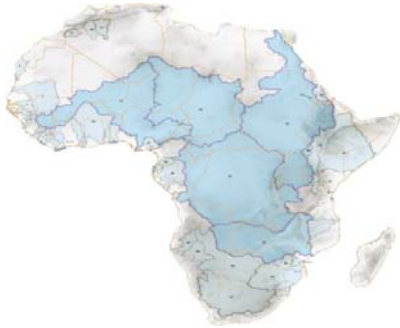


MODULE 1: AU/NEPAD



AFRICA

ACTION PLAN

NEPAD

Module 1: NEPAD Africa Action Plan

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1.0 NEPAD'S OBJECTIVES, STRUCTURE AND PRIORITY AREAS

The New Partnership for Africa's Development (NEPAD) is a VISION and STRATEGIC FRAMEWORK FOR AFRICA'S RENEWAL. NEPAD is designed to address the current challenges facing the African continent. Issues such as the escalating poverty levels, underdevelopment and the continued marginalization of Africa needed a new radical intervention, spearheaded by African leaders, to develop a new vision that would guarantee Africa's renewal. NEPAD was created as the policy framework for achieving the Millennium Development Goals (MDGs) adopted in 2000 with the aim of guiding fundamental continent-wide socio-economic development by eradicating poverty and underdevelopment in Africa, uplifting the lives of the African people, as well as reducing their marginalization and increasing their role in the global community.

NEPAD functions as the programme of the AU in support of regional and continental integration and Africa's development objectives. The AU embodies the principles and values of the NEPAD vision.

1.1 NEPAD PRIMARY OBJECTIVES

NEPAD's primary objectives are:

- To eradicate poverty in Africa and to place African countries, both individually and collectively, on a path of sustainable growth and development and thus halt the marginalization of Africa in the globalization process;
- To promote the role of women in all activities.

1.2 THE PRINCIPLES OF NEPAD

The Guiding Principles of NEPAD include:

- African ownership and leadership as well as broad and deep participation by all sectors of society;
- Promotion and protection of human rights, good governance and democracy i.e. Good governance as a basic requirement for peace, security and sustainable political and socio-economic development;
- Anchoring Africa's development on the resources and resourcefulness of its people (Africans) — people-centred development
- Channelling resources to the highest-quality operation as measured by development impact and alignment with client objectives

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- Promotion of gender equality
- Accelerating and deepening of regional and continental economic integration
- Forging a new international partnership that changes the unequal relationship between Africa and the developed world, i.e. Building a new relationship of partnership among Africans, and between Africans and the international community, especially the industrialized world;
- A comprehensive, holistic and integrated development programme for Africa.
- Partnership between and amongst African peoples;
- Building the competitiveness of African countries and the continent; and
- Ensuring that all Partnerships with NEPAD are linked to the Millennium Development Goals (MDGs) and other agreed development goals and targets.

1.3 WHAT ARE THE NEPAD PRIORITIES?

- a. Establishing the Conditions for Sustainable Development by ensuring
 - Peace and security;
 - Democracy and good political, economic and corporate governance;
 - Regional co-operation and integration;
 - Capacity building.
- b. Policy reforms and increased investment in the following priority sectors
 - Agriculture;
 - Human development with a focus on health, education, science and technology and skills development;
 - Building and improving infrastructure, including Information and Communication Technology (ICT), Energy, Transport, Water and Sanitation;
 - Promoting diversification of production and exports, particularly with respect to agro-industries, manufacturing, mining, mineral resources and tourism;
 - Accelerating intra-African trade and improving access to markets of developed countries;
 - The environment.
- c. Mobilizing resources by
 - Increasing domestic savings and investments;
 - Improving management of public revenue and expenditure;
 - Improving Africa's share in global trade;
 - Attracting foreign direct investment; and

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- Increasing capital flows through further debt reduction and increased flows of Official Development Assistance (ODA) flows.

1.4 WHAT DOES THE STRUCTURE FOR IMPLEMENTING NEPAD LOOK LIKE?

NEPAD is a programme of the African Union (AU) designed to meet its development objectives. The highest authority of the NEPAD implementation process is the Heads of State and Government Summit of the African Union. The Heads of State and Government Implementation Committee (HSGIC) comprises 4 states per AU region. The five initiating countries are permanent members. Otherwise, membership is rotating. The Steering Committee of NEPAD comprises the Personal Representatives of the NEPAD Heads of State and Government who sit on the HSGIC. The NEPAD Steering Committee oversees projects and programme development. The day-to-day running of NEPAD is the responsibility of the NEPAD Secretariat based in Midrand, South Africa. It coordinates implementation of projects and programmes approved by the HSGIC.

2.0 AU/NEPAD AFRICAN ACTION PLAN 2010-2015

2.1 Background

There are many economic interdependencies and common social issues faced by people across Africa, as they strive to achieve economic prosperity and social well being. Hence there is a need to create linkages, harmonize policies and adopt best practices, which can in many instances best be done on a regional or continental basis. This is what necessitated the need for RECs as a major instrument in achieving sustainable development. The pre-conditions for sustainable development, include: peace, security, democracy, and political, economic and corporate governance hence NEPAD Programme of Action included initiatives to strengthen these and also identified sectoral priorities, including infrastructure, human resource development, environment, culture, and science and technology. It addressed issues of mobilizing resources and improving market access, and called for a new partnership relationship with industrialized countries and multilateral organizations.

The AU/NEPAD African Action Plan (AAP) was originally conceived and developed in 2005/2006 in the drive to fast track the implementation of Africa's development and initiatives, including the MDGs. It had been observed that there is a slow pace in the implementation of the Paris Declaration and slow progress towards the achievement of the MDGs. This is mainly due to the global macro-economic conditions negatively impacting the world in general & Africa in particular.

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Great challenges remain to be overcome. While some indicators of progress towards the MDGs have risen, for example, primary enrolment, levels of many key social indicators remain far below other regions of the world. Africa's primary enrolment rate remains the lowest in the world, and secondary and tertiary education intake rates are low. Improvements in under-five mortality and maternal mortality have been small, malaria claims more than one million people per year, access to improved sanitation and drinking water fall well below MDG targets, and women continue to face broad inequalities in many areas of life. The effects of climate change and environmental degradation pose immense issues for the continent.

Major macro-economic events in the global economy threaten to put continuing progress at risk, and at best will slow the pace. Having experienced an upward shock in energy and food prices in the mid-2000s, African countries now face the effects of the recent global financial crisis and recession, which began to be felt in 2008. Through currency depreciation, lower export revenues, reduced remittances and constraints in the commercial financing system, as well as the prospect of slower growth in ODA flows, Africa will have fewer external resources available for investment.

These have resulted in the prospect of slower growth in ODA flows, leaving Africa with fewer external resources available for investment due to currency depreciation, lower export revenues, reduced remittances and constraints in the commercial financing system. This in turn slows down the pace of foreign direct investment (FDI) implying that domestically, higher governmental deficits will raise current borrowing requirements and thus reduce funds available for development expenditures. Like the rest of the world, African economies will take an undetermined amount of time to recover from the crisis.

In this context, the AU/NEPAD African Action Plan (AAP) was originally conceived and developed in the drive to fast track the implementation of Africa's development and initiatives, including the MDGs. It comprises, primarily, the current priority programmes and projects with high potential impact of accelerating regional integration in Africa and requiring co-ordination at the continental level. These programmes and projects fall within the sectoral priorities that the AU and NEPAD have jointly identified and agreed to as strategic to the overall development objective of realizing the socio-economic transformation of the continent. Broadly, the AU/NEPAD African Action Plan 2010-2015 seeks to highlight the critical investments and resource gaps that must be addressed if Africa and its development partners (which include traditional development partners, African civil society and private

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sector, and emerging economies) are to succeed in raising standards of living to meet the MDGs, and to forge a more integrated, efficient and sustainable economic base in Africa.

The Declaration by the Heads of State and Government at the AU Summit in February 2009 underlined the need for all stakeholders to work together to accelerate the pace of implementation of these efforts. The AU/NEPAD African Action Plan 2010-2015 is a defining statement of Africa's current priority initiatives related to the promotion of regional and continental integration. Covering a wide range of sectors, the Plan showcases projects and programmes in which investment is planned and for which financing is being sought, both internationally and from African sources, during the period 2010-2015. It highlights the objectives, challenges and opportunities of programming to advance the goals of regional and continental integration in Africa, led by the African Union (AU) and eight Regional Economic Communities (RECs), under the banner of the New Partnership for Africa's Development (NEPAD).

2.2 RATIONALE

The AAP was intended as a platform for dialogue with international African partners, to raise resources for much needed public and private investments and to monitor and evaluate progress. The Plan identifies Africa's development priorities and seeks to strengthen existing partnerships and forge new ones, in order to promote and realize Africa's key regional priority programmes and projects.

2.3 OBJECTIVES

The objectives of the AU/NEPAD African Action Plan are to:

1. Describe the priority programmes and projects, their status and implementation needs;
2. Provide a better understanding of how African priority programmes and projects fit into the broader picture of African Development and continental and regional integration;
3. Create a data base of relevant information to assist users to learn more.

2.4 PRIORITY INITIATIVES / SECTORS

The AU has developed and articulated a comprehensive set of strategies and programme plans covering key social and economic activity sectors. There are 18 key sectors being considered namely:

1. Energy Sector
2. Infrastructure Sector
3. Water & Sanitation Sector
4. Gender Development Sector
5. Transport Sector
6. Information & Communications Technology (ICT) Sector

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7. Development Corridors Sector
8. Agriculture & Food Security
9. Health Sector
10. Education, Youth & Training
11. Science & Technology
12. Social Affairs
13. Trade, Industry, Market Access & Private Sector Development
14. Environment & Climate Change
15. Governance & Public Administration
16. Peace & Security
17. Tourism

(Refer to the document African Action Plan for details on sector objectives and Projects in each sector.)

3.0 IMPLEMENTATION/WAY FORWARD

The following specific implementation steps will be taken to strengthen and use the AAP as the centre-piece and cornerstone of Africa's engagement with development partners, and to accelerate the progress of its priority programmes and projects to successful implementation on a sustained basis.

Step 1: Allocate additional resources for Programme and Project Development

In order to accelerate the supply of investment-ready programmes and projects, especially in the sectors where such funds are now very scarce, up to US\$100 million are needed from the development partners to support project preparation (concept definition, feasibility study and project structuring or packaging) over the next three years. These funds would supplement funds now available for infrastructure preparation through the IPPF and could be used in other sectors of the AAP as well. The funds would be administered by the AfDB, with appropriate adjustments to the IPPF guidelines.

Step 2: Pursue a relationship-based, primarily sectoral approach to develop sustaining, flexible financing for the Plan

While presenting well-formed, viable programmes and projects is an excellent formula for attracting investment, AU/NEPAD's approach to meet the wider needs of African development will be pursued on a broader sectoral, relationship-based basis. This will reflect the sectoral or regional interests of international partners. Such shared interests provide a basis for aligning institutional partners to work cooperatively on a set of related priorities. A sectoral orientation is a natural basis for bringing African

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people and resources together to pursue African priorities. This does not imply that a regional approach is not relevant, especially since regional integration is the AAP's key objective. The sectoral approach will be underpinned by the economies of scale that come from a regional approach to infrastructure provision. To meet Africa's great challenges, a concentration on the needs of sectors and the benefits of economies of scale, as they are experienced among the regions, may produce more resources in aggregate than a more scattered approach.

Step 3: Institutionalize the AAP

Step 3.1 Create a Central AAP Unit

The creation of a focal point for the AAP within AU/NEPAD, has been found desirable. This shall be further examined as part of the institutional development of AU/NEPAD in its on-going restructuring process. This shared AAP unit shall consist of a few staff who are able to be in continuous contact with the key stakeholder organizations and develop productive, on-going working relationships with them. This group of professionals and support staff would also act as facilitators and advisors to proponents on how to develop and refine programmes and projects, and assist them in finding financing. The unit would be responsible for undertaking all the following tasks on a year round basis.

Step 3.2 Create a Management Information System (MIS)

The NEPAD MIS for tracking all AAP programmes and projects will be re-vitalized. The templates contained in this Report could function as a data input template for programmes and projects in the database. The database should be continually updated through the year by the staff of the AAP Unit, based on regular inputs from proponents.

Step 4: Improve Methodology of the AAP

Step 4.1 Establish Sector and Programme, Project Targets and Outcomes for Monitoring and Evaluation

Sectoral strategies exist for all sectors of the AAP. However, most sectors do not include quantifiable targets, baseline measurements and projected outcomes. In order to improve the objectivity and reliability of the AAP screening and prioritization process, and for effective monitoring of global progress, results-based targets and indicators will be prepared for all sectors. A possible method of implementation could be:

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1. Preparation by AU/NEPAD - Preparation of the targets and outcomes could be undertaken by a small task force of sectoral experts of the tripartite African institutions led by AU/NEPAD.
2. Adoption by Sectoral Forums – The targets and outcomes would then be reviewed and adopted at the various continental ministers' forums for each of the sectors.

Similarly, results and outcomes will be established for programmes and projects, to enable monitoring and evaluation at this level. Evaluation of operational programmes and projects is a necessary element of attracting continuing support by international and African partners.

Step 4.2 Review Process for AAP Programme Selection and Prioritization

A transparent process will be developed by which programmes can be screened for AAP inclusion. The process shall include the following steps:

1. Programmes are nominated for AAP listing by a REC or sectoral organization;
2. Nominated programmes go into a master list where they are measured against sector and regional integration objectives, targets and outcomes, and given a ranking based on performance against this data; and
3. The master list is distributed and discussed amongst the RECs and AU/NEPAD and responsible for sectoral and regional activities, to achieve stakeholder consensus that the listing is fair and balanced.
4. Emerging programmes and projects are forwarded for financing to Multilateral Financial Institutions; bilateral donor and the ICA Secretariat

This approach will be appropriate to deal with the results of the PIDA study.

Step 4.3 Introduce Cross-cutting Themes into Sector and Programme/Project Plans

Promotion of cross-cutting objectives such as gender equality, respect for the environment and other MDGs, and allocation of funds for common needs such as capacity development, shall be effectively achieved; as they will be built in to sector, programme and project plans. Such an approach is normal practice for international financial institutions. Measurement of progress toward these objectives in programme and project reports is necessary to create a base for appropriate Monitoring and Evaluation. Strengthening these practices will facilitate funding by international partners, who are expected to report on cross-cutting themes in their world wide activities.

Step 5: Review activities and outputs

Step 5.1 Publish and Distribute Regular AAP Updates

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AAP will be published according to a regular annual schedule and distributed to a list of key influencers in the major international organizations, African continental and regional institutions and national governments and CSOs., Most of this distribution may be made electronically.

Due to the time that is required to assemble and analyse data, the preparation process shall begin no later than six months before the publication date. Senior level management at the stakeholder organizations shall be made aware of the AAP review process in advance, and ensure that their sector directors will complete their reviews on schedule. Based on prior experience, task managers will often need no less than one month's notice to prepare and release data. Once AAP becomes a regular review process, sector directors will be aware of it and will schedule to complete it annually.

This annual update provides an opportunity for comprehensive monitoring of input activities in the AAP programmes and projects (eg, financing commitments, progress through intermediate stages of programme or project development).

Step 5.2 Conduct a Mid-Point Review of Sectoral Progress

About the mid-way point of the five-year life of the revised AAP (in 2012), progress toward the specific goals of each sector shall be evaluated. At this time a comprehensive review would be made of all activities that contribute to sectoral objectives, not just "priority" programmes and projects, so that Africa's leaders and the population at large can see "the big picture" on an occasional basis, and make informed judgements on reallocation of resources.

Results and impact measures will be an important part of such reviews. Examination of the AAP in the context of the Minimum Integration Plan (MIP), a programme being developed by the AUC and the RECs, will provide further information on the links between sectoral investments and regional integration.

Step 6: Improve Stakeholder Communications

Step 6.1 Establish an AAP Link on the new NEPAD Web Site

AAP should be presented in an online interactive forum that allows partners and donors to access up to date information on all AAP sectors and programmes. The general content that could be made available on a website includes:

1. Sector Pages

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- Online library of relevant sector strategies, summits, declarations, etc.
- Background on the regional integration agenda in the sector
- Goals, objectives, expected outcomes, and progress of regional integration work in the sector
- Overview of all international, continental and regional organizations working in regional integration in the sector and links to their web pages

2. Programme Pages

Each AAP programme should have its own page featuring:

- Information in the programme template
- Online library of publicly available documents explaining the programme in full detail
- Link to programme's website (when available)

3. AAP Data Portal

A data portal that is accessible to task managers via login to update their programme status annually or as relevant. A public version of the portal might also be created that would allow users to query data fields according to their interests (e.g. a search that identifies programs with capacity building or gender components)

Step 6.2 Establish Regular Forums for Feedback and Dialogue with Stakeholders

Regular forums shall be established each year to allow stakeholders an opportunity to engage in the dialogue on the AAP process.

1. International Stakeholders - The primary forum for these discussions shall be the Africa Partnership Forum (APF), for general review of the AAP and major issues such as commitments and harmonization
2. Ministerial/Sector Conferences - Sessions shall also be established at ministerial conferences for sector-specific dialogue and reviews, relating to the progress of programmes and projects, financing issues, and areas where Ministerial intervention can overcome obstacles. Expert Panels could be used for validation and advice where available and appropriate.
3. Regional and National Stakeholders – A focus on the AAP shall be readily added to regional and country meetings among AU/NEPAD, AFDB and UNECA, so that RECs and national representatives maintain a continuous awareness and can feed back on the purpose and usefulness of the AAP.

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4. Additional Stakeholders – In the longer term, additional participatory mechanisms shall be considered such as online dialogues, discussion boards, and moderated discussion forums, to allow a broader range of participants to review and comment than those who normally attend conferences. This would be a cost-effective means of reaching individuals as well as CSOs.

ROLES OF THE AUC/NPCA, RECS AND MEMBER STATES IN IMPLEMENTING THE AAP

The African Union Commission (AUC), the administrative body and Secretariat to the AU, has been given the mandate to advance the cause of integration and socio-economic development of the Continent. Its role in this respect is reflected in the vision statement of the AUC's 2004 Strategic Plan, to:

- *Build an integrated Africa, a prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena.*

REGIONAL ECONOMIC COMMUNITIES (RECs)

The five NEPAD initiating countries, tasked by African Leaders, recognized the many economic interdependencies and common social issues faced by people across Africa, as they strive to achieve economic prosperity and social well being. Thus, they saw that the need to create linkages, harmonize policies and adopt best practices, can in many instances best be done on a regional or continental basis. Hence it focused on regional and continental-scale programmes and projects.

The Regional Economic Communities (RECs), of which the AU officially recognizes eight, constitute the building blocks and pillars of regional and continental integration, as set out in the Abuja Treaty of 1991.

The eight officially recognized RECs are the following:

- Economic Community of West African States (ECOWAS)
- Common Market for Eastern and Southern Africa (COMESA)
- Economic Community of Central African States (ECCAS)
- Southern African Development Community (SADC)
- Community of Sahelo Saharan States (CEN-SAD)
- East African Community (EAC)
- Arab Maghreb Union (AMU/UMA)
- Intergovernmental Authority on Development (IGAD)