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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 25th Meeting on 29 June 2011, in Malabo, on the eve of the 17th 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 Heads of Regional Economic Communities and Partner Institutions.
2. Specifically, the 25th session of the NEPAD Orientation Committee served as special commemoration to mark the 10th year anniversary of the adoption of NEPAD in July 2001 in Lusaka.
3. Four (4) key agenda issues were discussed by the NEPAD Meeting, namely:
 - a) Strategy towards mobilizing Africa's domestic resources in support of the implementation of NEPAD programmes and projects;
 - b) Programmatic Activities of the NEPAD Agency for January to June 2011;
 - c) Update on the AU-NEPAD Presidential Infrastructure Champion Initiative;
 - d) Africa's Partnership engagements in the context of the G8 and G20;
4. In contextualizing the journey so far in the NEPAD vision, the commemoration focused on the discussion topic: '*Mobilizing domestic resources for NEPAD implementation*'. The session recalled the adoption of NEPAD as the flagship programme of the AU and the Decision of the Second Assembly of July 2003 in Maputo to integrate NEPAD into AU structures and processes.
5. This culminated into the final outcome of the integration process through the Decision of the 14th AU Assembly of February 2010 and subsequently the establishment of the NEPAD Planning and Coordinating Agency (NPCA) as the technical body of the AU. The NEPAD Agency is today, fully functional as an active development outfit under the direct supervisory authority of the Chairperson of the AU Commission. This has helped in re-energizing the implementation of the NEPAD Programme.
6. The meeting welcomed the 10th Anniversary of NEPAD as a key milestone and unique occasion to deeply reflect on the mixed results of accomplishments, remaining challenges, lessons learned over the past decade and future within the context of Africa's development practice; whilst reaffirming the continued relevance and uniqueness of the vision, sector priorities and core values enshrined in NEPAD as the flagship programme of the African Union to help realize Africa's development goals and appreciating the inspiring leadership and foresight of architects of NEPAD to ensure that Africa takes its rightful place in the global system.

7. The meeting noted with satisfaction substantial progress made in the integration of NEPAD into the structures and processes of the African Union following Decision Assembly/AU/Dec.282(XIV) of the Fourteenth Ordinary Session of the Assembly to establish the NEPAD Planning and Coordinating Agency as the technical body of the African Union, and commended the Chairperson of the African Union Commission and Chief Executive Officer of the NEPAD Agency for working diligently to strengthen the Agency's institutional capacity to deliver on its mandate.

8. Broadly, the 25th Meeting noted the continued collaboration and synergy between the AU Commission and NEPAD Agency and reiterated the urgent need for Member States to adequately fund the Agency and its programmes towards the delivery of its mandate. The NEPAD Orientation Committee Meeting, in this respect, called on the Permanent Representatives Committee in collaboration with AU Commission to swiftly accelerate and conclude the validation of the proposed NPCA organizational structure for approval by Executive Council at the next Assembly to enable effective take-off of full operations of the Agency.

A. Strategy towards mobilizing Africa's domestic resources in support of the implementation of NEPAD programmes and projects

9. Strategies and efforts by African countries, national and regional institutions to mobilize domestic resources to finance development were highlighted during the special session of the NEPAD Orientation Committee Meeting. The importance of domestic resources in funding development projects in Africa was reiterated. Presidents of Algeria, South Africa, Nigeria, Prime Minister of Namibia and the Executive Secretary of the UN Economic Commission for Africa (UNECA) addressed the special session on the issue.

10. The NEPAD Orientation Committee underscored the historic opportunity available for Africa to, individually and collectively, step up the mobilization of additional domestic resources in support of NEPAD implementation to advance ownership, self-reliance and development effectiveness particularly noting innovative and practical forms of development finance including promoting public finance by broadening tax base, public-private partnerships (PPPs), tackling illicit capital flows, sub-regional levies for multi-country projects, capital market options, climate financing and better use of pension funds and earnings from natural resources.

11. In particular, policy measures were outlined towards improving domestic resource mobilization in Africa. Some of these included contractual savings, widening the tax base and tax reforms, support for the growth and development of networks with the private sector and civil society. Accordingly, the HSGOC underscored the necessity for continuous engagement with relevant countries, regional bodies, pan-African institutions and the private sector on taking forward identified regional projects. The meeting stressed the need to transform existing political will on domestic development finance into concrete policy responses and actions, thereby requested the AU Commission and NEPAD Agency in conjunction with UNECA and other partner institutions to work on appropriate mechanisms that will lead to rationalizing domestic resource mobilization

processes with specific recommendations and present to the next HSGOC for consideration and adoption.

B. Programmatic Activities of the NEPAD Agency for January to June 2011

12. The HSGOC Meeting adopted the report on the programmatic activities of the NEPAD Agency for January-June 2011 and endorsed the implementation of key NEPAD regional and continental programmes and projects, specifically noting the progress on African Science Technology and Innovation Indicators (ASTII); strategic engagement on rural futures; technical support to RECs under the Partnership for African Fisheries (PAF); National Agriculture and Food Security Investment Plans (NAFSIPs) under CAADP; orphan crops initiative; support for African Mining Vision on natural resources management; Institutional development support to RECs under CDSF; NEPAD-OECD Africa Investment Initiative; and the launch of second phase of NEPAD Spanish Fund on African women empowerment.

C. Update on the AU-NEPAD Presidential Infrastructure Champion Initiative

13. In its capacity as chair of the HSGOC High-Level Panel on Infrastructure, South Africa updated the meeting on the status of the Presidential Infrastructure Champion Initiative, with a specific focus on the North South Corridor project pledging the support of South Africa to make the project a reality. The meeting re-emphasized the need for African countries to form stronger partnerships with the private sector and key stakeholders towards implementing the Presidential Infrastructure Champion Initiative.

14. Nigeria briefed the meeting on the progress of work Algeria-Nigeria Gas pipeline project and stressed on the collaboration between Nigeria, Algeria and Niger to implement the project. The meeting welcomed the commitment of Nigeria and emphasized the need for strong political will in championing the infrastructure projects. The HSGOC appreciated progress achieved to date by the High Level HSGOC Sub-Committee under the leadership of South Africa to implement the Presidential Infrastructure Champion Initiative while noting the on-going technical coordination led by AU Commission and NEPAD Agency on the endorsed seven (7) prioritized projects. It further highlighted the need for enhanced coordination and sustained engagement with relevant countries and RECs to ensure inclusive growth and putting in place appropriate implementing capacities for sustainability of infrastructure development in Africa.

15. Consequently, the NEPAD Meeting requested the AU Commission and the NPCA to continue to provide technical coordination and support for this Presidential initiative in collaboration with RECs, African Development Bank and UNECA, given the critical role that infrastructure plays in advancing Africa's regional integration agenda;

D. Africa's Partnership Outlook in the context of the G8 and G20

16. The NEPAD summit welcomed the outcomes of the G8-Africa Partnership Summit held in Deauville, France in May 2011 relating to shared values and responsibilities in consolidating the continent's good progress in peace and security, economic growth with mutual accountability as main pillars of the partnership and

commends the finalization of Africa's first assessment report of G8-Africa partnership commitments resulting from close AUC-NPCA collaboration and newly established practice of negotiating the G8 joint declaration on Africa spearheaded by France as G8 Presidency.

17. HSGOC Meeting reaffirmed its full support for the G20 Seoul Development Consensus on Shared Growth as the new development paradigm and its consistency with the NEPAD vision and reiterated Africa's call for adequate and effective representation in the G20. It re-stated the underlined desire to continuously and constructively engage the G20 High Level Infrastructure Panel on creative financing and investment options for the continent's infrastructure projects with the expressed position that the public sector remains the principal player in infrastructure development.

18. The meeting examined the outlook for the next G20 Summit in Cannes in France in November 2011 and Africa's preparations. While noting the participation of Chairpersons of the African Union, NEPAD Orientation Committee and Commission at the G20 Summits as a welcome development, it was reiterated that Africa's development partners including the G8 should fully deliver their commitments.

Upcoming Global Development Processes

19. South Africa briefed the HSGOC on the preparations and possible outcomes of the UNFCCC COP 17 reminding the meeting that COP 17 may not conclude with a binding agreement on climate change but will make commendable progress towards a post Kyoto regime.

20. In recognition of the invaluable opportunity provided by upcoming global processes to convey African voice and consensus on development policy issues, the Meeting welcomed the hosting of UNFCCC COP 17 by the Government of South Africa signifying Africa's important role in the global discourse on climate change. In addition, the HSGOC welcomed the joint coordination of Africa's preparations for the Fourth High Level Forum on Aid Effectiveness in Busan, Korea by AUC and NPCA through the Africa Platform for Development Effectiveness (APDev) launched in March 2011 and in liaison with African stakeholders and regional bodies including ACBF. The Meeting therefore reiterated the essence for Africa to present unified positions at these global events.

21. Finally, the importance of adequately financing the NEPAD Programme was reiterated by the HSGOC. The committee affirmed its support to NEPAD and asked member countries to contribute resources towards NEPAD implementation. HSGOC welcomed the recommendation to have a review of the 10 year implementation of NEPAD which will accordingly be submitted to members by September, 2011.

22. The next 26th NEPAD Orientation Committee Meeting will be held on the eve of the 18th AU Assembly in Addis Ababa, Ethiopia.

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