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ASSEMBLY OF THE UNION

Fifteenth Ordinary Session

25 – 27 July 2010

Kampala, Uganda

Assembly/AU/8(XV)

**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 23rd Meeting on 24 July 2010, in Kampala, prior to the 15th African Union Assembly. The African Union Chairperson, H.E President Bingu Wa Mutharika of Malawi and the Chairperson of the AU Commission, Dr. Jean Ping also attended the meeting.

2. The NEPAD Heads of State and Government Orientation Committee was holding for the first time since the 14th African Union Assembly of February 2010 which took the bold step by approving the integration of NEPAD into the structures and processes of the African Union, particularly, the establishment of the NEPAD Planning and Coordinating Agency (NPCA). The last Assembly also approved the change of name of the Heads of State and Government Implementation Committee to the Orientation Committee. Therefore, the HSGOC convened under the newly approved NEPAD governance structure, as a Sub-Committee of the African Union Assembly.

3. Four (4) key agenda issues were discussed by the NEPAD meeting, namely:

a. Progress on transition of the NEPAD Planning and Coordinating Agency (NPCA) as a key outcome of NEPAD integration into the African Union;

b. Programmatic Activities of the NEPAD Agency for February-June 2010;

c. Promoting Regional Infrastructure in Africa as a means of accelerating the continent's economic growth and development, and

d. Africa's Partnership Outlook with focus on the continent's engagement with the G8 and G20;

A. Progress on transition of the NEPAD Planning and Coordinating Agency (NPCA)

4. Having recalled the 14th Assembly Decision, the meeting reaffirmed the NEPAD vision and core objectives as adopted by the African Union in 2001 and re-confirmed the NPCA mandate and status as the technical body of the African Union.

5. The NEPAD Committee Meeting welcomed the substantial progress being made on the NPCA transition through the adoption of AU rules, regulations and practices for Human Resources, Administration and Finance systems. It also noted the work program

harmonization between the AUC and NEPAD Agency as a course of action to avoid duplications and overlaps. Thus, the NEPAD Meeting commended the Chairperson of AU Commission and NPCA Chief Executive Officer for the sound progress achieved on NEPAD integration.

6. In particular, the HSGOC endorsed the NPCA Strategic Direction which is based on the AUC Strategic Plan: 2009-2012, with specific reference to the Agency's thematic priorities, operating model and organizational design. The HSGOC called on the NPCA to ensure that its streamlined thematic priorities and programmatic work fully encompasses all the sectoral priorities identified in the NEPAD framework. It was also observed that following the final outcome of the NEPAD integration process, the newly-established NEPAD Agency was strongly urged to re-focus on concrete delivery of its mandate and NEPAD key objectives especially that of coordinating the implementation of Africa's priority regional and continental programmes and projects as well as mobilizing partners and resources.

B. Programmatic Activities of the NEPAD Agency for February-June 2010

7. The Chief Executive Officer of the NEPAD Agency, Dr. Ibrahim Assane Mayaki presented to the NEPAD HSGOC meeting, the highlights of the programmatic activities of the Agency for the period: February to June 2010. The highlights include efforts by the Agency towards undertaking core functions based on its new mandate.

8. The NEPAD Meeting endorsed the recommendations in the NPCA Activity Report, noting in particular the:

- Increasing support for CAADP Compact signing and bankable investment projects by countries and RECs;
- Provision of technical support for the Great Green Wall (GGW) initiative;
- transformation of the e-Africa Commission into the "NEPAD e-Africa Programme" to drive the ICT sector priority;
- NPCA's role as regional coordinator for the setup of the Africa Platform on Development Effectiveness in conjunction with AUC; and
- the launch of NEPAD Regional Centre for African Bio-safety in Ouagadougou;

9. Specifically, the NEPAD HSGOC requested the NPCA to scale up technical support to AU Member States on Agriculture and Food Security by providing necessary technical guidelines on access to global financing in order to boost CAADP implementation at all levels.

C. Promoting Regional Infrastructure in Africa

10. In its discussion on Regional Infrastructure, the NEPAD Orientation Committee underlined the intrinsic importance of infrastructure to realizing Africa's growth and development goals and potentials as well as the existing African Union and NEPAD infrastructure initiatives, particularly the AU/NEPAD African Action Plan: 2010-2015 as endorsed by the 21st NEPAD HSGOC and the Programme for Infrastructure Development in Africa (PIDA). In this regard, the Meeting re-emphasized the urgent need to overcome challenges relating to regional and multi-country infrastructure projects including limited technical capacity, financial resources and political ownership at the highest level.

11. It further noted that the primary responsibility for implementing NEPAD priority programmes and projects outlined in the African Action Plan (AAP) lies with National Governments and RECs. Therefore, the NEPAD HSGOC underscored the overriding need for sponsoring and promoting regional infrastructure projects, through political leadership and championing of specific regional infrastructure projects as key prerequisite for success.

12. Accordingly, the NEPAD HSGOC agreed to setup a High-Level Sub-Committee on Infrastructure comprising South Africa (as chair), Algeria, Benin, Republic of Congo, Egypt, Nigeria, Rwanda and Senegal. The Sub-Committee is specifically tasked with prioritizing and consolidating the priority infrastructure programmes and projects for high impact and result. The Sub-Committee will also propose modalities and procedures on the championing of infrastructure projects by specific Heads of State and Government. The NEPAD Meeting welcomed the offer of the Government of South Africa to host the inaugural meeting of the Sub-Committee.

13. Additionally, the NEPAD Orientation Meeting requested the High-Level Sub-Committee to report to the next meeting of the NEPAD HSGOC in January 2011 and on a regular basis thereafter with a view to maintaining regional infrastructure as a permanent top priority agenda for future HSGOC meetings. The Meeting confirms that the High-Level Sub-Committee comprised of political champions for specific programmes/projects is an ad hoc arrangement. This Sub-Committee is expected to operate in accordance with the NEPAD structures as endorsed by the last 14th AU Summit.

D. Africa's Partnership Outlook with focus on the G8 and G20

14. The NEPAD Orientation Committee also engaged on the key conclusions of the G8/Africa Outreach held in Muskoka Canada in June 2010, especially as they relate to our Continent. A number of African Leaders participated in the Outreach, including our African Union Chairperson, President Bingu Wa Mutharika of Malawi. To this effect, the NEPAD

Meeting noted the G8 Muskoka Initiative on Maternal, Newborn and Under-5 Child Health, as a means to advance the attainment of the MDGs including by Africa.

15. The NEPAD Meeting also emphasized the critical need for delivery on commitments made by development partners. In this regard, the HSGOC again urged G8 Partners to fully fulfill all their commitments to Africa for the sustainability of the partnership. The NEPAD Committee further underscored the paramount importance of the partnership principle of mutual accountability, while it noted the G8 Muskoka Accountability Report which presented by the G8 side at the African Outreach. The Africa side at the Muskoka Summit also pledged to provide an Assessment Report of the partnership commitments of the G8 and Africa by the next Africa Outreach in France next year. This Assessment Report on the G8 is being coordinated by the AU Commission and the NEPAD Agency in conjunction with African partner institutions.

16. As part of the Continent's efforts in strengthening mutual accountability in Africa's partnership engagements, the NEPAD Orientation Meeting was briefed on the highlights of the 2010 Preliminary Report of the Mutual Review of Development Effectiveness (MRDE) in Africa. The 2010 Report was presented to the HSGOC by Mr. Abdoulie Janneh, Executive Secretary of the United Nations Economic Commission for Africa, which coordinates the MRDE process along with the Organization of Economic Cooperation and Development (OECD). The current Mutual Review will be finalized in time for the September 2010 United Nations MDG Summit.

17. The NEPAD Committee Meeting also agreed that the Mutual Review of Development Effectiveness (MRDE) should form the primary input of Africa's monitoring mechanism of G8 partnership commitments, jointly coordinated by AUC and NPCA, in consultation with UNECA, UNDP and other African partner institutions.

Africa's Partnership with the G20

18. The Assembly may recall that the 14th AU Summit of February 2010 had called for:

- i) 'the institutionalization of Africa's engagement with the G20';
- ii) 'the effecting of the desired paradigm shift from management of poverty in the Continent to economic transformation for Africa to emerge as a new growth pole to address existing global imbalances and play a significant role in the integrated world economy'.

19. In both these aspects, some progress was made by the G20 Summit held in Toronto, Canada, last June. First, the participation of Africa has been strengthened by giving the Continent two seats. This is a good step forward. What is needed next is to leave the decision of how Africa is to be represented in the G20 to the AU Assembly, rather than continue to have such important decision made by the host country for each G20 Summit. Further, the conversion of Africa's representation into that of a full member is still outstanding. Second, the Toronto Summit decided that the G20 should deal with the development of low-income countries, which opens new opportunities for Africa's partnership with G20. It has additionally established a "Working Group on Development" whose responsibility is to conduct technical analysis which feeds into the deliberation process of G20.

20. Taking note of this improvement, the HSGOC recommended that the choice of how Africa is to be represented at the G20 Summits should be made by the African Union and that the Continent should be represented by the Chairpersons of the AU and the NEPAD Orientation Committee.

21. The HSGOC readily recognized that the NEPAD Programme provides a sound and adequate framework within which Africa can pursue its partnership with G20. Its Base Document adopted by all AU Member-States as "A Program of the African Union" in 2001 contains all the essential elements that the Continent needs for advancing its partnership with G20.

22. In particular, the HSGOC noted that the priority sectors of NEPAD, including infrastructure, market access based on duty free access to markets of advanced countries (and now emerging economies as well), education, skill formation and agriculture can be promoted to forge robust partnership with G20. Within infrastructure, the sub-sectors of roads and railways, energy, water and sanitation, and ICT were viewed as most important.

23. The NEPAD HSGOC meeting duly noted that infrastructure development should not be left to the private sector alone, as evidenced by the experience of developing countries during the last two decades or so. While welcoming possibilities of public-private partnership for the development of infrastructure, the NEPAD Orientation Committee underlined the primary role of public investment. In this regard, it called for G20 support in the financing of public investment for Africa's infrastructure.

24. Duty-free market access given by *Africa Growth and Opportunities Act* (AGOA) and the *Everything But Arms* (EBA) Initiative was recognized to have a big potential for Africa's growth. Reliability and predictability is important. It was noted that the Doha Development Round should be completed as soon as possible and that its completion could serve to

provide an anchor for the benefit of the special and preferential treatment for Africa's exports. Additionally, the prospect of obtaining duty-free quota-free (DEQF) market access to emerging economies was observed, and its expeditious realization was noted. Closely associated with the development of foreign trade, the NEPAD meeting appreciated the critical role that Foreign Direct Investment (FDI) and domestic private investment plays.

25. To make Africa's economies globally competitive, the attainment of trained human resource base was underlined by NEPAD HSGOC. While Africa is making satisfactory progress in primary and secondary education, expansion of tertiary education, and equally vocational and technical training was emphasized by the Meeting.

26. Lastly, in view of the weight of the agricultural sector in Africa's economies and the role it plays in the growth processes, the opportunities that are being created through CAADP were noted by the HSGOC. Accordingly, the NEPAD Agency was advised to provide adequate information to individual countries on how to access funds that are being made available by USAID and World Bank.

27. Overall, these identified priority areas will need to be addresses at sectoral and sub-sectoral levels. Their implementation at national, sub-regional and continental levels should be the basis of Africa's partnership with the G20.

28. Finally, invited special guests, namely the Right Honourable Gordon Brown former Prime Minister of the United Kingdom and the representative of the Canadian Prime Minister briefed the 23rd NEPAD Orientation Committee Meeting on Africa's Economic Partnerships and the 2010 G8 Summit outcomes.

29. The next 24th NEPAD Orientation Committee Meeting will be held on the eve of the 16th AU Assembly in Addis Ababa, Ethiopia.

“We are determined to deal once and for all with the scourge of conflicts and violence on our continent, acknowledging our shortcomings and errors, committing our resources and our best people, and missing no opportunity to push forward the agenda of conflict prevention, peacemaking, peacekeeping and post-conflict reconstruction. We, as leaders, simply cannot bequeath the burden of conflicts to the next generation of Africans.” (Paragraph 9 of the Tripoli Declaration of 31 August 2009).

2010-07-27

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

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