

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

UNIÃO AFRICANA

Addis Ababa, Ethiopia

P. O. Box 3243

Telephone: 5517 700

Fax: 5517844

Website: [www. Africa-union.org](http://www.Africa-union.org)

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**PROGRESS REPORT OF THE COMMISSION ON THE
INTEGRATION OF NEPAD INTO THE STRUCTURES
AND PROCESSES OF THE AFRICAN UNION**

**Progress Report of the Commission on the
Integration of NEPAD into the Structures and Processes
of the African Union**

I. BACKGROUND

1. In July 2001, the 37th OAU Summit adopted NEPAD as its integrated and comprehensive socio-economic development programme in Lusaka, Zambia. The inaugural Summit of the African Union held in Durban, South Africa, in July 2002 adopted NEPAD as a programme of the African Union through Declaration ASS/AU/Decl. 1 (I).
2. In July 2003, the Second African Union Summit in Maputo agreed on the need to promote better management of Africa's new policy architecture for development in order to engender more cohesive and effective delivery. African leaders, accordingly, mandated the African Union Commission (AUC) Chairperson, in consultation with the NEPAD Heads of State and Government Implementation Committee (HSGIC) Chairperson, to operationalise the integration of NEPAD into the AU structures and processes. However, the desired integration did not materialize in spite of numerous efforts until the 18th HSGIC and 10th AU Summit of January/February 2008, which adopted the Decision (Assembly/AU/Dec.191(X)) to proceed with NEPAD integration, immediately, and in an expeditious manner. It was also resolved that the 13-point conclusions of the March, 2007 Algiers Brainstorming Summit should form the basis of the integration process to ensure coherence between the work of the NEPAD Secretariat and that of the AUC. The 13 points included the following:
 - A NEPAD Planning and Coordinating Authority should be created. The structure and profile should be defined later through a study to be commissioned;
 - A transitional period of one year is needed for a smooth streamlining of NEPAD activities and processes with those of the AU Commission;
 - The Coordinating Unit recommended in the joint proposal should be created to elaborate a detailed roadmap on integration of NEPAD and creation of the NEPAD Planning and Coordinating Authority, with clear steps, stages, milestones and indicators; and
 - The AU Commission and the Government of South Africa to take necessary steps to facilitate the conclusion of a Host Agreement for the NEPAD Secretariat in the transition period and later, a Headquarters' Agreement for the NEPAD Planning and Coordinating Authority that will be established.
3. The NEPAD Review Summit held in Dakar, Senegal, on April 22, 2008, reaffirmed NEPAD as an AU programme and the 13 point conclusions of the Algiers NEPAD Brainstorming Summit and the decision to establish the NEPAD Planning and Coordinating Authority. In this regard, it mandated the African Union Commission and the NEPAD Secretariat to proceed to implement the

January/February 2008 AU Assembly Decision on the integration of NEPAD into the structures and processes of the AU.

II. PROGRESS TO DATE

4. In lieu of the above Decisions, and since the convening of the 35th and 36th meeting of the NEPAD Steering Committee, held in Midrand, South Africa, on August 21-22, 2008, and November 14-15, 2008, respectively, a number of activities have been completed and a number are underway, to integrate NEPAD into the AU. These include the following:

i) Appointment of Members of the NEPAD Coordinating Unit

5. The NEPAD Coordinating Unit has been established consisting of the following members and co-opted members:

Members:

- Commissioner for Economic Affairs (Chair) (AUC)
- The Deputy CEO of the NEPAD Secretariat (NEPAD Secretariat)
- The Special Advisor (NEPAD Secretariat)
- Director for Economic Affairs (AUC);
- The Legal Counsel (AUC); and
- Director of CIDO (AUC).

Co-opted Members:

- Director for Rural Economy and Agriculture (AUC);
- Director for Human Resources, Science and Technology (AUC); and
- Director for Infrastructure and Energy (AUC).
- Director for Gender and Development (AUC)

6. Furthermore, additional AUC Directors will be invited to meetings as and when issues pertain to their particular Directorates. These include:

- Director for Administration and Human Resources Development (AUC); and
- Director for Programming, Budgeting, Finance and Accounting (AUC).

ii) Activities of the AU/NEPAD Coordinating Unit

7. To date, six meetings of the Coordinating Unit have been convened. The inaugural meeting of the Coordinating Unit was held on June 10, 2008, in Addis Ababa, Ethiopia. To date, the meetings have completed the following tasks:

- The Terms of Reference (ToRs) for the Unit;

- The CEO job profile and its related advertisement;
- Reporting mechanisms for the Unit;
- A work programme for the Coordinating Unit;
- Finalised the Terms of Reference for the study on NEPAD integration into the structures and processes AU, for the procurement of Consultants; and
- Signing of the Host Agreement with South Africa.

iii) Host Agreement with South Africa for the NEPAD Secretariat

8. After having resolved the pending issues (taxation of South African nationals working for the NEPAD Secretariat and provision of adequate and secure premises for the NEPAD Secretariat) with the Republic of South Africa, the Chairperson of the African Union Commission and the Minister of Foreign Affairs of the Republic of South Africa signed the Host Agreement in September/October 2008.
9. The Coordinating Unit has since embarked on the implementation of the Host Agreement. Meetings were held with the Department of Foreign Affairs (DFA) of South Africa and the Development Bank of Southern Africa (DBSA) on December 8- 9, 2008 in Midrand, South Africa. A Joint implementation team and its related ToRs have since been created to ensure implementation is undertaken and concluded.

iv) Study on the Integration of NEPAD into the Structures and Processes of the AU

10. The initial Terms of Reference (ToRs) for the study was launched and advertised on the AU website on August 04, 2008, with a deadline of September 04, 2008. However, as of the deadline no submissions had been received by the Commission. Due to the poor response, the Coordinating Unit agreed to extend the deadline until September 30, 2008, and to also advertise in international publications such as the '*Economist*' and '*Jeune Afrique*', which was duly undertaken. The advert was also sent to Member States.
11. Unfortunately, delays have been experienced in the recruitment of the Consultants. Initially when the tender was launched it was unclear from which source the study would be financed, as it was hoped funds could be gathered in-house. However, this was not to be the case as the study had not been budgeted for in the 2008 budget allocations. Therefore, funds were identified under the Euro 55 Million Support Programme for the African Union Commission. However, upon receiving EU approval to utilise funds under the Euro 55 Million Support Programme it was brought to the attention of the Unit that EDF procurement procedures would need to be applied. It was therefore agreed between the AU and the EU to cancel the initial procurement process and to

launched a new one according to EDF procurement procedures and template documents (dossier). The tender was re-launched on October 27, 2008, with a deadline of November 28, 2008.

12. As of the deadline, four (4) submissions were received. Upon opening the tenders (technical proposals) by the AUC Evaluation Team, however, one was disqualified on technical grounds (no signed statement of exclusivity, no signed Tender's Declaration and no original signatures), leaving three to be evaluated. The Evaluation Team completed evaluation of the Technical Proposals on Friday, December 12, 2008. The AUC Tender Board met on Tuesday, December 16, 2008, to approve the report of the evaluation and award the Tender. The report was approved. The report will be sent to the European Union (EU) for no objection on December 18, 2008. After which the contract will be awarded. It is anticipated that the Consultants would commence work in the week beginning on December 22, 2008. Therefore, the study and its recommendations will not be completed by the January 2009 deadline.

v) Commencing Integration Activities Pre-Finalisation of the Study

13. During the 6th NEPAD Coordinating Unit, held in Midrand, South Africa on December 8, 2008, the Unit agreed to commence work on a number of integration activities pending the finalisation of the study. It was resolved that certain activities could begin to be undertaken before the study is finalised in order to accelerate the integration process. These include the following:
 - Use of the AU flag in and on NEPAD Secretariat offices: December 2008 – January 2009;
 - Use of the AU emblem in NEPAD documentation: January - March 2009;
 - Integration of NEPAD Secretariat Budget into AU 2009 Budget: 15-17 December 2008;
 - Issuing of Laisse-Passe to relevant NEPAD Secretariat staff: January 2009;
 - IT and VSAT connectivity at the NEPAD Secretariat: January - March 2009; and
 - Harmonisation of AUC and NEPAD Secretariat sectoral programmes: January – March 2009;
 - Composing joint delegations for meetings; and
 - NEPAD Secretariat to compile an asset register and submit to the AUC – January - march 2009.

III. OTHER MATTERS

Update on the Appointment of the Chief Executive Officer (CEO) for the NEPAD Secretariat and its Successor Entity

14. Regarding the recruitment of the new NEPAD CEO, a job profile had been agreed between the AUC and the NEPAD Secretariat. The position was

advertised on the AUC website on June 11, 2008, with a deadline of August 11, 2008. The job profile was also sent to Member States through their embassies in Addis Ababa. The Commission has since received 75 applicants. The short-listing of candidates for the CEO position, which had originally been included in the work programme of the NEPAD Coordinating Unit, has since been decoupled from the work of the Unit in order to avoid any possible conflict of interest. This is in accordance with the recommendations of the 35th meeting of the NEPAD Steering Committee, and is also in line with the mandate given to the Unit during the Algiers Brainstorming Summit of March, 2007. The 35th NEPAD Steering Committee proposed that the short-listing of candidate should either be undertaken by:

- i. members of the five regions; or
- ii. External experts

15. It was agreed that in the interest of expediency, a management consulting firm would be appointed to do the short-listing. In lieu of this decision, a Terms of Reference (ToRs) for the short-listing of candidates for the position of NEPAD CEO was sent to a short list of seven management consultancy firms in Africa on October 15, 2008, and placed on the AUC website with a deadline of October 20, 2008. The Commission received bids from two Consultancy firms. These were evaluated and considered by the AUC Tender Board on November 12, 2008, and a consultancy firm, KPMG-Kenya, was selected. The firm has since completed the short-listing (15 candidates short-listed) and sent the results to the AUC for comments. The comments were submitted on Tuesday, December 16, 2008. The firm is expected to undertake further short-listing to 7-8 candidates who will undergo competency-based interviews by the Consultants prior to the final Panel interview at the AUC. The work of the Consultants is expected to be completed by the end of December 2008.
16. The interviews are planned to take place from January 7- 9, 2009. The Heads of State and Government of the five initiating countries (Algeria, Egypt, Nigeria, Senegal and South Africa), the Chairperson of the African Union and the Chairperson of the NEPAD Heads of State and Government Implementation Committee have since been requested to designate their Personal Representatives to serve as members of the Interview Panel, together with a representative of the Chairperson of the African Union Commission. This is in accordance with Assembly/AU/Dec.191(X) of the 10th African Union Summit of January/February 2008. The African Union Commission awaits their responses. Selection of the CEO by the Chairperson of the AUC in consultation with the Chairperson of the AU and the Chairperson of NEPAD HSGIC is expected by the third week of January 2009 so that the name of the new CEO is endorsed during the January/February African Union Assembly of Heads of State and Government.

17. In order to support work pertaining to the recruitment process, an internal recruitment team has also been appointed comprising the following:
 - i. H. E. The Deputy Chairperson (Chair);
 - ii. Commissioner for Economic Affairs (Vice Chair);
 - iii. Commissioner for Political Affairs (Member);
 - iv. Commissioner for Rural Economy and Agriculture (Member);
 - v. Commissioner for Infrastructure and Energy (Member);
 - vi. Legal Counsel (Member);
 - vii. Director of Administration and Human Resource Development (Member);
 - viii. Chairperson of the Staff Association (Member)
18. To date the team has since met three times to oversee and ensure quality control of the work of KPMG and to provide additional guidance on the recruitment process.

IV. SUMMARY OF ACHIEVEMENTS

19. Although the concerted efforts to integrate NEPAD into the AU and to recruit a new CEO only commence in mid 2008, much has been achieved in the short time frame.

NEPAD integration:

- Created the NEPAD Coordinating Unit, with 6 meetings having been held to date;
- Finalised the Terms of Reference (ToRs) for the Unit;
- Developed a work programme for the Coordinating Unit;
- Completed the signing of the Host Agreement with South Africa;
- Commenced work on the implementation of the Host Agreement with the South African Authorities including the DBSA.
- Creation of a joint implementation team with officers from the AUC/NEPAD Secretariat/DBSA and MFA and its related ToRs to ensure the implementation of the Host Agreement is undertaken and concluded;
- Secured funding for the undertaking of the study under the Euro 55 Million Support Programme;
- Finalised the Terms of Reference and EDF tender dossier for the study on NEPAD integration into the structures and processes AU, for the procurement of Consultants;
- Completed the launch of the EDF tender dossier on the study, evaluation of submissions and related AUC Tender Board approval; and
- Commenced work on integration activities pre-finalisation of the study. These include: budgeting/financial harmonisation, asset management and recording, use of AU flag, use of AU emblem, issuing of Laissez-passe,

ICT and VSAT communications matters, sectoral programme harmonisation

Recruitment of NEPAD CEO:

- Finalised the CEO job profile and its successfully advertised, with a total number of 75 applicants having been received;
- Finalised the ToR for Consultants to undertake the short-list and successfully advertised and have award the contract;
- Consultants have commenced work on the short-listing assignment;
- Created an internal AUC recruitment team to oversee and quality control the recruitment process; and
- Consultants have completed the initial short-list of 15 candidates.

V. SUMMARY OF CHALLENGES

20. Although the integration process is progressing, with the Coordinating Unit having made significant progress, the process has faced a number of challenges. These in turn have created bottlenecks and have served to slow down the process. The challenges have mainly concerned the conclusion of the host agreement, financing of the NEPAD study and the short-listing of candidates for the NEPAD CEO.

i) Host Agreement with South Africa for the NEPAD Secretariat

21. Although negotiations on the temporary Host Agreement with South Africa have now been concluded. Issues such as (taxation, immigration and payment of rent) had remained outstanding and had taken a long time to settle.

ii) Study on the Integration of NEPAD into the Structures and Processes of the AU

22. Concerning the study on NEPAD integration into the structures and processes of the African Union, delays in its undertaking have been due to:
- Lack of responses to the initial procurement process calling for tenders to undertake the study which required extending the deadline until September 30, 2008;
 - Lack of funding occasioned by the non-budgetary allocations in 2008 AUC budget, necessitating the solicitation of funds externally from the Euro 55 Million Support Programme;
 - Cancellation of the initial procurement process and the need to re-launch according to EDF procedures.

(iii) Appointment of the Chief Executive Officer (CEO) for the NEPAD Secretariat and its Successor Entity

- Delays experienced in response to recommendations of the 35th NEPAD Steering Committee of August 21-22, 2008, which called for a de-coupling of the recruitment process from the work of the Coordinating Unit. Until this meeting, work had been on track; and
- The subsequent need to procure services of a management Consultancy firm to undertake the short-listing and the administrative procedures involved in this undertaking.

VI. WAY FORWARD

23. For the way forward the following activities will be undertaken:

a) NEPAD integration into the structures and processes of the AU

- i) Granting of EU 'no objection' to the procurement and evaluation process;
- ii) Awarding of the Contract to the Consultants and commencement of work by week beginning December 22, 2008;
- iii) Undertaking of the study beginning with the submission of an inception report by early January, 2008.

b) Appointment of the NEPAD CEO

- i) Completion of the short-listing by KPMG and approval by the AUC Internal Recruitment Team;
- ii) Appointment of an interview Panel in accordance with Decision Assembly/AU/Dec.191(X) by early January 2009;
- iii) Conducting of interviews by second week of January 2009;
- iv) Selection of the CEO by the Chairperson of the AUC in consultation with the Chairperson of the AU and the Chairperson of NEPAD HSGIC by the third week of January 2009; and
- v) Endorsement of the selected CEO at AU Assembly level in late January, 2009.

2009

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