. The specific objectives include a focus on strengthening the capacity of African agricultural research systems to effectively and sustainably generate and promote the adoption of innovations for the poor. These innovations will enhance the productivity of African agriculture and link national programmes into sub-regional and regional networks with strong international partnerships. The World Bank has earmarked funds for this programme from 2004 to 2009.

Replicating agricultural success and learning from failure

In December 2003, an International Policy Conference on Successes in African Agriculture was held in Pretoria. NEPAD, InWent, (Capacity Building International Germany), the International Food Policy Research Institute (IFPRI) and the Technical Centre for Agricultural and Rural Co-operation (CTA) brought together high-level policymakers, senior researchers, representatives from farmer groups, the private sector and international development agencies to learn, exchange, and disseminate lessons from these past successes. A series of sub-regional conferences on successes has been initiated by NEPAD, based on the success of the Pretoria Conference. These will address the specific challenges facing the regions and promote closer collaboration between the agricultural stakeholders in the RECs.

Pan-African Cassava Initiative

The NEPAD Secretariat, with the support of the Kellogg Foundation, the International Institute for Tropical Agriculture and other knowledge centres in Africa, has prepared a Pan-African Cassava Programme. Input for this initiative has been received from the Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC) and the Intergovernmental Authority on Development (IGAD). Consultations took place between the NEPAD Secretariat, scientists, business people, farmers' associations, as well as government officials. The initiative will be formally launched in September 2004. NEPAD, through its co-operating partners, is exploring funding sources to implement the initiative.

Pan-African NERICA Rice Initiative

The NEPAD Secretariat, with the support of the African Rice Centre in

West Africa and Forum for Agricultural Research in Africa (FARA), has prepared a comprehensive Pan-African Rice Initiative that focuses on the rapid and widespread dissemination of NERICA rice continent-wide.

Home Grown School Feeding Programme

The NEPAD Secretariat has facilitated the preparation of a framework document with the support of the Millennium Hunger Task Force and the WFP that will guide selected pilot countries to prepare comprehensive project proposals for implementation under this initiative. Initial consultations have taken place between NEPAD, the WFP and the following countries: Ghana, Zambia, Mali and Uganda.

- **Forging Partnerships for the Implementation of CAADP**

During the reporting period, the NEPAD Secretariat forged strategic alliances with a number of bilateral and multilateral and international agricultural research organisations. The purpose of these alliances is to support the implementation of CAADP and, in so doing, the development of agriculture on the continent within the framework of NEPAD. Memoranda of Understanding (MOU) were concluded between the NEPAD Secretariat and the following institutions/organisations: the WFP; the FAO; IFAD; IFPRI; the World Bank; FARA; and the International Agricultural Research Centres of the Consultative Group on International Agricultural Research (CGIAR).

- **Partner Support for Workshops and Conferences**

The FAO has provided support for agriculture to the tune of US\$7.4 million, most of which comprises funds made available by the FAO to countries for the development of Medium-Term Investment

Frameworks and bankable projects. The remainder of the funds have been made available as technical assistance to the NEPAD Secretariat.

Under NEPAD (in 2002-2003), IFAD dispensed US\$500 000 to support capacity building in civil society organisations, including farmers' organisations, and for the ECOWAS secretariat. For 2004, IFAD has committed US\$540 000 to strengthen capacity in farmers' organisations, and a minimum of US\$250 000 for technical assistance to the NEPAD Secretariat.

The WFP's contribution to NEPAD for 2003-2004 (up to July) amounted to US\$210 000. This is broken down into US\$165 000 for the period January-July 2004 to fund the NEPAD study on food reserve systems in Africa (regional and country case studies, including the corporate report and recommendations); and US\$45 000 in 2003 to fund participation of NEPAD in bilateral consultations and to assist in designing the CAADP Emergency Preparedness and Response flagship programme.



Health



Progress

The strategic outline of the Initial Programme of Action was considered by Africa's Health Ministers at the World Health Organisation (WHO) Regional Committee for Africa meeting in Johannesburg in September 2003.

One can say with confidence that we have seen a major shift internationally and on the continent in the direction outlined by NEPAD

Health Strategy. It has also provided the AU with a comprehensive health strategy. There is now an upward trend emerging in budgetary allocation to health by countries and an increase in development partner funding in line with the Health Strategy. NEPAD has, and will continue to make its mark on health development on the continent and will also continue to push for greater mobilisation of resources for health.



for health development. The core message of NEPAD is increasingly becoming the adopted position on the continent and internationally. Changes have even been made to the G8 Africa Action Plan to make it harmonious with the

In the health sector, NEPAD continues to get support from and forge relationships with United Nations agencies and is particularly appreciative of the unique contribution made by the WHO Regional Office for Africa.

The Secretariat is interfacing with a range of civil society organisations and knowledge institutions to take the Health Strategy forward.

The Way Forward

Over the next year, the NEPAD Secretariat will continue to give high visibility to health and access to health care as an African priority and basic human right and to push for investments in health to be recognised as an investment in economic development. It will continue to lobby African countries to increase their health expenditure and seek a timetable from development partners to meet their commitments.

The Secretariat will continue to collaborate with continental and international partners and agencies to give effect to the Health Strategy and its Initial Programme of Action and work with Regional Economic Communities to enable them to contribute to the initiatives and

strengthen their health capacity. The process of knitting together the work of the Secretariat with that of the African Union Commission to achieve a seamless effort will continue.

HIV/AIDS will continue to receive special attention, not only in view of its impact on health and society but as one of, if not the, key impediment to achieving NEPAD's goal of sustainable development on the continent. Already AIDS is a crucial element in NEPAD's agriculture and education strategies and this year will see a more concerted effort on this front.

Access for all Africans to affordable medicine of good quality remains a priority. NEPAD will be investigating the role that a strengthened generic drug manufacturing capability on the continent can play in support of this goal, and what would need to be done to get such an initiative off the ground.



Education



Progress

The work of the NEPAD Secretariat in education started in late 2003. Priority areas of focus have been identified, and steps have been taken to develop fully fledged programmes for costing and implementation in the areas of:

- Basic education and education for all: Planning of the conference on NEPAD Basic Education Programmes for all Southern African Development Community (SADC) countries to develop a strategic framework for priority education programmes and projects is under way with the assistance of the SADC education desk. This exercise will lead to the involvement of other RECs.
- Gender equality in primary and secondary schools in Africa: Meetings with relevant stakeholders are taking place to prepare for the Conference on the Status of Gender Equality in Primary and Secondary Schools in Africa to be held in 2005. The outcome of this conference will result in the development of a five-year NEPAD Programme of Action.
- School feeding and nutritional programmes: Negotiations are under way with the World Food Programme regarding a comprehensive school feeding programme for primary and secondary schools. Discussions are taking place with SADC countries in need.



- Distance education and teacher development: A status report on teacher development has been written. A meeting with principals of implementing institutions (University of South Africa, African Virtual University (AVU), Commonwealth of Learning (COL) and National Open University of Nigeria) took place on 5 April 2004 regarding a programme of action on distance education and teacher development in Africa.
- Mathematics and science education: A Memorandum of Collaboration between NEPAD and SMASSE-WECSA Association (Strengthening of Mathematics and Science Education – West, East, Central, Southern Africa) has been developed for the strengthening and enhancement of mathematics and science education in Africa.
- Centres of educational excellence: A Framework on Centres of Educational Excellence has been developed and one centre has been identified. The launch is planned for January 2005.
- Education in post-conflict environments: A proposal has been completed and funding has been secured from the International Development Research Centre with specific reference to the Democratic Republic of Congo. Negotiations are under way with UNISA, AVU and COL regarding distance education and teacher training in Angola.
- Putting HIV/AIDS into the mainstream of the education sector in Africa: A proposal is being developed and negotiations are under way with development partners, such as the International Labour Organisation and UNAIDS.



Infrastructure



Progress

There was remarkable progress in the implementation status of projects during the year under review, considering that the Short-Term Action Plan (STAP) was developed only a year earlier, in 2002. Since March 2003, a number of pipeline projects have progressed following approval by the Boards of the African Development Bank (ADB) and the World Bank. These are shown in Annexure 2.

The ADB, as the lead institution on NEPAD infrastructure development, undertook a review of the projects under the NEPAD STAP in March 2003. Progress has been made as follows:

- 52 Facilitation Projects: 46 percent of the projects were being implemented
- 18 Capacity Building Projects: 33 percent of the projects were being implemented
- 36 Investment Projects: 22 percent of the projects were being implemented
- 18 Studies Projects: 16 percent of the projects were being implemented

Since the launch of the STAP in June 2002, the ADB itself, as at March 2004, has financed eight/nine projects, including one private sector project and four studies in the STAP, amounting to US\$580 million and mobilised about USD\$1.6 billion through co-financing of these projects.

Central Africa Trade Facilitation Project

Central Africa is a region well endowed with natural resources, including petroleum, gold, tin and iron ore, to name a few. Yet despite this, the mostly landlocked region includes some of the poorest people in the world. The trade facilitation project will help establish conditions that will promote accelerated growth in that region. The project will improve trade links and enhance the economic integration of the six Central African countries.

Income levels among the six countries — Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea and Gabon — vary widely, from close to US\$4000 in Gabon to less than US\$300 in the Central African Republic and Chad. The incidence of poverty is also very high in all these countries with more than half their populations living on less than US\$1 a day.

It is increasingly recognised that economic integration is crucial for small landlocked economies and this project is expected to help increase interaction between these countries, which in turn will be instrumental in generating greater domestic economic growth within them. It will also enable the region to benefit more from global trade and investment. Under the project, new roads will be built and existing ones improved, the financial sector will be modernised and integrated, and transaction times at ports and customs will be shortened.

Southern Africa Power Market Development Project

Power distribution in the Southern African Development Community (SADC) has become a priority over the years because of the uneven distribution of power resources in the region. There is a large reserve of low-cost hydro-electricity in the northern part of the region (especially Inga in the DRC, Cabora-Bassa in Mozambique, and the Kariba Dam on the border between Zambia and Zimbabwe), and large reserves of cheap coal in South Africa while countries such as Botswana, Namibia and Zimbabwe have no low-cost, indigenous sources of electricity.

The project aims to facilitate the development of an efficient regional power market which will decelerate the increase of electricity prices in the SADC region; increase the industrial competitiveness of the region; create conditions for accelerated investment in the power sector; create jobs; and foster regional integration.

In its implementation phase, the project has prompted the establishment of the Co-ordination Centre, which oversees the operations of the SADC power pool, and acts as a trading centre for electricity flows across the borders of member countries. During its implementation phase it will provide the Centre with the facilities needed to manage the electricity trade in the region efficiently. Over the next decade or so, the Co-ordination Centre can develop a market in ancillary products. It will also encourage members to recognise the potential of using their particular advantages: geographic location, possession of storage, climate etc., to develop new products for sale.

The World Bank financed STAP projects amounting to US\$570 million.

Progress has also been made in the realisation of the Strategic Partnership signed between the European Union (EU) Commission and the African Ministers Council on Water (AMCOW) during the World Summit on Sustainable Development in Johannesburg in September 2002. Five river basins in Sub-Saharan Africa² were selected for the commencement of pilot work on Integrated Water Resources Management (IWRM). The partnership includes the EU Commission, AMCOW and the NEPAD Secretariat. It has further been agreed that some countries will kick-start work on water supply and sanitation under the European Union Water Initiative.

- **Project Preparation Facility**

The ADB, with the support of C\$10 million from the Canadian government, has established a NEPAD Infrastructure Preparation Facility, which will be used for

project preparation purposes. The HSGIC, in its February 2004 meeting in Kigali, decided on a multifunctional facility for project preparation, hosted by the ADB. In this respect, plans are under way to mobilise contributions from other development partners.

The NEPAD Secretariat is consulting its key co-operating partners and development finance institutions, such as the ADB, World Bank, EU Commission and the Development Bank of Southern Africa, on a number of projects which are scheduled to be implemented or studies due to be commissioned during the period 2004 to 2005.

The NEPAD Secretariat is also in discussions with the ADB to begin the Grand Inga Hydropower Project study during the next 12 months. The study on the INGA III power plant and the associated transmission line is due to begin once the agreement, which is being

²Lake Chad, Orange/Senqu, Niger, Volta, and Lake Victoria/Kagera Basin

facilitated by the NEPAD Secretariat, is signed by all five parties. The Mphanda Nkuwa Hydropower Project is expected to move to implementation once the issues related to tariffs for Cahora Bassa are resolved by the parties concerned.

Discussions are taking place with the US Trade Department Agency to undertake studies on some projects such as Port of Mombassa, Port of Djibouti and Port of Dakar. Included are the Common Market for Eastern and Southern Africa (COMESA) Border Crossing/Customs Facilitation and SADC Upper Airspace Control Centre.

Challenges

A number of non-physical barriers in the implementation of NEPAD projects continue to exist. One of these relates to the Yamoussoukro Decision, which aims to liberalise African Air Space. The Treaty has been in existence for more than 10 years but it is still not being implemented despite its obvious benefits for African travellers. The danger is that it may be implemented in a piecemeal fashion between countries instead of at continental level. The NEPAD Secretariat, for its part, has raised the issue at the NEPAD Steering Committee meeting in the hope that the member countries can facilitate its implementation. The issue has also been raised with the African Union

Commission for its intervention with member states.

Another problem has been the ratification of the agreement giving effect to the Africa Energy Commission (AFREC). Based on a decision taken by the African Union, the Commission was established to oversee the development of the energy sector at the continental level. The government of Algeria has offered to host the Commission and has established a one-man office in Algiers. However, only four countries have ratified the agreement, which has affected the NEPAD Secretariat's ability to mobilise resources to enable AFREC to perform its functions. It will only have legal status once the required number of countries has ratified the agreement. This situation has also made it difficult for co-operating partners, including the ADB, to support AFREC financially. The NEPAD Secretariat raised the matter at the NEPAD Steering Committee meeting and at the African Union Summit in Maputo in July 2003. Unfortunately, no new member state has ratified this agreement since then.

The lack of capacity and appropriate leadership by the RECs is another serious challenge in the implementation of NEPAD projects.

There is also a need to source additional funds for the Project Preparation Facility while the pace of implementation needs to be accelerated.



Information and Communications Technology (ICT)



NEPAD Vision for ICT

NEPAD recognises the pivotal role of ICT in accelerating economic growth and development, particularly in the context of achieving a common market and continental integration. ICT also has the potential to foster intra-regional trade and enhance Africa's global competitiveness.

The e-Africa Commission

The e-Africa Commission was established in 2001, with the mandate to manage the structured development of the ICT sector on the African continent in the context of NEPAD. The Commission is also required to develop broad strategies and a comprehensive action plan for ICT infrastructure and its use for ICT applications and services. The Commission is chaired by African Union Chairman, Alpha Konaré.

In March 2003 in Abuja, the Commission presented a list of six ICT projects to the 6th meeting of the NEPAD Heads of State Implementation Committee. The Committee endorsed these projects as high-priority NEPAD ICT projects. They are: the NEPAD e-schools initiative; the low-cost satellite access project for NEPAD e-schools; the East African submarine cable project; the associated NEPAD broadband access fibre-optic project for landlocked African countries; the NEPAD capacity building project for e-learning in Africa (based on the Africa Virtual University); and the e-policies and e-strategies project. These projects essentially fall into two categories, namely, those that relate to the need to establish an adequate ICT infrastructure on the African continent, and those that relate to the establishment

of ICT skills in the African population.

Progress

- NEPAD e-Schools Initiative



Invoking African Ancestors at the Official Opening of the e-Africa Commission Offices, April, 2004, Pretoria, South Africa

The NEPAD e-schools Initiative was publicly launched in Durban at the Africa Summit of the World Economic Forum on 12 June 2003. The Initiative aims to impart ICT skills to young Africans in primary and secondary schools as well as harness ICT technology to improve, enrich and expand education in African countries. The aim is to equip all African primary and secondary schools with ICT apparatus such as computers, radio and television sets, phones and fax machines, communication equipment, scanners, digital cameras, copiers, etc, and to connect them to the internet. Each school will be equipped with a "health point". The NEPAD e-Schools Initiative will be executed over a 10-year period.

The countries invited to participate in the first phase were those which had acceded to the African Peer Review Mechanism in 2003 as follows: Algeria, Angola, Benin, Burkina Faso, Cameroon, Republic of Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, South Africa and Uganda. This initiative will involve 600 000 schools across the continent. Progress is now being made in laying the necessary foundations for the implementation of the various components of this initiative.

The Commission undertook the preparations for the NEPAD e-Schools Initiative workshop planned for 13-15 May 2004 in Johannesburg. Two senior officials nominated by each government of the first phase countries were invited to attend the workshop. At the workshop, a concept framework for the NEPAD e-Schools Initiative and an implementation structure for the execution of this initiative was discussed and agreed upon. The structure

will involve a specification of functions to be performed collectively through the Commission as well as those to be performed by implementation units located in the government structures of the first phase countries. Owing to the size and complexity of this initiative, these issues ought to be spelled out clearly at the outset.

The workshop adopted the essential elements for a demonstration project which will involve six pilot schools per country to be identified by the governments concerned and which will be implemented in these countries with the assistance of private sector partners of the NEPAD ICT programme.

- **The NEPAD ICT Infrastructure Programme**

The NEPAD ICT infrastructure programme aims to connect all African countries to a broadband terrestrial fibre-optic network. This network will also be connected to the rest of the world. A



NEPAD e-Schools Working Group at their Workshop, Johannesburg, South Africa, May 2004

broadband network that links all 54 African countries will provide abundant bandwidth, easier connectivity and reduced costs. It will help to integrate the continent by facilitating trade, social, and cultural exchange between countries.

The e-Africa Commission has identified the establishment of a submarine optical fibre system along the East Coast of Africa as an essential element in achieving its broadband network objectives. Countries along this coast do not have access to broadband submarine cable systems, though the rest of Africa is surrounded by submarine cable systems. Along with their land-locked neighbours, these countries use foreign-owned satellite systems for their international links and, in many cases, also for regional and even cross-border telecommunications links. The use of these satellite services results in a substantial outflow of scarce capital from the continent. The East Africa submarine cable will link South Africa to Port Sudan and allow for landing stations in countries along the East Coast. It will also be connected to adjacent land-locked countries whose dependence on expensive satellite connectivity will diminish substantially as a result.

The e-Africa Commission hosted a workshop in Nairobi in June 2003, which brought together many potential stakeholders and created an increased awareness of the benefits of the cable project. An outcome of the workshop was the establishment of a Project Committee to oversee the development of the cable project as well as the acceptance of the principle that all appropriate stakeholders be included.

Planning for the submarine cable, now known as the EASSy project, is in progress, spearheaded by African companies under the auspices of NEPAD. The Commission is represented on the project development team.

By December 2003, 11 telecommunications network operators

and service providers from East and Southern African countries had signed a Memorandum of Understanding to participate in the development and implementation of the project. These companies come from the following countries: Botswana, Rwanda, Uganda, South Africa, Kenya, Tanzania, Malawi, Mozambique, Madagascar and Djibouti. The project is expected to be ready for commercial service by the end of 2006 and is estimated to cost US\$250 million.

In the meantime, the Commission, in collaboration with the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC) as well as other stakeholders, has undertaken to integrate and rationalise plans for the development of the fibre-optic network in the Eastern and Southern region of the continent. COMESA has an initiative known as COMTEL, while SADC has its own plan known as SRIL. There are other initiatives, including those of utility companies, for fibre-optic networks in this region.

The Commission held a workshop on the development and rationalization of ICT infrastructure for Eastern and Southern Africa from 28-30 July 2004. The workshop brought together all telecommunication operators and other relevant stakeholders, (including policy-makers and regulators) for a constructive dialogue. The outcome of the workshop was a framework for the development of an economical and robust fibre-optic network connecting all the countries of the region and meeting NEPAD objectives. Similar activities will be initiated for the Central and Western Africa region in the latter part of 2004.

- **World Summit on the Information Society (WSIS)**

The e-Africa Commission participated in the first session of WSIS held in Geneva

on 10-12 December 2003. The second phase will take place in Tunis in 2005. The common vision and guiding principles of WSIS relate to the achievement of internationally agreed development goals that will bridge the digital divide and promote the global information society. In this regard, emphasis was placed on the role of partnerships between governments, the private sector, civil society and international development partners.

The Commission was active in the WSIS preparations and one of its Commissioners chaired important preparatory sessions. Additionally, the Commission held a workshop in Johannesburg on 14-15 August 2003 at which representatives of African governments, the private sector and civil society prepared draft African inputs, some of which are now reflected in the Declaration of Principles and Plan of Action of the WSIS Summit.

Furthermore, the Commission set up a NEPAD Stand in the Exhibition Hall held at PALEXPO in Geneva during the WSIS. The purpose of the stand, which attracted many important visitors, was to showcase the activities of the African Union, NEPAD and the e-Africa Commission.

- **Information Society Partnership for Africa's Development**

The Commission expects to conduct its work through creating and fostering partnerships between governments, business, and civil society. This partnership is termed Information Society Partnership for Africa's Development (ISPAD). NEPAD ICT projects will be accomplished by bringing together skills, resources, capabilities and other contributions of partners who are members of ISPAD. Partners are welcome to take an interest in one, some or all of the Commission's projects.

Partners from the business sector that



accept special responsibility to facilitate the work of the Commission and undertake financial and other obligations in support of the Commission and its programmes are known as Foundation Partners. Several contribution classifications (i.e. Silver, Gold, Platinum, Diamond) have been established and a Founding Partner is free to choose its class of contribution. The following companies have signed up as ISPAD Foundation Partners in the Platinum Class: Microsoft Corporation (USA); Oracle Corporation (USA); SAP, AG (Germany); Multichoice Africa and MTN (South Africa) and ZTE (Africa). INMARSAT Ventures Ltd (UK) has signed up in the Gold Class. INTELSAT (USA), Grintek (South Africa) and VIASAT (USA) have signed up in the Silver Class.

Among other things, ISPAD member companies are expected to play an important role in the implementation of the NEPAD e-Schools Demonstrator Initiative.

Science and Technology



Progress

- **Building Political Support and Consensus**

The NEPAD Secretariat has been instrumental in raising awareness of the role of science and technology in sustainable development. It has stimulated an interest in and increased the continent's attention to matters of science and technology. Concrete initiatives in this regard include organising a successful conference of African ministers of science and technology. In November 2003, the Secretariat made it possible for these ministers and their senior officials to meet and design flagship programmes. As a result, a high-level ministerial council has been established to address science and technology issues. The council is a political platform for regional co-operation in these sectors.

- **Centres of Excellence**

The NEPAD Secretariat also focused on establishing networks of centres of excellence in science and technology, resulting in the launch of three initiatives, namely; the Bioscience Facility for Eastern and Central Africa; the African Laser Centre and the Square Kilometre Array (SKA).

The Bioscience Facility for Eastern and Central Africa

The NEPAD Bioscience Centre of Excellence is a new initiative to support African countries to develop and apply

bioscience research expertise to produce technologies for helping poor farmers improve agricultural productivity. The Secretariat has secured C\$30 million from the Canada Africa Fund to establish state-of-the-art research laboratories for the biosciences, including genomics and proteomics and containment facilities for safe genetic manipulation of plants and safe handling of pathogens used in the research programmes.

Protocols are being developed to attract African scientists based in Europe and the US to return and conduct research in the facility.

The African Laser Centre

At the November 2003 NEPAD Ministerial Conference on Science and Technology in Johannesburg, ministers launched the African Laser Centre. This is a network of relatively large facilities dedicated to research and training in laser technologies. It comprises the National Laser Centre (Pretoria, South Africa), University of Cheikh Anta Diop (Dakar, Senegal), Laser and Fibre Optics Centre (Cape Coast, Ghana), National Institute of Laser Enhanced Science (Cairo, Egypt), Tunis el Manar University (Tunis, Tunisia), and Advanced Technologies Development Centre (Algiers, Algeria). These facilities specialise in materials processing, atomic and molecular physics, agricultural and environmental sciences, medical applications of lasers, and manufacturing.

Through the African Laser Centre, major efforts will be made to reverse the brain drain of researchers from the African

continent to the more scientifically and technologically advanced regions of the world by providing a competitive knowledge base and attractive research and development facilities. Flagship programmes have been defined and a regional process to translate these into concrete projects has been initiated.

- **Knowledge as a Basis for Policy Development**

The NEPAD Secretariat has commissioned studies on a number of topical science policy issues. These are intellectual property protection and technology development; trends in biodiversity science; trends in water sciences and technologies; funding of research and development;

national innovation systems; science parks and innovation hubs; and guidelines for networking centres of excellence. The studies will be completed by October 2004 and discussed at the regional workshops.

The Way Forward

Over the next year, NEPAD will focus on completing the design of flagship programmes, strengthening the capacity of Regional Economic Communities and stimulating a regional process to negotiate and adopt a science and technology protocol under the auspices of the African Union.



Environment



Objectives of the Environment Action Plan

The main objective of the NEPAD Environment Initiative is to improve the environmental conditions in Africa in order to contribute to economic growth and poverty eradication. The NEPAD Environment Action Plan (EAP) has clearly articulated eight targeted thematic priority interventions, namely:

- Combating land degradation, drought, and desertification
- Conserving Africa's wetlands
- Preventing, controlling and managing invasive alien species
- Conserving and sustainably using marine, coastal and fresh water resources
- Combating climate change in Africa
- Cross-border conservation or management of natural resources, including
 - Biodiversity, bio-safety and plant genetic resources
 - Forestry Management
- Cross cutting issues, including:
 - Health and Environment
 - Poverty and Environment
 - Transfer of environmentally friendly technology
 - Early warning systems and disaster management

The EAP was developed under the leadership of the African Ministerial Conference on Environment (AMCEN), with technical assistance from the United Nations Environment Programme (UNEP) and financial support from the Global Environmental Facility (GEF). The EAP was endorsed by the African Union

Summit at its Second Assembly held in Maputo, Mozambique, in July 2003.

Progress

• Partners' Conference

In accordance with the African Union Summit call (Assembly/AU/Decision 10(II)) (of July 2003) to support a partners conference on the EAP, the Action Plan was presented at the Partners' Conference on the NEPAD Environment Action Plan in Algiers, Algeria on 15-16 December 2003, hosted by the Government of Algeria. In November 2003, a High-Level Experts' Meeting, at which more than 80 projects of the EAP were selected, was held in preparation for the Algiers Partnership Conference.

The conference, which attracted more than 800 participants, also attracted interest from development partners as well as African countries. At the event, it was affirmed that the list of projects presented was not exclusive because the NEPAD EAP was a working document.

• Capacity Building

AMCEN and UNEP/GEF have made significant progress in the preparation of the Capacity Building Programme for the Implementation of the NEPAD EAP. It was adopted at the Ministerial meeting held in Cairo, Egypt, on 20-22 October 2003 and was also presented to the Partners' Conference on the Environment Action Plan in December 2003. Implementation

of the programme has now commenced.

- **Disaster Risk Reduction**

A disaster management workshop was convened in Johannesburg in April 2003. The outcome of the workshop was a recommendation for the development of a disaster management strategy for Africa, which would take into account ongoing work within countries and Regional Economic Communities (RECs), as well as non-governmental organisations.

Disaster Risk Reduction Strategy

An Africa Strategy for Disaster Risk Reduction has since been developed, in partnership with the African Union Commission, the UN International Strategy for Disaster Reduction (UN/ISDR), with support from the UNDP, UNEP and the African Development Bank (ADB). The strategy aims to integrate disaster risk reduction into development processes and programmes.

Africa Working Group on Disaster Risk Reduction

An Africa Working Group for Disaster Risk Reduction has been established. The Group is chaired by the African Union Commission and its core membership includes the RECs, the NEPAD Secretariat; the African Development Bank (ADB); UN/ISDR (also as Secretariat to the

Working Group); UNDP; and UNEP. The aim of the Working Group is to support the efforts of the African Union/NEPAD and National Governments to advance disaster risk reduction and facilitate the inclusion and integration of disaster risk reduction into all phases of development in Africa, in order to achieve the objectives of NEPAD.

First Consultative Meeting for the World Conference on Disaster Risk Reduction

The NEPAD Secretariat and UN/ISDR, with support from the World Bank, ADB and UNDP, is co-hosting the first Regional (Africa) Consultative Conference for the World Conference on Disaster Risk Reduction (WCDR), to be held in Kobe, Japan, in January 2005. The conference will also be used as a platform for African experts to make inputs towards the finalisation of the Disaster Risk Reduction Strategy.

- **Africa Stockpiles Programme**

The Africa Stockpiles Programme (ASP) aims to remove all obsolete pesticide stocks from Africa and put in place measures to prevent their re-emergence. The concept of a continent-wide stockpiles project grew out of informal discussions between NGOs and several inter-governmental organisations. Since December 2000, the



ASP has evolved substantially as a multi-stakeholder partnership.

An ASP Partners' Meeting, co-hosted by the World Bank, the World Wildlife Fund (WWF) and the NEPAD Secretariat, has been held in Johannesburg to finalise preparations for the implementation phase. Support by the African Union Commission and NEPAD Secretariat has been in the areas of advocacy and mobilising political support for the ratification of relevant international conventions in order to speed up implementation.

- **Sustainable Cities**

The First NEPAD Cities Consultative Forum, organised jointly by the Lagos State Government and UN-HABITAT, was held in Lagos in May 2004. More than 270 participants were present, including representatives from UN-HABITAT, UNDP and the UN Population Fund (UNFPA), as well as the embassies of Japan, USA, the United Kingdom (UK), France and Germany. The consultation brought together, for the first time the seven NEPAD cities, namely: Bamako, Douala, Durban, Lagos, Lusaka, Nairobi and Rabat. The aim of the Forum was to review NEPAD goals, including poverty eradication, good governance, sustainable economic development, and the restoration of peace and security.

The Forum also agreed that the Mayors of the cities concerned be the drivers of the NEPAD Cities Programme, and that the Mayor of Durban be the convener of the Mayors' Committee.

- **Environmental Assessment Guidelines**

The NEPAD Secretariat is making progress in the development of a programme aimed at integrating Environmental Assessment into all NEPAD programmes. Initial activities aim to create awareness about the importance of environmental

assessment, train government officials, and integrate environmental assessments into national development policies and programmes. The World Bank provided support for an initial workshop, which was held in Johannesburg in September 2003, to establish priority needs at continental level.

- **Wetlands**

The NEPAD Secretariat is working with the World Conservation Union (IUCN) Regional Office for Southern Africa (ROSA), with funding from the World Bank, to develop wetland ecosystem inventories and methods of appraisal, monitoring and assessment, based on standardised methodologies drawn up by the Southern African Development Community. Other civil society initiatives on the environment are being piloted in collaboration with IUCN, also with World Bank funding.

- **Major Events in 2003-2004**

- i) ASP Partners' Meeting, Johannesburg, September 2003 – supported by World Bank, the WWF and the NEPAD Secretariat.
- ii) Workshop on a Strategy to Integrate Environmental Assessment into NEPAD Initiatives, September 2003 – supported by the World Bank.
- iii) Finalisation of the NEPAD Environment Action Plan, Special Session of AMCEN, Maputo, June 2003 – supported by UNEP/GEF.
- iv) Experts and High-Level Preparatory Meeting for the Partners' Conference on the NEPAD Environment Action Plan in Algiers, November 2003 – supported by the Government of Algeria, UNEP/GEF and the NEPAD Secretariat.
- v) Partners' Conference on the NEPAD Environment Action Plan in Algiers, December 2003 – supported by

- Government of Algeria and UNEP/GEF.
- vi) Preliminary and First Meeting of the Africa Working Group for Disaster Risk Reduction, Johannesburg, April 2004 – supported by UN/ISDR.
 - vii) NEPAD Sustainable Cities Forum, Lagos, May 2004 – supported by UN-HABITAT.
 - viii) Experts' Meeting to Review the Africa Strategy for Disaster Reduction, Johannesburg, June 2004 – supported by the World Bank, UN/ISDR, UNDP, Islamic Educational Scientific and Cultural Organisation (ISESCO) and the NEPAD Secretariat.
- i) First Consultative Meeting for the World Conference on Disaster Risk Reduction to be held Kobe, Japan in 2005, June 2004 – supported by the World Bank, UN/ISDR, UNDP, ADB, ISESCO and the NEPAD Secretariat.
 - ii) First Meeting of the Africa Working Group for Disaster Risk Reduction, Johannesburg, June 2004 – supported by the World Bank, UN/ISDR, UNDP, ISESCO and the NEPAD Secretariat.



Tourism



Progress

During the 39th World Tourism Organisation (WTO) Commission for Africa (CAF) meeting in Angola in May 2003, African Ministers of Tourism appointed Minister JF Sumbana, Mozambique's Tourism Minister, to provide political leadership in the development of a Tourism Action Plan by the NEPAD Secretariat. Two support groups were formed to assist the NEPAD Secretariat in developing the Action Plan, namely: the Task Team, a fairly large group of experts from governments, civil society, the private sector, Regional Economic Communities (RECs), and development banks that provided broad policy and technical guidance to the process; and the Working Group, a smaller sub-group of the Task Team, which worked closely with the NEPAD Secretariat at both the policy and technical levels, including in the recruitment of consultants.

The Task Team's first meeting, hosted by the NEPAD Secretariat, was held in July 2003 in Johannesburg. The Task Team decided to develop the Tourism Action Plan in two phases. Phase I would be the Baseline Study, which aimed to create a strategic understanding of the existing tourism realities in Africa while Phase II was to develop the Tourism Action Plan, based on the findings of the Baseline Study. The Baseline Study was completed in December 2003.

- **Baseline Study**

The Tourism Baseline Study was finalised and circulated for comment to the RECs and countries during February and March 2004.

- **Adoption of the Tourism Action Plan**

The draft Tourism Action Plan was presented and adopted with amendments



by African Tourism Ministers at the 41st WTO Commission for Africa Meeting in Mahé, Seychelles, on 10-11 May 2004. The Ministers recommended that the revised action plan be taken through the NEPAD structures for approval, and be presented at the African Union Summit in July 2004 for endorsement.

The Action Plan was endorsed by the African Union General Assembly on 6-8 July 2004.

Focus for the Next 2-3 Years

The major success in the area of Tourism has been the finalisation of the Tourism Action Plan. In the next three years, the NEPAD Secretariat will focus on facilitating delivery on the strategic objectives of the eight priority areas. The NEPAD Secretariat will continue to work with individual countries, RECs, and the African Union Commission in identifying, preparing and implementing projects in the priority areas of the Action Plan.

Major Events in 2003-2004

- i) Initiation of the Tourism Action Plan at the 39th WTO CAF Meeting, Luanda, May 2003 – Supported by WTO and the Government of Angola.
- ii) First Meeting of the Tourism Task Team, Johannesburg, June 2003 – Hosted by the NEPAD Secretariat.
- iii) Adoption of the draft NEPAD Tourism Action Plan at the 41st WTO CAF Meeting, Luanda, May 2004 – Supported by WTO and the Government of Seychelles.



African Peer Review Mechanism



Progress

- **The APR Forum**

Twenty three member states of the African Union have voluntarily acceded to the APRM so far and have signed the Memorandum of Understanding to this effect. The countries are: Angola, Algeria, Benin, Burkina Faso, Cameroon, Republic of Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Tanzania and Uganda. A number of other countries have indicated their willingness to volunteer for the process.

The APR Forum held its inaugural meeting in Kigali on 13 February 2004 and elected President Olusegun Obasanjo of Nigeria as Chairperson. This meeting also approved: the draft work programme and budget of the APR Secretariat; a tentative calendar for country reviews and country support missions; and a list of Partner Institutions to support the implementation of the APRM.

- **The APR Panel**

The APR Panel was inaugurated on 27 July 2003 in Cape Town, South Africa. Since then, it has held the following meetings:

- i) The Second Meeting of the APR Panel, 3-4 October in Johannesburg, South Africa;

- ii) The Third Meeting of the APR Panel, 14-15 November 2003 in Abuja, Nigeria;
- iii) The First Special Meeting of the APR Panel, 15-16 January 2004 in Johannesburg, South Africa;
- iv) The Fourth Meeting of the APR Panel, 12-13 February 2004 in Kigali, Rwanda; and
- v) The Fifth Meeting of the APR Panel, 29-30 April 2004 in Johannesburg, South Africa.

The APR Panel has, among others, the power to:

- Propose to the APR Forum all relevant rules and procedures as may be necessary for the effective implementation of the APRM, including the Guidelines for Countries to prepare for and participate in the APRM;
- Review and approve the work programme and the related budget estimates of the APR Secretariat;
- Appoint the Executive Director and determine the terms and conditions of his or her service;
- Approve plans for country reviews and the composition of the country review teams; and
- Provide leadership to the country review teams; examine the country review reports and make recommendations to the APR Forum.

- **The APR Secretariat**

The APR Secretariat was established in

June 2003 and provides the secretarial, technical, co-ordinating and administrative support services for the APRM. The APR Secretariat will be directly supervised at the policy level by the Chairperson of the APR Panel. The Executive Director of the APR Secretariat is the accounting, legal and financial representative of the APRM and has operational responsibility. The Executive Director is accountable to the APR Panel through its Chairperson.

- **APR Documents**

In preparation for the review process, the following documents have been developed:

The APRM Core Documents

(i) Memorandum of Understanding on the APRM, the accession document to the APRM; (ii) Declaration on Democracy, Political, Economic and Corporate Governance, which defines the mutually agreed codes and standards in the four focus areas of the APRM; (iii) APRM Base Document, the foundation document of the APRM; and (iv) APRM Organisation and Processes Document and the document on Objectives, Standards, Criteria and Indicators for the APRM (OSCI Document). These two documents elaborate on the Operative Guidelines of the APRM.

Documents to facilitate the implementation of the APR Processes

(i) The Rules and Procedures of the APR Panel and Secretariat, which define the organisation, duties and responsibilities of the APR Panel and APR Secretariat; (ii) The Guidelines for Countries to Prepare for and Participate in the APRM, which elaborates on the organisation and principles of the APR processes, as well as the roles and responsibilities of the various stakeholders; (iii) The Code of Conduct of the APR Teams, which contains the selection process, the composition, and the general responsibilities of the

country review teams; (iv) The draft Memorandum of Understanding for Technical Assessments and the Country Review Visit to be signed with participating countries. It outlines the responsibilities of the countries for in-country activities to support the review process; (v) The draft Memorandum of Understanding, to be signed with Partner Institutions, which spells out the collaborative framework with these partners; and (vi) The Questionnaire, which contains detailed criteria and indicators to assist countries to undertake their own self-assessment and draft the preliminary programme of action.

- **Partner Institutions and the Pool of Experts**

Three categories of Partner Institutions have been approved to support the APRM process going forward: Strategic Partners, Regional Resource Institutions and International Resource Institutions. In this regard, the following institutions were designated strategic partners for the APRM: the Organs/Units of the African Union; the African Development Bank (ADB); the United Nations Economic Commission for Africa (UNECA); and the UN Development Program Regional Bureau for Africa. Interaction has been made with strategic partners and modalities for collaboration have been worked out. Additionally, all the Strategic Partners for the implementation of the APRM participated in a brainstorming meeting with the APR Panel during the Fifth Meeting of the Panel held on 29–30 April 2004, in Johannesburg, South Africa.

- **Assistance received from Partner Institutions**

The ADB has provided assistance in developing the tools for the implementation of the APRM; enhancement of the technical capacity of the Secretariat, background information on countries; participation in

support missions; and pledges to the trust fund. The African Union has contributed to the development of the tools and documents of the APRM. UNECA has provided assistance in the development of tools for the APRM; provision of background information on countries; and participated in the Support Missions. The UNDP has provided preparatory assistance to the APR Panel and Secretariat; participation in the Support Missions; and assistance for the establishment of the Trust Fund (under way).

The establishment of the pool of experts to provide technical assistance for the implementation of the APRM is under way. The selection of experts for the implementation will be done in a competitive process.

- **Civil Society and the APRM**

As a policy, the APRM puts strong emphasis on finding ways to involve all elements of civil society in the APRM at country and continental level, including rural populations, religious groups, trade unions, the media, women and youth, and the private sector. The importance of information dissemination to civil society both at national and continental level is also stressed.

- **Financing**

The Budget of the APRM as approved

covers the work programme and activities of the APRM (Secretariat) for the two-year period outlined above. Each participating country has been asked to contribute to the running of the APRM. Countries are already making voluntary contributions. The UNDP Regional Bureau for Africa has been requested to work out the modalities for establishing the APRM Trust Fund with a view to ensuring sustainable funding for the APRM process. Discussions on the establishment of the Trust Fund are at an advanced stage and both countries and development partners have committed themselves to contributing to it.

- **Implementation of APR**

Two Country Reviews will be undertaken quarterly to ensure that the first 16 countries to accede are reviewed within the forthcoming two fiscal years, namely April 2004/March 2005 and April 2005/March 2006 as per the proposed calendar for review. Six more countries have acceded to the APRM since the end of 2003, bringing the total to 23 countries.

The first four countries selected for review are Ghana, Rwanda, Mauritius and Kenya. Reviews have started in all four countries.



1st High Level Work Session of the APR Panel, Cape Town, South Africa, July, 2003

Private Sector and Civil Society



Progress

The NEPAD Business Group (NBG) for Africa was created on the margins of the International Conference on Financing for Development in March 2002 in Monterrey, Mexico. Since Monterrey, a formal relationship between the NEPAD Business Group (NBG) and the NEPAD Secretariat has been developed and a Memorandum of Understanding has been signed between the two parties.

To give form to this critical phase of engagement with NEPAD, an international conference was organised by the NBG on 8 December 2003 in Johannesburg, South Africa,

to mobilise the private sector, highlight its role in key institutional linkages, seek greater dialogue and unity and debate issues affecting business on the continent.

The following initiatives have been prioritised and are currently at different stages of implementation:

- **An Investment Climate Facility for Africa**

The Investment Climate Facility aims to reduce perceived and actual barriers to investment in Africa and promote Africa as an investment destination.

West African Capital Market Development Project

Once the West African Capital Market Development Project has been implemented, a resident of Mali will be able to travel by road to Niger, Benin and Burkina Faso without impediment. The project is expected to facilitate the free circulation of people and goods in the West African Economic and Monetary Union (WAEMU) region. It is also expected to contribute significantly to the economic growth of the eight member countries of the WAEMU, which include Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Guinea Bissau and Togo. It will also increase integration and intra-regional trade and provide more opportunities for people in that region.

A major obstacle to regional economic growth in West Africa has been the lack of diversified financial products and services for individual businesses. This project is part of a broader initiative to overcome these hurdles and create a stable economic environment for investors, a strategy which will also lead to an increase in foreign direct investment.

The project is expected to result in the development of an efficient and liquid regional capital market supporting the countries' financing needs with resources for business and individuals to finance investments. Other gains will include employment opportunities and efficient services.

- **The Development of a Small Medium Micro Enterprises (SMME) Strategy for Africa**

The SMME project aims to provide a platform for discussion among relevant stakeholders and to identify the products or services that have a comparative advantage and potential markets. The project will start with Nigeria, and extend to other countries in West Africa and, in time, the whole continent.

- **Seal of Good Corporate Governance**

In collaboration with the NEPAD Secretariat, the African Business Round Table (ABR) is developing the African Corporate Governance Scheme using a combination of international and African best practice. Once this knowledge base is assembled, the ABR and NBG will bring together African businesses to formulate a code for the continent.

- **African Membership of the NEPAD Business Group**

The following countries have established national NBGs: South Africa, Lesotho, Nigeria and Kenya. Initial steps have been taken to also establish NBGs in Tanzania, Zambia, and Senegal.

Engagement with Civil Society, including Labour Unions

The NEPAD agenda is based on national and regional priorities and development plans that must be prepared through participatory processes involving the people. While the leadership of NEPAD has been driving the NEPAD process, it is well known that this is being done in the context of mandates derived from the people. Clearly, therefore, the ownership of NEPAD resides in the people. In this respect, all Heads of State and Government have a responsibility to raise awareness and instil the NEPAD principles in all facets of

development at the national and sub-regional level. Therefore, civil society must fully engage with and contribute to NEPAD.

For its part, the NEPAD Secretariat continues to interact with civil society groups at various levels. On a generic level, a civil society desk has been established at the NEPAD Secretariat with a view to having a one-stop focal point for civil society.

At a sectoral level, all programmes are being developed with the involvement of relevant civil society groups. For example, the participation of civil society in the APR processes is an integral part of the APRM. It must be noted that the level and extent of civil society participation in the implementation of NEPAD, particularly at the national level, is largely dependent on the level of organisation of civil society groups. In many countries, such organisation does not exist.

It is clear that the core of civil society participation lies in programme implementation. In the area of environment, the NEPAD Secretariat is collaborating with the International Union for the Conservation of Nature (IUCN) to implement the 'Conserving Africa's Wetlands' priority programme of the NEPAD Environment Action Plan with civil society groups in the Southern African Development Community (SADC). The IUCN is a membership-based NGO that reaches the grassroots level.

In agriculture, the NEPAD Secretariat is in discussions with the International Fund for Agriculture Development for support on a unique project involving the mobilisation of farmers' associations to participate in policy formulation for increased productivity and market access for their products.

With regard to social partners, there are ongoing efforts to form co-ordinating structures for trade unions to engage with NEPAD at regional and sub-regional levels. The objectives of these co-ordinating structures include

strengthening the organisational capacity and strategic competence of trade union organisations to make them more self-reliant and independent; to integrate NEPAD and Poverty Reduction Strategy Paper information in their projects in selected countries, and; for them to assist the NEPAD process by getting support for and building consensus around its objectives with the African social partners. In this regard, the NEPAD Secretariat interacted with trade union organisation ICFTU-AFRO in Nairobi during September and October 2003. As a result of this engagement, ICFTU-AFRO is in the process of integrating NEPAD and PRSP information in its projects in selected countries. The OATUU has also been involved in similar consultations.

On 1-2 July 2003, NEPAD organised a workshop for civil society in Maputo to follow up the decisions of previous summits and workshops held in Ghana, Gabon and Senegal,

to increase awareness and understanding of the NEPAD process and to further the dialogue between the NEPAD secretariat and civil society. It also examined ways to structure the interaction between civil society and NEPAD so as to enhance ownership of the NEPAD programme in the realisation of the NEPAD vision for Africa.

NEPAD was due to participate in talks with civil society on the margins of the 3rd Ordinary Session of the African Union Assembly in Ethiopia in July 2004.

Having made these initial strides, the NEPAD Secretariat will continue to work in the context of African Union Commission structures to increase civil society involvement in the implementation of NEPAD.



Continental Board Meeting of the International Confederation of Free Trade Unions (ICFTU) Nairobi, Kenya, October, 2003

Partnerships with National Governments, Regional Economic Communities and Regional Development Finance Institutions



Introduction

The core concept of partnership under the NEPAD programme refers first to partnerships in Africa – between African leaders and their people, between government and civil society, between government and the private sector, between African states and between African organisations — and second to partnerships between Africa and the international community. The partnership is based on mutual respect, responsibility, accountability, and an equitable and integrated world order.

- **National NEPAD Structures**

Several African countries have taken steps to create national NEPAD focal points for co-ordination, monitoring and integrating NEPAD programmes and their national development plans at country level. Examples of such countries include Algeria, Rwanda, Nigeria, Mozambique, South Africa, Senegal, Ghana, Kenya and Gabon. These countries have designated Ministers or set up Ministries as focal points for NEPAD in their respective countries. The NEPAD Secretariat is supporting the national structures through workshops and other forms of interaction.

Regional Economic Communities

In line with the Constitutive Act of the African Union, the RECs are the essential building blocks of Africa's integration and economic development. Therefore, they play a key role in the implementation of NEPAD programmes

and projects. There are seven RECs recognised by the African Union. As the implementing bodies of NEPAD, they have been involved in the design and implementation of programmes and sub-regional projects. Their task is to identify and prioritise projects and activities that will enhance African integration and the promotion of intra-African trade. Furthermore, all of the CEOs of the seven RECs recognised by the African Union are Members of the NEPAD Steering Committee.

Regional Summits on the implementation of NEPAD were held in East and West Africa during the year under review. In both events, the Heads of State and Government of the respective regions reaffirmed their resolve to lead the implementation of NEPAD programmes in their regions.

In West Africa, the Economic Community of West African States (ECOWAS) held a special summit on improving the regional approach to and enhancing World Bank participation in ECOWAS and NEPAD programmes. ECOWAS Heads of State and Government met World Bank President, Mr James Wolfensohn, in Accra on 19-20 March 2004 to review the integration process, and the implementation of NEPAD in West Africa.

In East Africa, at a Summit of Heads of State held in October 2003, it was decided to establish a special Secretariat whose sole mandate would be to facilitate the implementation of NEPAD projects in the regions. The offices of the Secretariat are in Nairobi, Kenya.

Other regions, including the Southern and Central African regions, are following suit by organising high-level NEPAD implementation forums through their respective RECs. The SADC Regional Indicative Strategic Development Programme (RISDP) has been harmonised with the NEPAD framework. Both frameworks seek similar outcomes in achieving the sustainable development objectives for the continent and the Southern African sub-region respectively.

African Development Finance Institutions

The NEPAD Secretariat has engaged many African institutions including the African Development Bank (ADB), the Development Bank of Southern Africa (DBSA) and the African Capacity Building Foundation (ACBF) in implementing the NEPAD programmes in terms of resource mobilisation, funding, technical assistance and advisory services.

African Development Bank

The ADB has been appointed as the lead partner institution on infrastructure development. The ADB participates in the meetings of the NEPAD Steering Committee and has established a NEPAD Task Team under the leadership of a Director to provide technical assistance and develop a plan for infrastructure development. The focus of ADB support for the infrastructure programme has been the development of the Short-Term Infrastructure Action Plan (STAP) to kick start the process in the short-term, and a Medium-to-long Term Strategic Framework (MLTSF).

The ADB has also set up the NEPAD Infrastructure Project Preparation Facility (IPPF) which will enable the faster preparation and implementation of sustainable infrastructure projects. The ADB has funded the largest number of NEPAD infrastructure projects to date. It is also a partner institution in the APRM process in the areas of banking and

corporate governance.

Development Bank of Southern Africa

The DBSA has focused on advocacy of the NEPAD strategy to mobilise and engage key stakeholders, build partnerships with stakeholders and strengthen their capacity to implement the strategy, and facilitate the unlocking of constraints in the development of NEPAD-related investment projects and programmes.

The DBSA has also funded a number of studies and appraisals aimed at project identification and facilitation. In this regard, technical assistance was provided for project scoping and preparation as part of the finalisation of the SADC RISDP; a study on the most appropriate development corridors and Spatial Development Initiatives in Angola and the DRC; and the establishment of legal frameworks and requirements for trade enhancement and integration in ECOWAS.

African Capacity Building Foundation

The capacity of National Governments and RECs to plan and manage the implementation of development programmes has been a constraint. NEPAD has therefore engaged the African Capacity Building Foundation to help develop a programme to address the capacity constraints of the RECs.

Relationships with Development Partners and Multilateral Institutions



NEPAD is directly linked to the achievements of the Millennium Development Goals. Every effort is made to ensure that NEPAD is accepted and adopted as a framework providing integrated development support. As a result, the NEPAD programme now forms part of the global agenda agreed on at Monterrey in March 2002 and at the World Summit on Sustainable Development in September 2002 in South Africa. The entire international system is now committed to supporting the implementation of NEPAD objectives and priorities, as all countries, organisations, initiatives and processes engaged in and with Africa have pledged support for the implementation of NEPAD.

United Nations

In response to the NEPAD initiative, the UN passed a Resolution in November 2002 formally accepting NEPAD as the framework for engagement with Africa and calling on the international community to support the implementation of the programme. The UN Secretary-General instructed all UN Agencies operating in Africa to work within the context of the NEPAD policy framework and to co-ordinate their programmes with NEPAD. To this end, several activities and decisions have been effected to support NEPAD:

- The appointment by the United Nations of a Special Advisor for Africa falling under the Secretary General's office at Under-Secretary General Level is a clear indication of the importance and commitment accorded NEPAD by the United Nations (UN). The NEPAD Secretariat meets the UN agencies

that operate in Africa twice a year and the UN Secretary General submits a report on NEPAD implementation, documenting the support provided by various UN agencies and organisations and the international community, once a year. The first report of the UN Secretary General on the implementation of NEPAD was presented on 15 October 2003.

- The UN Development Program has been supporting the NEPAD Secretariat in capacity building in six priority areas: communications, technical support, democratic and political governance and the African Peer Review Mechanism (APRM), the NEPAD advisory panel, external development partnerships and alignment of Millennium Development Goals at country and regional levels. The UNDP has also supported the Secretariat in organising the first Africa Peer Review Panel meeting alongside the Africa Governance forum in February 2004. The NEPAD Secretariat is in discussions with the UNDP for support in the design and management of a trust fund for the APRM.
- The UN Economic Commission for Africa is working closely with NEPAD on mutual accountability issues, specifically with the Organization for Economic Co-operation and Development (OECD) Development Assistance Committee. Additionally, it is assisting in co-ordination and co-operation with UN agencies along the UN cluster system

organised in line with NEPAD priority sectors.

- The UN Educational Scientific and Cultural Organisation has supported the education strategy development through the NEPAD Task Team on Education and Human Resource Development and has further approved US\$1 million to fund various activities in support of the NEPAD process in the fields of competence of UNESCO in its programme budget for 2004-2005.
- The International Organisation on Migration has offered its technical assistance in support of NEPAD as regards issues of migration and “brain drain”.
- The UN Environmental Program has supported the NEPAD environmental programme in the formulation of its action plan as well as the co-ordination with and adoption of the plan by the African environment ministers.
- UN-HABITAT has been working with the environmental programme in the development and implementation of the NEPAD Cities programme.
- UNAIDS has been working closely with the health sector in the development of its health strategy, especially with regards to HIV/AIDS issues in Africa. In this regard, UN-AIDS has offered its technical assistance to support the NEPAD Secretariat in highlighting HIV/AIDS in all NEPAD programmes.
- Further support for the Secretariat in the field of health has come from the World Health Organisation. The UN Population Fund has offered its technical assistance to support the NEPAD Secretariat in its fields of competence
- In agriculture, the NEPAD secretariat has enjoyed a close working relationship

with and support from the World Food Program, Food and Agriculture Organisation, International Fund for Agricultural Development and International Food Policy Research Institute in support of the CAADP agriculture programme. Discussions are continuing regarding further support from IFAD on mobilising farmers’ associations in Africa.

G8 Support for the Implementation of NEPAD

Since the initial dialogue between African leaders and the G8 in 2000, the G8 has established a formal structure for engagement to develop its response in support of NEPAD. An agreement has been reached to institutionalise the dialogue with both the G8 countries and the UN. Meetings between African leaders and G8 leaders take place annually, usually at the G8 summit and at the level of Personal Representatives at least twice a year.

On 28 May 2003, the G8 leaders met the African leaders of NEPAD founding countries in Evian, France. At this meeting, both sides noted with satisfaction the progress made thus far in implementing the NEPAD programme and the various actions undertaken individually and collectively to implement the G8 Africa Action Plan in support of NEPAD. Further, there was agreement on both sides of the need to continue and strengthen the partnership between Africa and the developed world by way of a broader structured engagement to include other development partners. Details of other resolutions of the Evian summit are contained in Annexure 1 (Page 61).

Six African leaders were invited to the last G8 Summit held in Sea Island, Georgia, USA, and they met the G8 leaders on 10 June 2003. The G8 leaders supported NEPAD and the implementation of the G8 Africa Action Plan was reconfirmed.

The G8 support for the implementation of the Peace Support Operation Plan was confirmed. The next step is the preparation of a detailed implementation plan including costing, implementing the Peace and Security Council, and establishing the stand-by force and the early warning system. The understanding reached is that the African Union Commission, NEPAD Steering Committee and the G8 Personal Representatives must work together on this. The UK, as the next Chair of the G8, is to re-examine the issues around trade negotiations and resource flows, including debt. The NEPAD Steering Committee will work with the G8 Personal Representatives and the Secretariat of the UK Commission for Africa to ensure that concrete proposals are prepared for both the NEPAD HSGIC and the G8 Leaders.

Having a close working relationship through the personal Representatives and NEPAD Steering Committee has been stressed. The call by President Bush for the co-ordination of bilateral support and support through multilateral structures is most welcome as it signifies a willingness to ensure that bilateral arrangements, on health in particular, are consistent with the national programmes and sub-regional arrangements promoted by African countries. The concern by all parties to speed up implementation as well as increase development assistance was most encouraging.

Africa Partnership Forum

As an outcome of the G8 Evian Summit in June 2003, an extended dialogue, called the Africa Partnership Forum, has been formalised. The Forum is an extension of the consultative process between the Personal Representatives of G8 leaders and those of the NEPAD Heads of State and Government Implementation Committee. Participation has now been expanded to include representatives of all OECD countries and multilateral institutions and the Executive Secretaries of the RECs that are recognised by the African Union. The first meeting of the Forum was held in Paris on 10 November 2003.

The creation of the Forum commits both the developed and African countries to regular dialogue and mutual review. The first meeting agreed upon the main agenda items for the second APF meeting in Maputo as (1) peace and security; (2) the fight against HIV/AIDS; (3) education; and (4) economic growth and wealth creation.

The Nordic Countries

The Nordic countries have, in the spirit of mutual accountability, provided much needed institutional support to the NEPAD Secretariat, especially in the formative stages. Their support also contributed to the development and implementation of various NEPAD programmes such as infrastructure, health, environmental and agriculture.

The European Union

The European Union is a key partner of NEPAD. EU support to the NEPAD secretariat and NEPAD programmes includes:

- The agreement that the NEPAD Secretariat will work with the Association of West European Parliaments to secure the support of European Parliamentarians for NEPAD and to provide assistance for outreach and capacity building activities to African Parliaments.
- The commitment of Euros 5 million to the NEPAD Programme on Governance and Public Administration.
- The commitment of Euros 1 million to the African Stockpile Programme.

The Bretton Woods Institutions

World Bank

NEPAD has been enjoying support of and collaboration with the World Bank on various fronts, especially in support of the design and implementation of its programmes and priorities. Its engagement with the World Bank has centred on the need for the Bank to:

- Increase its support of sub-regional infrastructure projects and agricultural development and the utilisation of IDA funds for this purpose.
- Accept leadership for preparing and arranging finance for a set number of high priority infrastructure projects in each sub-region. The selected infrastructure corridors should focus on opening up economic development opportunities in agriculture, tourism and mining.
- Increase its support for regional infrastructure and agriculture in Africa and also use its convening power to mobilise development assistance from other development partners in support of the above-mentioned priorities.

The World Bank has financed a number of NEPAD high priority infrastructure projects, including the West and Southern African power pool interconnection.

As a result, the Bank has focused more on infrastructure and agriculture projects and refined its approach to the funding of regional cross-boundary projects, as opposed to traditional bilateral loans and grants. The Bank has also supported the NEPAD environmental action plan.

International Monetary Fund (IMF)

The IMF has provided technical assistance on governance with regard to the APRM and gathering of information in the area of economic governance.

Partnerships with the South

This new global partnership is rapidly being extended to include critical partners in the South, with engagements in the context of the Non-Aligned Movement, the African Caribbean Pacific group, Japan's TICAD process, ASEAN, AASROC, and the Sino-Africa process as well as with key partners such as India, Brazil, Malaysia, Indonesia and Saudi Arabia. For example, India has created the India-Africa Fund, capitalised at \$200 million. China

has also expressed an interest in infrastructure. Support for the NEPAD process has been pledged under the Asia/Africa Sub-Regional Organisations Conference.

Conclusion and Way Forward

Partnerships have yielded results with respect to the strengthening of engagements with the developed economies and multilateral institutions. The partnerships have also yielded financial and technical assistance to the African and NEPAD agenda. Additionally, these partnerships have contributed to stronger South-South relations.

Although significant progress has been made with regard to NEPAD's engagement with development partners and multilateral institutions, especially the northern partners, there is a lot of work still to be done. The following challenges lie ahead in this regard.

- Though there have been many commitments and declarations of support for the NEPAD agenda by Africa and its external partners, the challenge remains the translation of these commitments into concrete actions.
- There remains an urgent need to build capacity on the African continent and in its partner institutions to deliver on their mandate to develop and implement the necessary policy changes, programmes and projects.
- Financing for development in line with the identified priorities remains an urgent issue if Africa is to break out of the cycle of poverty. This is closely linked to the translation into action of political commitments as articulated in the various conferences such as the Monterrey consensus, World Summit on Sustainable Development and the Rome declaration on donor harmonisation, among others.
- Development partnerships need to be strengthened and the African agenda highlighted.

- The way business is done needs to change.
- South-South relations must be strengthened.
- More information about NEPAD needs to be provided and ownership of the programme needs to be broadened and deepened in Africa.

The challenge now is for individual African countries and RECs to use the generic programmes that have been developed to prepare regional and country specific plans to enable increased investment.



1st Zambia NEPAD Sensitisation Workshop, Livingstone, Zambia, September 2004

Communication and Outreach



Introduction

Communicating the NEPAD process has always been a challenge. This is mainly due to the fact that, first, African countries have different levels of communications technology, making access to some countries more difficult. Second, not all African countries

Government were designated the principal champions of the NEPAD process and as a result, the communication of NEPAD to the various stakeholders should, to a large extent, be done at the national and sub-regional levels.

The NEPAD Secretariat has designed a communications and outreach strategy, focusing



1st NEPAD Gender Conference, Libreville, Gabon, April 2003

have established NEPAD Country Structures, complicating efforts to establish a focal point for NEPAD, and third, most countries have not established structures to communicate the NEPAD programme.

In 2001 when NEPAD was adopted as an African Union Programme, Heads of State and Governments were called upon to popularise it in their respective sub-regions and countries. In this respect, the African Heads of State and

on target audiences at national, continental and global levels. In addition, all the NEPAD Secretariat's sectoral work is undertaken in a manner that includes raising awareness and making NEPAD popular. It is well recognised that it is only once stakeholders understand the values that underpin NEPAD that its programmes will succeed. In this respect, every staff member of the NEPAD Secretariat plays an advocacy role in communicating NEPAD. Due to the differentiated levels of access to the

media on the continent, the NEPAD Secretariat aims to use the range of media – print, radio and television – to put out its message.

Partnerships in Communicating NEPAD

NEPAD is premised on the principle of partnerships. There has been recognition that the communication of NEPAD cannot be done from one central point. The NEPAD Secretariat has therefore formed strategic partnerships with continental and international institutions for the purpose of communicating NEPAD in a manner that reaches target audiences. For example, the NEPAD Secretariat is collaborating with the office of the UN's Special Advisor on Africa to develop a global advocacy strategy for NEPAD targeting global audiences.

Progress

- The NEPAD Media Plan

Print media

The NEPAD Secretariat produces the NEPAD Dialogue print publication on a bi-monthly basis, as well as a NEPAD Dialogue weekly electronic newsletter, in both English and French. There are currently 3 950 subscribers to the English version and 1 529 to the French version of the newsletter. The purpose of these two newsletters is to inform stakeholders about the latest developments in the NEPAD process and upcoming NEPAD events. The printed newsletter also reports news and activities from various countries. Both are widely circulated, continentally and globally.

In order to increase its reach, the newsletter is distributed by the South African Foreign Affairs Department to South African diplomatic missions internationally. This process has also facilitated the distribution of the newsletter to other countries' diplomatic missions. A more concerted

effort is required to ensure that citizens in African countries get frequent updates on NEPAD activities.

The NEPAD Secretariat is responsible for printing and publication of all sectoral framework documents and publications.

Radio

This medium has the widest reach on the African continent due to the fact that it is not dependent on the availability of electricity, which makes it a powerful medium for reaching mass audiences. Through radio, it is possible to reach even the remotest areas on the continent in languages that people understand. The NEPAD Secretariat is working closely with selected African Radio broadcasters to implement its radio communications plan in Arabic, Mandingo, Fulani, Yoruba, Hausa, Swahili, Zulu, Shona and Sotho.

Television

Television has significant potential to influence people's perceptions. In recognition of this, the NEPAD Secretariat has embarked on building a partnership with Afrisat Satellite Television to transmit NEPAD messages via satellite to television broadcasters on the continent.

A television series, called NEPAD Focus, has been broadcast by the South African Broadcasting Corporation (SABC) through one of its channels, SABC2, since January 2004, reaching an estimated 300 000 viewers a week. This broadcast has been extended to other broadcasters such as Kenya National TV, Ben TV, and a London-based network on the SKY TV platform which transmits in English to a European audience. North Africa is scheduled to start broadcasting the programme in late 2004. The Department of International Relations at South Africa's University of the Witwatersrand has been using it for educational purposes, while the Institute for Global Dialogue, and the Pretoria-based

institute for further education, LEARN, also plan to use it for the same purpose.

Through Afrisat Satellite Television, African broadcasters will receive the signal of NEPAD and African Union meetings live and free. African television stations will then be able to broadcast this signal to local audiences. Successful broadcasts to date include several key African Union and NEPAD events in 2004.

- **Advocacy and Outreach**

***NEPAD and Civil Society,
Mozambique, June 2003***

A Civil Society Organisations (CSOs) meeting co-hosted by the NEPAD Secretariat and the Government of Mozambique was held in Maputo in June/July 2003, ahead of the African Union Heads of State Summit. One of the key recommendations of the event was the need to establish a CSO office at the NEPAD Secretariat to facilitate the participation of civil society organisations in NEPAD. This office has since been set up.

***Continental Advocacy,
Mali, March 2004***

The NEPAD Secretariat held a workshop in Bamako, Mali, aimed at communicating NEPAD to Africa. Six countries were represented, namely Mali, Nigeria, Senegal, Kenya, Rwanda and South Africa, as well as the UN and other partners. There was a call for a co-ordinated approach to all continental initiatives aimed at communicating the principles of NEPAD. A follow up workshop was held back-to-back with the NEPAD media workshop in Senegal, from 22-23 July 2004 to assess what had been achieved since the Mali workshop, as well as to examine challenges in the communication of NEPAD. In addition, countries were asked to show how inclusive their structures were. Significantly, the interaction between media and country structures at the meeting led to the creation

of a platform to engage both groups in popularising NEPAD.

***NEPAD Media Workshop,
Senegal, July 2004***

A NEPAD workshop to discuss and implement the NEPAD media plan was held in July 2004 in Dakar, Senegal. This was the first in a series of regional consultative workshops with the media on NEPAD. Future workshops, which will be held by region and language, will cover Francophone West Africa; Anglophone Southern Africa, Central Africa, North Africa; Lusophone Africa; and the Diaspora.

- **Research**

As part of a strategy to develop and strengthen national NEPAD structures, the NEPAD Secretariat undertook research to assess the capacity of existing NEPAD Country Structures to communicate and implement the NEPAD process at the country level. A detailed report was produced and its recommendations are being used to assist countries in their NEPAD communication and outreach programmes.

- **NEPAD Image**

The NEPAD Secretariat recognises the need to deliver a consistent message and image of NEPAD to all stakeholders. In line with this, a tool kit that outlines ways to disseminate information about NEPAD at country level has been developed. This will also be used as a marketing guide for newly created NEPAD structures at country level. Given the cultural diversity and differentiated technological capacity of countries, the NEPAD tool kit can be customised for each country using local languages.

- **Africans in the Diaspora**

Another important target audience for NEPAD is Africans in the Diaspora



who have the potential to contribute to the achievement of NEPAD goals due to their varied expertise and financial clout. In this regard, the NEPAD Secretariat is working closely with a group of young African scientists based in the US, namely the NEPAD Council³. In future, the NEPAD Secretariat will interact with Africans in the Diaspora within the context of the African Union Commission's objectives on the Diaspora.

- **Signal Distribution**

The NEPAD Secretariat is facilitating a process to ensure that all African radio and television broadcasters have free access to all NEPAD and African Union events, in all African Union languages (and in some cases local languages), including live coverage of African Union and NEPAD Summits, and APRM meetings, through SENTECH and AfriSat Satellite Television.

- **NEPAD website (www.NEPAD.org)**

Subscription to the NEPAD website has gradually increased over time. The mailing list on the website stands at 4 000 people and the NEPAD site has been linked to a number of search engines. New innovations have been introduced for interactive communication. The platform NEPAD FORUM was introduced in November 2003 and has proved to be a success. On this platform, users of the NEPAD website communicate with each other on various aspects of NEPAD.

³The group is in the process of changing its name to avoid confusion with the formal structures of NEPAD.

Explanatory notes to the Annual Financial Reports for the year ended 31 March 2004



Funding

Total funding received for the period under review increased by 125 percent from \$3.4 million in 2003 to \$7.6 million in 2004.

Funding from African states and governments increased by 155 percent from \$2 million in 2003 to \$5.2 million in 2004. The number of states and governments that contributed also increased during the period under review. The government of the Republic of South Africa, as the host country, is the main contributor to the budget.

Financial support mobilised from Development Partners increased by 70 percent from \$1.3 million in 2003 to \$2.1 million in 2004. NEPAD acknowledge their contribution and they are:

- Nordic countries
- Kingdom of Denmark
- Federal Republic of Germany
- Republic of Finland
- Canada
- Kingdom of Norway
- Republic of Ireland
- Flemish government
- United Nations Development Programme
- International Development Research Centre
- W Kellogg Foundation

Payments

Commensurate with the increase in activities, payments increased by 267 percent from

\$2.6 million in 2003 to \$9.7 million in 2004. Significant increases were in the areas of personnel, research, and travel.

One area that saw a noteworthy increase is printing and publishing. This is due to the tremendous increase in demand for information and interaction through workshops, seminars, etc. with stakeholders.

Deficit

The decision to bring forward the date of the launch of African Peer Review Mechanism meant that NEPAD Secretariat incurred costs that were not budgeted for the year ended 31 March 2004. Second, NEPAD received less-than-budgeted-for contributions from member states. Consequently, payments exceeded receipts for the period under review.

Audits

NEPAD currently has an agency based agreement with the Development Bank of Southern African. According to the agreement, the Development Bank of Southern Africa will support the NEPAD Secretariat by providing corporate support services as well as the services of an administrator to co-ordinate and administer these services.

These services will include:

- Treasury and banking services;
- Procurement and contracting services;
- Logistical services;
- Disbursement services;
- Accounting and auditing services;

- Human resources administration services;
- Reporting, record keeping and general administration services.

DBSA's accounts are audited by Gobodo and KPMG. Accordingly, the records of NEPAD were audited as part of the overall audit of DBSA.

The DBSA will also provide development planning, project management, financial and other expertise as and when required on mutually agreed terms and conditions.

New Partnership for Africa's Development (NEPAD)		
Summarised receipts and payments statement for the year ended 31 March 2004		
	2004	2003
	US \$	US \$
Receipts	7,575,417	3,363,132
Contributions by African States and Governments	5,160,553	2,024,650
Contributions by Development Partners	2,155,487	1,267,270
Interest received	259,377	71,212
Payments	9,722,354	2,647,290
Accommodation and subsistence	1,325,031	371,484
Communication and conferences	1,490,368	505,078
Corporate services	530,984	338,210
Entertainment and catering	51,125	19,635
Management services	537,814	-
Printing and publishing	852,006	102,875
Personnel costs	1,752,747	286,695
Research consultants	1,125,213	84,565

New Partnership for Africa's Development (NEPAD)		
Summarised receipts and payments statement for the year ended 31 March 2004		
	2004	2003
	US \$	US \$
Travel	2,057,067	938,748
(Deficit)/unutilised funds for the year	(2,146,937)	715,842
(Deficit)/unutilised funds at the beginning of the year	188,076	(527,766)
(Deficit)/unutilised funds at the end of the year	<u>(1,958,861)</u>	<u>188,076</u>
Accumulated receipts and payments at 31 March 2004		
Receipts		
Accumulated receipts at the beginning of the year	4,141,918	778,786
Received during the year	7,575,417	3,363,132
Accumulated receipts at the end of the year	11,717,335	4,141,918
Payments		
Accumulated payments at the beginning of the year	3,953,842	1,306,552
Payments made during the year	9,722,354	2,647,290
Accumulated payments at the end of the year	13,676,196	3,953,842
(Deficit)/unutilised funds at the end of the year	<u>(1,958,861)</u>	<u>188,076</u>

Receipts and Payments by Source for the Financial Year Ended 31 March 2004



New Partnership for Africa's Development (NEPAD)																												
Receipts and payment by source for the financial year ended 31 March 2004																												
	Total		Nordic Countries		Denmark 2003		Denmark 2002		GTZ		Finland		IDRC		NORAD		IRELAND		UNDP		FLEMISH GOVERNMENT		W Kellogg Foundation		African states/ governments			
	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$		
Receipts	7,575,417	(2,523)	144,823	1,426	187,169	485,915	147,440	268,241	182,198	729,990	196,560	4,196	69,429	5,160,553														
Funds received	7,316,041		144,378	-	163,337	485,011	147,166	267,417	181,639	721,180	193,330	-	74,217	4,938,366														
Interest accrued	259,376	-2,523	445	1,426	23,832	904	274	24	559	8,810	3,230	4,196	(4,788)	222,187														
Payments	9,722,354	0	136,440	33,327	331,747	292,901	11,484	253,388	0	821,326	87,599	293,321	0	7,461,025														
Accommodation and subsistence	1,325,031	-	29,029	32,854	27,852	22,397	3,256	53,911	-	28,193	48,710	108,183	-	970,645														
Communication and conferences	1,490,368	-	23,703	4,382	110,787	67,381	-	44,019	-	20,520	18,131	120,879	-	1,080,565														
Corporate Services	530,984	-	-	3,830	-	32,428	-	-	-	4,988	-	-	-	489,739														
Entertainment and catering	51,125	-	169	-	1,118	-	-	314	-	8	-	-	-	49,517														
Management services	537,815	-	7,358	-	15,797	16,138	547	13,664	-	44,457	4,713	15,818	-	419,324														
Printing and Publishing	852,006	-	2,596	-	29,261	4,719	632	4,822	-	-	1,006	43,491	-	765,479														
Personnel costs	1,752,747	-	45,117	-	-	67,028	-	-	-	321,202	-	-	-	1,364,517														
Research consultants	1,125,212	-	-	6,813	35,207	14,479	-	83,789	-	334,733	-	-	-	605,074														
Travelling costs	2,057,067	-	28,468	-14,553	111,724	68,331	7,049	52,869	-	67,225	14,839	4,950	-	1,716,165														
(Deficit)/unutilised funds for the year	(2,146,937)	(2,523)	8,383	(31,901)	(144,578)	193,014	135,956	14,853	182,198	(91,336)	109,161	(289,125)	69,429	(2,300,472)														
(Deficit)/unutilised funds at the beginning of the year	188,076	5,242	-	32,974	106,439	-	-	-	-	44,507	-	240,516	(51,102)	(190,500)														
(Deficit)/unutilised funds at the end of the year	(1,958,861)	2,719	8,383	1,073	(38,139)	193,014	135,956	14,853	182,198	(46,829)	109,161	(48,609)	18,327	(2,490,972)														

Annexure 1 - Resolutions of the G8 Evian Summit



Resolutions of the G8 Evian Summit

- The African leaders welcomed the US announcement prior to the Summit that it had allocated \$15 billion over five years for the prevention and treatment of HIV/AIDS in Africa and the Caribbean. The EU responded at the meeting by pledging to spend \$1 billion per year towards the Global Health Fund.
- The G8 countries committed themselves to supporting long-term agricultural sustainability and food security in Africa and to responding to the emergency food aid needs of Africa.
- The African leaders welcomed the announcement that the G8 Action Plan on Water would support Africa's attempts to meet the Millennium Development Goals and the World Summit on Sustainable Development Johannesburg Plan of Action objectives in this regard. France promised to double its support for water in Africa.
- It was agreed that strong political leadership was required effectively to address the slow progress in achieving the goals of the World Trade Organization Doha Development Round and the current deadlock in the Geneva negotiations ahead of the Cancun Ministerial Conference, particularly in the area of agricultural subsidies and other destabilising support measures.

- The G8 leaders recognised the slow progress that had been made on the issue of debt and undertook to provide strong political leadership to ensure that they met their commitments made at their 2002 Summit in this regard.
- The G8 leaders undertook to encourage their respective private sectors to invest in Africa.

World Bank Support to Africa

The total IDA commitments for Africa in 2004 are \$313 million and \$352 million in 2005. This does not include Regional HIV/AIDS grants from the IDA regional pilots, which are excluded as there is a separate \$200 million funding for this.

Below is a selection of projects that the World Bank has approved or is considering for funding over the next two years or more (the IDA contribution is reflected after the project name, along with the budget year for the allocation):

1. Southern Africa Power Market Development Project (Board approval: 11 November 2003) for all Southern African Power Pool members

First phase: \$178.6 million in credit to the DRC (\$177.5 million) and Zambia (\$1.1 million) (FY04)

Second phase: \$62 million to Malawi and Mozambique (FY04)

Third phase: \$215 million to the DRC,

- Zambia and Tanzania (FY06)
Total cost: \$452 million
2. Southern African Regional Gas Project
(Board approval: 20 November 2003)

Total cost: \$721 million

IBRD Guarantee: \$30 million

MIGA: \$72 million

IFC Equity: \$18.5 million

(The World Bank guarantees expedited the involvement of private investors such as South Africa's SASOL)
 3. West Africa Power Market Development Project: \$100 million in Phase 1 (FY05)
 4. West Africa Gas Pipeline Project: \$60 million (FY05)
 5. West Africa Capital Market Development Project: \$105 million (FY04)

IDA Credit: \$96 million

IDA Guarantee: \$70 million
 6. West Africa Trade and Transport Facilitation Project: \$30 million (FY04) (Still in the preparation phase)
 7. Central Africa Trade Facilitation Project: \$10 million (FY05)
 8. West Africa Air Transport Project: \$10 million (FY05)
 9. Micro-finance Development Project: \$10 million (FY05)
- Other projects being examined by the World Bank include the Nile Basin project, the Groundwater Resources project, the Lake Malawi Ecosystem project, the Niger River Basin project, the Lake Chad Basin Ecosystem project, and the Central Africa Biodiversity project.

Annexure 2 - List of Short-Term Action Plan Projects Financed by the ADB Group during 2002 - 2003



	Project Title	ADB Financing USD (million)	Project Cost USD (million)
1	GHANA: Tema Aflao Rehabilitation Road Project - Akatsi-Aflao Section	21.84	31.30
2	TANZANIA/KENYA: Arusha-Bamanga-Athi River Road Study	1.40	1.47
3	ECOWAS: Study of Interconnections of Railway Networks in Member Countries	3.71	3.90
4	MOROCCO-SPAIN: Strengthening of Electric Power Grid Interconnections	97.67	351.50
5	NIGERIA-BENIN: Power Interconnection Project	18.66	51.83
6	GHANA-TOGO: The Akatsi-Dodze-Noepe Road Upgrading Project	18.90	22.01
7	BURKINA FASO/NIGER: Dori-Tera Road Study	1.04	1.10
8	ECCAS: Study on Member Countries Electrical Networks Interconnection	3.71	3.98
9	BENIN/TOGO: Djougou-N'dali Road Improvement Project	22.45	34.25
10	KENYA/BURUNDI/RWANDA/DRC: Interconnection of Electricity Networks Study	2.96	3.12
11	MALI-BURKINA FASO-GHANA: Road Programme	101.05	269.94
12	SOUTH AFRICA/MOZAMBIQUE: Natural Gas Project	80.00	1,189.92
	TOTAL	<u>372.50</u>	<u>1,964.30</u>

Annexure 3 - NEPAD's Achievements in the First Three Years



Strengthening Political Will to Resolve Political conflicts and Promoting Good Governance as Conditions for Development

NEPAD has strengthened the determination of the African Heads of State and Government to lead the resolution of conflicts and to promote democracy and human rights. This is demonstrated by actions taken to resolve major conflicts across the continent and the commitment of a number of African leaders, first to work within the mechanisms and rules of the African Union and second, to commit own resources in excess of their legal obligations.

The will to take responsibility is further demonstrated by the steps being taken to strengthen the African Union and its organs as well as the Secretariats of Regional Economic Communities (RECs). This is also reflected by the strengthening of capacity to resolve conflicts through the establishment of the Peace and Security Council, which has more powers than the previous arrangements such as the Central Organ on the Mechanism for Conflict Prevention, Management and Resolution and the Conference on Security, Stability, Development and Co-operation in Africa. NEPAD has also accelerated the preparation of a comprehensive plan for strengthening African capacity to undertake peace support operations. This has led to commitments by the G8 members to support the implementation of the plan.

On the development front, the African leaders launched comprehensive studies covering conflict resolution, political, economic and corporate governance, education, health, science

and technology, agriculture, infrastructure, environment, market access, diversification of products and exports, mobilisation of domestic savings, Official Direct Assistance (ODA) reforms, debt cancellation, foreign direct investment, etc. The primary objective was to develop a comprehensive development framework based on a thorough understanding of the most up-to-date information and trends in each area.

The process generated considerable dialogue among stakeholders, both in Africa and internationally. It also generated controversy as its legitimacy was questioned by African civil society, including labour unions, development professionals and practitioners. The main complaint was lack of consultation during the conceptualisation stage.

The African leaders responded by taking centre stage, articulating the rationale for the initiative and asserting their right and duty as elected representatives of the people to initiate action. More importantly, they challenged all stakeholders to come on board as the process was only just beginning and would continue for 10 to 20 years, not only a few months.

As a result, NEPAD became very topical, featuring prominently in workshops, seminars and conferences, both in Africa and internationally. Of course, this is what the African leaders wanted. They wanted to end the portrayal of Africa as a continent in crisis by focusing world attention on the renewal process that was being launched through NEPAD and the transformation of the Organisation of African Unity into the African Union.

From the start, the promoters of the NEPAD initiative highlighted the need for African leaders to take responsibility for strengthening democracy, protecting human rights and fighting corruption. They also stressed the need to strengthen the capacity of governments to lead development. These are the messages that came to characterise NEPAD and captured the imagination of progressive groups and individuals across the globe. As these principles and priorities became better understood, interest and support for NEPAD increased.

Strengthened political will is further demonstrated by the consolidation of democracy, good governance and effective leadership in a number of African countries. The countries that have made progress are characterised by progressive leadership that understands that what is needed is not weak states but effective governments that provide policy certainty, effective law enforcement and delivery of public goods and services.

The African Peer Review Mechanism was born out of the determination to ensure that progress on democracy, human rights, good governance and sound development practices became irreversible. It says that Africa is serious about and determined to change. It also enhances the credibility of the NEPAD transformation agenda.

The initiators of NEPAD have worked hard to promote the concept and to ensure that the programme's instruments are credible. They are now overseeing implementation. Furthermore, the APRM Panel of Eminent Persons was appointed last year to take charge of implementing the mechanism. They have completed preparations and are now consulting the first set of four countries to be reviewed, namely Ghana, Rwanda, Mauritius and Kenya. Eighteen states had joined the APRM by May 2004.

The reviews will cover political, economic and corporate governance, as well as development policies and practices. The detailed technical

assessment will be conducted by independent knowledge institutions and experts. The role of the Heads of State and Government will be to receive the final report and use it as an instrument for mutual learning and advising each other on key governance and development issues. As the process and the report will be made public, the APRM will encourage compliance with good governance standards. Pressure on poor performers will come mainly from the stakeholders in the country. Only in exceptional cases will Heads of State and Government advocate corrective action.

The APRM did experience delays in the preparatory phase, particularly as consultations with the countries showed that more time was required for countries to make progress with their internal preparations. However, once it gets under way, the APRM will have a huge impact on consolidating democracy and good governance among participating countries. Consequently trust among the leaders will be boosted, leading to increased trade and economic co-operation.

Redefining Relationships with Industrialised Countries and Multilateral Institutions

Parallel to the engagement among African leaders and with the African people on NEPAD principles and priorities, another process focused on industrialised countries and multilateral institutions. This started with the engagement of the leaders of the G8 countries in Japan in 2000 and was continued at the G8 Summit in Genoa, Italy, in July 2001.

At the Genoa meeting, the African leaders presented NEPAD as the socio-economic development programme of the African continent and invited the leaders of the G8 countries to partner Africa in its implementation. In response, the leaders of the G8 countries appointed a committee of personal representatives to prepare a report for consideration at the next summit. The result was

the G8 Africa Action Plan, which was accepted at the G8 Summit in Kananaskis, Canada, in June 2002, in terms of which the G8 countries committed themselves to supporting the implementation of NEPAD through concrete actions. Similar engagements were initiated with other industrialised countries, multilateral institutions and selected countries of the South, including China, India, Brazil and Malaysia.

The positioning of NEPAD as an African renewal initiative that is anchored on progressive principles and led by African leaders with the vision and courage to tackle major challenges has been successful in arresting the marginalisation of Africa.

For the first time in many decades, there are firm commitments to increasing development assistance. At the Financing for Development Conference held in Monterrey, Mexico, in March 2002, the US and the European Union made a commitment to increase development assistance by US\$12 billion from 2006. More importantly, it was announced in Kananaskis that 50 percent or more of the increase would be earmarked for Africa. The UK, France and Canada, among others, have also announced timeframes for achieving the internationally agreed target of 0.7 percent of GDP for development assistance.

Despite the war in Iraq and increased international attention on terrorism, development assistance to Africa has not declined as has been the trend in the past. Instead it has increased slightly from US\$16.2 billion in 2001 to US\$22.2 billion in 2002 (African Development Bank Development Report 2004). More attention is now being given to Africa's identified priorities, such as agriculture and infrastructure, thus reversing a trend observed in past decades.

In October 2002, the UN endorsed NEPAD and declared that its support to Africa would be based on the NEPAD policy framework. In its resolution A/RES/57/2 of 16 September 2002, entitled "United Nations Declaration

on the NEPAD", it welcomed NEPAD as an initiative led, owned and managed by the African Union, and affirmed that international support for its implementation was essential. In its resolution A/RES/57/7 of 4 November 2002, the General Assembly brought to a close the UN New Agenda for the Development of Africa in the 1990s (UN-NADAF) and urged the international community and the UN system to organise support for African countries in accordance with the principles, objectives and priorities of NEPAD. In the same resolution, the General Assembly decided to include in the annual agenda of the General Assembly a single, comprehensive item on the development of Africa, entitled "NEPAD: progress in implementation and international support" and requested the Secretary-General to submit the first consolidated report on the implementation of the resolution to the next session of the General Assembly.

The UN General Assembly Resolution on "Strengthening of the United Nations: an agenda for change" (A/RES/57/300) endorsed the decision of the Secretary-General to entrust the Under-Secretary-General and Special Advisor on Africa, who will report to him, with the responsibilities to: (a) co-ordinate UN support to Africa, and (b) co-ordinate and guide reporting on Africa, particularly support for NEPAD by the UN system and the international community, and co-ordinate global advocacy in support for NEPAD. The Office of the Special Advisor on Africa (UN OSAA) has been established by the UN Secretary General in Resolution 57/300.

The regional consultative meeting of the UN agencies working in Africa, convened by the UN Economic Commission for Africa, is now the framework for co-ordination and collaboration among UN agencies at the regional level. The regional consultative meeting has established five clusters broadly corresponding to the main priorities of NEPAD. The clusters are convened by the following agencies: Infrastructure Development: Water and Sanitation, Energy, Transport, and ICT, (UNECA); Governance,

Peace and Security, (UN Development Program); Agriculture, Trade and Market Access, (Food and Agriculture Organization); Environment, Population and Urbanisation, (UN-Habitat); Human Resource Development, Employment and HIV/AIDS, (UNICEF). The cluster approach is a vehicle for a co-ordinated response by the UN system, designed to enable agencies and organisations of the UN system to pool their efforts in support of NEPAD.

One of the examples of this enhanced co-operation and co-ordination is that between the UNDP and the NEPAD Secretariat. The UNDP has allocated seed funding to a Technical Support Facility Fund for technical expertise in NEPAD priority areas and for funding project proposals in conjunction with workshops. It has also been deeply involved in the APRM process and has provided support to the APR Secretariat.

Advocacy in support of increased development assistance to Africa, debt relief, ODA reform and a more equitable international system has intensified. Calls for a just multilateral trade system that would end the current arrangements favouring developed countries and disadvantaging Africa can no longer be ignored. During the multilateral trade negotiations in Cancun, Mexico, in September 2003, African countries demonstrated a courage and cohesion not seen before. They were clear on their demands and argued their case well.

The most recent development is the institutionalisation of the expanded G8/NEPAD dialogue through the Africa Partnership Forum. The Forum comprises the Personal Representatives of the Heads of State and Government of the Members of the NEPAD Heads of State and Government Implementation Committee (HSGIC); the Chairperson of the African Union Commission; the Heads of the seven African Union-recognised RECs; the Head of the ADB; the Heads of State or Government of the G8 and 11 other OECD countries; the President of the European Commission, and Heads of major international institutions including the

UN, the IMF, the World Bank, and the World Trade Organization.

The Forum meets twice a year. Its primary purpose is to promote and monitor implementation of the NEPAD programme. The Forum reviews progress by both African countries and development partners. This is a major step in transforming a donor/recipient relationship into one premised on mutual accountability, trust and respect. The first meeting of the Forum took place in Paris in November 2003. It is co-chaired by two representatives from the OECD countries and two from Africa.

In addition, NEPAD is engaging the ADB, the World Bank and the European Commission on the nature and scale of development support. The main objectives are to secure increased resource flows on more concessionary terms or as grants, and to reduce the project cycle, thereby speeding up implementation. A breakthrough has been achieved in that the World Bank is now financing multi-country projects through IDA funding.

Laying a Foundation for Socio-Economic Transformation

As mentioned earlier, following the adoption of the NEPAD foundation document by the OAU Summit in July 2001, detailed implementation plans were prepared for each priority area. The plans focused on challenges common to most African countries, projects that were critical to sub-regional and continental economic integration, policy reforms and increased investment in priority sectors and indicative flagship projects. Above all, they highlighted the need for country and sub-regional ownership and leadership. The Initial Action Plan for Implementation was accepted at the 1st African Union Summit in Durban, South Africa, in July 2002. The 2nd African Union Summit in Maputo, Mozambique, in July 2003 concentrated on the elements of the third phase of the NEPAD process, namely implementation.

The key elements of the transformation advocated by NEPAD are increased mobilisation and investment of own resources, improved public financial management, strengthening the capacity of public sector institutions, better harnessing science and technology, preparation and adoption of more ambitious programmes in agriculture, human development, infrastructure and so on, creation of a conducive environment for increased private sector investment and sourcing of additional resources from the highly industrialised countries and multilateral institutions. These elements are considered to be key in enabling African countries to achieve the Millennium Development Goals and to allow them to move towards self-sustainable development.

The detailed plans provide the frameworks and indicative projects and programmes for the key sectors, namely; conflict resolution, political, economic and corporate governance, agriculture, education, health, environment, energy, transport, water resources, information and communications technology and science and technology. The implementation of these plans is key to the economic transformation of Africa and the establishment of self-sustaining economies less dependent on aid. Detailed sectoral plans are available on the NEPAD Website, www.NEPAD.org. In this paper we only provide brief notes on Agriculture and Infrastructure.

- Agriculture

NEPAD strongly advocates an African agricultural revolution through the accelerated harnessing of science and technology to improve productivity in the sector. The point of departure is that sustainable development is not possible unless the masses engage in income generation and wealth creation. In the case of Africa, agriculture is the only sector where the masses can become direct participants in wealth creation. It is therefore logical that a socio-economic renewal revolution in Africa be anchored on agriculture and

rural development.

Improved agricultural production would provide a springboard from which African countries could progress to agro-industries and manufacturing on a sustainable basis.

NEPAD has placed this simple fact on the table and argued for the reversal of the decline in development support to agriculture, which started more than 20 years ago.

As a result of intervention by NEPAD, agriculture and food security are now at the top of the development agenda. The World Bank has earmarked US\$500 million for support to agricultural research and technology development in Africa. The FAO is supporting the preparation of medium-term strategies with bankable projects in more than 30 African countries. The ADB, International Fund for Agriculture Development, World Food Program, USAID and European Union are increasing their support for agriculture.

In response to the call by NEPAD, African governments have made a commitment to increase investment in agriculture to 10 percent of their national budgets over five years and to monitor progress they are making on an annual basis. Resources are being committed to improve the productivity of African staple foods, including cassava, bananas and NERICA rice. Through the Comprehensive African Agriculture Development Programme (CAADP), NEPAD is laying a foundation for an African agricultural revolution.

- Infrastructure

NEPAD is championing increased investment in multi-country infrastructure projects as a means of improving Africa's competitiveness. Lack of access to adequate and reliable energy, poor transport networks and underdeveloped information and

communication technology infrastructure constitute major obstacles to Africa's development. Lack of access to water and sanitation facilities is also a major impediment to both human welfare and economic development.

The African leaders argue that market liberalisation and the adoption of enabling regulatory frameworks are necessary but are not adequate to generate private sector investment on the scale that is required. There is therefore a need for action by governments.

Each REC has identified high priority multi-country infrastructure projects for urgent attention. The implementation of the projects is promoted by the Secretariats of the RECs under the leadership of Heads of State and Government in each region. Progress to date varies from region to region. In West Africa, the heads of State have used the NEPAD programme to engage both the ADB and the World Bank. As a result, there has been increased activity. Leadership by Heads of State is not as direct in other regions and as a result, less progress has been registered.

NEPAD is using the experience in West Africa to accelerate the pace in other regions. The tangible results of NEPAD's increased engagement with the multilateral finance institutions are shown by the progress made in implementing the infrastructure projects prioritised in the NEPAD Short Term Action Plan (STAP). As reported in the section on infrastructure, as at 31 March 2004, the ADB had approved financing of nine investment projects amounting to US\$580 million. The Bank has already financed eight projects, including one private sector project, and four studies in the STAP amounting to US\$372.5 million. The World Bank funding of NEPAD projects amounted to US\$570 million as at 31 March 2004.

Of course, this is only a start. The level of investment in Africa must be significantly increased in the coming years. To achieve that, the capacity of the Secretariats of the RECs must be strengthened. Currently they lack the capacity to promote and facilitate the preparation and implementation of the multi-country projects. However, the Heads of State are addressing the matter in a number of regions.

- Other Priority Sectors

The focus of NEPAD in other priority areas such as education, health, science and technology, environment, multilateral trade negotiations, debt cancellation and ODA reform has been on taking the debate to a higher level by developing more integrated and innovative approaches as well as increasing advocacy.

For instance the proposals in education include expanding participation at the secondary school level as well as improving the relevance and quality. The focus in health includes nutrition and increased investment in building integrated health systems in addition to disease-specific interventions. The centrepieces in science and technology are the centres of excellence in biosciences, pharmaceuticals, information technology and other new technologies that are critical to Africa's socio-economic advancement.

NEPAD has not made much progress on debt cancellation, ODA reform and multilateral trade negotiations. More effort will be directed to these issues in the near future under the leadership of the African Union Commission and NEPAD fora will provide support through advocacy and direct engagement of development partners and multilateral institutions.

Challenges of Sustaining NEPAD

Of course the most important ingredients for

success are political will, courage and solidarity. African leaders need strong political will to drive the political, socio-economic transformation processes in their respective countries and sub-regions in line with the principles of the Constitutive Act of the African Union and NEPAD. They need courage to fight for their rights to determine appropriate development strategies for their respective countries, sub-regions and the continent as a whole. Above all, they need courage and solidarity to negotiate fair and equitable trade and investment relations with the industrialised countries and multilateral institutions.

NEPAD will only succeed if its principles and strategies are adopted by countries and sub-regions and are reflected in national and sub-regional development plans. Given the fact that all programmes are approved at Summit level, the relevant Ministries should adopt them at a country level without delay. This, however, has not been the case and the pace of adoption has been slow to date.

This is indicative of either a reluctance to proceed before agreement is reached with development partners or weak capacity. Both issues pose a great threat to the programme.

The other challenge is for NEPAD to be as successful in energising resource mobilisation and project implementation as it has been in developing detailed implementation plans.

Speedy implementation of programmes and projects is the major weakness that African countries and regional economic communities must address. Of course, the key is political leadership and managerial and technical capacity at both national and sub-regional levels. This must be the focus in the next 10 years.

However, in addition we need political leadership and technical capability to drive the preparation and implementation of programmes and projects that require co-ordination at a continental level. This is the role of NEPAD. An agricultural revolution in Africa requires

either a sub-regional or continental approach. This is also true in the case of a science and technology revolution as well as the planning and implementation of major multi-country infrastructure projects.

The challenge for NEPAD is to build on the successes achieved in mobilising the World Bank, the FAO and other multilateral institutions in support of an agricultural revolution. It is also to change the manner in which Africa's development is supported by multilateral institutions, to move from loans to grants and combinations of public sector finance with private sector resources through public private sector partnerships.

Finally, for NEPAD to succeed, the industrialised countries and multilateral institutions must meet their commitments, particularly under the Millennium Development Goals and the 0.7 percent of GDP ODA target under the Monterrey Consensus. The G8 countries should meet their commitments made through the G8 Africa Action Plan. The OECD countries must meet commitments made through the UN to increase development assistance to Africa.

Multilateral institutions, including the World Bank and the ADB, are giving increased attention to Africa but resource flows have only increased marginally. What is required now is agreement on increased resource flows and monitoring of progress on an annual basis.

Conclusion

In conclusion, NEPAD has reinvigorated and energised development in Africa. What began as an initiative of four Heads of State has become an African initiative in the true sense of the word. There are now many champions of NEPAD across the continent. The progressive ideas they champion are being included in the mainstream of the African Union and its organs.

The pace of development is accelerating, although the pace is still too slow. However, a foundation is being laid for increased investment in education, health, agriculture, infrastructure, and so on.

NEPAD has provided frameworks and identified priorities for the preparation of more ambitious national and regional development plans. The challenge now is to move to the next stages - the preparation of country and regional plans with detailed cost breakdowns, and then the mobilisation of resources for implementation.

Africa will not achieve the Millennium Development Goals and sustainable development without a significant increase in resource mobilisation and investment across the board. Therefore, the preparation of comprehensive national plans that are in line with NEPAD frameworks and priorities cannot be over-emphasised. Equally, the role of the domestic and international private sector is critical.

The capacity of National Governments and RECs to plan and manage the implementation of development programmes is a major constraint that must be addressed for Africa to develop at a faster pace. While this is taking place,

capacity building and “scaling up” can begin. This should be planned and implemented in a balanced manner.

Broadening and deepening ownership in Africa remains a big challenge. A number of countries have established National NEPAD Steering Committees and a number of civil society organisations, labour unions and business associations are participating at local, regional and continent level, but this is not enough. The majority of African people do not have access to information about NEPAD. Countries are not promoting the programme as directed by African Union Summits in 2001, 2002 and 2003. This matter must be given urgent attention in the coming years with the support of partners and key stakeholders.

Finally, it is important that we evaluate NEPAD, not in terms of the amount of funding mobilised and similar benchmarks, but in terms of its ability to galvanise political will and the courage of African countries to develop their own programmes and implement them. Much work remains. However, the first three years have seen a solid basis and framework laid for development. The first stepping-stones to regeneration have been laid, but a long road of joint endeavour still lies ahead.