

**Briefing by Prof. Firmino Mucavele, Executive Director, NEPAD
Secretariat, on the progress in the implementation of NEPAD**

Monday 17 October 2007

Conference Room 6 – United Nations Secretariat

Members of Permanent and Observer Missions, officials of the United Nations, the media and representatives of accredited non governmental organizations, among others, met today under the Chairmanship of Mr. Patrick Hayford, Director and Officer-in-Charge, Office of the Special Adviser on Africa (OSAA), to hear a briefing on the progress in the implementation of NEPAD. Professor Mucavele, Executive Director, NEPAD Secretariat, gave the briefing.

Mr. Hayford welcomed the representatives and introduced the three reports of the Secretary-General being discussed; namely:

- a) New Partnership for Africa's Development: fifth consolidated report on progress in the implementation and international support;
- b) Implementation of the recommendations contained in the report of the Secretary-General on the causes of Conflict and the promotion of durable peace and sustainable development in Africa; and
- c) 2001-2010: Decade to Roll back Malaria in Developing Countries, Particularly in Africa

Mr. Hayford informed the meeting that the first two reports (a) and (b) were produced by the Office of the Special Adviser on Africa (OSAA), and report (c) was produced by the World Health Organization (WHO).

On the Secretary-General's report on the Causes of Conflict and the Promotion of Durable Peace and Sustainable Development in Africa, Mr. Hayford underlined the significant progress made by African countries in securing peace in the continent. He added that efforts were now underway to consolidate the peace through post-conflict peacebuilding activities.

Mr. Hayford stated that the report concluded that serious efforts should be undertaken to strengthen the African Peace and Security Architecture, and in this regard, applauded the efforts by the UN in support of the African Union through capacity-building. Mr. Hayford stated that an important conclusion from the report was the recommendation to undertake a comprehensive and joint review of the commitments made, action taken, progress achieved and lessons learned in preventing conflict and promoting peace and development in Africa. He added that it was timely to consider the continued relevance of the 1998 recommendations, and its mandates and resolutions on Africa.

Mr. Hayford then introduced Mr. Mucavele who briefed on the implementation of NEPAD. Mr. Mucavele stated that his briefing would touch on three main areas, not covered in the Secretary-General's report; namely: a) the conditions necessary for sustainable development; b) the implementation of NEPAD priority areas; and c) resource mobilization.

On the conditions necessary for sustainable development, Mr. Mucavele identified two issues—Governance and Peace & Security. He stated that there had been significant progress in advancing governance structures in the 6 years since the adoption of NEPAD, especially in the areas of political and democratic governance. Mr. Mucavele informed the meeting that 27 countries had acceded to the African Peer Review Mechanism, including Sao Tome & Principe and Djibouti, which joined this year.

Mr. Mucavele added that five of the participating countries - Ghana, Kenya, Rwanda, South Africa and Algeria - had completed their peer review process and four other countries were well advanced in the process. Furthermore, he stated that the Country Review Report of Benin was expected to be presented at the next African Union Summit scheduled for January 2008 in Addis Ababa, while three other countries - Uganda, Nigeria and Mauritius - were expected to complete the process by June 2008.

On Peace and Security, Mr. Mucavele informed the meeting that armed conflict had been substantially reduced in the continent, in part due to the work of the United Nations and the African Union Peace and Security Council, through its Special Committees working in various African countries. He added that it was essential to build on the cooperation between the UN and the AU and reiterated the need for increased funding for conflict prevention activities of the AU.

Mr. Mucavele then touched on the ongoing work of the NEPAD Secretariat in the implementation of NEPAD priority areas. He informed the meeting of the establishment of the Pan African Infrastructure Development Fund (PAIDF), launched in Accra, Ghana, on 1 July 2007. Mr. Mucavele underscored that the PAIDF was an initiative of NEPAD and was supported by the South African government and the Public Investment Corporation (PIC), South Africa's largest investor of pension funds.

Mr. Mucavele stated that PAIDF's purpose was to create an investment platform for much needed basic infrastructure in Africa, and to accelerate growth for sustainable development in the continent. He added that key banks and pension funds from outside Africa were interested in contributing to the Infrastructure Development Fund, which was designed to help improve and develop ports, roads and railway lines in the continent. Mr. Mucavele noted that the PAIDF hoped to attract \$20 billion over its 15-year lifespan. He stated that the PAIDF had currently signed investment agreements worth \$625 million.

Mr. Mucavele informed the meeting of the work of the Investment Climate Facility (ICF), which is a new private-public partnership, focused on improving the continent's investment climate by making Africa an even better place to do business. He stated that the NEPAD Secretariat was working with the ICF to help remove obstacles to

domestic and foreign investment and to promote Africa as an attractive investment destination for business. He also informed the meeting that the NEPAD Secretariat had signed a Memorandum of Understanding with the Spanish Government in support of the economic empowerment of African women, signaling the beginning of a new partnership between the women of Africa and Spain, in the spirit of the Maputo and Madrid Encounters of African and Spanish Women.

Mr. Mucavele emphasized that various projects of NEPAD had developed around critical sectors, including the Science and Technology Consolidated Action Plan, the Environment Plan, the AU/NEPAD Health Strategy, the Education Action Plan, the Tourism Action Plan, standards and guidelines for the APRM, facilitation of the AU's peace-support operations and the Africa Productive Capacity Initiative. On Agriculture, he alluded to the progress in the implementation of the NEPAD Comprehensive Africa Agriculture Development Programme (CAADP), noting that funds for on-going agricultural projects were in the tune of some \$6 billion. He also elaborated on progress on the NEPAD Short-Term Action Plan for Infrastructure (STAP).

Mr. Mucavele stressed that all these projects fell under the AU-NEPAD blueprint, even though the NEPAD, launched in 2001, preceded the AU, launched in 2002. In this regard, he alluded to the Maputo Declaration of the 4th Summit of ACP Heads of State and Government, held in Mozambique in 2004, which clearly stated that NEPAD was a programme of the AU. Mr. Mucavele informed the meeting that efforts were currently underway to synchronize, harmonize and streamline the programmes of NEPAD into the AU. He added that NEPAD would be the operational arm of the AU and would be called the NEPAD Planning and Coordinating Authority, as agreed at the NEPAD Heads of State and Government Implementation Committee (HSGIC) meeting¹ held on 21st March 2007, in Algiers, Algeria.

Mr. Mucavele informed the meeting that the 9th Ordinary Session of the Assembly of the African Union Heads of State and Government was held in Accra, Ghana, on 1-3 July 2007. He added that a review and brainstorming session of NEPAD's achievements, challenges, perceptions and the way-forward would be conducted in Dakar, Senegal on 22 November 2007, during the next meeting of African Union Heads of State and Government Implementation Committee.

Finally, on Resource mobilization, Mr. Mucavele recognized four main resources necessary for transforming the African continent; namely: human, natural, financial and institutional resources. He highlighted the importance of restoring Africa's human and natural resources, emphasizing that they were key to sustaining socio-economic growth and development in the continent. He stated that the NEPAD Secretariat was working to reverse the brain drain phenomena and re-negotiating contracts with multinational

¹ Annex-Conclusions and recommendations of the NEPAD Heads of State and Government Implementation Committee (HSGIC) meeting and brainstorming on NEPAD held on 21st March 2007, in Algiers, Algeria.

corporations in an effort to retain the major share of proceeds from the natural resources in the continent.

On financial resources, Mr. Mucavele informed the meeting that the NEPAD Secretariat was working with Africa's partners, including the G8 and OECD countries, to secure market access, debt relief, increased ODA and FDI, and preferential trade agreements. He informed the meeting that a review of the commitments made by development partners would be conducted at the next African Partnership Forum (APF), to be held in Algiers on 12-13 November 2007. Mr. Mucavele stressed the importance of good governance, and in this regard, informed the meeting that the NEPAD Secretariat was working, through the APRM, to reform institutions such as the judiciary, electoral commissions etc. to ensure good governance and the rule of law in Africa.

During the ensuing interactive exchange of views, representatives present congratulated Mr. Mucavele for the excellent briefing. Pertinent questions and comments emerged from the briefing reflecting some of the salient issues discussed.

Mr. Hayford stated that there was a perception that African countries were always looking for hand-outs and financial assistance from the donor community. He requested to know what the African continent was doing independently, and through NEPAD, to transform the continent. In response, Mr. Mucavele stated that the African continent had invested \$US 67 billion in priority areas of NEPAD, more than half of which came from contributions from African governments. He underscored that the money was invested by governments and the private sector in key sectors that included infrastructure, agriculture, health, education and human resources. Mr. Mucavele noted, however, that contributions were \$US 43 billion short of NEPAD's \$US 110 billion required budget, but added that the gap was smaller than in previous years. Furthermore, he stated that pledges from the donor community also exceeded the present gap.

The representative from Zimbabwe requested to know which countries were using their pension funds for development. In response, Mr. Mucavele stated that the NEPAD Heads of State and Government Implementation Committee (HSGIC) had resolved to study options for investing African Pension Funds in selected high priority infrastructure projects. He alluded to the operationalization of the Pan-African Infrastructure Development Fund, noting that under the leadership of South Africa and Nigeria, a Steering Committee supported by a secretariat had been established to lead the establishment of the Fund.

Mr. Mucavele added that the Fund would initially focus on infrastructure sectors: Transportation (Roads, Rail, Ports, and Airports), Telecoms, Water and Energy (Gas and Electricity) and had a target size of an initial amount of US\$ 1 billion with a final fund size of about US\$ 3 billion. He underlined that the initial targeted investors were public sector pension funds on the African continent, with South Africa and Nigeria each pledging to secure commitments of \$US 250 million from their pension funds to enable an initial commitment of \$US 500 million. Mr. Mucavele added that efforts were underway to attract other African countries to contribute to the first closing of the Fund.

The representative from Sierra Leone stated that the APRM was seen by some as a mechanism to appease the donor community and was in some respect seen as a re-configuration of donor conditionality. In this regard, he underscored that the critics perceived the APRM process as donor driven. Furthermore, he recognized that the new UN Peacebuilding Commission had similar functions as the APRM. He sought for more clarity on how the two institutions would work together to assist countries that acceded to the APR mechanism. In response, Mr. Mucavele stated that at the continental level, the APRM was funded primarily by participating African member states, noting that as of 31 December 2006, the total financial contributions received from member states stood at US\$ 8.8 million, representing 62 per cent of the total contributions since the inception of the APRM. He added that bilateral and multilateral development partners had contributed the balance of 38 percent.

The representative from Namibia requested for better clarity on the use of domestic resources in Africa. Specifically, he requested to know whether the resources were being used to manage the African institutions or whether they were being used for development purposes. The representative also sought for more information on the progress in the integration of NEPAD into the AU structures. He stated that NEPAD sought to transform the African economies with the help of the donor community, and in this regard was relying on foreign aid---something like the Marshall plan. He noted, however, that the donor community expected African countries to reform their governance structures before they would comply with their pledges of development assistance to the continent. He asked whether these two perceptions had been reconciled and if not, he requested to know the status of the negotiations.

In response, Mr. Mucavele stated that in Banjul, the Gambia, the Assembly of the Heads of State and Government of the African Union extended the deadline of three years set in Maputo in July 2003 for the integration of NEPAD into the AU, to January 2007. Furthermore, he added that the Heads of State set up a committee comprising the Chairman of the Union, the Chairperson of the Commission, the Chairman of the Heads of State and Government Implementation Committee, President of South Africa, the Chief Executive of NEPAD Secretariat as well as the Vice-Chairpersons of HSGIC to finalize the proposal on the integration of NEPAD into the AU structures and processes. He added that the process was still ongoing, with the final decisions set to be made in Dakar, Senegal on 22 November 2007, during the NEPAD brainstorming summit.

The representative from Nigeria stated that the APRM was often seen as a tool by the opposition and civil society groups to discredit the ruling government. Furthermore, he stated that with a change in government, it was often observed that the new government either discontinued the APRM process or took it less seriously. This, he said, resulted in the slowing down of the APRM process. He asked what the NEPAD Secretariat was doing to counter this growing phenomenon.

In response, Mr. Mucavele accepted that this was a problem which indeed slowed down the APRM process. He stated, however, that the NEPAD Secretariat was currently

working with the new governments- without naming names- to secure their buy-in of the APRM process. This, he said, was done by briefing the new governments on the APRM objectives and placing emphasis on the national action plans, which were developed after the peer review process was completed.

The representative from Ethiopia stated that Africa was losing its human resources to the West. He requested to know what the NEPAD Secretariat was doing to reverse the brain drain phenomena. Furthermore, he stated that globalization was both a challenge and an opportunity for Africa. He sought to know what the NEPAD Secretariat was doing to capture the opportunities of globalization for Africa. In response, Mr. Mucavele admitted that some African countries were not performing well enough to retain their workers, hence the brain drain.

Mr. Mucavele stated that the NEPAD Secretariat was working to improve the policies and institutions in African countries so as to retain skilled laborers. He added that it was very important to inculcate a system that valued the productivity of the workforce. This, he felt would help to minimize brain drain from the continent. He added that, currently, Africa had over \$US 408 billion in assets outside the continent—even more than ODA provided to the continent. Mr. Hayford asked if there was a collective African approach, spearheaded by NEPAD, to regain Africa's stolen assets from the West. Mr. Mucavele, in response, stated that this was still work-in-progress.

The representative from Libya also asked about the progress in the integration of NEPAD into the AU structures. Moreover, he asked whether the donor community was ready to comply with their pledges of development assistance to the African continent. In response, Mr. Mucavele stated that discussions were currently underway. He noted, however, that from the donor pledges made in Kanakasis (2002) to Gleneagles (2005), very little progress had been made by the donor community in complying with their commitments. Mr. Hayford concurred that the results on donor pledges had been less than forthcoming.

To conclude, Mr. Hayford thanked Mr. Mucavele for the substantive briefing and thanked all the representatives for attending the meeting. He reminded the representatives of the plenary debate on the Secretary-General's reports in the General Assembly on 18th October 2007.

Mr. Hayford added that OSAA would continue to produce the Secretary-General's reports on Africa, which served as the basis for the plenary debate in the General Assembly. He added that OSAA would also continue to shed light on emerging issues affecting Africa and would regularly invite Mr. Mucavele to brief member states on the progress in the implementation of NEPAD.

He thanked all for attending and declared the meeting adjourned.

Annex

CONCLUSIONS AND RECOMMENDATIONS OF THE NEPAD HEADS
OF STATE AND GOVERNMENT IMPLEMENTATION COMMITTEE
(HSGIC) MEETING AND BRAINSTORMING ON NEPAD
21st March 2007, Algiers, Algeria

The Ad-Hoc Committee of Heads of State and Government:

1. Took note of the joint proposal by the African Union Commission (AUC) and the NEPAD Secretariat of the integration into the Processes and Structures of the African Union (AU).
2. Commended the initiative taken in this regard by the AUC and NEPAD Secretariat under the auspices of the Chairperson of the Heads of State and Government Implementation Committee (HSGIC).
3. Endorsed the joint proposal of the AUC and the NEPAD Secretariat particularly the implementation modalities and time frame adjustment of the management structures and the establishment of working relations between AUC and NEPAD Secretariat.

The Ad-Hoc Committee of Heads of State and Government concluded that:

4. NEPAD is a Program of AU which constitutes a philosophical framework, a vision and mission for Africa. NEPAD is therefore, not an Implementing institution.
5. Implementation of NEPAD must focus on countries and regions. Therefore implementation of NEPAD should be done through:
 - a) Countries
 - b) Regional Economic Communities (REC"s)
 - c) Development Institutions
 - d) Bilateral and Multilateral organizations
6. NEPAD Secretariat is a technical body. HSGIC is an executive body which provides leadership and political orientation to the NEPAD Secretariat. HSGIC must retain its role and should be strengthened. The Chairperson of the AUC is a member of the HSGIC.
7. The NEPAD Steering Committee should continue during the transition period in its current form.
8. A NEPAD Planning and Coordinating Authority should be created. The structure and profile should be defined later through a study to be commissioned.
9. The essence of NEPAD is not the Secretariat; it comprises the philosophy, the principles and values which are an integral part of the African Union.

10. A transitional period of one year is needed for a smooth streamlining of NEPAD activities and processes with those of the African Union Commission.
11. The Coordinating Unit recommended in the joint proposal should be created to elaborate a detailed roadmap on integration of NEPAD and creation of the NEPAD Planning and Coordinating Authority, with clear steps, stages, milestones and indicators.
12. African Peer Review Mechanism (APRM) should remain in its current setting.

The Ad-Hoc Committee of Heads of State and Government requests:

13. The AUC and the Government of South Africa to take necessary steps to facilitate conclusion of a host agreement for the NEPAD Secretariat in the transition period and later, a Headquarters' agreement for the NEPAD Planning and Coordinating Authority to be established.