

NEPAD Planning and Coordinating Agency

ANNUAL REPORT

2012



NEPAD Planning and Coordinating Agency
Agence de Planification et de Coordination du NEPAD

Transforming Africa

NEPAD ANNUAL REPORT 2012

Message from the Chief Executive Officer

I am pleased to submit the NEPAD Agency Annual Report for 2012. Throughout the year, most African countries continued to demonstrate remarkable resilience with fast economic growth despite the global economic slowdown. This is a demonstration of Africa's capacity to resist external shocks. However, we need to pursue our efforts to ensure that economic growth is inclusive and results in sustainable job creation.

As we embark into the second decade of NEPAD implementation, the key challenge for the NEPAD Agency will be to promote inclusiveness in its programmes. Economic growth that is not inclusive cannot be sustained. All development efforts on the continent must be geared towards creating the opportunities for impoverished households to raise their living standards and enabling citizens to chart their own prosperous future.

The NEPAD Agency Annual Report 2012 highlights the importance of exploring innovative approaches in sustainably addressing Africa's development challenges and implementing strong policy frameworks to strengthen our partnerships and establish new ones.

Across Africa's priority programmes, steady progress is being made in creating the conditions for achieving sustainable results in transforming the continent, through the committed action of countries and regions and with the invaluable support of our partners. We must build on this momentum. We need our partners to continue to move with us and align their policies with ours. But we also need our countries and regions to take full ownership and leadership in implementing the transformation process. We must step up efforts to mobilise our resources, skills and knowledge, and make the changes that will support the achievement of our commonly defined future.

As we continue to work towards an integrated and transformed Africa, the year 2012 marked a milestone moment in strengthening the NEPAD Agency's institutional capacity to deliver on its mandate. In July 2012, the AU

Executive Council approved a new structure for the NEPAD Agency. Within this structure, 94 positions will be filled over a period of 5 years (2012-2016). This has gone a long way toward building a solid Agency, responsive to our continent's needs, and well positioned to take advantage arising opportunities, propose innovative approaches to tackle issues and provide knowledge to its stakeholders.

I take this opportunity to express my deepest appreciation to the NEPAD Agency staff for the constant commitment demonstrated over the past years. I would also like to express my profound gratitude to the NEPAD Heads of State and Government Orientation Committee (HSGOC) and Steering Committee for their continuous support.

Thank you,

Dr. Ibrahim Assane Mayaki



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Abbreviations and Acronyms

ABNE	African Biosafety Network of Expertise	IFDC	International Fertilizer Development Center
ACBF	African Capacity Building Foundation	HKI	Hellen Keller International
AFAP	African Fertiliser and Agribusiness Partnership	HSGOC	NEPAD Heads of State and Government Orientation Committee
AfDB	African Development Bank	MDG	Millennium Development Goal
AGMARK	Agricultural Market Development Trust	MIP	Minimum Integration Programme
AGRA	Alliance for a Green Revolution in Africa	NEPAD	New Partnership for Africa's Development
AGRF	Africa Green Revolution Forum	NPCA	NEPAD Planning and Coordinating Agency
AMRH	African Medicines Regulatory Harmonization initiative	NSTIH	NEPAD Science and Technology Innovation Hub
AMV	African Mining Vision	PAF	Partnership for African Fisheries
APDev	Africa Platform for Development Effectiveness	PAP	Pan-African Parliament
AAS	African Academy of Sciences	PCD	Partnership for Child Development
ASTII	African Science, Technology and Innovation Indicators	PIDA	Programme for Infrastructure Development in Africa
ATVET	Agriculture Technical and Vocational Education and Training	PRC	Permanent Representative Committee
AU	African Union	REC	Regional Economic Community
AUC	African Union Commission	SADC	Southern African Development Community
AVRDC	Asian Vegetable Research and Development Centre	SE4ALL	Sustainable Energy for All Initiative
BIAWE	Business Incubator for African Women Entrepreneurs	Sida	Swedish International Development Cooperation Agency
BMGF	Bill & Melinda Gates Foundation	SME	Small and Medium Enterprises
CAADP	Comprehensive Africa Agriculture Development Programme	SSDI	South Sudan Development Initiative
CAMFA	Conference of African Ministers of Fisheries and Aquacultures	SUN	Scale-Up Nutrition
CHAI	Clinton Health Access Initiative	SWLM	Sustainable Land and Water Management
COREP	Fisheries Commission for the Gulf of Guinea	UEMOA	Economic Community of West African States
COMESA	Common Market for Eastern and Southern Africa	UNAIDS	Joint United Nations Programme on HIV/AIDS
CPA	Consolidated Plan of Action	UNDP	United Nations Development Programme
CSDF	Capacity Development Strategic Framework	UNECA	United Nations Economic Commission for Africa
CSIF	Country Strategic Investment Framework	UNEP	United Nations Environment Programme
CTA	Technical Centre for Agricultural and Rural Cooperation	UNEP-SIP	UNEP Strategic Investment Programme
EAC	East African Community	UNESCO	United Nations Educational, Scientific and Cultural Organization
EAP	AU-NEPAD Environment Action Plan	UNICEF	United Nations Children's Fund
ECCAS	Economic Community of Central African States	UNU-MERIT	United Nations University - Maastricht Economic and Social Research Institute on Innovation and Technology
ECOWAS	Economic Community Of West African States	USAID	United States Agency for International Development
FAO	Food and Agriculture Organization of the United Nations	WB	World Bank
GAIN	Global Alliance for Improved Nutrition	WFP	World Food Programme
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit	WHO	World Health Organisation
GlobalHort	Global Horticulture Initiative	WWF	World Wide Fund for Nature
GGW	Great Green Wall		
IAIDA	Institutional Architecture for Infrastructure Development in Africa		
ICANN	Internet Corporation for Assigned Names and Numbers		
ICT	Information and Communication Technology		
IFA	International Fertilizer Industry Association		
IFAD	International Fund for Agricultural Development		



NEPAD: the Programme and the Planning & Coordinating Agency- an overview

As a blueprint for the continent's development in the 21st century, the **NEPAD programme** is about transforming Africa. Adopted at the highest political level of the African Union in 2001, the NEPAD agenda calls for adapted reforms in the priority areas of agriculture and food security, regional integration and infrastructure, climate change and environment, human development, as well as capacity development and women empowerment.

Established in 2010, the **NEPAD Planning and Coordinating Agency** plays a facilitating role in mobilising resources, partners and knowledge in support of Africa's priority programmes.

Quick Facts

SECOND DECADE OF NEPAD IMPLEMENTATION

NEPAD Agency as the institutional vehicle for implementing the AU-NEPAD development agenda

- From Secretariat to Agency: a legal identity within the AU family
- Results orientation: structural reorganisation from a sector-based approach to programmatic and thematic activities
- Alignment with the AU Strategy 2010-2015

July 2012

Approval of the operating structure of NEPAD Agency as an AU organ

Addis Ababa 2010

NEPAD Planning and Coordinating Agency established as the technical body of the AU

Maputo 2003

Resolution to integrate NEPAD into AU structures and processes

Lusaka 2001 & Durban 2002

Adoption and endorsement of NEPAD as AU's flagship socio-economic development programme

FIRST 10 YEARS OF NEPAD

Mandate

- Facilitate and coordinate the implementation of continental and regional priority programmes and projects;
- Mobilise resources and partners in support of the implementation of Africa's priority programmes and projects;
- Conduct and coordinate research and knowledge management;
- Monitor and evaluate the implementation of programmes and projects;
- Advocate on the AU and NEPAD vision, mission and core principles/values.

PART I: LOOKING BACK – 2012 IN REVIEW

Africa today requires transformation. More than achieving economic growth and eradicating poverty, the continent's future rests in concretising an inclusive development model for the benefit of all African citizens and for generations to come.

In response to this challenge, African Heads of State and Government adopted the New Partnership for Africa's Development (NEPAD) as the continent's vision and strategic framework for political and socio-economic transformation. The NEPAD Programme offers a holistic and integrated approach for sustainable socio-economic development on the continent, with a focus on the priority areas of Agriculture and Food Security, Climate Change and Natural Resource Management, Regional Integration and Infrastructure, Human Development, as well as the cross-cutting objectives of Gender Empowerment and Capacity Development.



Ending Hunger in Africa

Seventy percent of Africa's population live in rural areas and rely on agriculture for their livelihood. However, the agrarian systems are generally weak and unproductive. In addition to external setbacks such as climatic uncertainty, biases in economic policy and instability in world commodity prices, these systems have held back agricultural supply and incomes in the rural areas, perpetuating poverty in the process.

NEPAD's Agriculture, Food and Nutrition Security Programme focuses on helping African countries improve economic growth through agriculture-led development. Specifically, the NEPAD Agency aims to ensure that smallholder farmers – the majority of Africa's farmers – get better access to markets, finance and technical support, in order to improve agriculture productivity, strengthen agro-processing and thereby increase incomes.

The Comprehensive Africa Agriculture Development Programme (CAADP)

The Comprehensive Africa Agriculture Development Programme (CAADP) framework, endorsed by the AU, guides NEPAD's agricultural programme. It is geared towards unleashing growth in the sector and contributing to overall sustainable development on the continent. Specifically, CAADP aims to stimulate and facilitate increased agricultural performance through improvements in policy and institutional environment, access to improved technologies and information, and increased investment financing.

In line with its role in implementing CAADP (see Figure 1), the NEPAD Agency focuses on supporting member states and regional institutions to strengthen the quality of country compacts and investment plans. It also works to strengthen implementation capacity by facilitating access to knowledge, information and analytical capacity, fostering inclusive planning and policy design processes and brokering technical and financing partnerships.

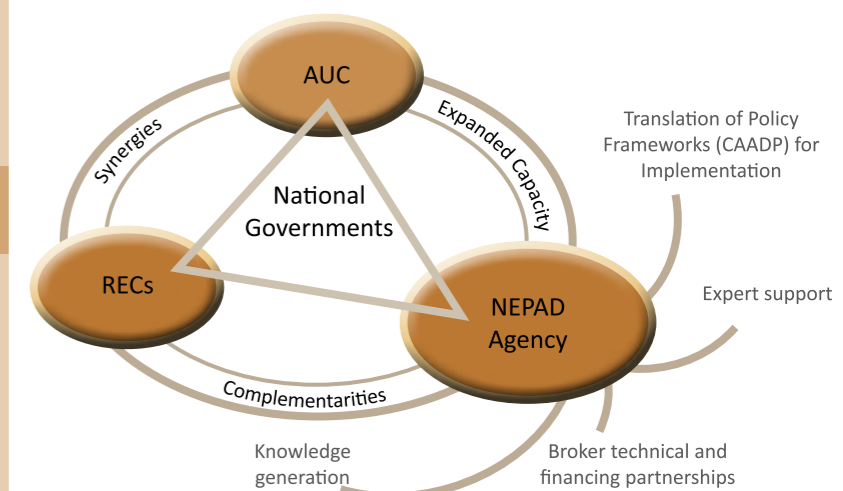
Under CAADP, African countries are aiming to:

- Raise agricultural productivity to at least 6% annually;
- Commit at least 10% of their national budgets to agriculture.

The programme is premised on four pillars, each one dealing with different key issues:

- Sustainable land and reliable water control systems;
- Private sector development, rural infrastructure, improved trade and market access;
- Increasing food supply and eliminating hunger; and
- Agricultural research and dissemination of agricultural technology.

Figure 1: The NEPAD Agency's role in CAADP implementation



CAADP's main achievements in 2012 are as follows:

Mobilising private sector financing for agriculture: building on efforts carried out since 2010, and under the Grow Africa Initiative, the NEPAD Agency, in collaboration with the African Union Commission and the World Economic Forum, supported member states' capacity to formulate business-oriented agricultural investment plans and programmes. The NEPAD Agency further facilitated engagement and dialogue between public and private stakeholders through the country CAADP implementation process and Grow Africa, thereby enhancing public-private business agreements and alliances. Under the Grow Africa Initiative, 40 to 50 major companies committed themselves to the tune of USD 1 billion, for the first group of 7 volunteer countries (Tanzania, Mozambique, Ethiopia, Ghana, Burkina Faso, Rwanda and Kenya).

Fostering political ownership and leadership for CAADP: the NEPAD Agency launched a series of high-level retreats for senior government officials and ministers. As a demand-driven and on-going initiative, the retreats have helped mobilise and stimulate political commitment for CAADP implementation at country level, as well as inter-ministerial collaboration and coordination. CAADP implementation retreats involving Permanent Secretaries and Ministers were held in Botswana, the Seychelles and Swaziland. More are planned for 2013.

Knowledge generation: as CAADP marks its tenth year in 2013, the NEPAD Agency has initiated a process with the AUC to draw lessons from the first decade of implementation and identify the results to be achieved in the next 5 and 10 years. A series of political and technical engagements took place to define a strategy for sustaining CAADP momentum. Priorities include strengthening of policy, institutions and local leadership, support for knowledge and learning, as well as for increased financing and investment in agriculture.

Strengthening the CAADP partnership base: in 2012, the NEPAD Agency, the AUC and RECs stepped up efforts to enhance coordination and harmonisation of CAADP implementation activities. A common results framework was developed and is being adapted to each institution. By the same token, an exercise to review and streamline the architecture of CAADP partnerships has also been initiated for more effective results.

In the pipeline:

Rural Futures Programme: the NEPAD Agency is stepping up efforts in implementing its programme to promote rural transformation. The Programme's delivery strategy has been developed, while best practices of integrated approaches to rural transformation are also being documented. Key partners include: UNECA, IFAD, CTA, WFP, WWF.

Agribusiness and market access programme: the programme aims to raise household incomes among smallholder farmers through the promotion of favourable trade in agricultural commodities. The Agency is working to strengthen engagements with the private sector, and coordinate the various regional and continental post-harvest and agribusiness initiatives. In this view:

A strategy was designed to promote greater investment, public spending and partnerships with the private sector;

A 3-year regional project for SADC was developed with the NEPAD e-Africa programme, the Agricultural Commodity Exchange for Africa and Connect Africa to enhance smallholder access to agriculture credit and markets, and strengthen sub-national capacities in post-harvest management.

Increased investment in and the use of scientific knowledge in agricultural productivity: The NEPAD Agency has initiated a process towards strengthening agricultural research and development in Africa, including through the establishment of a Science Agenda for CAADP. Furthermore, the framework for the Agriculture Technical and Vocational Education and Training (ATVET) initiative has been developed with financial support from GIZ. ATVET aims to develop the skills of farmers and service providers across the value chain to better respond to the continent's productivity needs. The framework will be piloted in Ghana and Kenya.

Reforming African fisheries governance and trade for sustainability

The fisheries sub-sector has a key role in achieving the 6% growth target set under CAADP. However, inappropriate policies and inadequate governance mechanisms for managing the sub-sector have hampered its potential to contribute sustainably to food and nutrition security, or boost incomes through increased trade.

The NEPAD Agency's International Partnership for African Fisheries Governance and Trade (PAF) programme works to support African countries to consider and implement policies and governance reforms aimed at improving the productivity, profitability and sustainability of Africa's fisheries and the welfare benefits provided by this sector.

In 2012, PAF successfully:

Mobilised partners and expanded the funding base for the programme by setting up the Special Purpose Vehicle as a basket fund to pool funding from a range of donors and partners. In addition, the Impact Investment Fund for SMEs in African Fisheries and Aquaculture was established to enhance investment financing for small and medium enterprises in Africa;

Strengthened coordination with the AUC, RECs, regional fisheries bodies and development partners through the African Fisheries Coherence Mechanism;

Established a Think Tank Unit to facilitate research and stakeholder policy dialogue. Think Tank activities included: determining the economic value of national fisheries resources for the 7 coastal states of ECCAS, as well as the governance reforms and institutions required to realise the wealth-generating potential of their national fisheries resources; determining the impact of eco-labelling (or market-driven mechanisms) on fisheries management in Africa; validating the preliminary version of the Pan-African Fisheries Policy Framework & Reform Strategy;

Fostered alignment and harmonisation between UN-led regional fisheries bodies and RECs. PAF has supported the Fisheries Commission for the Gulf of Guinea (COREP) in the ECCAS region to be adapted as a technical arm of ECCAS, responsible for fisheries;

Strengthened regional and national capacity for fisheries in COMESA: a Memorandum of Understanding was concluded with COMESA, formalising a partnership to support the formulation of national fisheries investment plans in member states, within the framework of CADDP.

*In the pipeline:*

Joint AUC-NPCA Think Tank events will be conducted to (i) scientifically determine the impact of climate change on African fisheries; (ii) determine the strategy to enhance the transfer of Egyptian aquaculture technology to other African countries; and (iii) validate the final version of the Pan-African fisheries Policy Framework & Reform Strategy. The Pan-African Fisheries Policy and Reform Strategy will be presented to the second Conference of African Ministers of Fisheries and Aquaculture (CAMFA), in February 2014;

The successful **alignment model** experienced in the ECCAS region will be expanded to other RECs, starting with ECOWAS;

Fisheries Improvement Projects (FIPs) will be implemented in a number of countries in order to (i) assess the impact of reforms on productivity, sustainability and profitability of fisheries; (ii) demonstrate the impact of governance reforms on improved fisheries ecosystems, health and livelihoods of fishing communities; (iii) contribute to the CAADP Momentum; and (iv) generate lessons for the rural transformation agenda (Rural Futures) by involving rural communities in domestic and global high-end fish markets.

About 200 million people (30 % of the continent's population) eat fish as their main source of animal protein and micro-nutrition.

On average, fish constitutes over 21% of daily protein intake for the region's population, and is the cheapest source of animal protein on the continent.

Fisheries provide livelihoods for over 10 million Africans, many of whom are small-scale operators.

In spite of its enormous fisheries resources, Africa's annual fisheries production represents about 7% of world fisheries production and contributes at least \$10 billion dollars to African economies every year.

Aquaculture supplies around 2% of fish production in Africa. Worldwide aquaculture contributes 47% of total fish production.

Africa is responsible for 22.9% of the world production of continental fisheries.

Fish exports from Africa are some 19% of total agricultural volumes, but represent only 5 % of total value.

Towards a food and nutrition secure Africa

In achieving sustainable and inclusive transformation, Africa must ensure that increases in its agricultural productivity contribute to the food and nutrition security of its people. However, the continent's agricultural sector does not sufficiently influence desired nutrition outcomes as yet.

The NEPAD Agency's Food and Nutrition Security Programme aims to improve the food and nutritional impact of CAADP agricultural investment plans and promote a multi sectoral approach.

In 2012, the main achievements of the Food and Nutrition Security Programme include:

Mobilisation of policy-makers, stakeholders and partners' commitments towards Ensuring Access to Safe and Nutritious Food at the Africa Day for Food and Nutrition Security, held in Addis Ababa on 31 October 2012;

Completion of three case studies in Southern Africa (Botswana, Namibia and South Africa) to mobilise government support and inform the design and implementation of Home-Grown School Feeding programmes in these countries¹. 5 countries are currently implementing such programmes (Côte d'Ivoire, Ghana, Kenya, Mali and Nigeria) and several others have requested technical support for the same;

Taking forward the Scale-Up Nutrition (SUN) global movement, through the membership of NEPAD Agency in the SUN Lead Group, and its role as one of the three Country Network facilitators;

Measuring the Cost of Hunger in Africa: a socio-economic quantification study on child under-nutrition was completed in respect of 4 countries (Egypt, Ethiopia, Swaziland and Uganda). The overarching objective of the multi-country study led by the AUC, UNECA, WFP and the NEPAD Agency is to catalyse coordinated action and inform the design of nutrition-oriented policy frameworks and programmes, with more investments to eradicate child undernutrition on the continent.

¹ The Home Grown School Feeding Programme links school feeding to local agricultural development within the framework of CAADP. It provides support to AU member states to transition from externally funded to government owned school feeding programmes. Case studies to inform the design of cost-effective and sustainable national school feeding programmes have already been conducted in East and West Africa.

Key partners: UNECA, FAO, WHO, UNICEF, PCD, WFP, BMGF, World Bank, GAIN, USAID, Irish Aid, HKI, GlobalHort, AVRDC- The World Vegetable Center, Save the Children, World Vision.

In the pipeline:

Publication of a **compendium of case studies** on school feeding programmes to help governments develop and implement cost effective, sustainable national school feeding programmes;

Linking bio energy to food security: the NEPAD Agency is formulating a strategy to promote sustainable bio energy that is supportive of and consistent with advancing food security on the continent;

Developing an accountability mechanism to monitor and sustainably address malnutrition in Africa: the NEPAD Agency is developing a scorecard and working on a comprehensive Africa Annual Report on Food and Nutrition Security.

Inclusion of an additional 8 countries on the **Cost of Hunger in Africa Study**.



Improving access to and use of fertilisers

The NEPAD Agency's Fertiliser Support Programme was developed to monitor and promote the implementation of the *Abuja Declaration on Fertilisers for an African Green Revolution*. The Abuja Declaration calls for a substantial increase in the use of fertiliser in Africa by 2015. The declaration outlines a set of concrete actions to improve the accessibility, affordability and quality of fertilizers available to African farmers. The NEPAD Fertiliser Programme provides technical assistance and advocacy support to countries and RECs for the implementation of the Abuja Declaration.

The Programme's key interventions in 2012 include:

Technical and financial resources to strengthen countries' capacities in data collection and dissemination of good practices. Progress reports on the implementation of the Abuja Declaration have been made available through the dedicated website www.africafertiliser.org;

Support for evidence-based policy-making: two policy papers were produced to inform agricultural policy decision-making on fertiliser issues – A policy study on *Practices and Policy Options for the Improved Design and Implementation of Fertiliser Subsidy Programmes in Sub-Saharan Africa* covering 8 countries, and a policy brief on *Building an enabling environment for fertiliser sector growth* was published in collaboration with USAID and the African Fertiliser and Agribusiness Partnership (AFAP). A strategy was also developed for the integration of fertiliser issues in the CAADP-based national agriculture investment plans;

Promoting the development of private sector-led fertiliser markets in Africa: the NEPAD Agency signed a Memorandum of Understanding with AFAP to promote a more conducive environment for private sector engagement and investment in the fertiliser sub-sector. The NEPAD Agency's role in the partnership will be to lead the policy component. The Agency also collaborated with UNDP's Africa Facility for Inclusive Markets project to develop a strategy to enhance CAADP investment plans to attract private sector investment.

Key partners: AGRA, AfDB, IFDC, FAO, IFA, USAID, AGMARK

In the pipeline:

Two studies will be carried out in 2013: (i) a study on an enabling environment for the fertiliser sector, with a focus on public-private partnerships; (ii) a study on the status and challenges in innovative financing mechanisms for fertiliser;

A **regional platform on innovative financing** for fertiliser interventions in Africa is planned for 2013.



Fostering sustainable land and water management in Africa

TerrAfrica is a regional initiative to support African countries in developing harmonised and programme-based initiatives in the areas of sustainable land and water management (SLWM). It also works to improve coordination between African governments, the international development community and other global and regional stakeholders. The programme, by design, contributes to realising the objectives of CAADP and the Action Plan of the NEPAD Environment Initiative.

In 2012, the NEPAD Agency, as the host of the TerrAfrica Secretariat, focused its efforts on:

Technical support to Burkina Faso, Burundi and Lesotho for cost-benefit analyses, as well as coordination of the formulation and implementation of the Country Strategic Investment Framework (CSIF) on SLWM;

Civil society engagement: 12 civil society organisations in francophone countries embarked on a process to identify and document best practices in sustainable land management, after undergoing a needs-based training programme on SLM and Climate Change;

Regional capacities for SLWM: The NEPAD Agency facilitated the mobilisation of USD 226,000 under the UNEP-Strategic Investment Programme, to support the harmonisation of indicators for the monitoring and evaluation of SLWM in ECCAS and COMESA. Preparatory work for the same was also undertaken by ECOWAS. A training programme on SLM towards Climate change was also organised in partnership with the World Bank Institute for the benefit of the COMESA Secretariat and 12 member states.



Sustaining our environment

Africa's environment continues to be threatened by the dynamics of an 'ever changing' world. Climate change, fast-growing populations, and expanding agricultural and industrial activities are among the major factors placing pressure on the continent's finite resources.

Working closely with African countries and Regional Economic Communities, as well as bilateral and multilateral partners, the NEPAD Agency aims to create a framework conducive to addressing Africa's short term economic growth challenges, without undermining long-term environmental and social development imperatives.

Updating Africa's framework for sustainable environment

The NEPAD Environment Initiative is a sub-programme of the Climate Change and Natural Resources Programme. Its implementation is guided by the 2003 AU-NEPAD Environment Action Plan (EAP), providing Africa with the opportunity to develop African responses to safeguard its environment and natural resources.

While 2012 marked the 20th anniversary of the Rio Conventions on Biodiversity, Climate Change and Desertification, 2013 will mark a decade of implementation of the EAP. In this view, the NEPAD Agency initiated a review of the Action Plan, so as to take stock of progress made in implementing the EAP and to reappraise the Plan in the light of Africa's position for Rio+20 and its broader outcomes. The review process was carried out in close collaboration with the AUC and African Environment Ministers.

Promoting good governance of Africa's natural resources

The NEPAD Natural Resources Governance Programme aims to support African countries in developing policies to maximise the benefits they can achieve from their natural resource wealth. The Programme operates within the framework of the African Mining Vision (AMV) and builds on the precepts of the Natural Resource Charter².

In 2012, the NEPAD Agency focused its efforts on mobilising support and resources for the programme, with a focus on Uganda and Tanzania.

² See <http://naturalresourcecharter.org/>

Addressing drought and desertification

The Great Green Wall (GGW) is a project developed by the African Union to face desertification in the South of the Sahara. The project, involving 11 African countries, aims to reforest 15 million hectares along a 15 km-wide, 7,775 km-long belt, from Dakar to Djibouti.

In support of the initiative and taking forward the partnership with the Pan-African GGW Agency, the NEPAD Agency in 2012:

Developed an **intervention strategy** to promote harmonised implementation of the multi-country initiative;

Identified and engaged with the **national focal point persons** in the 11 African countries involved in the Great Green Wall Initiative;

Facilitated the **development of field projects**, in partnership with Senegal.

In the pipeline:

Gender and Climate-Smart Agricultural programme (GCASP): National consultations were carried out in Cameroon, Ethiopia, Malawi, Niger and Rwanda to inform the design and implementation of the GCASP, with the support of the Government of Norway.

Integrating Africa

Most African countries are small, both in terms of population and per capita incomes. Owing to limited markets, they do not offer attractive returns to potential investors. At the same time, progress in diversifying production and exports is hindered.

The NEPAD Programme encourages regional co-operation as a means of building mutually beneficial infrastructure and strengthening countries' ability to trade and establish regional value-chains for increased competitiveness.



Bridging Africa's infrastructure gap

2012 was a turning point for African efforts in improving regional and continental infrastructure. The Programme for Infrastructure Development in Africa (PIDA) was approved at the January Assembly of the African Union, prioritising the continent's infrastructure development programmes until 2040. The Assembly also approved the proposed Institutional Architecture for Infrastructure Development in Africa (IAIDA), to reinforce institutional capacities and facilitate resource mobilisation (see Box 1).

The endorsement of PIDA, at the highest levels of the AU, was made possible through the close collaboration between the AUC, the NEPAD Agency and the African Development Bank, in developing the Report and briefing document, as well as the Implementation and Monitoring Framework for PIDA in the run-up to the January 2012 Summit.

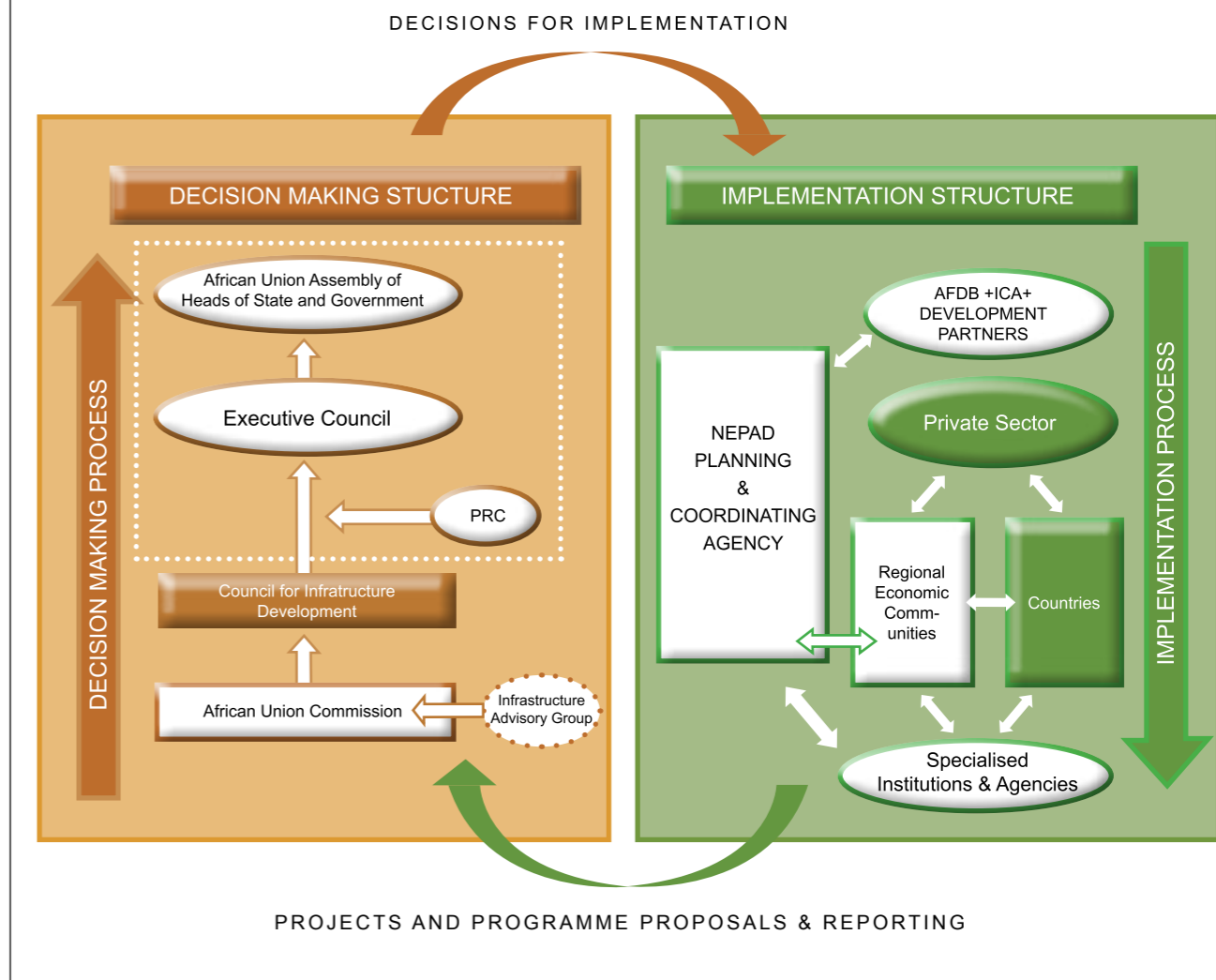
Box 1: Africa's priority programmes and implementation strategy for infrastructure

The Programme for Infrastructure Development in Africa (PIDA)

As the unique strategic and sectoral framework to accelerate physical integration of the continent, PIDA promotes the development of infrastructure projects in the areas of transport, energy, information and telecommunications technologies, as well as trans-boundary water. In order to boost intra-African trade and raise African competitiveness in the global economy, the programme sets out short-term goals to be achieved by 2020, medium-term goals to be achieved by 2030 and long term goals by 2040. Its implementation is a collective effort coordinated by the AUC/NEPAD Agency and involving African institutions and organisations at national, regional and continental level, as well as development partners.

The Institutional Architecture for Infrastructure Development in Africa (IAIDA)

The PIDA implementation process is grounded in the Institutional Architecture for Infrastructure Development in Africa (IAIDA), defining the implementation and resource mobilisation strategy for PIDA. Based on IAIDA, the continental bodies (AUC, NEPAD Agency) will focus on monitoring and advocacy of the implementation process at the continental level. At the project level, implementation progress will be monitored by RECs according to individual sector arrangements. The RECs have a key responsibility in ensuring the harmonisation and implementation of "soft" policy measures across countries. They will also inform the continental bodies responsible for keeping policy makers and Heads of State and Government informed of overall progress.



Setting the stage for PIDA implementation

As the executing agency of PIDA, the NEPAD Agency is responsible for facilitating and coordinating the implementation of all the PIDA priority programmes and projects captured in the Priority Action Plan (PAP).

The following measures were taken, during 2012, in support of this role:

Formulation of a Capacity Development Strategy as the framework for PIDA implementation for RECs and national institutions;

Recruitment of Technical Advisers for each of the 8 RECs, with funding support from GIZ and UNECA;

Identification of a PIDA Implementation Road Map for 2012-2013, clarifying roles, responsibilities and deliverables for the different actors involved, including a “Road Show” to sensitise all PIDA stakeholders to the Agency’s mandate and to the role of the different institutions involved;

Mobilising the World Economic Forum (WEF) Business Working Group to promote an active role for the private sector in PIDA implementation, in partnership with AUC and AfDB.

In the pipeline

South Sudan Development Initiative (SSDI): The NEPAD Agency has led support to the Government of the Republic of South Sudan in its strategic planning and resource mobilisation efforts for infrastructure, agriculture investments and public sector capacity development. A validation workshop and pledging conference for partners will take place in the first half of 2013.

Key partners: UNECA, UNDP, ACBF and the Government of Kenya.



Mobilising Africa’s leaders for infrastructure development

Within the framework of PIDA and in an effort to actualise the goals of the AU Minimum Integration Programme (MIP), the NEPAD Agency is coordinating and facilitating the implementation of projects identified under the Presidential Infrastructure Champion Initiative (PICI) launched in 2010.

The initiative comprises 8 regional projects drawn from the AU-NEPAD Africa Action Plan: 2010-2015 and spearheaded by 7 African governments (Algeria, Republic of Congo, Egypt, Nigeria, Rwanda, Senegal and South Africa), selected on the basis of criteria defined by the NEPAD HSGOC (see Box 2).

In 2012, the NEPAD Agency was instrumental in facilitating the identification of the specific project to be championed by Egypt in the area of water management, and river and rail transport. The project entails building a road across 5 countries (Burundi, Uganda, Kenya, South Sudan and Ethiopia).

Box 2: 8 projects to lead Africa’s integration

Algeria	Missing Links of the Trans-Sahara Highway
Algeria	Algeria-Niger-Nigeria Optic Fibre Project
Nigeria	Nigeria-Niger-Algeria Gas Pipeline (Trans-Sahara Gas Pipeline ‘TSGP’)
Rwanda	Unblocking ICT Broad Band and Optic Fibre project
Senegal	Dakar-Ndjam ena-Djibouti-Road/Rail Project
DRC	Kinshasa-Brazzaville Bridge Road and Rail Project
South Africa	North-South Corridor Road and Rail Project

Empowering Africans with Energy

The NEPAD Energy Programme strives to increase the African population’s access to energy, in order to drive economic growth and prosperity on the continent. The programme addresses issues of regional infrastructure and market development, efficient usage and utilisation of renewable energy resources, pertaining to all main sources of energy: electrical, renewable, oil and gas.

In 2012, the Energy Programme, with the support of its partners, played a critical mobilising, coordinating and facilitation role on two main fronts: championing Africa’s voice in the United Nation’s Sustainable Energy for All Initiative (SE4ALL) and promoting investment in sustainable bio energy.

Championing Africa’s voice in the SE4ALL initiative

The NEPAD Agency, through the Africa Platform for Development Effectiveness (APDev)³:

Secured the effective alignment of the SE4ALL implementation plan with Africa’s own priority Energy projects, as defined under the PIDA’s Priority Action Plan⁴;

Defined the Action Plan and terms of reference for the Coordination Hub established by Africa’s Energy ministers,ensuring political and technical ownership of the initiative;

Developed guidelines to support African countries in translating Africa’s SE4ALL Action Plan into bankable project proposals.

Key partners: AUC, RECs, AfDB, UNDP, through APDev.

³ For more information on APDev, see the section “Strengthening Africa’s Human and Institutional Capacity” or visit www.africa-platform.org

⁴ One of the long term objectives of PIDA is to ensure sustainable access to energy for all Africans by 2040. Careful coordination was therefore necessary to ensure that the SE4ALL initiative, whose global objectives are to be met by 2030, would effectively support and complement the achievement of PIDA’s energy goals.



Promoting investment in sustainable bio energy

The NEPAD Agency:

Mobilised business communities from East, West and Southern Africa to identify the needs and requirements for a greater engagement of the private sector in the field of bio energy;

Is leading the setting up of regional facilities to assist businesses translate their proposals into bankable projects,in response to identified needs.

Key partners: Business Climate Facility (EU), Agora 2000, Sogerom SA.





Making Africa digitally competitive

NEPAD's e-Africa Programme works to promote Africa as a globally competitive digital society by designing policies, strategies and projects at continental level for the development of information and communication technologies (ICT). The aim of the programme is to pursue cross-sector initiatives so that ICT is entrenched in all social sectors and e-services are developed.

In 2012, two of the major steps taken in the efforts to bridge Africa's digital divide were: the launch of the Africa Coast to Europe (ACE) submarine cable and mobilising African countries' support for the dotAfrica project.

Launch of the Africa Coast to Europe (ACE) submarine cable

As a major milestone in the implementation of the ICT Priority Action Programmes of PIDA, the first phase of the ACE submarine cable was launched at the end of 2012, stretching from Europe (France) through the West African coast to São Tomé & Príncipe.

This is a direct result of the NEPAD Agency's advocacy for greater alignment of the private sector-led project with Africa's ICT agenda. The scope of the project was expanded to include all African countries along the West coast, and its reach extended to the Southern tip of the continent, connecting 25 countries in total. In turn, this will facilitate and strengthen terrestrial connectivity throughout the continent, in particular for land-locked countries.

With the first segment of the ACE in place, 13 coastal countries in West Africa now benefit from ultra-high speed broadband connectivity to the undersea Fibre Optic Cable, of which 7 countries were previously not connected to any submarine cable.

Advocating for the continent's interests through the AU dotAfrica project

The African Union is championing an Internet presence for the African community of individuals and businesses. dotAfrica is the proposed name for the continent's generic Top Level Domain submitted to the Internet governance body, the Internet Corporation for Assigned Names and Numbers (ICANN). A decision on the attribution of the domain name will be taken in the first half of 2013.

In this view, and in close collaboration with the AUC, the NEPAD Agency:

Raised awareness of AU member states on the importance of an AU-led and coordinated process to establish Africa's presence, visibility, identity and effective participation in the continuous development of the Internet;

Mobilised African countries' support for the AU-endorsed application for dotAfrica, and object to the non-AU endorsed one;

Secured observer status on the Governmental Advisory Committee (GAC) of ICANN for a stronger and better coordinated African voice and position within the GAC.

In the pipeline:

Taking ICT to Africa's rural areas: the Community Informatics scoping study was successfully completed, and will inform the development of a framework and projects to better link all stakeholders working with ICTs for development in grassroots communities in Africa. The initial phase of the project focuses on agricultural and rural development.

Promoting investment for ICT terrestrial connectivity: the NEPAD Agency commissioned two regional studies for West and Central Africa, with the three-fold aim to produce bankable projects, map the regional broadband connectivity scene and identify gaps and bottlenecks in the establishment of regional cross-border networks. The studies will be completed in 2013.

Human Development

The resources, including capital, technology and human skills, that are required to launch a global war on poverty exist in abundance and are within Africa's reach. What is required is to mobilise these resources and to use them properly. This calls for a genuine commitment to sustained human development, as well as a global partnership based on shared responsibility and mutual interest.

In working towards greater economic growth and poverty eradication on the African continent, the NEPAD Programme takes an integrated approach to human development and links key areas including education, science and technology and healthcare.



From resource-based to innovation-led development

African leaders have recognised the major role of science and technology in the economic transformation and sustainable development of the continent. The 2005 Consolidated Plan of Action (CPA) articulates Africa's agenda in Science and Technology and aims to:

- (i) enable Africa to harness and apply science, technology and related innovations to eradicate poverty and achieve sustainable development; and
- (ii) ensure that Africa contributes to the global pool of scientific knowledge and technological innovations.

NEPAD works to increase innovation, encourage partnerships, facilitate knowledge sharing and improve the volume and quality of research and development (R&D).

In 2012, the NEPAD Agency established the Science and Technology Innovation Hub (NSTIH) to strengthen its ability to provide technical and intellectual leadership in implementing the CPA. The NSTIH will also serve to enhance the visibility, coordination and consolidation of science and technology programmes and projects within the organisation.

Embedding STI as an engine for Africa's transformation

In July 2012, the AUC Chairperson appointed a High-Level Panel on Science, Technology and Innovation to guide the Africa Science and Technology Consolidated Plan of Action (CPA) review process.

The aim of the review is to provide the continent with an updated 10-year strategic plan for STI (2014-2024).

The NEPAD Agency played a pivotal role as the secretariat for the CPA review, and as part of a multi-institutional working group comprising the AUC, UNECA, UNESCO, the African Academy of Sciences (AAS) and the International Council for Science – Regional Office for Africa (ICSU-ROA). The working group was established to provide technical and secretarial support to the High Level Panel. Under the guidance of the High Level Panel, the working group has developed a draft of Africa's Science Technology and Innovation (ASTI) Strategy 2014 – 2024. In realising the 10-year strategy vision, the NEPAD Agency will lead efforts to embed STI in all AU sectoral policy frameworks and mobilise resources for STI-led development.

The vision for the ASTI Strategy 2014-2024 is to set up a robust STI foundation for an integrated, prosperous and peaceful Africa. The mission of the strategy is to accelerate Africa's transition to an innovation-led, knowledge-based economy for sustainable growth and development through three strategic actions:

1. Help build infrastructure, by increasing engineering capacity, domestic materials and opportunities for learning;
2. Enhance technical competence, focusing on human and institutional capacity development for STI (advanced education and lifelong learning opportunities, research intensive tertiary education platforms, R&D facilities);
3. Enhance entrepreneurship, to stimulate effective innovation, technology transfer and commercialisation systems.



Developing Africa's capacities for R&D and innovation

The African Science, Technology and Innovation Indicators (ASTII) initiative is a flagship programme of the CPA. It aims to improve the quality of STI policies at national, regional and continental level by strengthening Africa's capacity to develop and use STI indicators.

The NEPAD Agency provides ASTII participating countries with financial resources and training activities on STI survey methodology. It also promotes the use of the African Innovation Outlook as a source for evidence-based policy and decision-making. Currently in its second phase (ASTII-2: 2010-2013), the programme has been implemented with the committed support of the Swedish International Development Cooperation Agency (Sida) since its launch in 2007.

Major achievements in 2012 include:

Increased participation and ownership: 28 countries are participating in ASTII-2, up from 19 under ASTII-1, 10 of which are funding their participation in full from their own national budgets. Several countries have also adapted their national policies in response to ASTII outcomes;

Regional engagements with ECOWAS, COMESA and SADC towards the incorporation of ASTII as a regional framework;

Facilitation of the establishment and operationalisation of the African Observatory on Science, Technology and Innovation (AOSTI) under the AUC, through technical back-stopping and alignment of activities;

Mobilisation of partners for ASTII implementation: MoUs established with the UNESCO Institute of Statistics, the Research Policy Institute (University of Lund, Sweden), UNU-MERIT, the Chinese Academy of Science and Technology Development (CASTED) and the South African Centre for Science, Technology and Innovation Indicators (CeSTII).

Improving Africa's populations' access to quality medicines

The regulatory agencies of the African Union's 55 member states currently operate independently. The African Medicines Regulatory Harmonisation (AMRH) initiative promotes the harmonisation of medicine regulation and investment in pharmaceutical production among African countries through the RECs. The AMRH Initiative thus provides a platform for the formation of regional medicines agencies and further lays the foundation for a single African Regulatory Agency.

2012 marked the beginning of the AMRH implementation phase with:

The **launch of the EAC project** on medicines registration harmonisation (MRH);

The **inauguration** of the continent-wide AMRH Advisory Committee;

The operationalisation of the **technical working group on regulatory capacity development** to streamline and align donor funded training programmes with Africa's own initiatives.

Key partners: AUC, PAP, WHO, World Bank, BMGF, DFID, CHAI, UNAIDS.

In the pipeline:

Medicine regulatory harmonisation programme for West Africa, in collaboration with the West Africa Health Organisation (WAHO) of ECOWAS and UEMOA;

Implementation of the AMRH Initiative in Central Africa, in collaboration with ECCAS and OCEAC (Organisation de Coordination pour la lutte contre les Endémies en Afrique Centrale, or Organisation for the Fight against Endemic Diseases in Central Africa) ;

Development of a Model Law for Medicines Regulation Harmonisation in Africa as part of the NEPAD Agency's efforts to spearhead medicines policy and regulatory reforms.



Providing evidence and training for informed decisions on agricultural biotechnology regulation

In facing the challenge of agricultural productivity, food and nutrition security, African countries are increasingly confronted with the need to adopt agricultural biotechnology tools, in meeting their food security needs, whether through cultivation and commercialisation purposes or food aid.

Under the African Biosciences Initiative of NEPAD Agency, the African Biosafety Network of Expertise (ABNE) provides up-to-date training, education, technical support and science-based information to African regulators to help countries make informed decisions on matters pertaining to agricultural biotechnology. ABNE was established in partnership with Michigan State University (MSU), with financial support from the Bill & Melinda Gates Foundation (BMGF).

In the course of 2012, ABNE has strengthened capacity in African countries by:

Facilitating a dialogue between policy-makers, scientists and regulators, for instance through a special side-event at the 2012 Africa Green Revolution Forum (AGRF) in Arusha, Tanzania;

Organising training workshops and **mutual learning** study tours for African biosafety regulators and policy makers. In 2012, ABNE trained over 350 regulators in the 10 focus countries (Burkina Faso, Ghana, Kenya, Malawi, Mali, Mozambique, Nigeria, Tanzania, Togo and Uganda). An information-sharing study tour was organised for Zambian regulators to visit facilities in Kenya, and a high-level delegation from Tanzania visited insect-resistant small-scale cotton farms in Burkina Faso;

Providing technical support to the biosafety offices in Mozambique and Ghana, as well as in the review and establishment of biosafety laws and regulations in Mozambique;

Working in collaboration with the RECs towards achieving regulatory harmonisation in the sub-regions, such as in ECOWAS, COMESA and SADC.

Improving frontline healthcare in Africa

Through its Nursing and Midwifery Education Project in Africa, the NEPAD Agency is collaborating with universities in Southern Africa to build health sciences curricula, research capacity and health-care training in the participating countries.

The first phase of the project saw the establishment of specialist health care programmes in Kenya, Tanzania, Rwanda, Mozambique and the Democratic Republic of Congo in the areas of community health nursing, maternal and child health, mental health care nursing, as well as critical care and trauma nursing.

To take these successes forward, a grant of USD1.5 million was received in 2011 from the Government of the People's Republic of China to support the implementation of the second phase of the Project. With a focus on the ECCAS region (Cameroon, Congo – Brazzaville and Gabon), the main objective of the project is to upgrade the educational qualifications of nurses and midwives to First and Master's degree level.

In 2012, the NEPAD Agency:

Secured ownership of the project through sustained engagement in the three participating countries identified by the ECCAS Secretariat, namely Cameroon, Congo – Brazzaville and Gabon;

Concluded Memoranda of Understanding with the participating countries in preparation for the launch of the programme in 2013;

Launched **multi-stakeholder consultation processes** towards developing curricula that respond to the needs of the countries involved;

Mobilised universities in Southern Africa which already offer training in nursing and midwifery to serve as mentors for the universities in Central Africa targeted in the programme;

Conceptualised a third Phase of the Project, which will see its implementation in 5 ECOWAS member countries in 2015.

Sustaining the development process (cross-cutting issues)

Empowering Women as key agents of Change

The NEPAD Gender Programme works to ensure gender equality and the empowerment of African women, in line with the AU Gender Policy and the themes of the African Women's Decade (AWD) as well as with other international and regional policies and frameworks.

Activities undertaken by the Gender Programme are twofold: implementation of the NEPAD/Spanish Fund for African Women Empowerment (see Box 3) and gender mainstreaming activities.

Box 3: The NEPAD/Spanish Fund for African Women Empowerment

The idea to set up the NEPAD/Spanish Fund emanates from the fundamental understanding that gender concerns and women's empowerment objectives must form an integral part of the development agenda if stakeholders are to make significant strides towards equitable and sustainable economic development. The Fund therefore aims to contribute to the acceleration of the achievement of the Millennium Development Goals, and MDG3 in particular.

The implementation of the Fund is done through a call for proposals and the establishment of Business Incubators for African Women Entrepreneurs.

To date, over 20,000 women and 2,000 men have benefited directly from the NEPAD Gender programme through skills enhancement, vocational training, awareness raising against gender based violence and HIV and AIDS, ITC, literacy, business, micro finance, employment, income generation and food security. At institutional level, the capacities of government institutions and civil society organisations have been strengthened to support local development.

The core focus areas of the Fund in the period 2012 to 2014 are: economic empowerment, institutional strengthening and civil society strengthening.

So far, the Government of Spain has provided EUR 20 million as financial resources for the Fund. The Fund is managed by the NEPAD Agency.

523

women and 85 men entrepreneurs have been trained in small business management.

32

new projects are being implemented in 30 countries, under the 2nd phase of the NEPAD/Spanish Fund Project.

Over 20,000

women and 2,000 men are direct beneficiaries of the Fund.

The NEPAD Spanish Fund provided support of EUR 1 million each to ECOWAS and COMESA to pilot the Business Incubator for African Woman Entrepreneurs (BIAWE) project in the regions.



Increased capacity for gender equality

Created in 2007, the NEPAD/Spanish Fund for African Women Empowerment contributes to the eradication of poverty and the economic empowerment of women through financial and technical assistance to projects that support gender equality and the improvement of women's economic, political and social empowerment.

In 2012:

The Fund provided **technical support** in monitoring on-going projects funded from the 1st Call for Proposals;

Three projects were completed, bringing the total number of completed projects to 38, while 6 projects are still undergoing implementation. Three projects have stalled due to political instability in the implementing countries, but efforts are on-going to re-start the projects;

A new set of 32 development projects were approved under the 2nd Call for Proposals, covering 30 countries costing EUR 8.4 million in total: 4 projects in Lusophone countries, 12 in Anglophone countries and 15 in Francophone countries.

Modernising women-owned enterprises

Under the Business Incubator for African Women Entrepreneurs (BIAWE) project, the ECOWAS Commission and COMESA Secretariat will receive EUR 1 million each to pilot support projects for African Women entrepreneurs. The initiative is financed by the NEPAD Agency, through the NEPAD/Spanish Fund.

In COMESA, the start-up activities focused on a feasibility study of the BIAWE model development as well as the institutional strengthening of COMESA and its implementing institution, the Federation of Women Entrepreneurs (FEMCOM).

Under BIAWE, 523 women and 85 men entrepreneurs have been trained in small business management.

Towards gender-responsive NEPAD programmes

The NPCA Gender Programme provides technical expertise to NEPAD programmes to help them develop gender responsive approaches in implementing continental policy frameworks.

In 2012, the Gender programme supported:

The **Programme for African Fisheries (PAF)**, which led to the provision of a practical framework that will allow the NEPAD FAO Fish Programme (NFFP) to adequately address gender issues;

The **Gender, Climate Smart and Agriculture project**, through technical and financial resources for the design of the project;

A **pilot programme on Gender mainstreaming in Water and Sanitation** for gender awareness policies and women's access to innovative jobs in the sector. The project is implemented by Water and Sanitation in Africa (WSA), a Pan African inter-governmental agency covering 22 countries in East, West, Southern and Central Africa.

Strengthening Africa's Human and Institutional Capacity

Much of Africa's inability to successfully implement key programmes stems from systemic capacity weaknesses at national, sub-regional and continental levels. Previous efforts and approaches to capacity 'building' have failed to significantly address the capacity challenges for transformative public policy design and implementation at African institutions.

This is why Africa is consciously making capacity development a key priority. Through its Capacity Development Programme, the NEPAD Agency works to enhance the human, institutional and knowledge-based capacity of African institutions. The programme's activities operationalise the AU-NEPAD Capacity Development Strategic Framework (CDSF) adopted in 2010 to address capacity development challenges on the continent.

Strengthening Africa's capacity for development effectiveness

Under the joint coordination of the AUC and the NEPAD Agency, the Africa Platform for Development Effectiveness (APDev) was launched in 2011. It is the continent's mechanism for policy consultation and coordination on the inter-related themes of Financing for Development, South-South Cooperation and Capacity Development.

The Platform also serves to strengthen Africa's position in global engagements, and to ensure that development partners' policies and the continent's own priorities are aligned and coherent (www.africa-platform.org).

Building on 2011 achievements, the NEPAD Agency in 2012:

Promoted the CDSF as Africa's reference and common approach to capacity development, through engagement at the national, sub-regional and continental levels;

Further strengthened APDev as a virtual continental knowledge repository and as a face-to-face Community of Practice (CoP), through regional policy dialogues and exchanges on development effectiveness issues;

Provided technical support to the country-driven processes concretising national and sub-regional ownership of APDev in Central and West Africa;

Mobilised, through APDev, 30 Countries in Central and West Africa for effective ownership of the mechanisms required to attain the Post-Busan Global Partnership commitments;

Supported the knowledge exchange function of Africa's response to the UN's Sustainable Energy for all Initiative (SE4ALL)⁵ through APDev as a mobilising mechanism.

In the pipeline:

Towards more effective programme delivery in the RECs: the design of the Capacity Development Support Programme for RECs was expanded in terms of coverage to the COMESA-EAC-SADC Tripartite arrangement, with a stronger emphasis on capacity for knowledge management and exchange, and engaging a broader group of partners. The programme will be fully implemented in 2013;

The maiden Africa Capacity Development Outlook (Africa-CDO) is being produced through the 150-member strong Capacity Development Expert Pool, anchor institutions and Capacity Development networks. The publication aims to provide a baseline assessment of the institutional capacities to translate policies and plans into concrete development results;

Various **knowledge products** are being published under the APDev Dialogue Series;

A **comprehensive case study library** is in the process of being set-up under APDev.

⁵ For more information on SE4ALL, see section on Integrating Africa.

PART II: THE NEPAD AGENCY IN 2012

Consolidating the NEPAD Agency

The NEPAD Agency is interested in how people's lives are improved through the implementation of AU-NEPAD priority development programmes. This is the ultimate measure of the Agency's success as an institution.

However, complexity characterises the value chain in AU-NEPAD priority programmes, and the role that each institution plays in the delivery of results should be recognised. From policy processes to implementation mechanisms, the AU-NEPAD programme requires the involvement and active participation of the African Union as the umbrella structure, the planning and coordinating role of the NEPAD Agency and the implementation responsibility of RECs and Member States.



Strengthening the delivery process within the AU system

Harmonising the working relationship with the AUC

The NEPAD Agency and AUC started working towards ensuring greater coherence, synergies and complementarity in delivering on Africa's transformation agenda. As a dynamic and on-going process, three harmonisation sessions (October 2009, July 2011 and March 2012) have taken place to date. These sessions helped to clearly identify roles and responsibilities in programme policy, design and execution, in an effort to facilitate the integration of NEPAD into AU structures and processes.

Building on the progress made through the 2009 and 2011 harmonisation sessions (see Box 4), the 2012 session focused on the rationalisation of budgeting. In doing so, the AUC and NEPAD Agency agreed to fully institutionalise the harmonisation process, to enable proper planning and the allocation of a dedicated budget.



Box 4: Clarifying roles and responsibilities between the AUC/NEPAD Agency

The first harmonisation session (October 2009) set the foundation for the provision of more coherent leadership to RECs, stakeholders and partners. The session served to clarify roles, identify joint engagement projects and open channels of engagement with the relevant counterparts in each institution.

The second session (July 2011) agreed on the principles of harmonisation. These include ensuring:

- Alignment of individual institutional strategic plans with AU goals and objectives;
- Agreement on common goals and programmes that form the basis of the joint plans;
- Coherence and complementarity in the implementation of continental programmes as an outcome of the harmonisation exercise; and
- Division of labour, based on the respective mandates of institutions, for the achievement of common AU goals and objectives (principle of similar but differentiated roles).

The 2011 meeting further agreed to a more sustained and systematic approach in harmonising programmes and projects between the two institutions. Clusters on selected areas were discussed as working mechanisms to facilitate the development of joint plans, programmes and activities, and to demonstrate coherence and cohesion in leading and implementing continental priorities.

In this line, the session confirmed the establishment of a number of Clusters, under which various institutional units and programmes could be accommodated. These are:

- Strategic Management
- Agriculture, Nutrition and Environment
- Economic Development
- Infrastructure
- Human Development
- Cross cutting issues

The critical outcome of the working sessions of these Clusters will determine the success of the harmonisation process. Joint work on the Long Term Plan for the African Union has already begun.

Enhanced coordination for NEPAD implementation

A Regional Dialogue was held in Durban, South Africa in June of 2012, aimed at strengthening the relationship and sharing of learning among these role players. Participants in the Dialogue included NEPAD focal points at national and sub-regional level, as well as representatives from the AUC, RECs, UN agencies, the private sector and partner institutions.

The Regional Dialogue was particularly beneficial in:

- Expanding and strengthening the **ownership** base and buy-in for NEPAD implementation;
- Establishing a **regular and inclusive consultative forum**, with a follow-up engagement in January 2013;
- Launching the preparation of **guidelines** on the Roles and Responsibilities of NEPAD Structures/Focal Points and a related Action Plan;
- Communication and advocacy** on the NEPAD agency, through the sharing of success stories.

Fostering a better understanding of the NEPAD Programme and Agency within AU structures

In 2012, the NEPAD Agency strengthened its outreach activities by engaging with the Permanent Representatives' Committee (PRC) of the AU. As the advisory body of the AU's Executive Council, the PRC considers the Programme and Budget of the African Union, as well as the administrative and financial matters of the AU Commission.

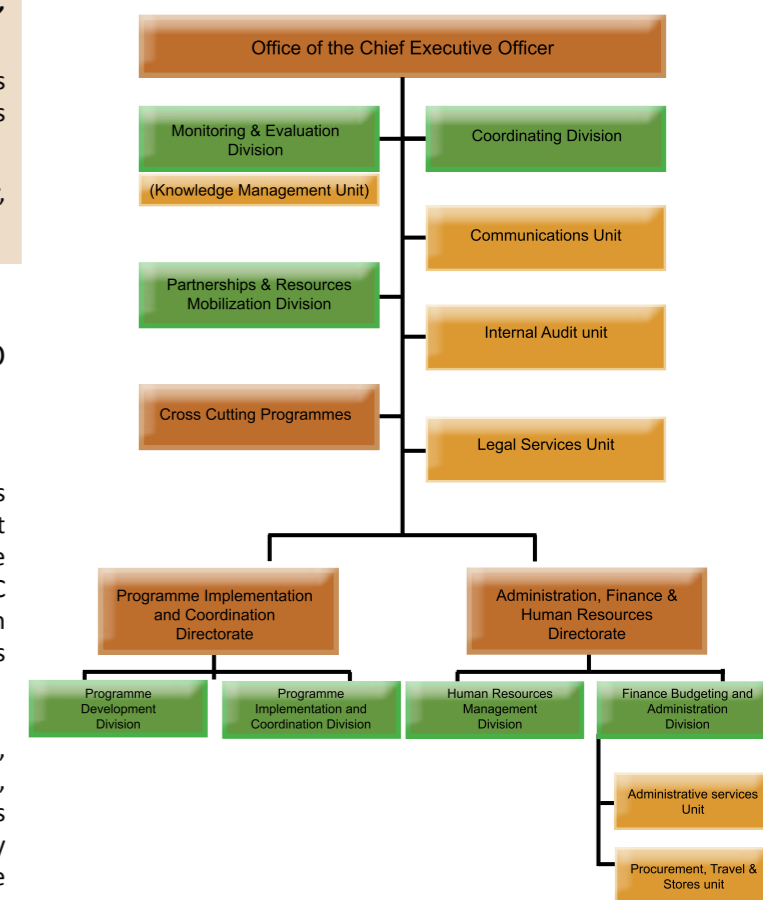
In April 2012 the PRC's Sub-Committee on NEPAD, responsible for considering the Agency's budget, undertook a two-day working visit to the Agency's Midrand offices. This outreach activity was particularly beneficial in that it provided practical knowledge of the Agency's operations and an exchange of views with the PRC delegation on the progress made since the integration of NEPAD into the African Union structures and processes. In turn, this visit has created a firm foundation for the PRC to take informed decisions in support of the NEPAD Programme and the further institutional strengthening of NPCA.

Organisational development

A new structure for NEPAD's second decade

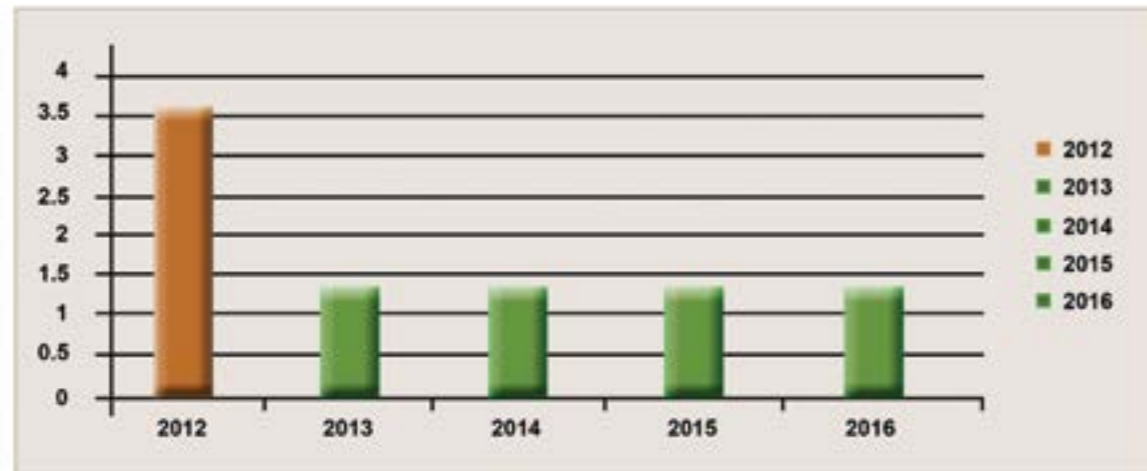
As the NEPAD programme enters its second decade of implementation, the NEPAD Agency saw the approval of its new organisational structure at the AU Summit in July 2012. Reflecting the mandate endorsed in 2010, the new structure includes two directorates: Programme Implementation and Coordination Directorate (PICD) and the Directorate for Administration, Finance and Human Resources (AFHR) (see Figure 2).

Figure 2: The new organisational structure of the NEPAD Agency



The NEPAD Agency is in the process of implementing the new structure, in the period running up to 2016, at an overall cost of USD 8.96 million (see Figure 3). In total a 94-post establishment was approved for implementation over a three-year period. Provision for additional posts exists as part of programmatic or in-kind partner support. This decision now makes it possible for NEPAD Agency to appoint staff on long-term contracts within the AU Rules, providing greater security and commitment. The process of advertising posts and conducting rigorous assessments and interviews started towards the end of 2012 and will be concluded in 2013.

Figure 3: Budget implementation plan 2012- 2016 (Million USD)



Boosting human resource development

In 2012, the NEPAD Agency initiated the process of developing and implementing a Human Resources Strategy and Operating Model to support the Agency's transformation and delivery on its new mandate.

This exercise involved a number of interactive workshops with all staff and formulated a set of objectives:

- Understand resource requirements across programmes to drive NEPAD implementation.
- Undertake work-force planning activities to establish equitable workload distribution.
- Develop effective HR processes to enhance overall HR delivery.
- Guide the external monitoring and evaluation

process by sharing the internal performance management principles.

- Enhance collaboration between programmes through HR interventions.
- Proactively determine programme needs by partnering with the programmes and service functions.
- Market and communicate HR services more actively, engage with the programmes and service functions.
- Further develop initiatives to promote an effective work environment and to motivate employees and stakeholders.

The maturing of the HR function and the shift from an administrative HR role to a strategic HR role is a direct outcome of this exercise.



Financing the NEPAD Agency

The financial division dedicated much of its efforts in 2012 to enhance the accuracy of reporting on overall operations and specific programme funding. Measures taken in this respect include the acquisition of customised accounting software and the recruitment of additional staff for project funding management.

In light of this, the NEPAD Agency will step up its efforts to ensure that member States fulfil their financial commitment to support the NEPAD Agency. Such support is a sine qua none condition for ensuring the sustainability of NEPAD programmes and projects' implementation and Africa's real ownership of its development process.

In the financial year 2012, the NEPAD Agency's total income increased by 46% compared to 2011 and amounted to USD 23.8 million.

This includes funding from the African Union Commission, member states and partners for NEPAD projects and operations. While the income from partners more than doubled between 2011 and 2012 (+128%), funding received from member states decreased by 17.5%.



STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
OPERATING INCOME	24 270 731	16 679 759
Funds Received	23 792 638	16 230 083
Member States contribution	3 835 084	4 647 531
African Union subvention	3 828 232	4 524 026
Partners	16 129 322	7 058 526
Interest income	56 823	230 862
Other income	421 270	218 813
TOTAL EXPENDITURE	22 777 130	17 039 623
Staff cost	7 980 394	7 213 197
Rental and maintenance of equipment	828 713	818 970
Communication	327 130	522 149
Supplies, services and charges	1 059 873	249 737
Conference and meetings	3 677 596	4 049 615
Professional fees and disbursements	8 903 424	4 185 955
Surplus/(deficit) for the year	1 493 601	(359 864)

BALANCE SHEET AS AT 31 DECEMBER 2012

	2012 \$	2011 \$
ASSETS		
Non-current assets		
Property, plant and equipment	301 120	201 589
Current assets	23 356 691	28 264 019
Trade and other receivables	785 655	636 349
Cash and cash equivalents	22 571 036	27 627 670
Total assets	23 657 811	28 465 608
FUNDS AND LIABILITIES		
Funds		
Funding surplus/(deficit)	310 632	(1 182 971)
Non-current liabilities		
Financial liabilities	74 902	
Current liabilities	23 272 277	29 648 579
Deferred Income	21 986 969	28 413 433
Trade and other payables	1 203 648	1 150 588
Provisions	81 660	84 558
Total equity and liabilities	23 657 811	28 465 608

Members of the NEPAD HSGOC

1. ALGERIA
2. BENIN
3. CAMEROON
4. DEMOCRATIC REPUBLIC OF CONGO
5. CONGO REPUBLIC
6. EGYPT
7. ETHIOPIA
8. GABON
9. LESOTHO
10. LIBYA
11. MADAGASCAR
12. MALAWI
13. MALI
14. NAMIBIA
15. NIGERIA
16. RWANDA
17. SENEGAL
18. SOUTH AFRICA
19. SUDAN
20. TUNISIA



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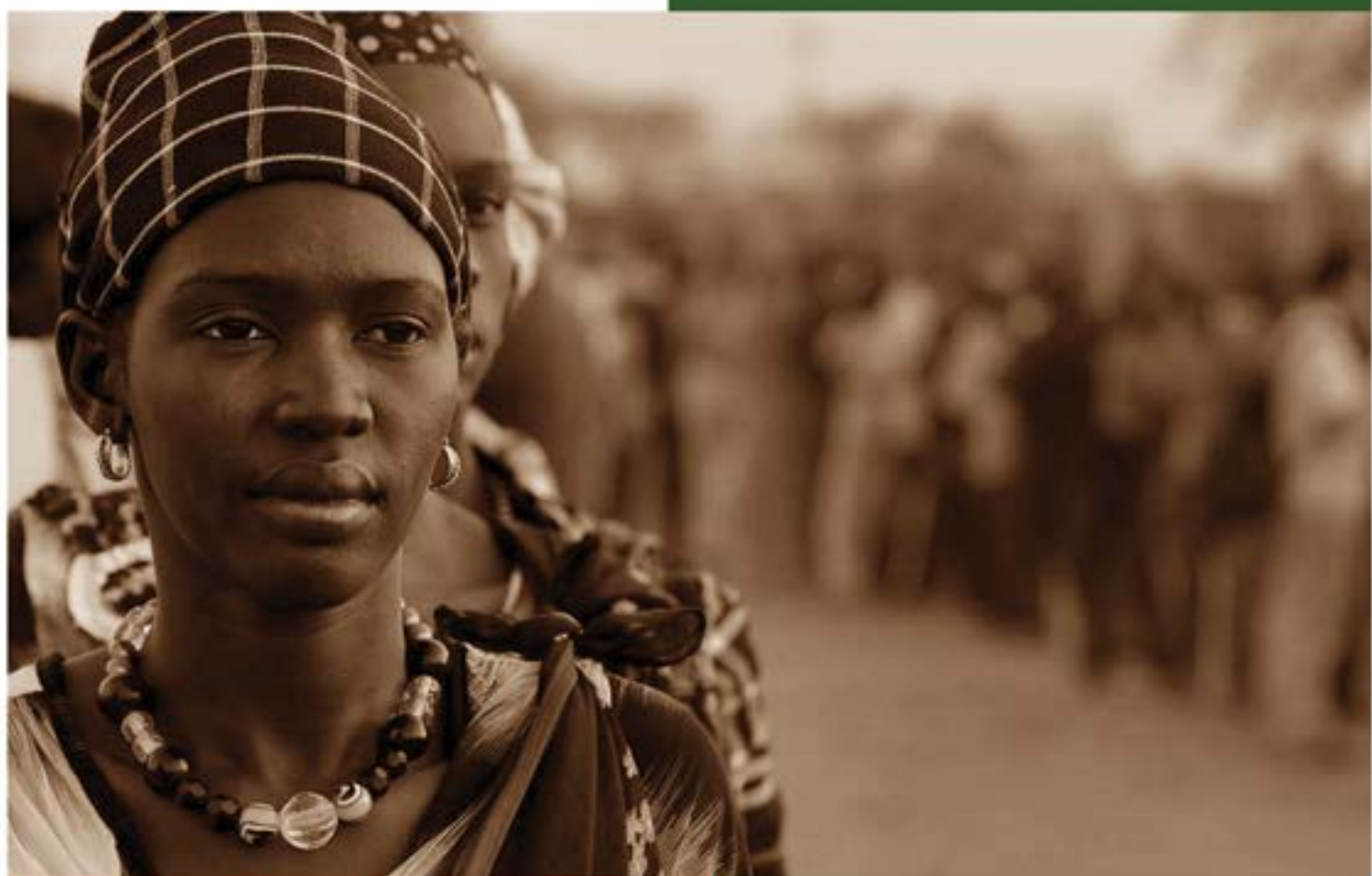
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