



NEPAD PROGRESS REPORT

Prepared by

**The AU/NEPAD Secretariat
For the 4th Meeting of the African Partnership
Forum in
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**PROGRESS REPORT TO THE 4TH MEETING OF THE
AFRICA PARTNERSHIP FORUM (APF)
ABUJA, NIGERIA, 09-10 APRIL 2005**

1. INTRODUCTION

Since the 3rd Meeting of the Africa Partnership Forum (APF) held on 4-5 October 2004 in Washington DC, United States of America (USA), a number of key developments have taken place. At the end of October 2004, a 3 year NEPAD Multi-Stakeholder Dialogue was held in Johannesburg, South Africa. The purpose of the dialogue was to assess progress in the implementation of NEPAD with a view to identifying mechanisms for the speedy implementation of NEPAD. In November 2004, the 12th Heads of State and Government Implementation Committee (HSGIC) Summit met in Algiers, Algeria. Both events provided further guidance and focus on key priority actions required to fast track NEPAD implementation. The identified areas have therefore been the focus of the NEPAD Secretariat and key stakeholders' work, with the support of various partners. The identified priorities are:

- i. Enhancement of the capacity of RECs for the implementation of regional initiatives and programmes, including the establishment of NEPAD implementation task teams;
- ii. Selection and support for the effective implementation of infrastructure projects Vis Information and Communication Technologies (ICT); Shared Water Basins; Energy; and Transport.
- iii. The speedy implementation of the CAADP;
- iv. Integration of NEPAD priorities into national development plans in order to enhance the ability of countries to meet the Millennium Development Goals (MDGs); and
- v. Reinforcement of engagement with the international community, particular in line with the upcoming G8, Commission for Africa and APF processes.

2. PROGRESS ON IMPLEMENTATION

2.1 Capacity building of RECs

2.1.1 Human Resource Capacity for Implementation of the NEPAD Environment Action Plan

Based on HSGIC call in November 2004 for the enhancement of the capacities of RECs for NEPAD implementation, the NEPAD Secretariat and the United Nations

Environment Programme (UNEP) are, within the framework of the UNEP/GEF Medium Sized Project (MSP) on the Development of Sub-regional NEPAD Environmental Action Plans, capacitating the RECs through the recruitment of a senior Environment and Natural Resources Co-ordinator in each of five RECs. The RECs involved are the Economic Community for West Africa States (ECOWAS); the Inter-Governmental Authority on Development (IGAD); the Economic Community of Central Africa States (ECCAS); the Southern Africa Development Community (SADC); and the Arab Maghreb Union (UMA), for the next three years. Plans are underway to provide support to the other RECs on a long-term basis.

2.1.2 Project Information Management System and Database

One of the key constraints to the implementation of investment projects has been a lack of reliable project information. Within the context of building the capacity of RECs for project implementation, particularly infrastructure projects, the NEPAD Secretariat is now working with the African Development Bank (AfDB) and the Development Bank of Southern Africa (DBSA) to establish a project information management system and database. This will improve enable information flow between the NEPAD Secretariat and the RECs, the RECs and their member states, and potential investors.

2.1.3 Needs Assessment of RECs

The NEPAD Secretariat is now working with the Africa Capacity Building Foundation (ACBF) to identify the specific capacity needs of all RECs, with a view to developing a capacity development programme for all the RECs to enable them to fulfil their implementation functions with respect to NEPAD.

2.2 Implementation of CAADP

Significant progress has been achieved with respect to speeding up the implementation of Comprehensive Agriculture Development Programme (CAADP). Following the 3rd APF meeting, in October 2004, where partners were mobilized partners to support the implementation of CAADP, USAID and FAO have taken a lead in supporting the implementation roadmap of CAADP. FAO has provided US\$250,000 to support the implementation of the roadmap. USAID's contribution has exceeded US\$1 million. The roadmap has allowed advanced consultations with development partners on support for the CAADP implementation process and alignment of future assistance efforts with the CAADP agenda. It has also allowed the organization of 4 sub-regional implementation planning meetings under the direction of the lead RECS. These planning meetings have allowed RECs and their member countries to identify regional priorities, including a set of early actions to be implemented within a 12-month period in order to launch the implementation process, as well as institutional arrangements for coordination and performance monitoring. They have firmly established the RECs and member countries as primary implementers and set the stage for direct engagement between development partners, national governments, private sector operators, and farmer organizations on the basis of concrete programmes.

Some resources are already being contributed to advance the CAADP agenda. AfDB is working with SADC on a US\$150 million programme to support water management and irrigation in Southern Africa. It has provided US\$30 million to support NERICA rice development in West Africa. The World Bank is launching preparation of the multi-donor MAPP with the preparation of two sub-regional operations in Southern and West / Central Africa for a total amount of about US\$60 million. The US is currently realigning its initiative to end hunger in Africa to support the CAADP agenda. Projected funding under the initiative for FY 2005 is projected at US\$47 Million. The UK, through the Commission for Africa Report and in particular through DFID, is undertaking efforts to respond more forcefully to the CAADP agenda. During the different missions to discuss support for the CAADP implementation process, there have been encouraging signs that all partners are serious about aligning future assistance with the CAADP agenda.

The challenge now is to secure firm support for the early actions that have been identified by the individual regions and which will be discussed at the Accra meeting. Furthermore, it will be necessary to enhance to capacities of the lead RECs to implement the early actions lead the implementation of the medium and long term action plans. Finally, it be necessary to set up an effective implementation support, coordination, and monitoring mechanism that will guide future implementation (See attached Annex 1).

2.3 Implementation of the Infrastructure STAP

2.3.1 Launch of West Africa Gas Pipeline

This West Africa Gas Pipeline, which aimed at supplying clean and affordable energy from Nigeria to Benin, Togo and Ghana for the economic growth of ECOWAS region is progressing well under the guidance and collaborative leadership of a Steering Committee of Ministers, Project Implementation Committee that comprise representatives of the four countries; and Senior Management of Sponsors and Project Team comprising representatives of the companies who have invested in this project. On December 23, 2004, the companies Chevron Texaco, Nigeria National Petroleum Corporation, Shell and Takoradi Power Company (VRA) committed more than USD 500m towards the construction of the West African Gas Pipeline. To date 170 km of pipe has been manufactured and the first shipment to the region is scheduled for March 2005. Land acquisition and detailed engineering design are underway and full construction both onshore and offshore will be underway in the second half of 2005. First gas deliveries are expected in December 2006. The success of this project so far provides invaluable lessons for more successful implementation of regional infrastructure projects (See attached Annex 2).

2.3.2 Utilisation of the Project Preparation Facility (PPF)

The NEPAD Project Preparation Facility (PPF), which was set up at the AfDB in December 2003 with seed money of Cn\$10 million provided by the Canadian Government, aimed at supporting RECs and countries in preparation of physical or capital investment projects for implementation. This fund has been transformed into a multi-donor facility to which the government of Denmark has already made a contribution of US\$500,000. To date, US\$2 million has been used for the preparation of the following four projects, namely;

- Kenya-Uganda Oil Pipeline Project;
- Benin-Togo-Ghana Power Interconnection;
- Zambia-Tanzania Kenya Electricity Interconnection Project; and
- COMTEL.

2.3.3 Review of Prioritised Infrastructure Projects

Following the HSGIC Summit of November 2004, President Obasanjo convened a workshop for Executive Secretaries of RECs. The workshop, which was also attended by various development partners, was aimed at re-prioritising infrastructure projects for focused implementation by RECs in the next 2-5 years. The detailed progress report is attached as Annex 1.

2.4 Implementation of the ICT Projects

2.4.1 e-Schools Project

Significant progress has been achieved in the implementation of the e-Schools initiative. The first pilot e-schools will be launched in 20 countries (see Table 1 below) in the next three months.

Table 1: List of Participating Countries

- | | | | |
|----------------|-----------|--------------|----------------|
| • Algeria | • Gabon | • Mali | • Rwanda |
| • Burkina Faso | • Ghana | • Mauritius | • Senegal |
| • Cameroon | • Kenya | • Mozambique | • South Africa |
| • Egypt | • Lesotho | • Nigeria | • Uganda |

All these are countries that have acceded to the African Peer Review Mechanism (APRM). The following private sector partners have each agreed to assemble and lead their own consortium and to provide an end-to-end technology solution for the NEPAD e-Schools Demo: HP (Hewlett-Packard)~ZTE; Microsoft; Inmarsat; Oracle; and Cisco.

2.4.1 NEPAD e-Schools Initiative

Significant progress has been achieved in the implementation of the NEPAD e-Schools Initiative. The first pilot e-schools will be launched in 20 countries over a three month period commencing June 2005. All these are countries that have acceded to the African Peer Review Mechanism (APRM). In the meantime, a business plan is to be conducted covering the twenty countries that will determine, among other things, the cost of the project. Other on-going activities include work on the satellite infrastructure to provide Internet connectivity for the schools and the development and capacitating of in-country project execution agencies. All these activities should be completed in time for the start of rollout for the project, planned for the fourth quarter of 2006.(See attached Annex 3).

2.4.2 The East African Submarine Cable (EASSy) Project

The detailed feasibility study for the EASSy project conducted by AXIOM Consultants is due to be completed and the report handed over to the project office on the 31st March, 2005. It will be considered at the next project meeting scheduled for Khartoum on 15th April. Fifteen African companies have signed the project MOU for the cable that will link Durban to Port Sudan with landing points in countries along the East Coast, and is estimated to cost US \$200m. The key milestones for the project include a data gathering meeting in Cape Town in June (to gauge the extent of financial interest in the project), issuance of tenders in 3Q 2005, and signing the supply contract later 3Q 2005. The major discussions over the next three months will concern financing. The MOU parties reportedly can raise 50% of the cost of the project. The rest has to be raised from loans and other arrangements. Integral to the EASSy project is the broadband ICT optical fibre network that will collect traffic from the landlocked countries to the EASSy cable. Work on this aspect is also on-going with a view to having these links ready to connect to the EASSy cable when it is completed.

2.5 Integration of NEPAD Priorities for Attainment of MDGs

One of the challenges facing NEPAD is the integration of national and sub-regional plans within the framework of NEPAD, as well as the capacity of countries to align their budgets with NEPAD priorities in order to meet the MDGs. Since 2003, the NEPAD Secretariat, with support from the UNDP, has been preparing an African MDG Report to identify the constraints, prospects and challenges in meeting the MDGs and assess resources needed to achieve the MDGs in Africa.

The Report, which also aims to identify effective strategies on harmonization, implementation and monitoring to track the continent's progress towards the goals through 2015, will be launched at the next AU Summit in July 2005.

Following the recently concluded 1st Mid-Term AU Summit, which mandated the AU Commission to coordinate and lead the process of developing an African Common Position in collaboration with Member States, and in close consultation with RECs, the UN Economic Commission for Africa (ECA) and the African Development Bank (ADB), the NEPAD Secretariat is now working with the AU Commission towards the finalization of an AU/NEPAD MDG Report. The UNDP is supporting this process.

2.6 APRM

The first APRM review reports of at least two countries are expected by end of May 2005.

3. ISSUES FOR INCREASED PARTNER SUPPORT

The most urgent issues for partner support are the following:

- *Contributions to the APRM Trust Fund.* During the 12th HSGIC, African countries made financial pledges totalling US\$4 million to the APRM Trust Fund. These pledges are now being fulfilled, with Egypt already having paid US\$1 million. Partners are now being called upon to support this fund.
- *Support to the PPF.* The issue of the PPF still remains a major priority for NEPAD. It is therefore important that partners consider increased support to the fund.
- *Support to International Advocacy for NEPAD.* There is a convergence of major international developments focusing on Africa this year. NEPAD has been responding to these developments to ensure that these opportunities can be fully harnessed to mobilise resources for NEPAD implementation. The partners are therefore being called upon to work with Africans to ensure that these developments result in concrete support to NEPAD implementation.
- *CAADP.* It is important that partners continue to support the CADDP process, particularly the identified early actions for the RECs.
- *ICT.* The most immediate needs in support the NEPAD e-Schools Initiative include:
 - The development of the national implementing agencies and equipping them with the necessary skills to execute the project in each one of the twenty first phase countries;
 - Expertise to define the satellite space segment resources which will be used to connect the schools to the Internet and develop the operations centre that will manage and control satellite connectivity for the schools on a day- to- day basis;
 - Strengthening of the skills base as well as the management and language capacity of the NEPAD e-Africa Commission to coordinate and drive this initiative across the continent.

With respect to the EASSy cable and associated broadband African network, the following are the immediate needs:

- There will be a need to close the funding gap for construction of the EASSy cable of the order of US \$100m;
- There will be a need to provide funding for the terrestrial broadband network which supports the EASSy cable and also connects the countries of the Eastern and Southern Region of the continent. A similar requirement will emerge when preparatory work is completed for a similar broadband ICT network linking the Central, Western and North African countries to SAT3 and other cables;
- There will be a need to strengthen the technical, regulatory and financial expertise of the NEPAD e-Africa Commission to coordinate and drive this programme.

The WBG has taken a number of steps intended to strengthen the Commission's regulatory and financial capacity for the next 6-12 months. Considerably more in terms of human resources, financial, administrative and operational support will be required for a longer period to enable the Commission to discharge the substantial mandate which has been assigned to it in relation to this programme. The WBG has also indicated interest in coordinating donor support to financing the broadband ICT programme for Africa.