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UNIÃO AFRICANA

Addis Ababa, ETHIOPIA

P. O. Box 3243

Telephone: 517 700

Fax: 5130 36

website: www.africa-union.org

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**REPORT OF THE CHAIRPERSON OF THE NEPAD
HEADS OF STATE AND GOVERNMENT
ORIENTATION COMMITTEE
(HSGOC)**

REPORT OF THE CHAIRPERSON OF THE NEPAD HEADS OF STATE AND GOVERNMENT ORIENTATION COMMITTEE (HSGOC)

1. The NEPAD Heads of State and Government Orientation Committee (HSGOC) held its 26th Meeting on 28 January 2012, in Addis Ababa on the eve of the 18th African Union (AU) Assembly. H. E. Obiang Nguema Mbasogo, President of Equatorial Guinea and African Union Chairperson and H. E. Dr. Jean Ping, Chairperson of AU Commission, attended the meeting as well as the Heads of Regional Economic Communities and Partner Institutions.

2. The 26th session of the NEPAD Orientation Committee deliberated on five (5) key agenda issues, namely:

- a) Programmatic Activities of the NEPAD Agency for July to December 2011
- b) Mobilizing additional domestic resources for Africa's development
- c) Africa's regional infrastructure development;
- d) Outlook for Africa's partnership engagements in 2012; and the
- e) Strengthening of United Nations support for NEPAD implementation;

Activities of the NEPAD Agency for July to December 2011

3. The Chief Executive Officer of the NEPAD Agency briefed the NEPAD Meeting on the major NEPAD regional and continental programmes and projects as reflected in the NPCA Activity Report for the period from July to December 2011. After discussion, the HSGOC took due note and endorsed the implementation of specific programmes/projects relating particularly to the:

- i) Technical support to AU Member States on CAADP investment plans, Partnership for African Fisheries (PAF) and the signing of the TerrAfrica Leverage Fund of US\$1.4 million to enhance sustainable land and water (SLW) management;
- ii) Effective take-off of the African Medicines Regulatory Harmonization (AMRH) with current focus on the East African Community (EAC) and eventual extension to other RECs;
- iii) Set-up of Capacity Development Expert Pool with UNDP support under the Africa Platform for Development Effectiveness (APDev);
- iv) South Sudan Development Initiative (SSDI) in conjunction with UNECA and UNDP; and

- v) Natural Resources Governance to advance the African Mining Vision and the Rural Futures Programme.

4. The 26th NEPAD Meeting welcomed the steady progress by the NEPAD Planning and Coordinating Agency (NPCA) towards results-based performance in delivering its mandate based on the Decision Assembly/AU/Dec.282(XIV) of the Fourteenth Ordinary Session of the Assembly. The Meeting commended the improved working relationship with the AU Commission and the increasing linkages between NPCA, Member States and the RECs in carrying out the priority programmes and projects under NEPAD.

5. However, the HSGOC expressed deep concern and regret that the NPCA organizational structure is yet to be finalized two years after the Decision of the Assembly on the integration of NEPAD into the structures and processes of the African Union. The Meeting therefore, requested the Permanent Representatives Committee (PRC) through its Sub-Committee on Structural Reforms to consider, as a matter of urgency, the finalization of the NPCA structure by March 2012 for the subsequent approval of the Nineteenth Ordinary Session of the Assembly.

6. Notably, the NEPAD emphasized the vital importance of recommending a practical and efficient structure for the NPCA that adequately reflects and is consistent with its mandate to enable the Agency effectively implement the core objectives of NEPAD as the programme of the African Union. Accordingly, the NEPAD Heads of State and Government Meeting directed that the process of finalizing the NPCA structure should also include appropriate consultations with the AU Commission, the NEPAD Steering Committee and the Agency.

Domestic Resource Mobilization for Africa's development

7. In furtherance of the outcomes of the 25th Session of the HSGOC, the Meeting noted the increasing efforts of African governments to mobilize domestic resources in the face of the current impact of global financial crisis and the largely unfulfilled commitments by development partners to the Continent. The Meeting reiterated the critical need to creatively re-assess predictable and sustainable funding options in support of implementing prioritized NEPAD programmes and projects.

8. Accordingly, the 26th Meeting of the NEPAD Orientation Committee requested the NPCA and UNECA in partnership with relevant institutions, to undertake an in-depth study to explore strategies and viable modalities to improve the mobilization of domestic resources as development finance. The study outcomes will be submitted to the NEPAD HSGOC at the next meeting for due attention.

Accelerating Africa's Regional Infrastructure Development

9. Following the updated briefing on the Programme for Infrastructure in Africa (PIDA) by the AU Commissioner for Infrastructure and Energy, the NEPAD Orientation Committee recalled the Declaration Assembly/AU/Decl. 1 (XII) of the Twelfth African Union Assembly of January 2009 which resolved to support the PIDA as the unique

strategic and sectoral framework in Africa to promote physical integration of the Continent and attainment of the Millennium Development Goals (MDGs). The HSGOC also recalled attention to the overarching NEPAD goals of promoting sustainable growth and development for which infrastructure is a major cornerstone.

10. Consequently, the HSGOC Meeting approved the Programme for Infrastructure Development in Africa (PIDA) and the Institutional Architecture for implementation and resolved to include in our national priorities, the various programmes and projects contained in the Priority Action Plan (PAP) of the PIDA with special consideration for Island States. It was also stressed that the Union should proceed with the expeditious implementation of the Institutional Architecture for Infrastructure Development in Africa (IAIDA) in which NPCA is the executing agency.

11. Furthermore, the 26th Meeting underscored the essence of the promotion of innovative financing mechanisms to reflect Africa's real commitment to speed-up infrastructure development with the overriding need to commit sufficient resources for infrastructure project preparation. Thus, the AU Commission was invited to take all the necessary measures to ensure, in coordination with the NEPAD Planning and Coordinating Agency, the accelerated implementation of PIDA and to report annually thereon.

Presidential Infrastructure Champion Initiative (PICI)

12. The NEPAD Meeting received the updated report on the implementation status of the AU-NEPAD Presidential Infrastructure Champion Initiative (PICI) based on the realization of the tenets of the Programme for Infrastructure in Africa (PIDA) and the African Action Plan: 2010-2015 in line with the conclusions of the 23rd HSGOC Meeting in Kampala, Uganda. To this effect, the 26th Meeting commended the good progress in implementing the prioritized PICI projects through the work of HSGOC High Level Sub-Committee chaired by H.E. Jacob Zuma, President of the Republic of South Africa. It also recognized the pressing need to address the challenges of upgrade, maintenance and effective utilization of existing infrastructure to boost intra-African trade for meaningful growth and deepening regional integration.

13. Additionally, the NEPAD Orientation Committee acknowledged the technical inputs of National Focal Points for PICI projects to designing appropriate regional standards for Public-Private Partnerships (PPPs) as the foundational platform to strengthen infrastructure development in Africa with emphasis on constructive engagement with RECs. The Meeting welcomed the offer of the Government of the Republic of South Africa as PICI chair, to convene a High Level Meeting of all stakeholders including SADC, COMESA and EAC, to engage on re-designing the parameters of the North-South Corridor.

Outlook of Africa's Partnership Engagements

14. Heads of State and Government on the NEPAD Orientation Committee considered the issues relating to Africa's engagement with development partners through deliberation on the:

- i) Review of the 2011 G8 Summit in Deauville, France and the outlook for the 2012 G8/Africa Partnership Summit coming up in Chicago in May under the Presidency of the United States of America;
- ii) Outcomes of G20 Leaders Summit in Cannes, France and the Continent's priorities for the next G20 Summit due for Mexico in June 2012; and
- iii) Africa's participation in global development forums, particularly at the 4th High Level Forum on Aid Effectiveness in Busan, Republic of Korea and the 17th Conference of Parties to UNFCCC in Durban.

15. Based on the above, the HSGOC Meeting re-emphasized the shared principles of equity, ownership, transparency, mutual accountability and inclusiveness towards the strengthening of Africa's partnership with the G8 in support of the Continent's development priorities. It took due note of the development-related outcomes including the High Level Panel (HLP) on Infrastructure and the call for support to infrastructure project implementation by Multilateral Development Banks (MDBs). The Meeting further supported the call for the strengthening of emergency and long-term responses to food insecurity by fostering investments in agriculture especially in the Horn of Africa and mitigating price volatility impact especially in low income countries as well as the set-up of ECOWAS regional emergency food reserve system.

16. On another level, the HSGOC examined the prospects for Africa's partnership with the G8 and G20 in 2012, and underscored the importance of ensuring that Africa's priorities are adequately reflected on the 2012 agenda of the two global forums. It therefore requested the AU Commission and NEPAD Agency to promptly consult with the Governments of the United States of America and Mexico as countries holding the 2012 Presidency of the G8 and G20 respectively, towards this objective.

17. Regarding the Fourth High Level Forum (HLF-4) on Aid Effectiveness held in Busan, Republic of Korea in December 2011, the 26th HSGOC Meeting welcomed the key outcomes of the HLF-4 as reflected in the '*Busan Partnership for Effective Development Cooperation*'. The HSGOC in particular, welcomed the policy shift from Aid to Development Effectiveness and the commitment to the use and strengthening country systems as default approach to enhance appropriate capacities to achieve better development results.

18. Particularly, the NEPAD Meeting commended with satisfaction the conscientious and unified efforts of African countries, regional institutions and stakeholders to rally behind the first-ever African Consensus and Position on Development Effectiveness which is premised on the inter-related themes of South-South and Trilateral

Cooperation, Financing for Development and Capacity Development. It appreciated the inputs, facilitation and technical support of the Commission and NPCA, under the umbrella of Africa Platform for Development Effectiveness (APDev), in developing the African Consensus and mobilizing African stakeholders.

19. Accordingly, the HSGOC reiterated that Africa should take necessary follow-up actions to implement the post-Busan agenda through inclusive and Africa-wide consultations in shaping the new global partnership based on the Continent's context. It directed the AU Commission and NPCA to actively engage the OECD and UNDP in ensuring that Africa's voice and representation is taken into account in the emerging global partnership arrangements for results-oriented and effective development cooperation.

20. On the Seventeenth Conference of the Parties (COP17) to the UN Framework Convention on Climate Change held in Durban in December 2011, the NEPAD Orientation Committee commended the Government of the Republic of South Africa for successfully hosting the event with historic and precedent-setting outcomes. The Meeting further saluted the sterling work of H.E. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia as Chairperson of the CAHOSCC and contributions of Member States of the African Union.

21. Consequently, the HSGOC requested the NEPAD Agency in collaboration with the Commission and partner institutions including UNEP, UNECA and AfDB, to continue to support the African process and to follow up on the Climate Change negotiations particularly the outcomes of COP 17. The Meeting also requested NPCA to facilitate the development, implementation and coordination of adaptation actions including building adaptive capacities at national and regional levels to strengthen sectoral resilience and reduce vulnerability to climate change.

Strengthening of United Nations support for NEPAD implementation

22. Based on the briefing on '*AIDS Dependency Crisis: Sourcing African Solutions*' by Mr. Michel Sidibe, UN Under-Secretary General and Executive Director, UNAIDS as invited special guest, the 26th HSGOC took due note of the significant progress being made on AIDS response across Africa over the past decade. In particular, the historic achievement of putting over 5 million people on treatment and reducing the rate of new infections by over 25% in a substantial number of countries was noted.

23. However, the HSGOC Meeting expressed concern over the current funding crisis facing AIDS response given the impact of the global financial crisis. According to UNAIDS only half of African people living with HIV are able to access treatment. AIDS has claimed over 1 million African lives annually since 1998 and remains the leading cause of death on the Continent. Further progress is at risk due to the over reliance on external funding and foreign produced drugs. The Meeting was briefed that the current funding crisis as well as recent deliberations on development effectiveness at Bussan highlights the need for stronger continental integration of the AIDS response.

24. The HSGOC Meeting therefore, requested the AU Commission and NEPAD Agency in conjunction with UNAIDS, to work out a road map of shared responsibility to draw on African solutions for viable health funding streams. This, it was mentioned could be with support of traditional and emerging partners as well as stakeholders to address AIDS dependency response.

25. In furtherance of strengthening UN system-wide support for the implementation of NEPAD, Mr. Abdoulie Janneh, UN Under Secretary General and Executive Secretary of the UN Economic Commission for Africa (UNECA) addressed the HSGOC on the highlights of the 2011 Report of *Mutual Review of Development Effectiveness* (MRDE) produced on an annual basis by UNECA and the OECD Secretariat, upon the request of the NEPAD HSGOC. Mr. Janneh also furnished the HSGOC with the recent conclusions of the 12th UN Regional Coordination Mechanism (RCM-Africa) held in Addis Ababa in November 2011 in support of the African Union and its NEPAD Programme.

26. Likewise, Mr. Tegegnework Gettu, Assistant Secretary General of UNDP Regional Bureau for Africa presented the highlights of the 2011 UNDP Human Development Report titled Sustainability and Equity: A Better Future for All. The HSGOC took equal note of the support provided by the UN Office of Special Adviser on Africa (UN-OSAA) in co-organizing the 10th NEPAD Anniversary Week during the 66th UN General Assembly in New York in October 2011.

27. Overall, the 26th HSGOC Meeting re-affirmed the overall significance of forward looking approaches towards the swift implementation of NEPAD in the next decade following the commemoration of the 10th anniversary of NEPAD in 2011. The HSGOC welcomed the planned NEPAD Colloquium and Fund-Raising as prime multi-stakeholder in March 2012 to round up the anniversary programme.

28. The next 27th NEPAD Orientation Committee Meeting will be held on the eve of the 19th AU Assembly.

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Report of the Chairperson of the NEPAD Heads of State and Government Orientation Committee (HSGOC)

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