

Africa's Decade of Change

Reflections on 10 years of NEPAD

A joint publication of the NEPAD Planning and Coordinating Agency, the Economic Commission for Africa
and the Office of the Special Advisor on Africa



OSAA
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NEPAD Planning and Coordinating Agency (NEPAD Agency)

The United Nations Office of the Special Adviser on Africa (UN-OSAA) was established on 1 May 2003 to enhance international support for Africa's development and the New Partnership for Africa's Development (NEPAD), through advocacy and analytical work. UN-OSAA assists the UN Secretary-General in improving coherence and coordination of the UN system support to Africa, and facilitates inter-governmental deliberations on Africa at the global level, particularly relating to NEPAD. The Office takes the lead in the preparation of Africa-related reports and inputs on (NEPAD), in particular, support by the United Nations system and international community, including the private sector and civil society. It initiates reports on critical issues affecting Africa and, including the related issues of peace and development. It is charged with strengthening South-South cooperation in support of the advancement of Africa. UN-OSAA is convenor of an UN inter-departmental Task Force on African Affairs to improve coherence in United Nations support to Africa. It acts as the focal point for NEPAD within the United Nations Secretariat at Headquarters. UN-OSAA is a NEPAD strategic partner.

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The United Nations Economic Commission for Africa (UNECA) was established by the Economic and Social Council (ECOSOC) of the United Nations (UN) in 1958 as one of the five regional commissions. UNECA's mandate is to promote economic and social development of its member states, foster intra-regional integration and promote international co-operation for Africa's development. UNECA's dual role as a regional arm of the UN, and a part of the regional institutional landscape in Africa, positions it well to make unique contributions to the member states' efforts in addressing the development challenges. Its strength derives from its role as the only UN agency mandated to operate at the regional and sub-regional levels to harness resources and bring them to bear on Africa's development. Accordingly, it is charged with the task of coordinating the work of UN agencies and organizations in support of the African Union and its NEPAD Programme. UNECA is a NEPAD strategic partner and operates an Economic Development and NEPAD Division.

United Nations Office of the Special Advisor on Africa (OSAA)

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Abbreviations and Acronyms

AAP	- AU-NEPAD African Action Plan: 2010-2015
ACBF	- African Capacity Building Foundation
AfDB	- African Development Bank
AMRH	- African Medicines Regulatory Harmonization Programme
AMU	- Arab Maghreb Union
APDev	- Africa Platform for Development Effectiveness
APF	- Africa Partnership Forum
APRM	- African Peer Review Mechanism
AU	- African Union
AUC	- African Union Commission
CAADP	- Comprehensive Africa Agriculture Development Programme
CAP	- Consolidated Plan of Action for Africa's Science and Technology
CD	- Capacity Development
CDSF	- AU-NEPAD Capacity Development Strategic Framework
COMESA	- Common Market for Eastern and Southern Africa
DBSA	- Development Bank of Southern Africa
DE	- Development Effectiveness
DFID	- Department for International Cooperation
DIRCO	- South African Department of International Relations and Cooperation
EAC	- East African Community
EAP	- AU-NEPAD Environment Action Plan
EC	- AU Executive Council
ECOWAS	- Economic Community of West African states
HLF	- High Level Forum on Aid Effectiveness
HSGOC	- NEPAD Heads of State and Government Orientation Committee
ICT	- Information and Communication Technology
IGAD	- Intergovernmental Authority on Development
IPPF	- NEPAD Infrastructure Project Preparation Facility
MDGs	- Millennium Development Goals
MTDF	- Multi-Donor Trust Fund for CAADP
M&E	- Monitoring and Evaluation
MoU	- Memorandum of Understanding
MRDE	- Mutual Review of Development Effectiveness
NAFSIPs	- National Agriculture and Food Security Investment Plans
NEPAD	- New Partnership for Africa's Development
NBF	- NEPAD Business Foundation (South Africa)
NPCA	- NEPAD Planning and Coordinating Agency
NPoA	- National Programme of Action
NRG	- NPCA Natural Resource Governance Programme
OECD/DAC	- Organization for Economic Cooperation and Development / Development Assistance Committee
PAP	- Pan African Parliament
PFM	- Public Financial Management
PIDA	- Programme for Infrastructure Development in Africa
PPPs	- Public-Private Partnerships
PRC	- AU Permanent Representative Committee
RCM	- UN Regional Coordination Mechanism
RECs	- Regional Economic Communities
SADC	- Southern African Development Community
SC	- NEPAD Steering Committee
SIDA	- Swedish International Development Agency
SLM	- Sustainable Land Management
SREAPs	- Sub-Regional Environment Action Plans
SSC	- South-South Cooperation
STAP	- NEPAD Infrastructure Short Term Action Plan
UN	- United Nations
UNDP	- United Nations Development Programme
UNECA	- United Nations Economic Commission for Africa
UNEP	- United Nations Environment Programme
UN-OSAA	- United Nations Office of the Special Adviser on Africa

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Foreword

On the occasion of the 10th anniversary of the New Partnership for Africa's Development (NEPAD), we express profound gratitude to African leaders, governments, stakeholders and partners for the critical role they have played in ensuring the continued relevance of Africa's flagship development program.

2012 signals the beginning of the second decade of NEPAD. Its 10th anniversary presents an opportunity to celebrate NEPAD's successes and reflect on both the challenges and opportunities that lie ahead. After a decade of charting its own path to development under NEPAD, Africa is experiencing a rebirth and renaissance, as well as optimism and inspiration as a result of the steady growth that is unfolding on the continent.

After nearly two decades of failed structural adjustment programmes, NEPAD was founded in 2001 as a response to Africa's economic marginalization and need for national strategic development capacity. NEPAD has since matured into the development program of the African Union, providing strategic thinking and linking programme design and implementation to building implementation capacity at all levels. It is premised on moving from the old development model to a new paradigm based on ownership, leadership and partnership for the achievement of development goals.

The key dimensions of NEPAD are two-fold – Accountability and Regional Integration. First, the program is based on Africans taking the lead in efforts to achieve the development vision espoused in the AU Constitutive Act and the internationally agreed Millennium Development Goals, rather than exclusively relying on foreign aid. Second, special focus is accorded to regional integration as a sine qua non for Africa's inclusive growth and development. Various achievements over the last ten years have shown that Africans can successfully address and overcome their own development challenges. NEPAD's track record shows that it can consolidate and build upon these successes in the decades ahead. African leaders, private sector, civil society, media, academia and development partners recognize that NEPAD is on track and have all contributed to its success. We count on their continued commitment to crown this journey with success.

In its first decade, NEPAD formulated a number of continental policy frameworks, including the Comprehensive Africa Agriculture Development Plan (CAADP), the Short Term Action Plan (STAP) for infrastructure and the Programme for Infrastructure Development in Africa (PIDA), the Consolidated Plan of Action in Science and Technology, the Environment Action Plan (EAP) and the Capacity Development Strategic Framework (CDSF), all of which are being implemented at national and regional levels. Africa has also made significant advances in promoting good governance under the umbrella of the African Peer Review Mechanism (APRM), which was established as part of the NEPAD strategy. NEPAD's sectoral priorities laid a foundation for the transformation agenda enshrined in NEPAD and adopted by African Heads of State and Government in 2001.

Today, Africa is "moving beyond aid" to achieve self-sustaining, private sector-led inclusive growth and development. Internally generated revenue, for example, improved from US\$141 billion in 2002 to US\$520 billion in 2011. Overall, domestic revenue represented 84 per cent of total financing sources for Africa in 2009. Across the continent, the frontiers of development are being re-defined by new opportunities, emerging actors and creative relationships through which Africa is embracing new orientations and innovations.

A key objective of NEPAD is the paradigm shift from aid to development effectiveness. This shift gives due recognition to the inter-linkages between South-South cooperation, financing for development and capacity development. Equally important is the empowerment of women and developing the potential and capacity of Africa's youth. The AU and its NEPAD program remain vital to all of these objectives.

Following its integration into the AU structures and processes, NEPAD is poised to facilitate the implementation of regional and continental programs and projects in close collaboration with the AU Commission and the Regional Economic Communities (RECs). NEPAD will continue to focus primarily on the priority sectors identified at its inception, particularly agriculture and food security, infrastructure, as well as human development.

African countries and their development partners, particularly the United Nations, continue to actively support the AU and its NEPAD programme. The UN's continued system-wide support shows that its belief in NEPAD's contributions to sustaining the continent's socio-economic development remains as strong as ever. Support from other development partners has also been of critical importance. It is our hope that the next decade will witness greater collaboration and enhanced partnership for accelerating NEPAD's implementation, including through a forward-looking strategies for the Post-2015 United Nations Development Agenda.

As a reflection of the strength of Africa's shared development vision, the African Union recently and successfully formulated comprehensive common positions for the Fourth High Level Forum on Aid Effectiveness (Busan, Korea) and the UN Conference on Sustainable Development (Rio+20), emphasizing core NEPAD priorities. These united positions contributed significantly to the Busan Partnership for Effective Development Cooperation and Rio+20 Outcome that address the sustainable development challenges facing the continent and acknowledges the particular importance of Africa in the development agenda. As the international community works to develop the Post-2015 Development Agenda and implement the Busan Global Partnership and Rio+20 Outcome, NEPAD priorities provide the solid platform for a new, dynamic development agenda that incorporates Africa's development needs.

This publication is a reflective commemoration of NEPAD and a look ahead at what is to come, both for NEPAD and the continent at large. The next decade of development in Africa must be driven by renewed efforts towards increasing ownership and maximizing Africa's own internal potential, resources and talents for the continent's development. Many challenges and opportunities lie ahead. Africa will only succeed if it continues on its path of comprehensive political and socio-economic reforms, hinged on the core values of strong African ownership, leadership and value-driven partnership.



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Executive Summary

NEPAD – A Brief Introduction

The New Partnership for Africa's Development (NEPAD) is the flagship programme of the African Union for the development of the African continent. It is the collective vision of African leaders, governments and stakeholders and a strategic socio-economic framework for Africa, providing countries with a unique opportunity to take control of their development agenda while working together and in partnership with the international community.

The four primary objectives of NEPAD include: poverty eradication, promotion of sustainable growth and development, increasing Africa's integration into the world economy, and the empowerment of women through building partnerships at country, regional and global levels. Its vision is translated into action through the implementation of the key sectoral priorities of NEPAD, which include agriculture and food security, infrastructure, human resources development, science and technology, the environment and cross cutting issues of gender and capacity development. In addition, economic and corporate governance, regional cooperation and integration are identified as priority areas for NEPAD and preconditions for sustainable inclusive growth and development, peace, security and democracy.

African Heads of State and Government adopted NEPAD in 2001 as a response to Africa's economic marginalization and lack of national strategic capacity after nearly two decades of structural adjustment programmes robbed African countries of their institutional capacities. Its formation was intended to halt Africa's marginalization and provide a basis for the economic development and prosperity of the continent. It also came at a time of the rise of the emerging economies and Southern-led growth and coincided with the declaration by world leaders in 2000 on the UN Millennium Development Goals (MDGs). NEPAD became Africa's integrated policy response and instrument for attaining the socio-economic objectives identified in the MDGs. The main principles and values of NEPAD incorporate self-ownership, mutual responsibility and African-driven development, with increasing reliance on African countries themselves rather than exclusive reliance on foreign aid. It emphasizes accountability and regional integration, and stresses institutional capacity building at national, regional and continental levels.

In February 2010, NEPAD was fully integrated into the structures and processes of the African Union with the transformation of the NEPAD Secretariat into the NEPAD Planning and Coordination Agency (NEPAD Agency). The Agency advocates for NEPAD, facilitates and coordinates development of NEPAD's continent-wide programmes and projects, mobilizes resources and engages the global community, African regional economic communities and Member States in the implementation of programmes and projects. This has generated fresh momentum in the implementation of NEPAD priority activities. Today, NEPAD has become the technical arm of the African Union, providing strategic thinking as well as linking programme design with implementation. The governance structure of NEPAD comprises the AU Assembly of Heads of State and Government, the NEPAD Heads of State and Government Orientation Committee (HSGOC), and the high level personal representatives who make up the NEPAD Steering Committee, and the Chairperson of the African Union Commission (AUC).

NEPAD Successes

Over the last decade, NEPAD has become the policy framework through which the international community has supported Africa's development. This unique strategy has matured into an institutional process for new development thinking and practice. By linking economic development and growth to peace and security, good governance and accountability across Africa, NEPAD has been a catalyst for socio-economic growth and development as well as for the reduction in conflicts and crises across the continent under the umbrella of the African Union.

With its broad and sound reform agenda for the continent based on the principles of ownership, leadership and partnership, NEPAD has succeeded in enhancing income, creating investment opportunities, promoting more accountable and democratic governments across Africa and deepening partnerships at all levels for Africa's development. It has provided an overall broad policy framework around which African countries can articulate their development objectives. These reforms have inspired renewed optimism and hope as reflected in the positive economic performance and resilience displayed by African economies during the last decade. Through the deepening of its partnership within the framework of its engagement with the G8 and the G20, NEPAD has pushed for cancellation of African debt and strengthened its partnership with regional economic communities, the private sector and civil society organizations (CSOs). As a result, the private sector has increased its investments in Africa and CSOs have become critical partners and purveyors of policy reforms.

Key policy frameworks and programmes have been developed to promote democracy and good governance as well as Africa's socio-economic sectors, including agriculture and food security, infrastructure, science and technology, education, ICT and capacity development. NEPAD has played a crucial part in the continent's steady progress in both democratisation and development. The African Peer Review Mechanism (APRM) has been one of the NEPAD's most successful programmes in encouraging good governance and democratization in Africa. A unique and innovative approach to governance, APRM reports have served as an early warning system for impending threats to peace and stability in Africa. For example, its reports anticipated the violence that followed the 2007 elections in Kenya and the 2008 xenophobic attacks in South Africa. Thus far, 31 African countries have signed up for the review and 14 of them have completed the process.

Another success story is the Comprehensive Africa Agriculture Programme (CAADP), a continent-wide initiative to encourage African countries to increase investments in agriculture and food security. Signatories to CAADP are required to increase spending on agriculture to at least 10 per cent of their national budgets. More than half of AU Member states have signed agreements committing their governments to the 10 per cent target. CAADP promoted the establishment of the green revolution across Africa based on tangible results in Rwanda, Ghana, Malawi, Mali, Tanzania, Zambia and others. In order to support Africa's regional integration process and trade, NEPAD has also implemented the Programme for Infrastructure Development in Africa (PIDA). By bridging the infrastructure gap, NEPAD has worked with the national governments, AUC and RECs in providing regional solutions to national infrastructure challenges.

With regard to the MDGs, NEPAD initiatives have supported African countries in the attainment of all of the goals, including: on MDG 1 (poverty and hunger) - CAADP; MDG 2 (universal education) - the NEPAD e-school initiative and the NEPAD school feeding programme; MDG 3 (gender equality) - the NEPAD Gender framework; MDGs 4 and 5 (child health and maternal health) - health policies such as the African Medicines Regulatory Harmonization Programme; MDG 7 (environmental sustainability) - initiatives such as the NEPAD Terrafrica programme, the NEPAD Environment Initiative, the Great Green Wall and the activities of the African Ministers Conference on Environment; and MDG 8 (global partnership) - efforts to strengthen partnerships through regional integration and the participation in global fora such as G8 and G20 meetings.

Overall, the institutional focus through the transformation of the NEPAD Secretariat into an Agency was a positive move, as it clearly reflected the commitment of African leaders to actualize the NEPAD vision for the continent's renewal. For the first time in its developmental history, Africa has institutionalized a regional development programme within the AU.

NEPAD 10th Anniversary

A series of events commemorating the tenth anniversary of NEPAD were organized throughout 2011 and 2012. The commemorative activities were launched at the African Union Summit of July 2011 in Malabo, Equatorial Guinea with the Special Session of the NEPAD Orientation Committee,

carried on at the UN Headquarters in New York during the 66th Session of the UN General Assembly and concluded in Addis Ababa, Ethiopia with a Colloquium and Congress of stakeholders. These commemorations provided an opportunity for deeper reflection at all levels on the decade of change and progress as well as how to move forward Africa's development agenda. In addition, the anniversary served as an opportunity to further strengthen the partnerships between the NEPAD Agency and all its partners, including the United Nations system, the global development community, regional institutions, private sector and civil society organizations and academia

NEPAD beyond ten years: challenges and opportunities

The African continent is undoubtedly in a period of transition and transformation. While there are a number of success stories, many challenges remain. Positive economic growth has not led to a meaningful reduction in poverty levels. There is need for inclusive growth and poverty reduction, with an emphasis on job creation for African's women and burgeoning youth population. There needs to be further consolidation of good governance, including the elimination of corruption and the resolution of several remaining protracted crises. Other areas that are important to ensuring sustainable inclusive growth and development include promoting intra-regional trade and investment, increased domestic resource mobilization, enhancing human capital and institutional capacities, and modernizing public administration for better service delivery.

While this is work in progress, there is distinct promise on the horizon. The continent's GDP is projected to reach US\$2.6 trillion in 2020. The policy environment, coupled with "doing business" indicators in Africa, show rapid change on the continent. The rate of return on investment in the continent is one of the most attractive globally, signifying that Africa is ready for business. Investment opportunities are expanding in fast-growing sectors such as telecommunications, banking, agriculture, infrastructure, energy and consumer goods, with consumer spending forecast to reach US\$1.4 trillion in 2020. There are clear signs that the African continent has great potential for lasting growth, wealth creation and prosperity.

However, challenges remain. Despite the efforts to improve national and regional infrastructure, inadequate infrastructure development remains a serious challenge to improving economic growth. Increasing investment in infrastructure and enhancing cross-border initiatives are key objectives in the Programme for Infrastructure Development in Africa (PIDA). Furthermore, governments should continue their efforts to strengthen social policy and enact laws to promote women's socioeconomic rights in Africa, including reforming labour market conditions that restrict women's access to employment and elimination of socio-cultural barriers that continue to be major impediments to full participation of women in the labour market and society at large.

Given the importance of agriculture in the development of the continent and the food security of its people, there must be strengthened commitment by African countries to achieve the target of allocating 10 per cent of national budgets to agricultural development with the aim of increasing growth in that sector. In the area of governance, the progress made within the ambit of the APRM should continue, as there is room for improvement, particularly in the areas of economic and political governance. In addition, countries already peer-reviewed should fully implement the recommendations contained in their respective national programmes of action, with support as appropriate from development partners.

Importantly, African countries need to mobilize more domestic financial resources to fund Africa's development, strengthen regional integration to create larger markets, and further mobilize the private-sector's involvement in the implementation of NEPAD projects. Increased funding to NEPAD sectoral priorities is needed, as well as undertaking appropriate reforms to encourage private sector participation in NEPAD projects and promote public-private partnerships. In today's uncertain economic climate and slow global recovery, the main challenge is for African countries to consolidate their gains and ensure that the progress made is not reversed. In this regard, adequate international support is vital.

NEPAD emphasizes creative and value-driven partnership. There is a role to be played by development partners in supporting the development efforts of African countries, particularly in the areas of trade, ODA and debt. Development partners should take steps to conclude trade negotiations with development dimensions that will reduce trade-distorting subsidies for agriculture products and increase African farmers' access to markets, as well as substantially reduce other barriers to international trade. Free and fair trade is an engine of growth that can broaden markets and generate employment. It is essential to support continental resource mobilization and public-private partnerships to finance the implementation of NEPAD programmes and projects. In this connection, African governments, and national and regional institutions, including the RECs, should be strengthened in their development role of promoting intra-Africa trade and other key objectives.

In the area of development assistance, development partners should meet their ODA commitments and deliver on the pledges they made in the Busan Partnership for Effective Development Cooperation. On debt, while several African countries have benefited from substantial debt relief, there is a need to extend the Heavily Indebted Poor Countries (HIPC) and multilateral debt relief initiatives to other low- and middle-income African countries to provide greater debt relief in the wake of the economic crisis so as not to jeopardize their development prospects. NEPAD is strategically placed to continue its support to the effort of building capacity at the regional and sub-regional levels to support Africa's inclusive sustainable development.

1 Contextualizing Africa's transformation

Africa is the continent of the future. Although endowed with a wide repertoire of resources, the development challenges facing Africa are complex and enormous in all spheres. However, over the past decade, Africa's development landscape has been improving. A new story of steady transformation and growth is evolving on the continent. A driving force behind the transformation of Africa is the New Partnership for Africa's Development (NEPAD) which marked ten years of existence in 2011. Inspired by the urgency to transform the fortunes of the continent, African leaders adopted NEPAD as the framework for Africa's development.

Africa was a continent mired in war, political instability and hunger. It became a reference point for health, political and humanitarian crises in the 1970's and 1980's, a period frequently referred to as Africa's "lost decade". In response to this state of affairs, Africa's leaders at the turn of the 21st century adopted NEPAD as a socio-economic development framework of the African Union (AU), putting the continent on a path of sustainable growth and development.

The NEPAD founding framework is the most extensive, comprehensive and far-reaching initiative for Africa's transformation. Africa has made tremendous progress since NEPAD's inception and is entering the future with optimism and hope, having achieved improvement in all basic development indicators since the 1980s and 1990s.

1.1 Africa's renewal in the New Millennium

The genesis of Africa's developmental renewal can be traced to the last two decades of the 20th century. During this period, the political and economic landscape of the continent was characterized by macroeconomic volatility and, in some countries, social and political turmoil in the form of authoritarian one-party rule and military dictatorships, which limited the political space for citizen participation and empowerment. Coupled with unsustainable fiscal and trade deficits, high inflation rates and internal and external debt that stifled growth and social development, the African situation was compounded by the effects of the oil crisis of the 1970s, leading to the emergence of significant macroeconomic imbalances



"NEPAD is a child of circumstances and a child of necessity, bearing in mind the political context of its evolvment"

- **Former President Olusegun Obasanjo of Nigeria**

and calls for democratization.

Africa's Development Paradox - Though Africa has 90% of the world's platinum, 50% of the world's gold, 30% of the world's diamond reserves, substantial oil reserves and other resources, the continent is considered the poorest region in the world and perceived by many as a troubled region. Despite substantial socio-economic gains and modest growth achieved by a high number of African countries over the last decade, challenges remain - poverty is a major threat with over 300 million Africans living on less than \$1 a day and hunger is a persistent development challenge with about 30 million requiring emergency food and agricultural assistance in a given one-year. As a result, the Millennium Development Goal (MDG) of halving hunger and poverty by 2015 is yet to be realized. In addition, high rates of HIV/AIDS, tuberculosis and malaria are prevalent. Over 150 million Africans are refugees or displaced persons, affected primarily by conflict. In spite of its rich natural resources and growth potential, it is obvious that the development challenges in Africa are formidable.

1.2 Geopolitical order in the New Millennium: Addressing Africa's marginalization

Politically and economically, the world has been made up of many little worlds, divided into two broad distinct groups. Even though these groupings are neither homogenous nor permanent, they are synonymous with terminologies such as "rich" and "poor," "developed" and "underdeveloped", "cosmopolitan" and "periphery" and "North" and "South", among many others. Within this bi-polar definition, African countries were perched at the disadvantaged bottom from their start as newly independent countries, particularly at the beginning of the 1960s. African countries were ushered into the global economy as basic suppliers of raw materials and consumers of finished goods from industrialized countries, especially from their former colonial capitals, thus entrenching the uneven international division of labour that existed during the colonial period.

Most African countries attained political

independence in the 1960s, bringing an end to almost a century of colonialism and imperialism. This period witnessed the emergence of the post-colonial development state in Africa, described as Africa's "Golden Decade" and characterized by political freedom, fresh enthusiasm and self-realization. As many as thirty African countries gained independence within this period. The era was also characterized by a relative economic growth and increased standards of living.

However, the gains made within this period were quickly eroded by a sustained period of political instability, autocratic one-party or military dictatorships and economic decay which restricted development across the continent, particularly from the 1970s through to the 1990s. All major indicators of economic and social development showed that Africa had been left behind by the rest of the world. Images of mass poverty, famine, starvation, disease and ignorance were ingrained on the minds of the rest of the world and constantly flashed across the pages and screens of the global media. For a continent as rich in natural resourced as Africa, this was unacceptable. Looking at the state of affairs in Africa, former British Prime Minister Tony Blair remarked that the state of poverty in Africa was a "scar on the conscience of the world". Drastic remedial action needed to be quickly undertaken to reverse this situation.

Towards the end of the 20th century, a combination of continental and global factors enabled Africans to re-evaluate the continent's development trajectory and re-strategize for the new Millennium. On the international scene, the fall of the Berlin wall and collapse of the Soviet Union brought an end to the Cold War. This reduced the inclination of the economically and militarily powerful states to relate to Africa only on the basis of political interest and allegiances. Meanwhile, in Africa, the political freedom and democracy through majority rule arising from the end of apartheid in South Africa served as a major catalyst for a "New Africa". The time to move beyond the struggle against colonialism and imperialist rule was therefore at hand.

The end of structural adjustment - Due to the deterioration of the basic fundamentals of national economies in the 1970s and 1980s, many African countries adopted Structural Adjustment

Programmes (SAPs) in an effort to address macro-economic imbalances and revive their ailing economies. SAPs embodied the ethos of a purely market based approach and differed significantly from the previous development planning approaches. SAPs focused on the management of the macroeconomic fundamentals, designed and articulated by the Bretton Woods institutions, namely the World Bank and the International Monetary Fund (IMF). Structural adjustment became a condition for obtaining loans and grants from the World Bank and the IMF. Trade liberalization, economic deregulation and privatization constituted the main policy channels through which macroeconomic reforms were pursued alongside the adoption of other 'free market' policies and programmes and fiscal austerity to balance budgets.

Though the SAPs enabled some countries to achieve some form of macroeconomic stability and even high growth rates, the overall effect on the fragile economies of Africa was devastating. The SAPs failed to address issues of institutional weaknesses and inadequate physical and human infrastructure. The application of free market policies and mechanisms did not generate sufficient investment to expand output, exports and employment, resulting in the weakening of state capacities. Many of these policies became ends in themselves, rather than conduits for more equitable and sustainable growth. These policies were pushed too far, too fast, and to the exclusion of other policies that were needed.

SAPs seriously eroded the ability of the developmental state to provide essential services and much-needed infrastructure. Also, many poor countries were compelled to reduce spending on social health and education, while debt repayment and other economic policies were accorded greater importance. In effect, the IMF and World Bank were demanding that poor nations lower their people's standards of living. After more than a decade of ascribing to these restrictive policies and interventions, African countries made no significant progress in transforming their very fragile economies.

SAPs only provided a partial solution, as economic growth rates and social development indicators remained low and dependence on

external aid flows increased for many African countries. Fiscal austerity in a period of economic policy adjustment, coupled with an absence of social safety nets for vulnerable groups, also led to a rise in political and social instability. A vicious cycle of decline, low institutionalized capacity, poor governance, political instability and conflicts further exacerbated Africa's marginalization in the world economy.

1.3 The Rise of the emerging economies

Around the same time, a new group of countries from the traditional South were becoming increasingly industrialized and asserting themselves on the world stage. The rise of these countries, especially from Asia, had a profound effect on Africa's development path. The growth of the BRIC countries (Brazil, Russia, India and China) opened up a new window of collaboration and partnership with other countries of the South. Therefore, Africa had the option of not having to look only to the established advanced developed economies for support and partnerships but instead having the ability to pursue an alternative route with Southern partners. The emergence of these "new kids on the block" made the traditional Western countries pay more attention to the special needs and priorities of Africa.

This catalytic period also coincided with the declaration by world leaders in September 2000 on the MDGs. This added further impetus for the world to partner with Africa in its quest for sustainable development. The MDG declaration signaled a global commitment to poverty eradication and sustainable development with time bound targets stretching to 2015. African governments and development partners agreed to commitments necessary to accelerate progress towards realization of the MDGs. NEPAD, therefore, became Africa's integrated policy response and instrument for attaining the socio-economic objectives identified in the MDGs.

Since the end of colonial rule, Africa has gained sustained interest from the world community. Africa once again became topical and returned to the centre of world attention. Consequently, the call was for an African rebirth championed by African countries and institutions.

1.4 Establishment of the African Union

At the end of the 1990s, African leaders reviewed the functioning of the then Organization of African Unity (OAU) and agreed to transform the OAU to the African Union as a new continental body for political and economic renewal. Thus, the 54 member states AU as a Pan-African body emerged as a stronger and effective successor to the OAU with South Sudan becoming its latest member in August 2011. While the OAU was government-based and dominated, today the AU is more people-centered with a wider mandate focusing on political and socio-economic integration based on the Constitutive Act of 2000. The ultimate goal of the AU is a union of the people of Africa, with free movement of people, goods, services and capital. After accepting defeat in the recent elections in Zambia, former president Rupiah Banda summed it up by saying, “My generation, the generation of the independence struggle, must now give way to new ideas – ideas for the 21st century”. The freshness of ideas that the African Union brings to Africa’s political landscape is critical.



Consequently, to extricate the Continent from this political and economic decline, a new crop of African leaders democratically elected through multi-party election processes at the end of the 1990s, started to champion the need for an endogenous transformation agenda to re-shape the Continent’s political and socio-economic development trajectory for the coming new millennium. The formation of the AU and NEPAD

as its flagship development program signified a new political and economic beginning and symbolized the political commitment and will at the highest levels to drive change in Africa, by Africans and for Africans.

1.5 Commemorating the 10th Anniversary of NEPAD

In 2011, the AU’s NEPAD marked its tenth anniversary, reflecting upon the performance, impact, prospects and challenges of the programme. The past ten years have seen significant advances in collective ownership and delivery of the NEPAD Agenda as a path to sustainable prosperity. The sustainability of NEPAD as a pivotal development framework and the accelerated implementation of its programmes and projects are critical issues. The commemoration of NEPAD’s 10th anniversary provided an opportune time to review the extent to which the vision of the African leaders has been realized. It was a moment for deeper reflection at all levels on the successes and challenges in actualizing Africa’s transformation agenda. A number of talking points and issues dominated the commemoration of the anniversary events. Agenda issues attempted to answer the following: How does the continent leverage the various opportunities to advance sustainable development? What does Africa have to say about NEPAD? How has NEPAD impacted on Africa’s development?

These and other issues were examined in-depth at various panel discussions under the auspices of a series of 10th Anniversary activities on Africa’s decade of change/progress. The commemoration sent a strong signal that Africa can overcome its development challenges under the umbrella of the AU. A number of events took place in 2011 and 2012 to mark a decade of NEPAD. These included the Special Session of the 25th NEPAD Heads of State and Government Orientation Committee (HSGOC) of June 2011 in Malabo, Equatorial Guinea; NEPAD Week at the 66th session of the UN General Assembly in October 2011 in New York and the NEPAD Colloquium and Congress of Stakeholders in March 2012 in Addis Ababa, Ethiopia.

Box A: NEPAD Anniversary Commemorative Events

a. Special Session of the 25th NEPAD HSGOC, Malabo, Equatorial Guinea

Theme: 'Domestic Resource Mobilization for NEPAD implementation'.



Participants at the 25th NEPAD HSGOC Meeting

b. NEPAD Week at the 66th Session of the UN General Assembly, New York

- Special Briefing to the African Group of Ambassadors and Permanent Representatives to the UN on "Advancing NEPAD implementation over a decade of opportunities";
- Launch of the 2011 MDGs Africa Report, "Assessing Progress in Africa toward the Millennium Development Goals (MDGs)";
- High-Level Panel Discussion on "NEPAD and the MDGs: Progress, Challenges and the Way Forward";

- Special Briefing to the United Nations Inter-Agency/Departmental Task Force on African Affairs on "Strengthening the UN-NEPAD Partnership";



Dr. Mayaki addresses the 66th Session of the UN General Assembly

- Briefing to the UN member states on two reports of the Secretary-General:
 - Implementation of NEPAD and on the Causes of Conflict in Africa: on progress and forward looking approaches in NEPAD implementation;
 - Improving governance in Africa through the Africa Peer Review Mechanism (APRM): progress and challenges

c. NEPAD Colloquium and Congress of Stakeholders

Theme: Africa's Decade of Change: Accelerating NEPAD implementation through Domestic Financing



Participants at High-Level Panel Discussion on "NEPAD and the MDGs: Progress, Challenges and the Way Forward"



Mr Erastus Mwencha, AUc Deputy chair addressing the Colloquium

2 A Decade of Change

NEPAD was launched in October 2001 as an Africa owned and led socio-economic programme designed to place African countries individually and collectively on a path of sustainable development. NEPAD was formulated to address the shortcomings of preceding African development frameworks and programmes that were short-lived. As a programme of the African Union, NEPAD is designed to fundamentally guide continent-wide socio economic transformation by accelerating the implementation of key national and regional priorities.

2.1 Core principles and values behind NEPAD

2.2 Rehabilitation of strategic continental thinking

The battered image of Africa in the last millennium called for a paradigm shift in the way the continent was governed, both economically and politically. It was about time Africans took their destiny into their own hands after the failure of SAP prescriptions. Africa needed a reversal of fortunes and this required emergency action. The beginning of the new millennium witnessed the call for an African renaissance, championed by a new breed of African leaders who embraced a process of articulating Africa's reform agenda based on the principles of African ownership, leadership and partnership. In July 2001, in Lusaka, Zambia, African leaders emboldened by the desire to see a prosperous continent adopted the African initiated and led socio-economic development framework - NEPAD.

The NEPAD Framework is based on the core principles and values of African leadership and ownership of the continent's development agenda and process through broad participation by society, unity and accelerated regional integration. NEPAD further underlines the centrality of good governance as sine qua non for peace and security, with emphasis on the resourcefulness of African peoples. The NEPAD agenda identifies mutual commitment for sustainable outcomes and results and global partnership for development that change the unequal relationship between Africa and the developed world.

In spite of the global economic meltdown, the fuel and food crisis, and other challenges, African countries and people demonstrated remarkable resilience, and clearly embraced the march towards a socio-economic renewal. For the first time in its post-independence history, Africa nurtured and produced its own socio-economic agenda, bringing together all African countries irrespective of their level of development, colonial, historical and political backgrounds. The partnership focus of NEPAD was a clarion call to Africa that their futures are inseparable and that their fate is a collective one. NEPAD thus reminds us that, more than ever before, African countries need to act collectively in the interest of the continent and its people. Across the continent, Africans declared that they would no longer allow themselves to be conditioned by circumstances but would strive to determine their own destiny and call on the rest of the world to complement their efforts. This is to be done under the platform of the AU and its NEPAD programme to address the development challenges of the past decades.

2.3 NEPAD as a catalyst for socio-economic growth and development

In charting a new development pathway, NEPAD represents a departure from the past African narratives of war, famine, stagnant economies, poverty, destructive political leadership and poor governance. NEPAD is an articulation of Africa's reform agenda, based on the agreed principles and core values. NEPAD symbolizes more accountable and democratic governments enhancing income and creating new investment opportunities for Africa. Despite some pockets of crisis, the reality is that Africa is changing rapidly.

A radical approach, African Heads of State and Government embraced NEPAD to address the challenges facing the African continent. They believed that issues such as escalating poverty, underdevelopment and continued marginalization of Africa needed an innovative approach, which should be spearheaded by African leaders to guarantee the continent's renewal. The NEPAD Agenda has deep-seated reform as its objective. Relatively, the reforms have put African countries, individually and collectively, on the path of sustainable growth and development and have secured their active participation in the global economy. At the heart of the reforms is a commitment to the principles of good governance, democracy, human rights and conflict resolution. African leaders recognize that their commitment to these principles shows their determination to create an environment within the continent that is conducive to investment and long-term economic growth. The establishment of NEPAD was a timely development intervention that was aimed at halting the free fall of Africa's economy as well as a political design to reinforce an era of hope in Africa.

NEPAD reflects the belief of all African leaders that they have the responsibility, working in partnership with the African peoples, to address the lack of development and growth in the continent, the pressing problems of poverty and social exclusion facing the majority of the population, and Africa's increasing marginalization from global markets for goods, services and capital. One of the problems associated with past development



“Without NEPAD economic blueprint, many of the projects that the African Development Bank has financed with a clear emphasis on infrastructure and power would have remained underfunded.”

**- Dr. Donald Kaberuka, President,
African Development Bank**

initiatives and plans is that they were not backed up by the necessary political will that is required to meet the commitments made, both on the part of many African governments and the development community. Equally, the absence of monitoring mechanisms to ensure that governments inside and outside the continent lived up to their commitments was a significant challenge.

Furthermore, NEPAD is committed to re-defining the development pathway to challenge past development stereotypes. In this regard, while charting a new development aid and partnership architecture, NEPAD is committed to looking within Africa in defining its development priorities for action, rather than focusing on the outside world. The new program fosters the mobilization of financial and human resources within Africa. NEPAD is seen as a great opportunity that will spur further economic growth in Africa. While there is clearly hope for a turn around, including the possibility of most countries meeting the MDGs, some observers already see NEPAD as another failed African initiative.

The launch of NEPAD unleashed considerable energy across the continent. For the first time African leaders championed a very progressive renewal agenda. Response by multilateral and bilateral development partners was positive and they have given their support to the NEPAD Programme. African leaders have taken ownership and responsibility for the programme and have shown commitment to NEPAD by integrating it into AU structures and processes. Such ownership implies a change in relations with the rest of the world to one of truly reciprocal engagement, which would allow the interrelated challenges of peace and security, good governance and the development of Africa's human and economic potential to be addressed in a coherent manner.

2.4 Governing NEPAD at national and regional levels

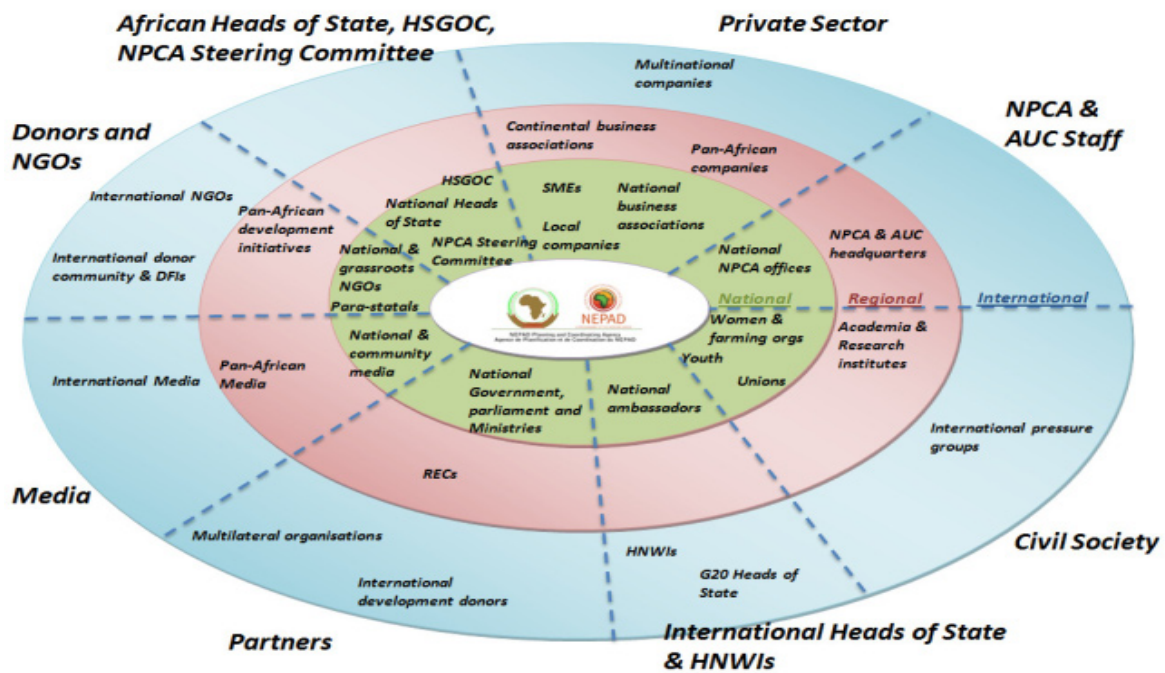
Delivering on the NEPAD vision is a collaborative effort by a group of actors working for their mutual benefit. The actors identified by the NEPAD Agency to implement NEPAD Programme and deliver the strategic direction are: the AU organs; NEPAD governance structures; African governments; Regional Economic Communities; private sector; civil society organizations and other development partners. Of special note is the NEPAD governance architecture, comprising the AU Assembly, the NEPAD Heads of State and Government Orientation Committee (HSGOC) and their high-level representatives in the NEPAD Steering Committee. Since its inception, NEPAD has received considerable attention and support from African leaders at all levels. The 14th AU Assembly Decision on the integration of NEPAD into the structures and processes of the AU reaffirmed the leading roles African leaders and key stakeholders.

African Union Assembly of Heads of State and Government - As the supreme body of the AU, the AU Assembly of Heads of State and Government make the ultimate decisions and set the institutional and strategic roles and direction for the implementation of NEPAD. During its Summits, the Assembly considers the performance of NEPAD, as well as accountability reports on NEPAD implementation provided by the NEPAD HSGOC, following submission by the NEPAD Agency.

- **NEPAD Heads of State and Government Orientation Committee (HSGOC):** As a sub-committee of the AU Assembly, the HSGOC provides political leadership and strategic guidance on the implementation of the NEPAD Programme. The HSGOC is the spirit of NEPAD, leading the high-level coordination of the NEPAD priority sector programs/projects. The HSGOC currently consists of twenty AU Member States elected by the Assembly from the five AU regions, eight AU-recognized Regional Economic Communities (RECs) and five lead partner institutions, namely: AfDB, APRM, UNDP, UNECA and UN-OSAA. The Orientation Committee makes recommendations to the Assembly for endorsement.
- **NEPAD Steering Committee:** This Committee is the intermediary body, composed of Personal Representatives of the Heads of State and Government that serves as an interface between the HSGOC and the NEPAD Agency. The Committee meets at least four (4) times per year and its core function is to provide strategic guidance and advice to the Heads of State and Government. The Committee also serves as a processing policy structure in support of HSGOC members and oversees the programmatic activities of the NEPAD Agency on behalf of the HSGOC. The RECs and NEPAD partner institutions are members of the Steering Committee.
- **Chairperson of the African Union Commission:** The Chairperson of the AU Commission exercises supervisory authority over the NEPAD Planning and Coordinating Agency while according the Agency the adequate flexibility necessary to carry out its mandate.

Overall, the lead NEPAD structures drive strategic direction of the NEPAD Agency through the provision of necessary political legitimacy, oversight, implementation of evidence-based policies, and validation and endorsement of implementation processes for Africa's priority programmes/projects. Since NEPAD's inception, the HSGOC and Steering Committee have provided the political platform for feedback on NEPAD's programmatic activities.

Figure 1: Key Stakeholders NEPAD and partners



2.5 The perception of NEPAD at its creation

The neo-liberal perception

Initially, NEPAD faced critical challenges amidst a sea of expectations and optimism that heralded its adoption in 2001. The debate as to whether NEPAD represented a step forward or would simply fail like many past African development initiatives was a frequent topic of concern. From the start, the framers of NEPAD recognized that past attempts to set out continent-wide development projects had been unsuccessful due to questionable leadership and a lack of ownership of the initiatives. NEPAD followed a series of pan-African development regional initiatives including the Lagos Plan of Action and the Final Act of Lagos (1980); the African Alternate Framework to Structural Adjustment for Socio-Economic Transformation (1989); Africa's Priority Programme for Economic Recovery (1986-1990); the African (Arusha) Charter for Popular Participation and Development (1990); the Abuja Treaty (1991); and the Cairo Agenda (1994).

Some critics, however, described NEPAD as a 'neo-liberal' economic prescription and self-imposed form of structural adjustment. It was seen as a continuation of failed IMF policies, re-decorated and presented as African-led and inspired. NEPAD was viewed as playing into the 'Washington Consensus' model of economic

development and serving as an appendage of the West. In July 2002, members of some 40 African social movements, trade unions, youth and women's organizations, NGOs, religious organizations and others endorsed the African Civil Society Declaration rejecting NEPAD. This perception resulted from a lack of information and appropriate communication strategies on the processes that led to the adoption of NEPAD. In addition, the labeling of NEPAD as a programme forced through by the industrialized North may have been attributable to the overwhelming support that the programme received in Western capitals and within the United Nations system.

The process by which NEPAD was adopted was insufficiently participatory, and thus served as a catalyst for this rejection. Civil society was principally excluded from the process and, as a result, a critical mass of African civil society and stakeholders felt alienated from the process and criticized African leaders for not fully involving them. Even among some African countries there were different levels of understanding and expectations, with some holding the view that NEPAD was the one-stop solution to all their challenges or that NEPAD would bring immediate funding to programmes/projects in their respective countries.

However, these criticisms were attributed to inadequate understanding of NEPAD. On a more

positive note, many civil society organizations came out in support of the political aspects of NEPAD, in particular on NEPAD's insistence on democracy, accountability and good democratic governance.

2.6 Critical importance of an “active minority” – initiating African leaders

Africa's history is replete with leaders who have taken bold initiatives to place the continent on a sound footing. In the struggle for independence, the spearheading roles played by pre-and post-colonial leaders such as Kwame Nkrumah of Ghana, Haile Selassie of Ethiopia, Julius Nyerere of Tanzania, Abdel Nasser of Egypt and Jomo Kenyatta of Kenya resulted in political liberation for most African countries and the formation of the OAU.

It therefore came as no surprise when, in the late 1990s, a new breed of African leaders emerged seeking to place Africa's plight at the centre of global discussions and reverse the continent's decline. As a matter of coincidence, three African leaders were the heads of three international organizations during 1999 and 2000. While Nigeria's President Olusegun Obasanjo chaired the G77, South Africa's President Thabo Mbeki was the Chairperson of the Non-Aligned Movement (NAM) and Algeria's President Abdelaziz Bouteflika was the Chairperson of the OAU. These organizations, which were Southern-driven, were sympathetic to the cause of Africa and therefore provided a mandate for the three Presidents to engage the then G7 in Okinawa, Japan in 2000 to put across “Africa's case”. These leaders also engaged in broad consultations with key stakeholders in African constituencies and Western capitals.

Consequently, the three Presidents initiated what became known as the Millennium Partnership for the African Recovery Plan (MAP), a comprehensive development plan that strongly emphasized good governance as a necessity for sustainable development. During the same period, Senegalese President Abdoulaye Wade was championing the OMEGA Plan, which focused primarily on building Africa's infrastructure, education,

agriculture and health sector. Importantly, at the 8th Session of the African Ministers of Finance, the Economic Commission for Africa (ECA) was tasked with developing a Compact for Africa's Renewal (CAR). This compact set forth a series of strategies and recommendations for implementing MAP. Subsequently, MAP and OMEGA were merged into the predecessor of NEPAD, the New Africa Initiative (NAI).

This ‘active minority’, this group of African leaders, initiated and led the NEPAD process. The Lusaka OAU Summit of 2001 adopted the NAI. To show the rest of the world the seriousness it attached to NEPAD, the Lusaka Summit mandated that the process should be at the level of Heads of State and Government. Leaders of G8 countries endorsed NAI on July 20, 2001; and other international development partners, including the European Union, China, and Japan also made public statements indicating their support for the programme. In October 2001, the NAI was renamed NEPAD.

2.7 Re-affirmation of the role of regional integration as a catalytic factor



The collective spirit with which Africans fought against colonialism inspired Africans to believe that together they could overcome their developmental challenges. Under the guardianship of the AU, NEPAD therefore acknowledges regional

integration as critical to achieving its aims. The regional economic groupings are expected to serve as the building blocks for the realization of a fully functional African Economic Community by the year 2034 in line with the principles enshrined in the 1980 Lagos Plan of Action and the 1991 Abuja Treaty. African leaders concluded that only through fast-tracking regional integration could countries and regions of the continent bring about needed structural and economic changes.



“NEPAD has contributed immensely to the transformation of policy design and implementation of Africa’s development objectives”

- Prime Minister Meles Zenawi of Ethiopia & Chairperson, NEPAD Heads of State and Government Orientation Committee

Thus, regional integration remains a topmost priority to energize development on the continent. Stronger AU commitment to regional integration focuses on the RECs serving as pillars and building blocks of regional and continental integration. Partnership support for the implementation of major regional programmes and projects is essential. Policy frameworks and initiatives adopted under the AU and its NEPAD Programme

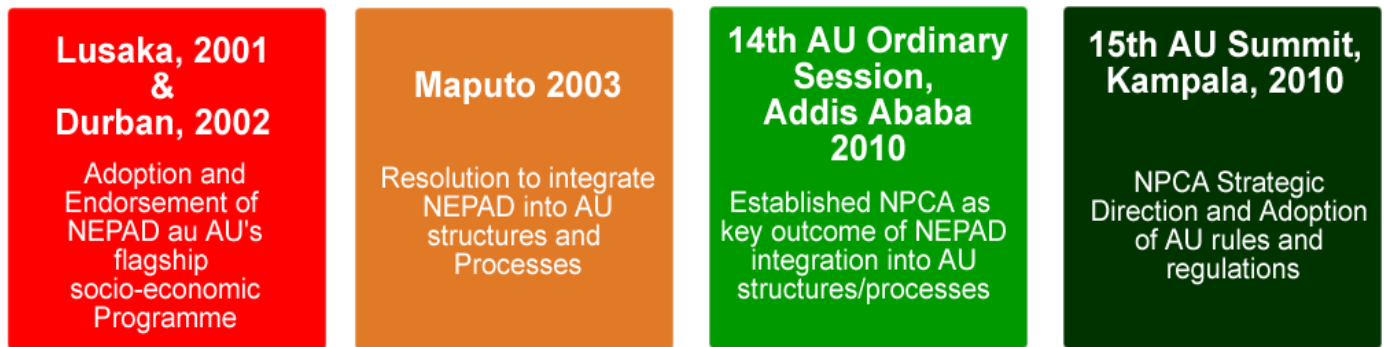
include: Comprehensive Africa Agriculture Development Programme (CAADP); Programme for Infrastructure Development in Africa (PIDA); Consolidated Plan of Action for Science and Technology (CPA); Environment Action Plan (EAP); Sub-Regional Environment Action Plans (SREAPs), Capacity Development Strategic Framework (CDSF); AU Minimum Integration Programme (MIPNEPAD Infrastructure Project Preparation Facility (IPPF) located at the African Development Bank; Africa Platform for Development Effectiveness (APDev); and the AU-NEPAD African Action Plan: 2010-2015 (AAP). The AAP is of particular importance as a partnership tool and an instrument for promoting regional integration through Africa’s defined priority programs/projects.

2.8 Key Milestones towards institutional delivery of NEPAD

Based on the three pillars of promoting sustainable conditions for development, identified sector-priorities and for the essence of resource mobilization, NEPAD has forged ahead through the leadership of the NEPAD HSGOC and Steering Committee and the technical capacity the NEPAD Agency.

Since its inception, NEPAD has undergone a metamorphosis. In February 2010, the 14th Assembly of the AU decided to establish the NEPAD Agency as an outcome of the integration of NEPAD into AU structures and processes. The NEPAD Agency now serves as the technical body of the African Union that advocates for NEPAD, facilitates and coordinates development of NEPAD continent-wide programmes and projects, mobilises resources and engages the global community, RECs and Member States in the implementation of these programmes and projects. The NEPAD Agency replaced the NEPAD Secretariat, which had coordinated the implementation of NEPAD programmes and projects since 2001.

Figure 2: Key NEPAD Milestones



NEPAD Agency - The Development body of the AU - This transformation of the NEPAD Secretariat into an Agency was a positive move, as it clearly reflected the commitment of African leaders to actualize the NEPAD vision for the continent's renewal. Based on the integration of NEPAD into the structures and process of the AU, the NEPAD Agency is a more focused institutional vehicle for NEPAD delivery with an overwhelming importance attached to implementation. This represents the first time in its developmental history that Africa has institutionalized a regional development programme within the AU. The Agency offers a more practical and technical focus on the NEPAD goals and on important regional projects across the continent.

The NEPAD Agency furthers the African development agenda by building institutional linkages and tapping into existing technical resources in support of the NEPAD agenda. The core implementers of NEPAD are: AU Member States; regional institutions, particularly RECs; and cooperating multilateral and bilateral development agencies. The NEPAD Agency mobilizes expert knowledge and resources to support the development and design of investment programmes for wealth creation and socio-economic growth, and is committed to becoming a knowledge hub and learning and results-oriented institution. In advocating and promoting the African ownership and leadership of the continent's development process, the Agency robustly engages African and global stakeholders in close, value-driven partnerships for the implementation of the NEPAD programme, particularly civil society organizations.

The NEPAD Agency works closely with the AUC, RECs, national governments, civil society and the private sector on programmes and projects

that focus on improving the lives of the African people. As an intermediary and broker, the NEPAD Agency plays a catalytic role among African constituents and partners. As coordinator of NEPAD programmes and projects across the continent, the NEPAD Agency has its 'finger on the pulse' and is in a unique position to seize opportunities to advance the AU vision for Africa's development.

2.9 Impact of NEPAD - The renewed value of ownership

The creation of the AU and the adoption of NEPAD marked the beginning of a new era of continental reforms. The AU as the pan-African entity provided the institutional space and political direction whilst NEPAD became the development philosophy and policy framework for a two-pronged initiative against underdevelopment and poverty in Africa.

Looking back over the last decade, the impact of NEPAD on Africa has been mixed. NEPAD has recorded some very impressive successes while notable challenges have remained. Over the last decade, the AU and its NEPAD Program have brought a renewed optimism and hope to the continent. Key policy frameworks and programs have been developed in Africa's socio-economic sectors, including agriculture and food security, infrastructure, science and technology, education, ICT and capacity development. Plagued by an unpleasant history in regards to peace and security, African leaders at the inaugural AU summit in Durban, South Africa adopted the Protocol on the Establishment of the Peace and Security Council (PSC) which provides a basis for the

African peace and security architecture. Through this process, there has been a substantial reduction in crisis and conflict in comparison to the notorious era of the 1980s and 1990s.

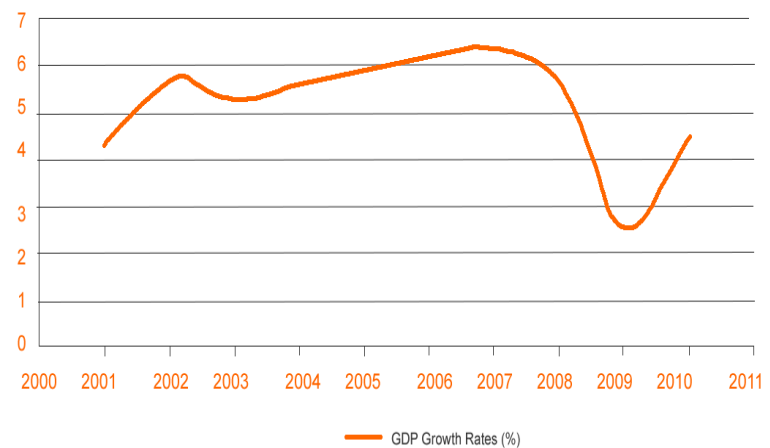
2.10 Hope in turning Africa around

Essentially, a number of countries have achieved stable economic growth, deepened their democracy, and are exhibiting stronger leadership with falling poverty. As the McKinsey report observes, there is hope for Africa. After decades of stagnation, the continent's economies experienced a marked acceleration of growth during the past ten years, with real GDP increasing by 4.9 per cent average annually between 2000 and 2008, compared with 2.4 per cent in the 1990s. Though NEPAD targets an annual 7 per cent GDP growth rate, the relative good news on this front is critical. The magnitude of this growth story, while broadly understood, is startling in the opportunity it presents.

The uniqueness of the African growth path is that 22 non-oil exporting African countries have been recording growth of more than 4 per cent a year since 1998, including Mozambique, Sierra Leone, Liberia and Uganda. These are all post-conflict economies, testifying to the sound macro-economic policies which have helped Africa to rebound quickly from global downturn. In Ghana, for example, the economy has grown by a robust 5 per cent per year over the past 15 years, translating to an annual growth of 2.5 per cent in income per person per year, well above the global average of 1 per cent per annum. Mozambique is another example, where GDP has grown a remarkable 7.5 per cent for 15 years. In Tanzania, economic growth has reached a robust 5.9 per cent leading to an increase in agriculture since 1996. These countries are part of a growing and dynamic group of emerging African economies that are providing hope for the new and future Africa.

Figure 3: Africa's GDP Growth rates (%)

GDP Growth Rates (%)



Source: African Statistical Year Book, 2010

“The key building blocks of this renaissance strategy are increased political unity and concerted action through the African Union, and accelerated socio-economic transformation through the AU programme, NEPAD”

- Former President Thabo Mbeki, of South Africa

The economic decline of the past has been reversed or halted in many African countries. In many cases, one has to go back to the sixties to witness similar levels of performance. Yet the challenges facing Africa are today greater than ever, in part because most countries have to make up for two lost decades. In addition, much of the rest of the world progressed during those years, putting African economies in a very difficult position of competing in an increasingly globalized economy. Recent performance illustrates that change is possible but improving the

poverty and nutrition indicators in Africa requires faster and more widespread inclusive economic order to markedly improve the lives of the most vulnerable.

Box B: Africa's opportunity for Transformation and Lasting Growth ¹

According to the World Bank, major factors for Africa's 'unprecedented opportunity for transformation and lasting growth':

1. Sound macro-economic policies helped Africa rebound quickly from global downturn;
2. Growth in 22 non-oil exporting countries of more than 4% a year since 1998, including Mozambique, Sierra Leone, Liberia and Uganda (all post-conflict economies);
3. Africa's private sector was attracting more investment through domestic banks and investors, creating an emerging middle class of many consumers in Africa;
3. Pro-Market reforms and prudent economic policies continued despite the global financial & economic crisis.

Major development challenges in Africa: Only 5% of the eligible population enrolled in universities; corruption still rife with 9 African countries in the bottom 17 on a global corruption index; food insecurity and undernourishment; high youth unemployment rate*; resource-rich African countries inability to transform wealth into sustained growth; unfulfilled pledge to double aid to Africa running US\$20 billion short.

Source: World Bank; Note * emphasis on challenge of youth unemployment by AU-NEPAD.

2.11 Mainstreaming of Governance and Accountability

The commitment of African leaders to work together in developing the continent by consolidating democracy, ensuring good governance and implementing sustainable socio-economic development programmes has reinforced good governance and accountability.

High level of political commitment - There is an unprecedented amount of high-level political will and involvement by African Heads of State and Government in creating conditions for sustainable development and implementing Africa's socio-economic development programmes. A very good example of this is the commitment by national governments to the African Peer Review Mechanism (APRM), a voluntary mechanism and monitoring instrument charged with promoting good governance in all areas.

Democracy and good governance, one of the key pillars of Africa's transformation, has taken hold on the continent more than ever before. In July 2002, the Durban AU Summit complemented NEPAD with a Declaration on Democracy, Political, Economic and Corporate Governance. Multi-party political systems have taken root in Africa with as many as 17 countries holding elections in 2011. This is unprecedented. African leaders have learnt from past experiences that peace, security, democracy and good governance are essential factors for socio economic development.

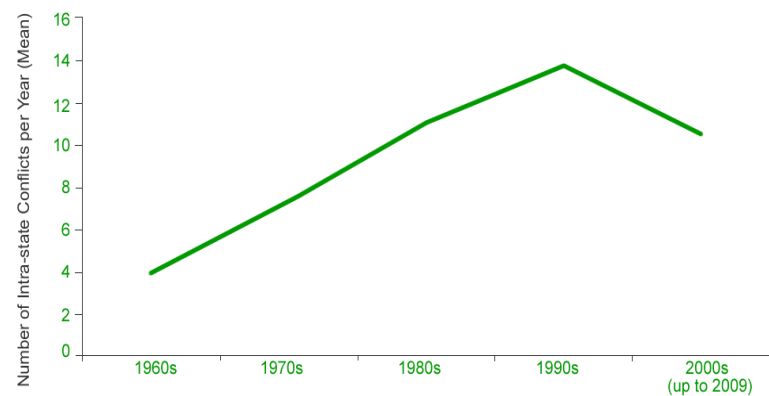
According to the Declaration, African states "believe in just, honest, transparent, accountable and participatory government and probity in public life". Accordingly, African countries agreed to "undertake to work with renewed determination to enforce", among other things, the rule of law; equality of all citizens before the law; individual and collective freedoms; the right to participate in free, credible and democratic political processes; and adherence to the separation of powers, including protection for the independence of the judiciary and the effectiveness of parliaments. Thus, the Declaration incorporated into African politics a culture of taking responsibility for Africa's mistakes and being more self-critical of African political and socio-economic development.

Resolving African conflicts - Africa, through the leadership of the AU and active participation of regional bodies, has made progress in the resolution of conflicts that have raged for many years on the continent. Africa has more democratically elected governments than at any other time in the recent past. Sound economic management is becoming the norm. The AU is continuing its efforts to address conflicts on the African continent and has cooperated with development

¹ Reuters and Bloomberg, Paris on World Bank Plan for Africa Unveiled

partners and the UN to enhance Africa's capability to undertake peace support operations, particularly in the Democratic Republic of the Congo, Somalia and Sudan.

Figure 4: Reduction in number of conflicts in Africa



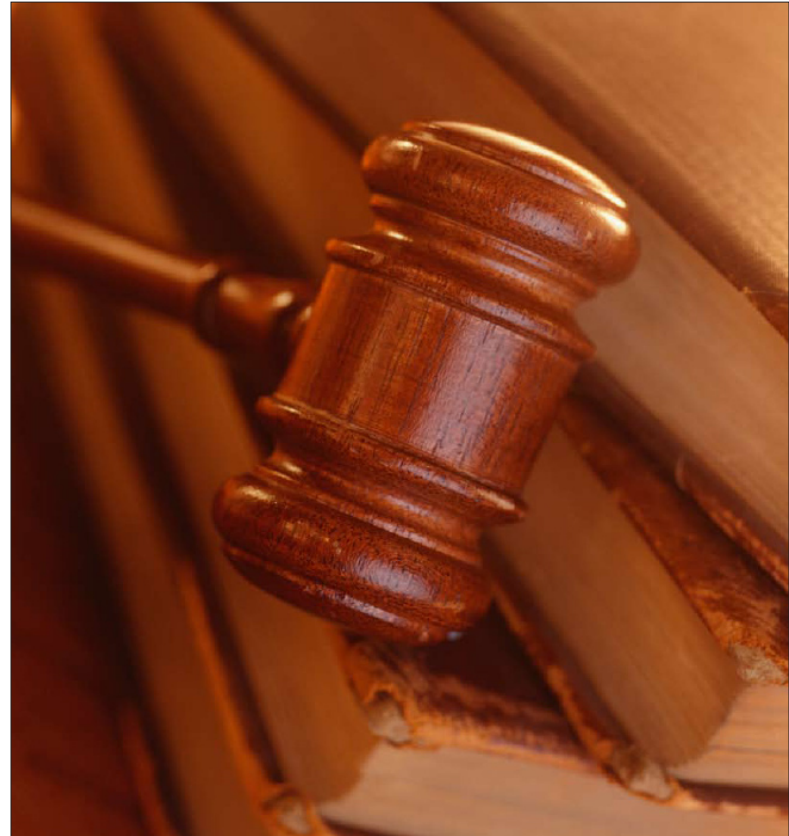
Source: Data from UNDP, Pedro Conceicao (Chief Economist & Head of the Strategic Advisory Unit) on the UCD-PIRO armed conflict dataset, version 4 (Dec. 2009) – UNDP presentation at 14th APF in Toronto

This is certainly a marked departure from the past, when military dictatorships and one-party states were the norm. Indeed, NEPAD has played a critical role in promoting democracy and good governance through APRM. Established in 2003, the APRM is a unique, mutually-agreed instrument, aimed at fostering the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration through experience sharing and reinforcement of successful and best practices, including identifying deficiencies and assessing of requirements for capacity building.

Since 2003, 31 of Africa's 54 nations have acceded to the APRM. Of the 31 countries, 14 have already undergone review of their policies and practices on democracy, political governance, economic governance and corporate governance. The APRM promotes internal accountability on the continent, emphasizing that African states should be accountable not only to their development partners but also to their citizens. This emphasis on domestic accountability and ownership has created hope among Africans as well as in the international community for the renewal of the continent.

The APRM is recognized globally as a model

of African ownership and leadership in advancing good governance on the continent. It is the only self-monitoring political and economic mechanism in the world. APRM reports serve as an early warning system of impending threats to peace and stability on the continent. For example, the 2006 APRM report for Kenya anticipated potential political unrest before ethnic-related violence broke out in 2007, while the 2007 South Africa APRM report warned against xenophobic tensions that erupted in South Africa in May 2008.



The Mechanism focuses on 4 thematic areas: (1) Political Governance (DPG), (2) Economic Governance and Management (EGM), (3) Corporate Governance (CG) and (4) Socio-Economic Development (SED). The APRM has developed objectives, standards and indicators that are directly related, congruent and synergistic with the MDGs. The National Plan of Action (NPOA), which emanates from the review process, aims at addressing governance challenges identified by national stakeholders during the self-assessment process, placing a high premium on MDGs. The APRM is a useful instrument in the pursuit of the MDGs because it not only monitors and evaluates the extent to which commitments are implemented, but also provides an opportunity for policy makers and citizens to hold each other accountable.

Through the APRM, African leaders have advanced good governance and democracy across the continent. One of the most important achievements of the APRM process is that it has raised awareness among stakeholders in participating countries of many cross-cutting governance issues, such as corruption, gender equality and youth unemployment. In addition, as a core NEPAD initiative, the APRM has great potential to support the achievement of the MDGs in its participating countries. The greatest benefits for every stakeholder and partner will come from closer cooperation and the joint pursuit of the multiplier effects that flow from better participatory governance and a clearer focus on achievable goals that are shared and prioritized by everyone. The APRM represents a win-win strategy in the pursuit of a well-governed Africa, free of poverty and on a sustainable path of development in line with the NEPAD vision.

In all, African leaders were visionary in establishing NEPAD and linking economic development and growth to peace and security, good governance and accountability. With greater participation in issues of peace and security as a precondition for development, there has been a reduction in conflict on the continent. The mobilization of international support and resources through creative partnerships for infrastructure and agricultural development is paramount for unleashing the development potential of Africa. Through NEPAD, Africa pushed for the cancellation of debt within the framework of its engagement with the G8 and G20.

2.12 A transforming Continent - Current trends of Africa's development

Africa's economy is showing tremendous progress, infusing the continent with a new commercial vibrancy. According to the McKinsey Global Institute, over the past decade Africa's real GDP growth rate jumped higher than the annual average of 5.7%, twice the pace of the 1980s and 1990s. Sub-Saharan Africa has produced six of the world's ten fastest-growing economies. The IMF further predicts that Africa will be home to seven of the ten fastest-growing economies over the next five years.

Figure 5: Africa in the mix
(World's ten fastest growing economies)

World's ten fastest-growing economies* Annual average GDP growth, %			
2001 - 2010		2011 - 2015	
Angola	11.1	China	9.5
China	10.5	India	8.2
Myanmar	10.3	Ethiopia	8.1
Nigeria	8.9	Mozambique	7.7
Ethiopia	8.4	Tanzania	7.2
Kazakhstan	8.2	Vietnam	7.2
Chad	7.9	Congo	7.0
Mozambique	7.9	Ghana	7.0
Cambodia	7.7	Zambia	6.9
Rwanda	7.6	Nigeria	6.8

Sources: *The Economics: IMF*



* Excluding countries with less than 10m population and Iraq and Afghanistan + 2010 estimate + Forcast

Indeed, Standard Chartered Bank predicts that Africa's economy will grow at an average annual rate of 7% over the next 20 years, slightly faster than China's. In its report tagged 'Lions on the move: The progress and potential of African economies', the McKinsey Global Institute notes that "Africa's economic impulse has quickened

with telecom, banking, retail and construction and foreign investment flourishing.” The Institute notes that Africa’s collective GDP in 2008 was US\$ 1.6 trillion, roughly equal to Brazil or Russia, with combined consumer spending of US\$ 860 billion in 2008. In addition, 316 million new mobile phone subscribers have signed up in Africa since 2000.

This unprecedented level of optimism could be attributed to the decade of change in the continent and the desire to see a better Africa. Even though Africa felt the impact of the recent global financial and economic crisis, it was the first to begin its recovery, with an average growth rate of 2-3 per cent per year while some developed economies are experiencing negative growth. Some observers attribute this to the resource boom and increasing demand for African resources by the emerging economies. That notwithstanding, the resilience of the African economy in spite of the impact of the global financial and economic crisis attests to the sound and durable macroeconomic policies embraced by African governments.

2.13 From Aid Dependency to Development Effectiveness

It is recognized that the continent cannot survive and develop on aid. It must strive to change the dependency equation and utilize its own human and financial resources to meet its development goals. This is at the core of the AU’s institution and capacity development agenda, as well as the CDSF. The AU’s overarching objective is to attain development effectiveness by optimizing the management and utilization of all policies, resources and processes. In the African context, for aid to be effective, it must be fully integrated in the larger development context. Therefore, Africa’s ‘beyond aid’ approach focuses on priorities for development effectiveness, which include financing for development (domestic resources and aid) and South-South cooperation driven by local human and institutional capacities. This is premised on the accelerated and comprehensive delivery of outstanding commitments by development partners including as stipulated under the frameworks of the 2005 G8 Gleneagles Summit Outcomes, the 2005 Paris Declaration and



“NEPAD projects a renewed vision of Africa and encompasses an implementation strategy. The international partnership to be built is global in nature: not only from the diversity of participants but also from the wide scope of its coverage”

- **President Abdelaziz Bouteflika of Algeria**

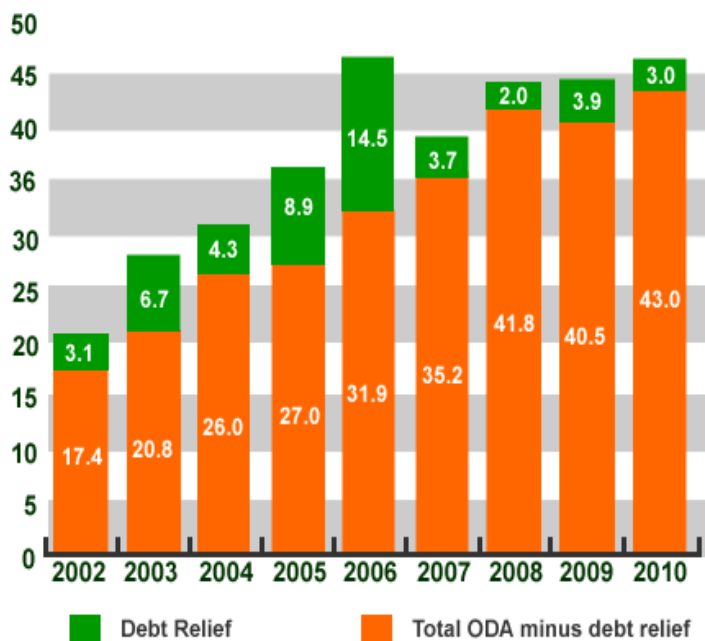
and the 2008 Accra Agenda for Action.

Capacity development is a critical factor for achieving Africa’s renewal as the ‘how’ for self-sufficiency and sustainable development through enhancing available human and institutional assets. With increasing priority being given to regional integration, new forms of South-South cooperation are promising partnership mechanisms to support African-owned and led knowledge economies for development, as well as solidarity amongst developing countries. NEPAD has been at the vanguard of this policy change with the Africa Platform for Development Effectiveness (APDev) which provides a continent-wide system for mobilization and collective efforts. APDev is coordinated jointly by the NEPAD Agency and AU Commission with support from partner institutions.

To move beyond aid, Africa is utilizing self-organizing mechanisms to reduce aid reliance and stimulate a strong and varied financial base

for sustainable development. Development assistance should particularly be directed to Africa's real economy to enhance present growth, while ensuring the full involvement and participation of an empowered domestic private sector. While Africa is committed to building and strengthening coalitions that will consolidate Southern-led cooperation at the intra and inter-regional levels, a more inclusive, equitable and sustainable development cooperation architecture will support the Africa-specific development agenda. Overall, aid should help build, nurture, harness and utilize African capacities in strengthening country and regional systems for development that are effective, stimulate inclusive and citizen-centred growth, target the productive sectors and catalyze the sustainable growth of innovative domestic resources to finance development.

Figure 6: Official Development Assistance to Africa (Nominal)



Source: OECD/DAC

Agriculture model - There is a historic change underway in Africa's agriculture sector. For the first time, a new collective effort through CAADP has gained the strong commitment of African leaders to invest in agricultural development. This new political will is broad and deep, embraced by African leaders, national governments, and the RECs. Inspired by NEPAD, African governments made a series of commitments in agriculture under CAADP, which has been globally acknowledged as triggering 6% growth in output and 10% national budget allocation to agriculture.

30 countries have signed their compacts. On the CAADP target of 6% growth, by 2008 10 countries exceeded this rate and a further 19 countries achieved respectable growth of 3-6%.

NEPAD has provided an overall broad policy framework around which African countries can articulate their development objectives. It has helped in developing public policy around key economic fundamentals considered necessary for generating better and sustained economic growth. NEPAD has also informed Africa's engagement with bilateral and multilateral development partners, including the UN system, in promoting the four pillars of CAADP to ensure that agriculture, food security and nutrition receive priority attention in regional and global discourse.

Sectoral actions - Without a doubt, Africa has made significant progress in improving political and socio-economic governance policies and implementation. Relative successes have been recorded in governance, conflict management systems, peace and security, economic growth and public finance management, and women's empowerment. On a sectoral basis, the continent has advanced targeted development policies and programmes in agriculture, food security and nutrition, infrastructure, education, health, trade and market access, ICT, environmental sustainability and science and technology. In the area of infrastructure development, for example, a number of regional and trans-regional initiatives such as NEPAD's Infrastructure Short Term Action Plan (STAP) have contributed to the integrated, continent-wide plan for regional infrastructure in the form of the Programme for Infrastructure Development in Africa (PIDA). Upon the recommendation of NEPAD Orientation Committee, the 18th AU Assembly adopted PIDA to improve connectivity and regional integration.

In a decade, NEPAD has inspired and promoted:

- Unique accountability method for African countries to review each other's governance and hold each other to account; as evident in the African Peer Review Mechanism (APRM) - a flagship initiative of NEPAD;
- Design and development of continental sector policy frameworks/initiatives including CAADP, EAP/SREAPs, CDSF, PIDA and PICI
- Allocation of US\$1.5 million to train African Nurses and Midwives to post-graduate level;
- Over 300 African students have received high-level education on mathematical sciences through the African Institute of Mathematical Sciences, which is supported by African Universities in collaboration with the likes of Cambridge and Oxford;



- Common indicator and encouragement for African governments to allocate 10 per cent of national budget to agriculture as required by the Comprehensive Africa Agriculture Development Programme (CAADP);
- A pan-African policy mechanism for reforms in the fisheries sector through the Partnership for African Fisheries (PAF) in Governance and Trade;
- 100 primary and secondary schools in Uganda, Lesotho, Ghana, Rwanda, Senegal, Nigeria and Kenya that have benefitted from NEPAD e-Schools project in partnership with private sector;
- A system to harmonise medicines registration in Africa through the Africa Medicines Registration Harmonization Programme (AMRH) thereby reducing a huge number of counterfeit medicines on the continent;
- Conduct of research into herbal remedies to treat HIV/AIDS through the African Bioscience Initiative;• Hundreds of thousands of women have benefitted from 20 million Euros, disbursed to empower women through the NEPAD/Spanish Fund for African Women Empowerment the its Business Incubation project for RECs;
- Streamlined African common position and consensus on Development Effectiveness through evidence-based inter-connected themes of South-South Cooperation and Financing for Development through Capacity Development as core, under the multi-stakeholder coordinating mechanism of Africa Platform for Development Effectiveness (APDev) activities across the continent.



3

Mobilizing Resources for Africa's Transformation

3.1 Increasing Pace of Domestic Resource Mobilization

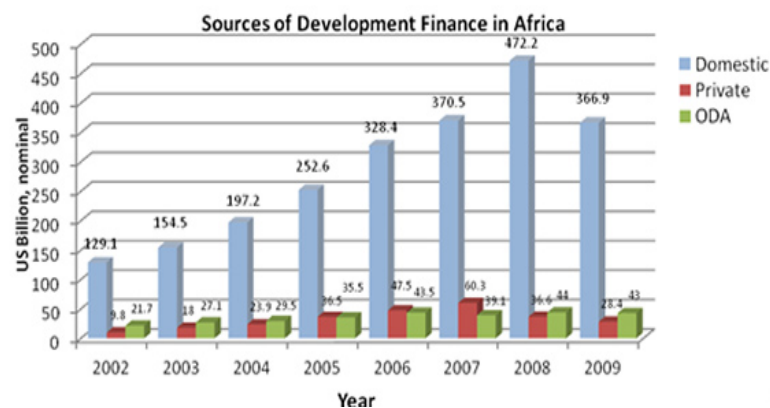


Africa's limited financial resources and the unpredictability of external support have negatively affected the pace at which NEPAD's programmes have been implemented. Despite these challenges, NEPAD still stresses self-reliance with its founding document recognizing the importance of domestic resources in accelerating the socio-economic transformation of Africa. To ensure total ownership of continental programmes and projects and assume the control of the

continent's reform agenda, African governments and regional bodies have prioritized the mobilization of domestic resources in supporting the implementation of key continental and national initiatives. For the past decade, domestic resource mobilization strategies in Africa have centered on increasing national savings, widening the tax net, rationalizing public sector expenditures, curbing illicit financial flows and capital flight, empowering Africa's private sector, and other interventions.

Domestic revenue is now the major source of development finance in Africa, accounting for about 84% of all total sources of financing for Africa and increasing four-fold between 2002 and 2008. In addition to external support, increasing domestic resources for financing programmes will strengthen the continent.

Figure 7: Sources of Development Finance in Africa



Sources: World Bank Global Development Finance (2010) & IMF Regional Economic outlooks (April 2010) and OECD DAC

Since NEPAD's founding, African governments have continued to emphasize the importance

of domestic resources. Since the early 2000s, African countries have moved gradually towards using their own resources to execute national and regional development programmes. With commitments made at various levels, the need to transform existing political will on domestic development finance into concrete policy measures and actions has been re-affirmed. In particular, the African leaders on the NEPAD HSGOC underscored the need to step up the mobilization of additional domestic resources in support of NEPAD implementation to advance ownership, self-reliance and development effectiveness. African leaders further noted the importance of continuous engagement with relevant countries, regional bodies, pan-African institutions and the private sector.

Recently, at the 26th Summit of the Heads of State and Government Orientation Committee, it was emphasized that, the present dependency of the NEPAD programme on voluntary contributions and development partners is untenable. Mobilization of domestic resources by African Governments is critical for the implementation of projects that have been identified and prioritized through NEPAD

Various constraints limit Africa's ability to mobilize domestic resources. On the public sector side, constraints include low income levels that impact on government's direct taxation; cross-cutting structural bottlenecks, including high levels of informality, a lack of fiscal legitimacy and huge administrative capacity constraints as well as excessive granting of tax preferences, inefficient taxation of extractive activities; inability to fight abuses of transfer pricing by multinational enterprises; and excessive reliance on a narrow set of taxes for revenue.

The reform of the domestic financial sector is critical for the mobilization of domestic resources for development. Several factors affect the depth and breadth of financial services provision in Africa. On the supply side, most of the African financial markets are still under-developed and mostly dominated by the banking sector and thus by short-term financial instruments. This has made it harder for both the private and public sectors to utilize resources from the financial markets to fund investments that are critical to increasing their productive capacity. On the

demand side, the majority of the population (mainly small enterprises and households) still lack access to formal financial services due to a combination of factors, including the cost of the services, lack of collateral for credit and other conditions that prevent them from fully participating in the market.

The state of real and financial investments on the continent is connected to the financial markets. The state of fixed capital formation on the continent, its contribution to gross output and the impact of the domestic financial market in this regard are issues that are relevant in this era when Africa needs to enhance its investment. The interplay between the State and financial markets in Africa in the growth of real and financial investments needs further articulation. The financial market plays a key role in the growth of real and financial investments in other jurisdictions. Understanding the interplay of these variables will guide policy makers and financial sector practitioners to steer the financial sector in the right direction.

At the NEPAD Orientation Committee special commemorative session on 'Mobilizing Domestic Resources for NEPAD Implementation', African leaders noted the importance of relying on domestic resources in funding development projects in Africa. Specifically, the Presidents of Algeria, South Africa and Nigeria, the Prime Ministers of Ethiopia and Namibia as well as the Executive Secretary of the UN Economic Commission for Africa (UNECA) reiterated this fact, emphasizing the importance of implementing the seven prioritized regional infrastructure projects earmarked under the Presidential Infrastructure Champion Initiative (PICI).

Inclusive ownership of Africa's development agenda and concrete implementation in the next decades of NEPAD remains critical in maintaining optimism about NEPAD's future. Africa has largely been touted as the next global growth pole but it needs to develop the implementation capacity of public institutions in galvanizing state as partner in the continent's transformation. Accordingly, African countries should focus on mobilizing domestic resources premised on a more effective tax system; external finance support; and facilitating foreign direct investment to unlock Africa's growth potential.

Over-reliance on external partners for funding the NEPAD programme continues to be a major barrier to true ownership of NEPAD. African countries need to cultivate a stronger political will backed by resources to accelerate regional and continental integration. NEPAD remains one of the core vehicles to inspire change in Africa with all key stakeholders having the responsibility of creating a conducive environment for its implementation. Since its integration into the AU structures and processes, the level of policy coordination and programme harmonization with the AUC and RECs has improved significantly.



“NEPAD recognises that the continent’s resources particularly its natural and human capital, are critical to launching a war on poverty and underdevelopment. What is required to mobilize these resources is bold, imaginative and innovative leadership”

- Former President Abdoulaye Wade of Senegal

Domestic resource mobilization should supplement the shortfalls in the financing of the partnership to improve policy space in Africa. This could be achieved by improving public revenue collection and orienting spending towards agriculture and infrastructure development. Domestic resource mobilization has made great strides in Africa, especially in light of the impact of the global financial and economic crises on

the continent. The number of countries in which resources from development assistance exceed domestically mobilized resources has fallen dramatically in recent years. Furthermore, domestic resource mobilization is a means to shift from aid dependency to development effectiveness and thus will remain a priority of NEPAD for the next decades to come.

Along the same lines, the low level of effective aid delivery within the context of the massive resource requirements for the implementation of the NEPAD programme is also a challenge. The continent needs to improve strategies to enhance domestic resource mobilization and utilization, including from non-traditional partners within the framework of South-South cooperation, as well as the use of innovative financing.

Taxation has also become a major source of domestic financing for Africa. The International Finance Corporation (IFC) reports that Africa recorded the second largest number of positive tax reforms in 2009. Innovative financing mechanisms are making inroads within national and regional processes and Africa is steadily learning to rely on itself. Africa will continue to devote more attention to raising domestic resources for its own development needs without discounting the support of its external partners.

3.2 Meeting Africa’s Infrastructure Demand

In January 2011, African leaders signaled their commitment to prioritizing the implementation of regional infrastructure projects through the adoption of the PICI. This AU-NEPAD initiative focuses on political sponsoring and championing of key cross-border and regional infrastructure projects. Seven regional projects² have been endorsed for high-level interventions and support to improve infrastructure under the AU-NEPAD Presidential Infrastructure Champion Initiative (PICI). Furthermore, in January 2012,

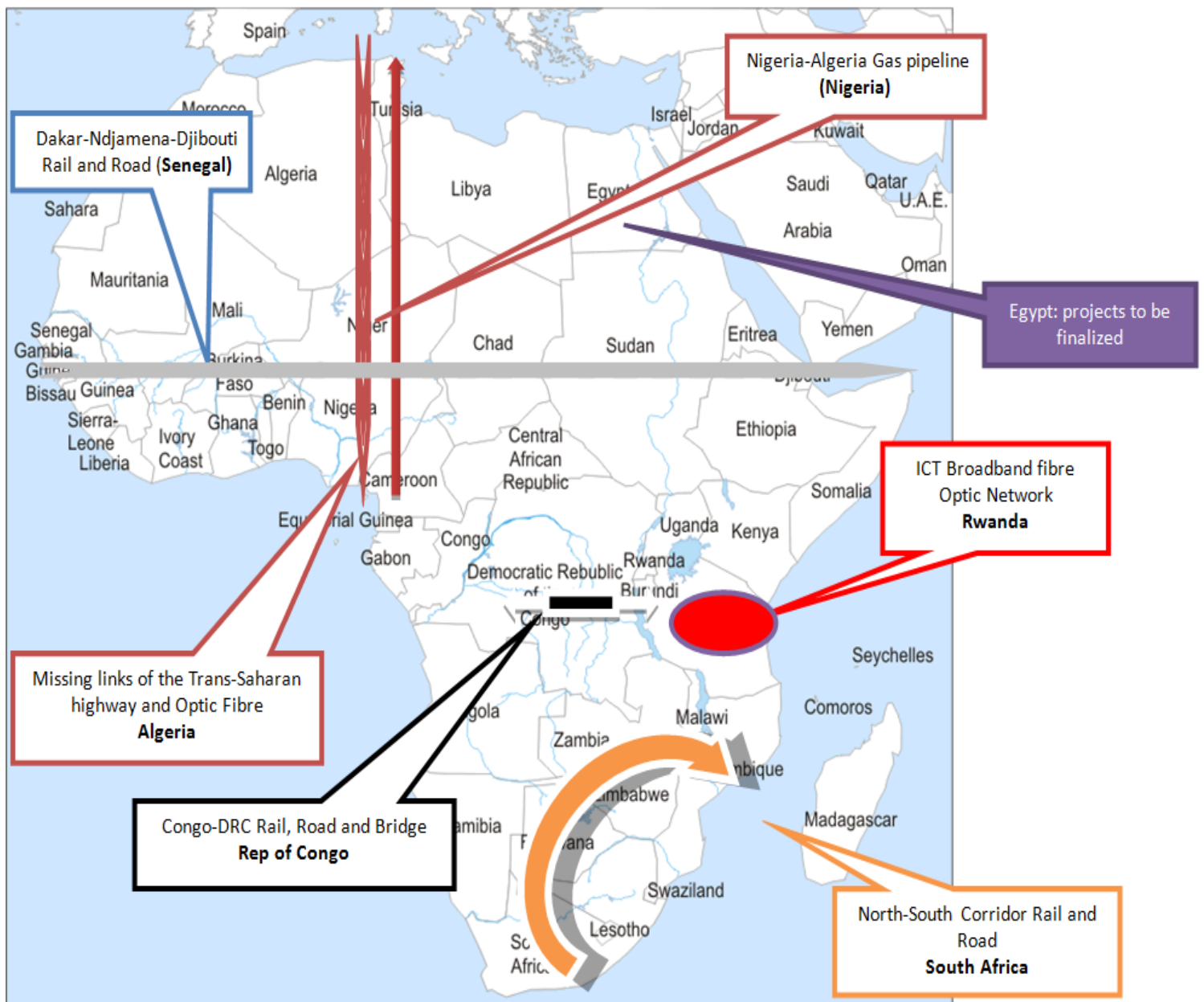
² List of PICI projects & champion countries - **Road & Rail** - The Missing links of Algiers to Lagos Trans-Saharan Highway (Algeria); Dakar-Ndjamena-Djibouti Road and Rail project (Senegal); North-South Corridor Road and Rail project (South Africa); Kinshasa-Brazzaville Road and Rail project (Republic of Congo). **Energy** - Nigeria-Algeria Gas Pipeline project (Nigeria); **ICT** - Cross-Border Broadband and Link to Fibre Optic project (Rwanda); Algiers to Abuja Optic Fibre project (Algeria); **Water** - The Water Management, River and Rail Transport projects (Egypt)

the African leaders adopted PIDA as the continent's comprehensive infrastructure initiative in support of regional integration and trade. NEPAD will continue to promote regional solutions to Africa's infrastructure challenges. To bridge Africa's infrastructure gap, NEPAD is involved in seven key regional projects, including the North-South corridor, the Dakar-Djibouti railway project, and an optic-fibre project, among others.

NEPAD has been at the forefront of championing ICT development on the continent through the PICI, with an ICT Broadband and Optic Fibre project under the political leadership of

Rwanda. The project includes the UMOJANET, a cross-border terrestrial network that would connect African countries through broadband links, and UHURUNET, a submarine ring around the continent coastal countries linking Africa to the rest of the world. Phase 1 of UMOJANET covered 12 countries in Eastern and Southern Africa, and 12 in West and Central Africa. As part of the PICI projects, a proposed network of Optic Fibre from Algeria via Niger to Nigeria is planned with financing for the Algerian section of the project secured. In addition, the Africa Coast to Europe (ACE) project is currently under development and due for completion in 2012.

Figure 8: AU-NEPAD Presidential Infrastructural Champion Initiative Projects



Source: NEPAD Planning and Coordinating Agency, 2011

Over the past decade, much has been done to strengthen national and regional African infrastructure through the development of transport corridors, sub-regional energy pools, water and sanitation, and aviation reforms. In particular, the ICT sector has grown at a phenomenal rate in Africa. Investments in the mobile phone sector, which is the most dominant ICT category in Africa, jumped from US\$ 8.1 billion in 2005 to almost US\$ 70 billion in 2010. Revenue from mobile phone operations has become a major source of revenue for most African countries averaging 7% of tax receipts. The number of mobile phone users has also increased from 11 million in 2000 to 200 million in 2005 and now approaching the 400 million mark.³

3.3 Engaging African Youth



Youth Representative, Ms. Gelila Bekele of Ethiopia addressing the Colloquium

Africa is a young continent, with more than half of the population under 18 years of age. However, the lack of opportunities for youth to fully develop their potential leads to their ineffective participation in political, economic and social development. This situation hinders the realization of the NEPAD vision and mission relating to enhance Africa's growth, development and participation in the global economy. Youth as creators of wealth and consumers form an important constituency in transformation agenda. As evidenced by the North African revolution, the youth remain instrumental in the quest for seeking a more just

society in addressing Africa's current development challenges including access to employment, education, health facilities, and political participation. African governments cannot and should not ignore this segment of the population in defining the future development pathways for Africa.

With this in mind, Africa is re-engaging and working with the youth. The 17th AU Summit of July 2011 in Malabo, Equatorial Guinea, discussed the theme: Empowering Youth for Sustainable Development. The empowerment of a well-educated and gender-balanced young population will allow the continent's development. NEPAD believes that you cannot govern a young population in the same way as you govern the older generation. Thus, Africa is working to integrate the necessities of the youth to meet the formidable challenges of the continent, politically and economically.

3.4 Gender and Women's Empowerment

Gender empowerment provides another domain to measure the ongoing transformation of Africa. For example, over 70% of the 54 AU Member States have formulated national gender policies and action plans, while a number of pro-gender specific legislations have been enacted at the national level. Women's participation in political representation, economic and corporate life has improved significantly in the last decade. At the decision making level, the continent has seen a rapid increase in the representation of women in regional, national and local parliaments. The empowerment of African women is no longer a political slogan. Concrete deliverables are being achieved at the national level. Within NEPAD, collaboration with the Government of Spain under the auspices of the NEPAD-Spanish Fund for African Women's Empowerment has been productive in promoting the cause of this AU priority. The regional dimension of the Fund is the Business Incubation for African Women's Empowerment (BIAWE) which is being implemented by COMESA and ECOWAS through funding from the NEPAD-Spanish Fund.

3.5 Capacity Development for Africa's Renewal

Capacity development is critical to future national and regional prosperity. Africa's transformation requires effective national and regional institutions, capable states and an engaged non-state sector. As such, NEPAD spearheaded a participatory process resulting in the first ever Africa regional capacity development strategy – the AU-NEPAD CDSF.

The CDSF is built on six strategic cornerstones, which are capacity development priorities as defined by Africans. These priorities include leadership and citizen transformation, unlocking African potential, skills and resources for development. The central focus of the CDSF is to achieve better development results by enhancing the capacities of capacity developers and institutionalizing integrated approaches and evidence-based knowledge and innovation systems for continuous learning and improvement. The Framework is adaptable to varied political and socioeconomic contexts and will be further enriched on the basis of experiences and lessons shared from implementation.

Additionally, the Framework creates opportunities for individuals, institutions, countries, and sub-regions to forge creative partnerships in addressing specific capacity development challenges. The CDSF builds on previous and ongoing initiatives in Africa and globally, towards harnessing and nurturing existing capacities for the continent's development. Africans have high expectations that capacity development will help deliver coherent and effective sector-wide development and stimulate growth and prosperity. African stakeholders and development partners are urged to support the AU and NEPAD in the implementation of this Framework, particularly the application of the six cornerstones in developing capable states and institutions, as well as an engaged African citizenry. Overall, the development dividend from any intervention is only as good as the capacities upon which the effort rests. Transformational capacities are therefore required to tackle the continent's change agenda and processes. Africa's capacity for change will ultimately determine the quality of development that is achieved.

Through the CDSF, NEPAD addresses the challenge of weak planning and implementing capacities for socio-economic development programmes at national and regional levels. Clearly defined capacity development plans will help African countries execute their national and regional programmes and projects. Building effective States and the private sector along with strong institutions will change Africa's story. Thus, CDSF is being operationalized as Africa's reference tool for development effectiveness, with sustainable outcomes and ongoing capacity support interventions with RECs and national governments.

APDev was founded in 2011 on one of the CDSF priorities relating to the need for knowledge-based learning for innovation and growth. APDev provides an essential mechanism for pooling both technical and financial resources in developing Africa's capacities for effective development results. The platform allows for structured knowledge exchanges to inform continuous improvements and support decision-making. APDev was instrumental in the development of cases studies on South-South cooperation and capacity development towards informing the African position on development effectiveness and mobilizing for a common voice in engaging the international community on reforms to aid.

South-South Cooperation as a Mechanism for Developing African Capacity - Forging partnerships with development partners remains a cornerstone of Africa's development strategy. Given that the NEPAD agenda is founded on the principles of both intra-Africa collaboration and collaboration with other Southern regions, the AU programme is committed to exploring all partnerships that inure to the benefit of the African people. In recent times, the continent has become an attractive investment destination to both its traditional Northern partners and the newly emerging economies of the South. This has largely been shaped by the relative peace and stability prevailing in most parts of the continent. In an ever-globalizing world, shared values and development strategies are core to becoming competitive.

Over the years, South-South cooperation has become an important complement to North-South relations. Partnering with Southern countries

linked to Africa on the basis of history, political solidarity and similar challenges, has provided fertile ground for sharing important lessons, including paths to success. In particular, South-South cooperation has promoted closer technical and economic cooperation among developing countries, increasing the sharing best practices and helping to develop a sense of ownership of the development process in the South.

Cooperating with Southern countries has allowed Africa to diversify and expand economic links, which have proven to be powerful tools for building new partnerships and creating more democratic and equitable forms of global interdependence and governance. The right partnerships in Africa will bring the right results, ultimately opening up to future generations a world of endless possibility. From its Southern partners, Africa has benefited from technology exchanges and significant inflows of foreign direct investment to support domestic investments, especially from China over the last decade, with trade multiplying ten times since 2001, reaching over USD 160 billion in 2011.

The uniqueness of the new promising forms of South-South cooperation is the conceptual policy shift to the thematic inter-connections of South-South cooperation, financing for development and capacity development as its core. These key themes form the basis of APDev. This shift is embedded in the NEPAD-inspired African position on development effectiveness, which was presented to the 4th High Level Forum on Aid effectiveness in December 2011 in Busan, South Korea. The position paper reinforces Africa's development effectiveness agenda, drawing on the principles of the AU's renewal agenda and its NEPAD programme. The NEPAD Agency has embarked on an exercise to develop evidence on ongoing forms of South-South cooperation in Africa in order to optimize on this mechanism.

3.6 Deepening Partnership Engagement at the Global Level

United Nations system-wide Support to NEPAD - Over the past ten years, NEPAD has created and sustained bilateral and multilateral

partnerships and network forums to strengthen dialogue with Africa's development partners. NEPAD has become the policy framework reference through which the international community supports Africa's development. In 2002, the United Nations General Assembly passed three resolutions formally accepting NEPAD as the framework for engagement with Africa after ending the UN-NADAF.

The United Nations Declaration (A/RES/57/2) and the General Assembly Resolution (A/RES/57/7) identified NEPAD as the "main framework to inform and guide United Nations development programmatic operations in Africa". The UN Resolution (A/RES/57/7) urges the UN system to "organize support for African countries in accordance with the principles and objectives" of NEPAD. UN support towards NEPAD implementation consists of institutional support, development of codes and standards and the provision of technical and financial assistance. The UN also established the Office of the Special Advisor on Africa (UN-OSAA) to coordinate global support and advocacy for the NEPAD programme. Subsequently, the UN Secretary-General directed all UN Agencies operating in Africa to work within the context of the NEPAD policy framework under its 'delivering as one' mantra. The UN, through UNECA, also supported the restructuring of NEPAD's communication and advocacy programme as well as the creation of a coordinating platform through the Africa Regional Coordination Mechanism (RCM) framework.



Dr. Mayaki meets Ban Ki Moon

Box C: UN working for Africa and Stakeholders' perspectives

Partnership with the UN during Africa's decade of change has been exemplary. The focus of the UN-Africa partnership has been on:

- Maintenance of peace and security especially in Darfur, the Democratic Republic of the Congo, Madagascar, Guinea and Niger;
- Regional Coordination Mechanism aimed at coordinating UN system-wide support to NEPAD at the regional and sub-regional levels convened by UNECA;
- Implementation of the United Nations Ten-Year Capacity-Building programme for the AU, a framework agreement reached between the two organizations in 2006;
- Enlarged UN official presence within the AU in support of developing the necessary capacity to prevent, manage and resolve conflict;
- Enhanced international support for Africa's development and security through its advocacy and analytical work;
- Adoption of resolution on the progress in the implementation of NEPAD by the UN General Assembly
- UN Inter-Agency Task Force on African Affairs, convened by UN-OSAA an important mechanism for promoting linkages and synergies between peace and development and exchange of information among UN system organizations on their programmes and strategies in support to Africa's development
- Improving resource mobilization for regional projects given the importance of South-South and triangular cooperation, with a high-level of public investments in national infrastructure as a positive indicator;
- Taking forward the relatively remarkable progress in Africa's development premised on the green economy;
- Confirmed support of China to NEPAD for agriculture and infrastructure development as well as capacity building through South-South collaboration;
- Specific role of NEPAD as a valuable vehicle to advance ownership of development agenda by Africans.
- Ensuring food security founded on good governance as long-term strategic development objective with continued dialogue and an integrated approach on peace building and consensus;
- Accelerating the achievement of MDG 1 by addressing food security and price volatility through NEPAD implementation and the G20 Development Working Group's partnership with Africa on CAADP and risk management

UN Agencies have supported NEPAD in mobilizing international support needed for NEPAD's implementation, promoting recognition by the rest of the world that Africa is seriously addressing its challenges and needs effective partnerships to achieve its aims. The UN Agencies, particularly, UN-OSAA, United Nations Department of Public Information (UN-DPI), the UNECA provided pivotal support to the NEPAD Agency during the 10th anniversary events through the coordination of the African Union Permanent Observer Mission.

United Nations Regional Coordination Mechanism (RCM) in support of the African Union and its NEPAD Programme - In order to promote better coordination, achieve coherence and minimize transaction costs, the United Nations organized itself into a Regional Coordination Mechanism (RCM) which operates through nine clusters aligned to the priorities

of the African Union and its NEPAD Programme. The Clusters are Infrastructure Development; Governance; Social and Human Development; Environment, Population and Urbanization; Agriculture, Food Security and Rural Development; Science and Technology; Advocacy and Communication; Peace and Security; Industry, Trade and Market Access.

RCM-Africa Secretariat is based at the ECA and made up of the African Union Commission and the United Nations. RCM-Africa is co-chaired by the UN Deputy Secretary-General and the Deputy Chairperson of the African Union Commission. Its main objectives are to implement the recommendations of the RCM annual sessions; strengthen joint programming within clusters to ensure consistency with AU and NEPAD priorities and facilitate inter-cluster collaboration to "deliver as one" for the AU and NPCA.

The RCM effectively enhanced communication and advocacy to boost UN system support to the AU and NEPAD through routinely training senior media personnel from across Africa; preparing and distributing promotional and technical materials to enhance information sharing and skills-building in reporting and writing about NEPAD.

The Secretariat has also enhanced the capacities of African countries and regional and sub-regional institutions to implement NEPAD programmes/projects. In collaboration with the AUC and NEPAD Agency, it organized a training workshop in June 2010 to enhance the implementing capacities of African countries and regional and sub-regional institutions with particular focus on the implementation and appraisal of NEPAD programmes/projects.

The workshop created an opportunity to enhance participants' knowledge and understanding of NEPAD's objectives, priority areas and the evolving structure of the newly created NPCA; as well as their understanding of the strategic objectives of the AU/NEPAD Africa Action Plan for 2010-2015 as the flagship approach towards advancing regional integration in Africa. It also equipped participants with appropriate project appraisal, management, and monitoring and evaluation tools and processes.

The RCM Secretariat is also assisting in accelerating the implementation of the Ten-Year Capacity Building Programme for the African Union and its NEPAD Programme by developing a comprehensive work programme of UN coordinated support for the AUC and NPCA.

In all, NEPAD has received support from the international development community and the rest of the world is increasingly beginning to listen to African voices and priorities in a much more responsive and pragmatic manner. As part of its transformation agenda, Africa has established a strong relationship with the G8 and G20 processes given increasing recognition of the African voice in global development dialogue. The Africa Partnership Forum (APF) was established at the Evian G8 Summit in 2003 as a high level vehicle to catalyze and monitor policy actions and implementation between Africa and its G8 and OECD development partners.

NEPAD has come to symbolize a set of essential benchmarks, as well as an instrument to ensure the sustainable development of Africa, all within the framework of existing international mechanisms, including the MDGs and various action plans aimed at improving living standards in Africa. NEPAD represents a comprehensive and integrated approach to Africa's development based on international support with efficient measures by Africans themselves. While the NEPAD agenda must principally be carried out through national programmes, international support remains important.



Prime Minister Meles Zenawi from Ethiopia on the challenges facing the Continent during the NEPAD Congress and Colloquium

Africa stands at a turning point and the role of international community in actively partnering Africa and NEPAD to build a brighter future for the continent remains a priority. However, international cooperation must be enhanced to implement NEPAD projects, particularly through the fulfilment of commitments to Africa.

Table 1: Support from Development Partners to NEPAD Implementation (via NEPAD Agency) over the past decade

Who are the biggest multilateral development partners of NEPAD?		Thematic Areas of Support in the NEPAD Agency
1	African Development Bank (AfDB)	Regional integration and infrastructure including PIDA and capacity support to NPCA
2	UN Economic Commission for Africa (UNECA)	Direct institutional support to NEPAD Agency <ul style="list-style-type: none"> • Communications & advocacy • Knowledge management and development policy issues • Regional dialogue on enhanced coordination for NEPAD implementation • Macro-economic analysis • Domestic resource mobilization study
3	UN Food & Agriculture Organization (FAO)	Direct institutional support on CAADP
4	UN-OSAA	<ul style="list-style-type: none"> • Advocacy and communication • NEPAD in UN General Assembly
5	United Nations Development Programme (UNDP)	<ul style="list-style-type: none"> • NEPAD Capacity Development Programme • CDSF implementation; • Busan Partnership for Effective Development Cooperation • Climate change and natural resources
6	The World Bank	<ul style="list-style-type: none"> • CAADP – Multi-Donor Trust Fund (MDTF) • Sustainable land and water management (TerrAfrica) • Capacity development (World Bank Institute)
7	African Capacity Building Foundation (ACBF)	NPCA institutional strengthening and enhancement of programmatic support
8	European Union	Regional integration and infrastructure - support to transport & other sectors
9	World Food Programme (WFP)	Institutional support to CAADP
10	Information Society for Africa's Development (ISPAD)	ICT – governance, Uhuruset and Umojanet, capacity development (NEPAD e-School programme)
11	Development Bank of Southern Africa (DBSA)	Presidential Infrastructure Champion Initiative (PICI) & Institutional support
12	CTA	CAADP advocacy and communication
13	Southern African Trust	National Engagement on NEPAD (Southern Africa region)
14	Trust Africa	CDSF implementation and Busan Partnership
15	Oxfam	Policy development issues at G8 and G20 / Busan Partnership
16	Irish Aid	CAADP – Food security and nutrition

Who are the biggest bilateral development partners of NEPAD		Thematic Areas of Support
1	Government of Germany through the German for International Cooperation (GIZ) Agency	NEPAD Agency institutional strengthening and: <ul style="list-style-type: none"> • Communications and advocacy • Capacity development and APDev • Water and sanitation / infrastructure – PICI coordination • NEPAD Coordination Unit at the U Commission
2	Flanders/Flemish Government of Belgium	National engagement on NEPAD and capacity development
3	Spanish Government	Gender – NEPAD/Spanish Fund For African Women Empowerment) and BIAWE
4	Japan International Cooperation Agency (JICA)	Human development - teacher training Infrastructure - transport, energy & trade facilitation
5	People's Republic of China	Human development – Human Resource Development for Nurses /Midwives in Africa
6	Agence Française de Développement (AFD)	ICT – Broadband infrastructure network for West, Central & North Africa
7	UK Department for International Development (DfID)	Partnership for African Fisheries (PAF) / Direct institutional support to NPCA
8	Canadian International Development Agency Canada's (CIDA)	Science & Technology African Biosciences Network (ABNE) – Ouagadougou office
9	Swedish International Development Agency	Information and Communication Technology
10	Finland and South Africa	Southern Africa Bio-Sciences (SANBio)
11	Bill and Melinda Gates Foundation	Science & Technology
12	South Africa (via Department of Communications)	Institutional strengthening at NEPAD e-Africa Programme

Source: NEPAD Planning and Coordinating Agency

3.7 Engagement with Civil Society

As a reformist agenda, NEPAD speaks to the need for changing the manner in which national governments conduct the business of development and in the manner in which Africa relates to the international development community. Within the context of reforms, there is recognition that government bureaucrats are unlikely to champion the required reforms on their own. NEPAD addresses the inherent incapacity of African institutions to reform themselves.

Increasingly, CSOs are playing an empowered role in many African countries. Africa is giving due recognition and voice to CSOs as critical partners and purveyors of policy reforms. NEPAD has strengthened its collaboration with CSOs including professional groupings. The history of the civil society as drivers of key global reforms is well-documented. For example, in the late 1980s and early 1990s, people's organizations and movements as well as the scientific community expressed concern regarding the fast growing levels of global poverty in developing countries, the widening of the gap between the rich and the poor, and the vastly deteriorating environment and the dangers it posed to the

entire planet. The consequent Earth Summit, convened by the UN in 1992 in Rio de Janeiro, Brazil, set a new pattern for the participation of civil society in the work of the UN system.

As direct instruments of development, NEPAD is working with civil society actors at national and global levels to promote substantive capacity and influence in a range of development issues. Partnering with civil society can contribute to the effectiveness of development interventions, especially with respect to marginalized and vulnerable groups. There are many lessons that speak to the direct involvement of CSOs as “drivers” of development in such areas as protection of and assistance to refugees, rebuilding war-torn societies, environmental protection and others. There are lessons to be gleaned from the evolution of cooperation in areas such as advancing the rights and equal participation of women, the participation of youth and the protection of children’s rights, campaigning against the use of child soldiers and so on. In all these areas, CSOs have been instrumental in facilitating change and development.

3.8 Deepening commitment to regional cooperation

NEPAD places high premium on supporting country-led and region-supported actions towards regional integration. This means that leadership is provided from within a country and is supported from a regional pole. This leadership is provided by all who have a voice and draws on the strength of those without voice. The RECs have taken responsibility for transforming this into practice at national and sub-regional levels. At the continental level, the AUC is working closely with the NEPAD Agency to enhance international legitimacy for defined national and regional programmes. The regional level adapts continental frameworks to suit their regional contexts and, the national level takes responsibility in implementing country decisions.

3.9 Durban institutional coordination process

A founding tenet of NEPAD and a decisive factor in its implementation, regional integration drives

programmatic undertakings to advance Africa’s development. Given the effect of limited ownership to support implementation of NEPAD at national and regional levels, the NEPAD Agency has prioritized enhanced coordination among African institutions including the RECs. Based on the decision of the 43rd NEPAD Steering Committee meeting held in Addis Ababa in January 2012, a regional dialogue was held in Durban in June 2012 among key African and partner institutions involved in accelerating the implementation of NEPAD.

The Durban dialogue provided peer learning and a consultative opportunity for representatives of NEPAD structures and focal points at national and regional levels. The regional dialogue marked the introductory process for consultation among NEPAD structures and Focal Points at national and regional levels with the goals of:

- Forging a common understanding on implementing NEPAD
- Reviewing the operations of the NEPAD structures and focal points with a view to enhancing coordination through experience sharing.
- Enhancing the delivery of the NEPAD Agency through strengthening its coordination mechanisms



Group Photo of attendees at the Regional Dialogue on Enhanced Coordination toward NEPAD Implementation

4

Where does NEPAD stand today?

The ten years following NEPAD's creation call for a sober reflection on the landmark achievements of the programme and an evaluation of the challenges that have confronted its implementation.

NEPAD has survived for a decade as a unique strategy and priority-setting agenda given the leadership of the initiating countries, AU Member States, and support from regional institutions and the AU as a whole. This African-designed and owned strategy has matured into an institutionalized process for new development thinking and practice.

Without a doubt, through NEPAD, Africa has witnessed a decade of change and significant progress in improving political and socio-economic governance policies and implementation. Successes have been achieved in the areas of peace and security, governance, economic growth, women and youth empowerment. In February 2010, NEPAD was formally integrated into the structures and processes of the AU as the continent's socio-economic blue-print for development. This step has re-energized NEPAD as the comprehensive development programme of the AU.

4.1 The technical and development body of the AU

As stated earlier, the transformation of the erstwhile NEPAD Secretariat into an Agency is a positive move, as it clearly reflects the political will and re-commitment of African leaders to steadfastly pursue the actualization of the

NEPAD vision for the continent's renewal and the NEPAD Program as originally adopted in 2001. Based on the integration of NEPAD into the structures and process of the AU, the NEPAD Agency is now better equipped to deliver on its mandate with an overwhelming importance attached to implementation.



“From onset, Africa was placed at the periphery of global politics & development & its role in international marginalized. But NEPAD came into being to address this with greater emphasis on regional integration through its main vector of design continental frameworks/programs”

- Dr. Ibrahim Mayaki, CEO, NEPAD Agency

Designated as the technical body of the African Union, the core mandate of the NEPAD Agency is to facilitate and coordinate the implementation of regional and continental priority programmes and projects and to push for partnerships, resource mobilization and research and knowledge management. The strategic direction of the NEPAD Agency is based on the following thematic areas: Agriculture and Food Security; Regional integration and infrastructure; Climate Change and

Natural Resource Management; Human Development; Economic and Corporate Governance; and Cross-cutting issues of gender and capacity development. The Agency is financed through the statutory budgets of the African Union Commission (AUC), voluntary contributions from AU member states, and additional budgetary support from development partners and the private sector.

Table 2: Key Differences between former NEPAD Secretariat and NEPAD Agency

NEPAD Secretariat	NEPAD Planning and Coordinating Agency
A. Legal and Institutional context	
NEPAD Secretariat was established to serve as main institutional vehicle to implement the NEPAD program;	NEPAD Agency was established by a 14th AU Assembly Decision, based on the recommendations of the 22nd NEPAD HSGOC Summit as a major outcome of AU/NEPAD integration;
NEPAD Secretariat operated under the aegis of the MoU between South Africa Presidency and the Development Bank for Southern Africa (DBSA);	NEPAD Agency is fully integrated into the AU structures and processes under the supervisory authority of the AUC Chair;
NEPAD CEO was appointed on the recommendations of the NEPAD Steering Committee and answered directly to the Steering Committee;	NEPAD Agency CEO is appointed by the AUC Chair in consultation with HSGOC Chair. NPCA CEO is a member of AUC Cabinet of Commissioners presided over by AUC Chair and reports to AUC Chair on NPCA operational matters ;
DBSA human resources / finance rules and regulations were applied to the Secretariat on an ad-hoc basis;	AU rules, regulations and practices have been adopted by NEPAD Agency for HR/finance systems;
Prior to integration, there were only informal institutional linkages between NEPAD Secretariat and AU Organs;	Interim Host Agreement has been carried over to the NEPAD Agency with the functional recognition of NEPAD Secretariat as the Interim AU Office in South Africa;
As part of AU/NEPAD integration process, the Interim Host Agreement was signed in October 2008, recognizing NEPAD as an AU Office and international organization in South Africa with legal and diplomatic status	The signing of a full-fledged permanent Host Agreement formally recognized the NEPAD Agency in line with 14th AU Summit resolution;
NEPAD Secretariat's funds and HR portfolio were managed by DBSA until the processes were delinked with October 2008 signing of Interim Host Agreement for NEPAD between SA Government and AU;	Creation of the NEPAD Agency is an outcome of a broad-based process of consultations encompassing AU member-states, AU/NEPAD governance structures, AUC, African institutions and key partner institutions;

NEPAD Secretariat	NEPAD Planning and Coordinating Agency
A. Legal and Institutional context	
<p>Successive NEPAD HSGIC Summits and Steering Committee meetings remitted various responsibilities and role functions to the Secretariat; Challenges included:</p> <ul style="list-style-type: none"> • Lack of clarity in the mandate of the Secretariat; • overlapping roles and responsibilities resulted in duplicated functions with AUC; 	<ol style="list-style-type: none"> Facilitate and coordinate the implementation of Africa's priority regional programs and projects Mobilize partners and stakeholders Mobilize resources for NEPAD implementation Conduct research and knowledge management Advocate for the AU/NEPAD vision, core principles and activities Mandate seeks to clearly distinguish its role functions from those of the AUC, thereby avoiding overlap/duplications;

4.2 What does development mean for Africa today?

A developmental state that takes into account civil society and the private sector - Sustaining national, regional and continental partnerships is critical for maintaining the gains of the past decade. As we carry on with implementing the NEPAD agenda, it is important to recognize the role of civil society and the private sector in becoming the main driving force of NEPAD. Now, more than ever, Africa appreciates more the role being played by civil society, including associations of women, youth and the independent media. In righting the wrongs of excluding civil society during its formative years, NEPAD has, over the last decade, consistently engaged Africa's civil society in fashioning development strategies for the continent. Africa's civil society engaged with NEPAD and has been contributing to its growth and success.

Similarly, over the last decade, there has been a refreshing shift in the approach to doing business with Africa. From the early days of the 'stay out of Africa' slogan, the trend has moved towards increasing investment in Africa. From the caption of a global magazine 'Africa – a hopeless continent' in 2000 to a cover title in 2011 'Africa rising', the perception of the political and socio-economic status of the continent is changing. For years, it has been known that private sector involvement is vital to the economic development of the continent. This is has always been the vision of the AU. The last decade has seen tremendous private sector investment in Africa as a result of the favourable investment climate. Today, the rate of return on foreign investment

in Africa is higher than in any other developing region.

Private sector involvement has always been crucial to the economic development of Africa. In tandem with governmental effort to uplift the continent, progress has been made in 'bringing investors to investments' and opening up new growth prospects where it was previously believed none existed. Opportunities for interventions have always existed in Africa, but the concern has been creating the appropriate channels for such interventions and making sure these channels do not get lost in bureaucratic procedures. The right partnerships in Africa will bring the right results, ultimately opening up to future generations a world of endless possibility. The NEPAD Programme has created an enabling environment by teaming up with the African private sector to identify and implement projects on the continent.

5 Key Outcomes of NEPAD 10th Anniversary Events

NEPAD's 10th Anniversary provided an opportunity for a deeper reflection at all levels on Africa's decade of change/progress and how to move Africa's development agenda forward to ensure that the continent claims the 21st century.

5.1 NEPAD Week @ the 66th Session of the UN General Assembly

The commemoration at the UN Headquarters in New York during the 66th Session of the UN General Assembly offered an opportunity to further engage the global development community, including the UN system, in strengthening partnerships for the implementation of NEPAD as the flagship socio-economic development programme of the AU. This reflection also aimed at examining Africa's efforts to achieving the MDGs and raising awareness of the NEPAD agenda and its achievements and remaining challenges.

NEPAD took centre stage at the 66th Session of the General Assembly's annual general debate on Africa. The UN General Assembly delegates assessed the first implementation decade of NEPAD, lauding its achievements in peace, security and good governance, and looked forward to ownership beyond aid and inclusive sustainable growth over the next 10 years. African governments and other UN Member States reaffirmed their support for NEPAD's implementation, particularly in meeting the targets set under the MDGs.



NEPAD CEO addressing Commemorative Public lecture Columbia University

Box D: Highlights of Commemorative Public lecture at Columbia University on “Africa’s Decade of Transformation: The NEPAD Perspective”

The academic community of the Columbia University School of International and Public Affairs as well as other Universities, UN partners, NGOs, foundations, think tanks, African-US intelligentsia, policy makers, researchers and development practitioners engaged in a commemorative lecture on the theme: “Africa’s Decade of Transformation - The NEPAD Perspective”.

The keynote lecture was delivered by the NEPAD Agency CEO, Dr. Ibrahim Mayaki, who stressed the importance of public policy that takes into consideration the developmental role of the State with planning at the core. From the outset, he explained, Africa was placed at the periphery of

global politics and its role in international development marginalized. NEPAD emphasizes the importance of regional integration. Dr. Mayaki also noted that academia, both on the continent and in the Diaspora, is not sufficiently associated with NEPAD's implementation and its input remains pivotal.

Dr. Mayaki emphasized the importance of maintaining NEPAD partnerships at levels relating to public policies at the national level and of cultural mentalities that are influenced by public sector thinking. He described Africa as a continent endowed with great natural resources, the youngest population in the world and a large human capacity that, therefore, doesn't deserve to be poor. Finally, he highlighted the implementation of good governance through the APRM, the integration of NEPAD into the AU and the establishment of the NEPAD Agency as the development agency of the AU.

5.2 Mainstreaming Good Governance and Accountability in Africa

Democracy and good governance are strongly taking foothold in Africa more than ever before. Multi-party elections are now the norm rather than the exception. In 2002, African countries adopted the Declaration on Democracy, Political, Economic and Corporate Governance and the Charter on Democracy, Elections and Governance in 2003, demonstrating commitment of the continent's leaders to strengthen democracy.

The African Peer Review Mechanism (APRM) is a prime and credible model for good governance. A voluntary and novel monitoring policy instrument and direct offshoot of the AU Declaration, currently 31 AU member states have acceded to the Mechanism and opened up their governance systems for review. The APRM focuses on four main facets of governance, namely: Democracy and Political Governance; Economic Governance and Management; Corporate Governance; and Socio-economic Development. The mechanism is both a peer pressure on leadership and a shared learning of best practices in government among countries in order to accelerate progress towards Democracy and Good Political Governance that touch on the rule of law and

equality of all before the law; individual and collective freedoms and the inalienable rights of individuals to participate in the choice of those who govern them.

Box E: Highlights of Panel Discussion on Improving Governance in Africa through the APRM: Progress and Challenges

APRM remains the centre-piece of the "good governance initiative" for Africa and constitutes the most ambitious and innovative governance exercise ever undertaken in the world. As a self-monitoring mechanism with voluntary ascension, Africa, through the APRM inaugurated a new paradigm to governance that recognizes the relationship between economic development and good governance. The primary purpose of the APRM is to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing of experiences and the reinforcement of successful and best practice, including identifying deficiencies and assessing the needs of capacity building.

The principles underpinning the APRM process are ownership and leadership of the APRM process and an open and participatory review process with key thematic areas focused on democracy and political governance and on economic management and governance. The APRM is premised on addressing conflicts; strengthening constitutional democracy; protecting human rights including civil, political, economic and cultural rights; ensuring effective and efficient public service; combating corruption; and promoting the rights of women, children and other vulnerable groups. APRM aims at achieving macro-economic stability, sound public finance management, as well as promoting regional integration with a dual focus on democratic governance and economic management, and the relevance of APRM reports as an early warning system of security threats and as indicative of common African problems of land/resource management and corruption.

Despite challenges stemming from its voluntary nature and financial constraints, the APRM articulates and creates links between poverty reduction and democratic governance. APRM's membership to date has expanded to 30 AU member States with Kenya, in July 2011 becoming the first APRM

member to begin the 2nd generation peer review process. Common African problems or cross-cutting issues had emerged from APRM reports, chief among them were issues of land and resource management, corruption, managing diversities, and elections. He added that the APRM made a notable contribution to the realization of the “African Charter for Popular Participation in Development” popularly known as the “Arusha Declaration,” than any previous attempt in the past.

At the continental level, the Constitutive Act of 2000 establishing the AU prohibits the unconstitutional change of governments as a means of ensuring that democratic standards, codes and principles are respected by member-states. Uniquely, while preserving the established international practice of respect for the principle of non-interference by any Member State in the internal affairs of another, Africa has led the world in inscribing in its regional legislative document the right of the African Union to intervene in a member country pursuant to an Assembly decision in respect of grave circumstances, namely, war crimes, genocide and crimes against humanity. The AU has also displayed zero tolerance for unconstitutional changes of government through a provision in its Constitutive Act. Since the adoption of the Act, four African countries have been suspended for unconstitutional change of governments, and two of them were only reinstated after restoring democratic governance. Over a decade, Africa is transforming its governance landscape through a collective approach of peer learning and sharing for effective development.

5.3 NEPAD and the MDGs - Progress, Challenges and Way Forward

The eight MDGs— which include halving extreme poverty, halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 – serve as a collective blueprint agreed to by all countries and world’s leading development institutions. NEPAD is an initiative designed to reduce poverty, to put African countries on a path of sustainable development, to halt the marginalisation of Africa in the globalization process and enhance its full and beneficial integration into the global economy, and to

accelerate the empowerment of women.

Given that the MDGs target date of 2015 is fast approaching, a high-level panel examined the issue: “NEPAD and MDGs: Progress, Challenges and Way Forward”, with focus on the following critical issues: - How can NEPAD help achieve the MDGs in Africa? How does Africa fit in the possible post-MDG UN development agenda? How can NEPAD ensure that focus on Africa is not lost? Notwithstanding, NEPAD has established a number of successful interventions that are directly linked to the MDGs, including:

Table 3: Linkages between NEPAD Policies/ Programmes and MDGs

NEPAD Policy/Programme	MDG
CAADP, CPA, EAP, SREAPs	MDG 1
CAADP; NEPAD school feeding programme	MDG 2
NEPAD-Spanish Fund for African Women Empowerment & Business Incubation for African Women Empowerment (BIAWE)	MDG 3
African Medicines Regulations Harmonization (AMRH) Program	MDG 4
NEPAD & Nursing and Midwifery Program	MDG 5
	MDG 6
NEPAD Environment Action Plan & SREAPs	MDG7
G8, G20 Africa Outreach & APDev	MDG 8

Without NEPAD operating under the ambit of the African Union, the continent might not have recorded some of the successes highlighted in Box C through policy advisory and technical backstopping for programme implementation.

Over the past decade, progress towards MDGs in Africa has been mixed, with good records in primary school enrolment, gender parity in primary education, political empowerment of women, access to safe drinking water, debt sustainability targets and curtailing the spread of HIV/AIDS. An important element of the positive progress registered is the successful establishment of a wide-range of African-led institutional innovations to facilitate progress towards MDG attainment. African governments have embraced new and expanded social protection programmes, MDG-based planning, decentralization of MDGs

mechanisms for improved service delivery, and national policy coordination and harmonization systems. In all, the increased political support for the MDGs is noteworthy, as the AU Assembly tracks progress on MDG attainment on an annual basis. The progressive steps in realizing the targets, especially in areas of education and gender are commendable.

Clear-sighted political will at the national level is a prerequisite to attaining the MDGs through NEPAD. NEPAD is inextricably linked to the MDG and thus provides a unique opportunity and clear road map for Africa to channel resources towards attaining the MDGs whilst meeting the goals and aspirations set out in the NEPAD framework. While, African governments and the international community have shown great commitment to the MDGs, strengthened international partnerships and closer collaboration between national authorities and development partners remain key to attaining the MDGs, even during the post-2015 era.

Mozambique and Swaziland and the MOZIZA Project, involving Mozambique, Zimbabwe and South Africa, both of which realized a significant reduction in malaria rates.

Despite significant setbacks caused by the global economic crisis coupled with high food and energy prices, Africa is still on track to achieve some of the MDGs. But considerable challenges remain in attaining many targets. To accelerate progress, priority should be given to sustained efforts in budgetary allocations to lagging MDGs and commitment to good governance.

Box F: Launch of the 2011 Assessing MDGs Progress in Africa Report


Africa's progress in meeting the targets of the MDG was reflected in the 2011 MDG Annual Report, launched during the NEPAD week at the 66th UN General Assembly. The report, compiled by the AUC, AfDB, ECA and UNDP, presented the latest statistics on each of the goals, globally and regionally, collected by more than 25 UN and international agencies. The report provided a basis for policy discussion, peer learning and advocacy, as well as an impetus for policy decisions and actions by Africa's highest political organs and for new strategies by Member States. African countries such as Burundi, Rwanda, Togo and Tanzania have achieved or are nearing the goal of universal primary education. However, progress to reduce child mortality has been too slow and levels of child and infant mortality remained high in most African countries. Over 90 per cent of the world's malaria deaths occurred in Africa with an estimated annual impact of US\$12 billion in lost productivity.

International agencies have contributed in the fight against malaria, including noteworthy cross border initiatives, such as the Lubombo Initiative between

Figure 9: Tracking MDG Progress in Africa





Goals and Targets	Africa	
	Northern	Sub-Saharan
 1 Eradicate Extreme Poverty and Hunger		
Reduce extreme poverty by half	Low poverty	Very high poverty
Productive and decent employment	Very large deficit in decent work	Very large deficit in decent work
Reduce hunger by half	Low hunger	Very high hunger
 2 Achieve Universal primary education		
Universal Primary schooling	High enrolment	Moderate enrolment
 3 Promote gender equality and empower women		
Equal girls enrolment in primary school	Close to parity	Close to parity
Women's share of paid employment	Low share	Medium share
Women's equal representation in national parliaments	Very low representation	Low representation
 4 Reduce Child Mortality		
Reduce mortality of under five year olds by two thirds	Low mortality	Very high mortality
 5 Improve Maternal Health		
Reduce maternal mortality by three quarters	Moderate mortality	Very high mortality
Access to reproductive health	Moderate access	Low access
 6 Combat HIV/AIDS, malaria and other diseases		
Halt and reverse spread of HIV/AIDS	Low prevalence	High prevalence
Halt and reverse spread of tuberculosis	Low mortality	High mortality
 7 Ensure Environmental Sustainability		
Reverse loss of forests	Low forest cover	Medium forest cover

Figure 7: Tracking MDG Progress in Africa

Goals and Targets	Africa	
	Northern	Sub-Saharan
Halve population without improved drinking water	High coverage	Low coverage
Halve population without sanitation	Moderate coverage	Very low coverage
Improve the lives of slum dwellers	Moderate proportion of slum dwellers	Very high population of slum dwellers
 8 Develop a global partnership for development		
Internet Users	High usage	Low usage

Sources: United Nations, based on data and estimates provided by the FAO, IPU, ILO, ITU, UNAIDS, UNESCO, UN-Habitat, UNICEF, UN Population Division, World Bank, WHO-based on statistics available as of June 2010.

The progress chart operates on two levels. The words in each box indicate the present degree of compliance with the target. The colours show progress towards the target according to the legend below:

	Already met or very close to meeting target		Progress insufficient to reach the target if prevailing trend persist
	Progress sufficient to reach the target if prevailing trend persists		No progress or deterioration
<p>The available data for maternal mortality do not allow a trend analysis. Progress in the chart has been assessed by the responsible agencies on the basis of proxy indicators</p>			

Critically important is that Africa is making progress towards achieving MDGs, especially MDG 1 which calls for reducing poverty and hunger. Over the past decade, Africa has contributed significantly to global economic growth, but its economic performance has not translated fully into a significant reduction in poverty among its populations. Despite the gains that have been made in agriculture, health care, and education across the continent, more than 40% of the population in sub-Saharan Africa lives on less than a dollar a day. Included in this group are three quarters of the world's poorest people—those who live on less than 50 US cents a day. Although urban populations are growing, most of Africa's poor live in rural areas and depend on agriculture for food and livelihoods. The fact that the number of people affected by poverty and hunger in Africa is increasing means that agriculture is not meeting its potential as a driver for economic growth, and more and more people are “falling out” of the growth process.

Tackling this issue, NEPAD formulated, in its first decade, a number of continental policy frameworks and programmes, including CAADP. This

program symbolizes the vision for the restoration of agricultural growth and productivity, food security, nutrition and rural development in Africa, its 6 percent average annual growth rate target in agriculture, a strong policy motivation to tackle hunger.

Women are the drivers of most African economies, accounting for a high percentage of the labour force in agriculture, for instance. In the past few decades, some progress has been made in strengthening women's rights in Africa, characterised by the adoption of international and regional instruments and frameworks that promote the human rights of women. These policy commitments and the principle of equality and non-discrimination between men and women are reflected in the Constitutive Act of the AU, the AU Gender Policy, the NEPAD framework and other regional and global gender equality instruments, in addition to national policies and programmes. It is evident that women's participation in political representation, economic and corporate life has improved significantly in the last decade. At the decision-making level, the continent has seen a rapid increase in the representation of women

in regional, national and local parliaments. Evidently, the empowerment of African women is no longer a political slogan but concrete deliverables are being achieved at national level.

For Africa to sustain progress in gender equality and women empowerment, the AU has created financing mechanisms, namely the Fund for African Women and the AU-NEPAD/ Spanish Fund for African Women Empowerment. These two funding mechanisms will catalyse the promotion of gender equity and equality and women's economic empowerment. The AU-NEPAD Spanish Fund for African Women's Empowerment is working towards the alleviation of poverty and the achievement of the MDGs in Africa through increasing the capacities and autonomy of African women. To do so, the NEPAD Agency aims at mainstreaming gender into all its programmes and projects. The Agency promotes and supports organisations working for gender equality through resource mobilisation and provision of technical assistance within the framework of the MDGs, the AU Gender Policy Framework and AU Protocol on the Rights of Women in Africa.

The NEPAD/Spanish Fund for African Women Empowerment was created in 2007 following an agreement between the NEPAD Agency (then the NEPAD Secretariat) and the Government of Spain to provide financial resources for activities that promote gender equality on the continent. The partnership between Spain and NEPAD is based on a shared recognition that gender equity and women's empowerment are prerequisites for sustainable growth and development. The aim of the NEPAD/Spanish Fund is to support African women in their efforts to strengthen their economic, social and political position. About 6.2 million Euros have been distributed to organisations throughout 22 countries in sub-Saharan Africa for 46 projects. Activities include research and knowledge development, access to financing schemes, eradicating gender-based violence, access to HIV/AIDS prevention, promoting girls' education, enhancing leadership and ICT skills and environmental issues.

5.4 The MDGs Challenge

Serious concerns still remain in attaining the MDGs. Africa has the highest proportion of people living in extreme poverty within the

developing world. Slower progress has been recorded in addressing poverty reduction, unemployment, environmental sustainability and most health-related goals. With less than five years remaining to the set date for MDGs attainment, many African countries may not be able to achieve these internationally agreed development goals. Factors such as the additional burden posed by the adverse impact of global financial, food, energy and climate crises and weak employment have constrained MDGs achievement. The global partnership for the MDGs has also fallen short of its promises due principally to the lack of political will by those G8 and OECD countries that have fallen through on their commitments.

Africa is moving progressively in the right direction regarding attaining the MDGs, albeit slowly. NEPAD has provided the response mechanism to support the achievement of the MDGs. Thus, NEPAD is intrinsically linked to the continent's quest to achieve the MDGs. Broadly, over the ten year period, progress towards MDGs in Africa is mixed with good record in net primary school enrolment, gender parity in primary education, political empowerment of women, access to safe drinking water, debt sustainability targets and curtailing the spread of HIV/AIDS.

An important element of the positive progress registered is the successful establishment by countries of a wide-range of African-led institutional innovations to facilitate progress towards MDG attainment. African governments have embraced new and expanded social protection programmes; MDGs-based planning; decentralization of MDGs mechanisms for improved service delivery; and national policy coordination and harmonization systems. The progressive steps in realizing the targets especially in areas of education and gender are commendable. With particular reference to the MDGs, NEPAD is determined to change the continent's agriculture model through policy interventions dealing with soil and land management and investment reforms, addressing supply side constraints premised on infrastructure; and market reforms. NEPAD is further committed to support African countries achieve the MDGs with its programmatic activities in promoting market access for African products and business incubation for women economic empowerment through the Agency's NEPAD/Spanish Fund projects.

The global support required for MDG attainment in Africa has been waning. For instance, collectively, the G8 and some OECD member countries are significantly off-course in meeting their 2005 Gleneagles commitment and Monterrey Consensus target of 0.7% of GNI to substantially increase aid to Africa. Over the course of the past decade, the gap between the promises and realization of the G8 and Africa's other development partners on ODA remains wide. Though ODA to Africa increased from US\$29.5 billion in 2004 to an estimated US\$ 46 billion in 2010 (around US\$40 billion in 2004 prices), it is still far below the commitment of the projected sum of US\$ 64 billion (using 2010 prices). As a result, Africa has received only about half of the increase implied by the 2005 commitment, resulting in a large shortfall of estimated at about US\$18 billion in 2010 prices.

Linked to dwindling global financial support, there exists a partnership constraint that is worsened by the non-fulfillment of the development aid pledged many years ago. ODA plays a critical role in this equation but constraints associated with aid disbursement, management and delivery remain. Also, aid within the broader context of development and its alignment with Africa's consensual sectoral priorities are challenges to be addressed. ODA investment in agriculture, for instance, has increased in recent years, but a large and increasing share is still devoted to short-term food aid interventions. The current level of ODA disbursements under the African Food Security Initiative is far below the expected pledges. Addressing issues in the current aid co-operation architecture is fundamental.

Furthermore, little progress in the WTO Doha Development Round is hampering the move towards a new and equitable multilateral trade regime and thereby affecting Africa's renewed efforts at market access. Development partners should inject political will and momentum in order to agree on a specific timetable for reaching a rapid, ambitious and balanced conclusion to the Doha Development Round.

Africa's transformation agenda is clearly articulated at national and continental levels. But what is most required is development action to further stimulate and sustain broad-based growth and wealth creation. Efficient management of the

continent's natural resources will lead to diversifying the economic base and promoting better living conditions for African people. Thus, the continent must improve its natural resource management.

A potential challenge is the current characteristics of the African demography. With 2 out of 3 Africans under 25, the high population of the youth requires that top priority be placed on job creation for this young population. By 2050, it is estimated that one in four human beings will be an African or of African origin. Coupled with this, is the need for the Continent to effectively design and construction of a developmental state, given the nature of the African society.

Box F: NEPAD Colloquium and Congress of Stakeholders – March 2012

Activities commemorating ten years of NEPAD were climaxed with a high-level Colloquium and Congress held in Addis Ababa, Ethiopia. The theme of the colloquium was "Africa's Decade of Change: Accelerating NEPAD Implementation through Domestic Financing". The Colloquium provided a platform for candid exchange on NEPAD with African statesmen, scholars, thought leaders and development practitioners as lead discussants. The colloquium examined the continued relevance and future of NEPAD as the AU strategic framework for socio-economic development in the 21st Century, exploring various strategic options for enhancing the implementation of the NEPAD vision.

An engaging and interactive anniversary event, African policy makers and stakeholders exchanged future approaches on advancing NEPAD implementation through stronger commitment to domestic financing. Subsequently, the NEPAD Colloquium and Congress of Stakeholders provided renewed impetus for NEPAD to continue to serve as the development blueprint for Africa's transformation by up-scaling the level of domestic finance in the continent's development trajectory. H.E Meles Zenawi, Prime Minister of Ethiopia, former Presidents Olusegun Obasanjo of Nigeria and Jerry John Rawlings of Ghana and AUC

AUC Chairperson, H.E Mr Erastus Mwencha as Special Guests reaffirmed that Africa's Decade of Change required the acceleration of NEPAD implementation through domestic financing.

In reviewing the implementation of NEPAD, there have been good lessons learnt related to the transformation of policy design and implementation of Africa's development objectives. Overall, the Colloquium recognized that it is important for Africa to adapt to the most innovative mechanisms and methods for financing major programmes.

The economies of African countries are very diverse and not all countries have the same potential for growth. Consequently, leadership is very important. It is vital that NEPAD is aware of the dynamics of growth and identifies as well as addresses the bottlenecks that affect growth. Through a closer working relationship with the Regional Economic Communities and AU Member States, the NEPAD Agency is set to support low-growth countries to take advantage of positive externalities created by high-growth countries on the continent

Founded on the principles of African ownership and anchored on the resourcefulness of its people, NEPAD is at the forefront of peer learning and building capacities of countries in addressing some of the challenges of growth and development.

Further to mobilizing resources, there needs to make better use of the World Bank and regional banks in increasing access to external funds, including the development of a South-South bank that would encourage and engage in the investments of funds from emerging economies.

On the whole, Africa's reforms are on course, though daunting challenges remain. The Continent has steadily and considerably being making progress by striving, collectively to meet its obligations to its people and international community. Through improvements in conflict reduction, political governance and macro-economic stability, while focusing on

attaining the MDGs and combating social deficiencies such as poverty and hunger, Africa is transforming. As the McKinsey Global Institute observed in its 2008 report "Lions on the move – The progress and potential of African economies", African economies grew healthier as governments lowered inflation, trimmed their foreign debt, and shrunk their budget deficits, and increasingly adopted policies to energize markets. It concludes that the Continent's collective long-term prospects are strong highlighting that Africa will develop diverse sources of economic growth in addition to resources and agriculture; and generating export revenue to finance imported capital goods necessary for investment.

In concluding the Colloquium, Awards were presented to former NEPAD CEOs, the acting CEO and Deputy along with Most Valued Partners. Winners of a NEPAD/CTA Youth and Women Photo and Essay Competition were also recognized through special awards.

Overall, at the NEPAD Colloquium and Congress of Stakeholders emphasized the following:

- Strengthening African ownership and stakeholder support for NEPAD in contextualizing the Continent's transformation.
- Consolidated engagement of national Governments and RECs to increase buy-in and ownership of the NEPAD agenda;
- Innovate ways of funding NEPAD's implementation through domestic resource mobilization demands that specific tasks be assigned to the Agency and its challenges addressed adequately.
- Developing the capacity of the African individual, State and institutions remained a formidable challenge to radically transforming the continent's fortunes and advancing the role of the developmental State.
- Sustaining the growing international buy-in and support for NEPAD vision and core principles by consolidating existing partnerships and exploring further cooperation with emerging economies
- Focusing on Africa's future by promoting inclusive growth, the role of the developmental State, capacities for effective institutions, and job creation

6 Prospects for a rising Continent - Africa by 2050

6.2 Challenges and opportunities for the next decade

In spite of the impact of the global financial and economic crisis on Africa, the continent has been growing at unprecedented rates. It is now important to ensure that Africa's growth becomes more inclusive, broad-based

and sustainable. In the current global equation, Africa has two main advantages - the density of its natural resources in a context of increasing scarcity and its human capital, particularly its youth. Governance is another unlocking factor. The debate on whether NEPAD represents a step forward or whether it will become still born like many other African development initiatives of the 1980s and 1990s was a cause for concern amongst Africans.

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Peace and Security remains vital to Africa's development aspirations. The African Peace and Security Architecture (APSA), championed by the AU, have been instrumental in advancing sustainable conditions for development on the continent. The number of conflicts and fragile states on the continent has declined, with rising economic growth recorded in many post-conflict countries in the course of the past decade.

Overall, Africa itself is inspiring change through comprehensive political and socio-economic

Now! 2011



reforms driven by the shared values of ownership, leadership and partnerships, based on the AU vision of **"an integrated, forward-looking, prosperous, dynamic and peaceful Africa, representing a dynamic force in global arena"**. Making significant progress in governance policies has led to sound macro-economic performance despite the adverse impact of the current global financial and economic crises. Democratic, just and accountable governance is pivotal to the attainment of Africa's development effectiveness agenda, including the critical

role of African State and non-State actors.

NEPAD has the potential to break the vicious circle of increasing poverty, under-development and marginalization that has characterized Africa for a very long time. There are great expectations within Africa and its peoples for NEPAD to succeed and bring about long awaited change in re-launching Africa's development. NEPAD, being comprehensively an African initiative, is proof that Africa holds the key to its own development. Nevertheless, NEPAD also offers an historic opportunity for the developed countries of the world to enter into a genuine partnership with Africa, based on a common vision, mutual interest, and shared commitments and obligations.

The next decade will require NEPAD to act more decisively on the implementation of the sector policy frameworks that have been agreed at both national and regional levels. The NEPAD vision and mission, along with its principles and values, belong to every citizen of Africa (including in the Diaspora) across various groupings and levels – the private sector, governments, regional bodies and non-state actors. The relevance and success of NEPAD depends on the extent to which the African people and civil society are involved in the process of implementing NEPAD.

Africa is re-affirming commitment to a global and balanced partnership with the rest of the world as the continent's vision lends credence to its potential for growth and development. The continent is poised to serve as a fundamental contributor to the global economic recovery and world stability. The ongoing transformation has brought to the fore the urgent need for the 'beyond aid' option and exit strategies that focus particularly on the viability of FDI and raising domestic resources for development. While aid remains important and commitments need to be met, Africa aspires to become a growth and investment pole, not confined to perpetually managing poverty. Now more than ever, Africans are exuding new forms of optimism about their bright prospects for growth and development. Obviously, the challenges remain. Africa must grow at 7% to become a strong and prosperous key player and achieve global security and balanced, inclusive growth and sustainable development.

6.2 Challenges and opportunities for the next decade

Africa remains a continent in transition with some success stories. However, challenges still exist, requiring strong African actions and partnership support. Pro-market macroeconomic policies have not created enough jobs, especially for Africa's fast-growing urban youth. Positive average growth rates on the continent need to be translated into inclusive growth and poverty reduction. Thus, much still needs to be done in employment creation, sustainability, consolidation of good governance, addressing pockets of protracted crisis points for lasting peace and security; modernizing public sector for better service delivery, eliminating corruption, promoting intra-regional trade and investment, meeting the MDGs, domestic resource mobilization, value-addition for raw materials, and developing and effectively utilizing human and institutional capacities, particularly for public policy design and implementation. These challenges also provide opportunities for durable transformation.

Africa's collective GDP in 2020 is projected to reach US\$ 2.6 trillion. The policy environment, coupled with 'doing business' indicators in Africa, shows rapid change on the continent. The rate of investment in the continent is one of the most attractive globally, signifying that Africa is ready for business. Investment opportunities are expanding in fast-growing sectors such as telecommunications, banking, agriculture, infrastructure, energy and consumer goods with consumer spending forecast to reach US\$ 1.4 trillion in 2020. This is a great potential for lasting growth, wealth creation and prosperity on the continent. The opportunities include the estimate of 1.1 billion Africans of working age in 2040, while 128 million African households will have discretionary income in 2020 and 50% will be the portion of Africans living in cities by 2030. Africa must strive to turn these opportunities into growth and development.

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