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REPORT OF THE SUB-COMMITTEE ON NEPAD

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I. INTRODUCTION

1. The fourth meeting of the Permanent Representatives' Committee (PRC) Sub-Committee on NEPAD was held at the African Union Commission in Addis Ababa, Ethiopia, on 19 December 2011.

II. PARTICIPANTS

2. Representatives of the following Member States were in attendance: Algeria, Benin, Burundi, Congo, Ethiopia, Mali, Mozambique, Namibia, Rwanda, Senegal, Chad and Tunisia.

3. The African Union Commission and the NEPAD Planning and Coordinating Agency were also represented.

III. OPENING

4. In his opening remarks, His Excellency Abd-El-Naceur Belaid, Ambassador of the People's Republic of Algeria and Permanent Representative to the African Union, thanked Sub-Committee members and expressed satisfaction at their high turnout for the meeting, adding that that was a demonstration of their commitment to, and interest in, achieving the mission of the Sub-Committee on NEPAD. He also welcomed the start of promising cooperation between the African Union Commission and the NEPAD Planning and Coordinating Agency, which would further facilitate the process of harmonization of activities and avert overlap and duplication, both of which were detrimental to the Union.

IV. ADOPTION OF THE AGENDA

5. The agenda was adopted as follows:

- i) Introductory remarks by the Chairperson
- ii) Adoption of the agenda
- iii) Follow-up on the activities planned by the NEPAD Coordination Unit for the second half of 2011
- iv) Follow-up on the recommendations of the last meeting of the PRC Sub-Committee on NEPAD
- v) Information on the 17th Africa Partnership Forum held in Addis Ababa and the 4th High Level Forum held in Busan, South Korea

- vi) Any other business

V. PROCEEDINGS OF THE MEETING

1. Follow-up on activities planned by the NEPAD Coordination Unit for the second half of 2011

Presentation

6. The representative of the NEPAD Coordination Unit presented the matrix of activities executed during the period June - December 2011. In his presentation, he stated that the Unit had executed several activities during that period, particularly with respect to harmonization of the work programmes of the AU Commission and the NEPAD Planning and Coordinating Agency, the Regional Coordination Mechanism of United Nations agencies and organizations working in Africa in support of the African Union and its NEPAD programme, the ten-year capacity building programme for the African Union and NEPAD, the capacity building initiative and the African Platform for Development Effectiveness, the Africa Partnership Forum, and meetings of NEPAD governance structures (the Steering Committee and the Heads of State and Government Orientation Committee).

7. As part of programmes-harmonization activities, the NEPAD Coordination Unit organised the second session of programmes-harmonization meeting between the AU Commission and the NEPAD Agency from 17 to 18 August 2011 at the Commission in Addis Ababa. The session helped to define the framework for the process of programmes harmonization between the Commission and the Agency, as well as to establish six thematic groups, namely: Strategic Management; Agriculture, Nutrition and Environment; Infrastructure; Human Development; Economic Development; and Cross-Cutting Issues. The NEPAD Coordination Unit has scheduled the following activities over the coming six months: developing the work programme and finalizing the terms of reference of the thematic groups, organizing the working visit of the PRC Sub-Committee members to the NEPAD Agency headquarters and organizing meetings of the thematic groups as well as two harmonization sessions, one of which would be devoted to training group members on the harmonization process. The representative of the NEPAD Coordination Unit also highlighted issues that could slow down the process of programmes harmonization between the AU Commission and the NEPAD Planning and Coordinating Agency, namely: reticence on the part of the Departments of the Commission and Directorates of the Agency to work together within this harmonization process to avoid duplication of, and overlap in their activities. He also indicated that the Unit currently lacked the capacity to monitor all coordination activities as well as the programmes-harmonization process.

8. Concerning the Regional Coordination Mechanism of United Nations agencies and organizations working in Africa in support of the African Union and its NEPAD programme, the representative of the Coordination Unit said that several coordination meetings had been held in cooperation with the United Nations Economic Commission for Africa (ECA) and the NEPAD Agency, especially the 12th session of the regional

coordination mechanism which was held in Addis Ababa from 21 to 22 November 2011, the general theme of which focused on capacity building, as well as the sub-regional meetings of the coordination mechanism for Central Africa, East Africa and West Africa. Actions planned by the Coordination Unit as part of this activity over the next six months included follow-up on the thematic group activities defined within this coordination mechanism as well as regular participation in meetings of the joint secretariat of the regional coordination mechanism.

9. The NEPAD Coordinating Unit also participated in the elaboration of the Plan of Action for the ten-year capacity-building programme for the AU and NEPAD through its input to the process of recruitment of consultants and by actively participating in the retreat for drawing up the work programme of the ten-year capacity-building programme. The Coordination Unit would participate, over the next six months and within the framework of the joint secretariat of the regional coordination mechanism, in the finalization of the work programme, in collaboration with the Office of the Deputy Chairperson of AU Commission and the ECA. The Unit also contributed to preparations for the High Level Forum on Aid Effectiveness through active participation in the pre-meetings to validate the African common position, especially the Multi-Agency Meeting and the third consultative meeting on development effectiveness. During the coming six months, the Coordination Unit would, in collaboration with the NEPAD Agency, UNDP and the working group on aid effectiveness, assess the effective implementation of the global partnership. The Unit, in the past six months, also participated in organizing the 17th Africa Partnership Forum in Addis Ababa, from 15 to 16 November 2011. During this period, it participated in preparing and organizing various meetings of NEPAD governance structures, notably three meetings of the NEPAD Steering Committee in Malabo, Equatorial Guinea, in June 2011; in Rustenburg, South Africa, in October 2011; and in Addis Ababa, Ethiopia, in November 2011, respectively. Furthermore, it helped with the preparations for, and then participated in, the NEPAD Heads of State and Government Orientation Committee meeting in Malabo, Equatorial Guinea.

Summary of discussions

10. The Sub-Committee took note of the presentation by the representative of the NEPAD Coordination Unit on the matrix of activities executed during the period June - December 2011.

11. The Sub-Committee expressed concern over the non-recruitment of some staff of the Coordination Unit, especially following the case of the Senior Coordinator who moved to another position. The Sub-Committee was of the opinion that the NEPAD Coordination Unit needed to be fully staffed to effectively play its interface role. The Sub-Committee, in that regard, encouraged the Commission to fill the Senior Coordinator position as well as the two P2 positions of Programme Officer, to complement the incumbent Senior Programme Officer. It also invited the Commission to proceed with the publication of these vacancies. The Sub-committee encouraged the Commission to facilitate the work of the Coordination Unit by ensuring effective collaboration with the various departments in the process of work programmes harmonization between the Commission and the NEPAD Agency.

12. Some members of the Sub-Committee expressed concern over the possible duplication of activities between the Commission and the NEPAD Agency, as well as the real missions of the NEPAD Coordination Unit. In that connection, the Commission responded with a clarification to the Sub-Committee on the roles of each entity. The Commission departments' main responsibility is to focus on policies, while the NEPAD Agency concentrates on developing programmes, mobilizing resources and facilitating programmes and projects implementation. The NEPAD Coordination Unit serves as an interface between the departments of the Commission and the NEPAD Agency. The real mandate of the NEPAD Coordination Unit is to: (i) serve as an interface between the Commission and the NEPAD Agency, (ii) coordinate the process of integrating NEPAD into the structures and processes of the AU (iii) monitor NEPAD activities (iv) provide the Chairperson of the AU Commission with advisory support on issues relating to NEPAD activities and initiatives, and (v) provide support to the Chairperson of the AU Commission in his NEPAD Agency oversight role.

13. Furthermore, the Sub-Committee made observations on the matrix presented by the representative of the Coordination Unit. It invited the Unit to include in the matrix, a column on results achieved for each activity. It also requested the Unit to present, at the next Sub-Committee meeting, a plan of action with a six-month projection to enable it assess progress made by the NEPAD Coordination Unit in the implementation of its activities.

Recommendations

14. After deliberation, the Sub-Committee recommended as follows:

15. The terms of reference of the Coordination Unit should be adhered to strictly to make it a flexible and efficient interface between the AU Commission and the NEPAD Planning and Coordinating Agency.

16. The NEPAD Coordination Unit should, at the next meeting of the Sub-Committee, present a detailed plan of action with a six-month projection of activities and expected results to enable the Sub-Committee to assess progress made by the Coordination Unit in the implementation of its activities.

17. The African Union Commission should take all the necessary steps to fill the vacant positions in the NEPAD Coordinating Unit to enable it to fully and effectively carry out its aforementioned interface mission.

2. Follow-up on the recommendations of the last meeting of the PRC Sub-Committee on NEPAD

Presentation

18. The representative of the Coordination Unit made a presentation on the follow-up on the recommendations of the last meeting of the Sub-Committee. It became clear from

this presentation that all recommendations had been implemented. Concerning the planned working visit of members of the Sub-Committee to NEPAD Agency headquarters, the representative of the Unit informed the Sub-Committee that funds had been secured in the 2012 budget to enable this working visit to be effected. Regarding the recommendation on work plans harmonization between the Commission and the NEPAD Agency, the representative of the Coordination Unit informed the Sub-Committee that a harmonization meeting had been held at the Commission from 17 to 18 August 2011. At that meeting, six thematic groups were constituted and the process of programmes-harmonization between the Commission and the Agency was explained. With respect to the recommendation on the new organizational structure of the NEPAD Agency, the Sub-Committee was briefed on the adoption of the organizational structure by the PRC Sub-Committee on Reforms and Structures, following a review thereof in accordance with the recommendations of the PRC Sub-Committee on NEPAD. The Coordination Unit had also executed the recommendation of the Sub-Committee on the format of presentation of its activities by submitting, at that meeting of the Sub-Committee, a detailed matrix of the actions undertaken by the Coordination Unit for the period June - December 2011. Regarding the Sub-Committee's request to the NEPAD Agency for information in respect of the Agency's budget and NEPAD's achievements, for its own purposes as well as for the information of Heads of State and Government, the said request had been honoured by the NEPAD Agency which provided the Sub-Committee and Heads of State and Government with all the information details requested.

Summary of discussions

19. After thanking the representative of the NEPAD Coordinating Unit for the presentation, the Sub-Committee expressed satisfaction at the implementation of all recommendations it made at its last meeting on 31 May 2011.

20. On the organizational structure of the NEPAD Agency, the Sub-Committee expressed the need to have the final framework adopted by the PRC Sub-Committee on Reforms and Structures. To this end, the AU Commission presented a brief summary of the final organizational structure. The Commission informed the Sub-Committee that the number of departments had been reduced from the five (5) in the initial structure to three (3). Similarly, the number of positions had been reduced from the 256 originally proposed to 122. The Sub-Committee requested that recruitments into the positions be carried out on the basis of equitable criteria and regional representation.

21. The representative of NEPAD Agency informed the Sub-Committee that, during the absence of the Agency at the meeting of the Sub-Committee on Structures during which the final framework of the Agency's organizational structure was adopted, twelve (12) positions crucial to the Agency for the implementation of programmes had been deleted from the official structure. These were two (2) positions of Senior Programme Officer for Trade and Industry; two (2) positions of Senior Programme Officer for Rural Economy and Agriculture; two (2) positions of Senior Programme Officer for Economic Affairs; two (2) positions of Senior Programme Officer for Social Affairs; two (2) positions of Senior Programme Officer for Human Resources, Science and Technology; and two

(2) positions of Senior Programme Officer for Infrastructure and Energy. The positions were proposed for financing by development partners. The representative of the Agency therefore requested the Sub-Committee to undertake advocacy for the creation of the twelve (12) positions in question in the official structure with funding from Member States. The Sub-Committee took note of this request and promised to raise the matter at the next meeting of the PRC during consideration of the report of the Sub-Committee on Reforms and Structures. In this regard, the Sub-Committee asked the NEPAD Agency to provide it with all the arguments it needs to defend the incorporation of the said twelve (12) positions into the new structure of the Agency.

Recommendations

22. After discussion, the Sub-Committee recommended that:

- Recruitment into various positions in the NEPAD Planning and Coordinating Agency should be carried out on the basis of equitable criteria and regional representation.
- The issue of the twelve (12) positions raised by the NEPAD Agency should be considered if possible.

3. Information on the 17th Africa Partnership Forum held in Addis Ababa, Ethiopia, and the Fourth High Level Forum on Aid Effectiveness held in Busan, South Korea

Presentation

23. The representative of the Coordination Unit made a presentation on the conclusions of the 17th meeting of the Africa Partnership Forum and the Fourth High Level Forum on Aid Effectiveness held in Addis Ababa, Ethiopia, and in Busan, South Korea, respectively. This presentation was supplemented by those of the AU Commissioner for Economic Affairs, the NEPAD Agency and Rwanda.

24. Concerning the 17th meeting of the Africa Partnership Forum, the Sub-Committee was informed that the Forum had been held in Addis Ababa, Ethiopia, on 15 and 16 November 2011. In attendance were the personal representatives of the Heads of State and Government of the NEPAD initiating countries, Africa's major development partners, heads of regional and international organizations and private sector representatives. The Forum was in particular marked by the active participation of the private sector. The general theme was: "Promoting Economic Growth", with focus on how best to foster domestic and foreign investment and meet Africa's infrastructure needs. The Forum was co-chaired by Ethiopia, Equatorial Guinea, Finland and France, with the agenda covering four key items: regulatory framework and competitiveness; responsible investment; infrastructure and climate change. The meeting was also briefed by South Korea on the preparations for the Fourth High Level Forum on Aid Effectiveness scheduled to take place in Busan, South Korea, from 29 November to 1 December 2011.

25. The conclusions of the Forum were summarized in a joint declaration, the broad outlines of which were as follows:

26. With regard to Africa's achievements and its potential, the Forum noted that since 2000, Africa had turned its economic performance around. Indeed, despite the achievements in domestic resource mobilization, several challenges remain to be solved. The Forum therefore recognized the need to continue strengthening economic integration in the Regional Economic Communities in order to enhance Africa's growth potential.

27. As regards the regulatory framework, it was noted that, in recent years, the private sector had received increasing attention from African governments, which had instituted a series of reforms to improve industrial competitiveness and the business climate. Despite the numerous obstacles to be overcome, Africa was opening up and attempting to provide an enabling business environment. It was recognized that there was need to stimulate investment to enable Africa to move more rapidly towards achieving its goals in the areas of infrastructure and agriculture. However, the Forum also recognized the importance of focusing on investment quality as well as ways of maximizing their economic and social benefits, particularly in terms of job creation and empowerment of women.

28. The Forum reiterated the cardinal importance of infrastructure. Indeed, to improve competitiveness and sustain growth while accelerating social progress, it is essential to tackle infrastructure constraints, particularly in the areas of transport, energy, water and ICT. Africa had defined its priorities through the Programme for Infrastructure Development in Africa (PIDA). For the Forum, these priorities should be addressed at the African level with international support. Infrastructure development needs to be inclusive and should address the needs both of rural areas and the urban population. The Forum welcomed the work undertaken by different initiatives, especially that of the NEPAD-OECD Africa Investment Initiative.

29. The Forum stressed the need to accord Africa greater attention on the international development agenda given the changing international landscape arising from the increasing engagement of the G20 on development issues. It welcomed this development, particularly the work carried out recently by the G20 High Level Panel on Infrastructure and the Multilateral Development Banks' Action Plan. The Forum stressed that strong, sustainable and inclusive growth throughout Africa was necessary for the continent to achieve lasting development. At the same time, whilst Africa has made encouraging progress, it still had more to do than other regions to meet the Millennium Development Goals (MDGs); reason for which the Forum emphasized that addressing Africa's needs must be a core objective of the international development agenda within the G20.

30. It noted that, in the coming decades, tackling climate change would be inseparable from achieving sustainable development. Africa's contribution to this phenomenon was marginal whereas it was largely affected by climate change but had

limited adaptive capacity. However, it could contribute to the global solution through its vast potential renewable energy resources. The Forum also stressed the need to integrate climate change into development policies and strategies in Africa.

31. Regarding the Fourth High Level Forum on Aid Effectiveness held in Busan, South Korea, from 29 November to 1 December 2011, the Sub-Committee was informed that Africa was quantitatively and qualitatively represented.

32. The Fourth High Level Forum on Aid Effectiveness was a success both in terms of quality and the variety of participation. For the first time since Paris, the civil society and the private sector actively participated in the Forum, which was marked by the effective presence of some African Heads of State and Government, particularly His Excellency Paul Kagame, President of the Republic of Rwanda; His Excellency Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia; and the Vice President of the Republic of Burundi. It brought together representatives of government, regional and international organizations, the civil society, the private sector and the academia from over 150 countries across the world, developed and developing countries alike.

33. The final document of the Forum broadly reflects the common African position. It reaffirms the principles and values shared by the African Union and its NEPAD Programme, notably ownership of development priorities by developing countries, the move towards sustainable outcomes that meet the priority needs of developing countries, namely, reducing poverty and inequality as well as capacity building. The document also focuses on transparency and mutual accountability. It notes the problem of removing restrictions on aid that offers opportunities for business development, employment and income-generation in developing countries, and recognizes gender equality and empowerment of women as essential for concrete development. Emphasized also was the need to implement development programmes that focus on enhancing resilience to shocks and reducing the vulnerability of countries in difficult situations. The Busan final document strengthens the imperative need for transition from aid effectiveness to development effectiveness since aid is only part of the solution to the problem of development. It underscores the importance of South-South and North-South cooperation, highlights the key role played by international organizations in supporting the implementation of the global partnership at State level and, above all, undertakes to use national systems as the default approach for development cooperation programmes. It highlights the vital role of the private sector as an engine of growth; reason for which the parties made the commitment to improve the legal, regulatory and administrative framework needed to promote private investment and put in place a regulatory and policy framework conducive to private sector development and to combat corruption and illicit capital flows. The document notes the need to support policies and planning aimed at addressing climate change and promoting transparency, consistency and predictability of all approaches to climate funding.

34. The next steps should focus on actualizing this paradigm shift on the ground. The African Union should play a crucial role in the design of this new development cooperation architecture. The African Union through the NEPAD Agency will work

closely with the Working Party on Aid Effectiveness (WP-EFF), OECD and UNDP to ensure the effective implementation and efficient operation of this new global partnership.

Summary of discussions

35. With regard to the 17th Africa Partnership Forum, the Sub-Committee was informed of the request made by the partners regarding the participation of emerging countries, including China and India, in the Forum. The Sub-Committee wondered whether extending participation in the Forum to emerging countries would not end up diluting the commitments made by the traditional partners. The Sub-Committee also discussed the issue of effectiveness of the Partnership Forum. For the Sub-Committee, this platform is useful and should be utilized to achieve concrete outcomes from the commitments of partners.

36. The Sub-Committee expressed satisfaction at the quality of Africa's participation in the Fourth High Level Forum in Busan and the vital role played by His Excellency Paul Kagame, President of the Republic of Rwanda, His Excellency Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia and His Excellency Gervais Rufyikiri, Second Vice President of the Republic of Burundi. The Sub-Committee further commended the AU Commission and the NEPAD Agency for their crucial role in the preparations for the Fourth High Level Forum on Aid Effectiveness. Thanks to the proper preparation, Africa was able to speak with one voice. The Sub-Committee noted the usefulness of the African Platform for Development Effectiveness (APDev) as a tool for rapid achievement of common positions. The Sub-Committee was informed by Rwanda that His Excellency Paul Kagame, President of the Republic of Rwanda, would present the outcomes of the Fourth High Level Forum on Aid Effectiveness to the Assembly of the Union to be held in Addis Ababa, Ethiopia, in January 2012.

Recommendation

37. After deliberation, the Sub-Committee recommended that:

- The NEPAD Coordination Unit forward the necessary documentation on the African Platform for Development Effectiveness (APDev) to members of the Sub-Committee for information.

VI. ANY OTHER BUSINESS

38. No issue was raised under this item.

VII. CLOSING

39. The Chairperson thanked all members of the Sub-Committee, the AU Commission, the NEPAD Agency and the interpreters for their active participation and contribution to the success of the Fourth Meeting of the PRC Sub-Committee on

NEPAD. He, in particular, expressed gratitude to Sub-Committee members for participating actively and in large numbers in the meeting, and underscored the usefulness of the Sub-Committee meeting which, he said, helped to establish a meaningful link with the previous meeting. He expressed satisfaction that all the recommendations had been realized and that NEPAD's integration into AU structures and processes was slowly taking shape despite adjustments that have to be made at both the NEPAD Agency and the Coordinating Unit. He stated that at this second meeting which he had been honoured to chair, he had found that there had been progress in the process of integrating NEPAD into AU structures and processes.

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