



**THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT
(NEPAD)**

Work in Progress Review Workshop

RAPPORTEUR'S REPORT

**Kopanong Conference Centre,
Benoni, South Africa
24 – 27 January 2002**

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Report on the NEPAD WIP Conference Discussions

OPENING

Benoni, South Africa, 24 - 27 January 2002

**Welcome by Councillor Duma Nkosi,
Executive Mayor of Ekurhuleni Metro,**

(TO BE INSERTED)

Report on the NEPAD WIP Conference Discussions

**OPENING ADDRESS: MR THABO MBEKI,
PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA**

Benoni, South Africa, 24 - 27 January 2002

**ADDRESS BY THE PRESIDENT OF SOUTH AFRICA, THABO MBEKI, AT THE WORK-
IN-PROGRESS REVIEW WORKSHOP OF THE NEW PARTNERSHIP FOR AFRICA'S
DEVELOPMENT (NEPAD), JOHANNESBURG, 24 JANUARY 2002**

Mr Amara Essy, Secretary General of the OAU, the Executive Mayor of Ekurhuleni Metro, Councillor Duma Nkosi, Minister of Health of Mali - The Honourable Dr Nafo, Members of the South African Cabinet, Chief Executives of Regional Economic Committees, Members of the Diplomatic Corps, Personal Representatives of Heads of States of the Implementation Committee, Presenters and Delegates:

I am very pleased to be among such eminent analysts, development practitioners, and distinguished delegates and representatives from all over our continent and indeed the world.

I believe that the commitment of all who are present and who have travelled from afar to be here is indicative of the positive sentiments towards the New Partnership for Africa's Development (NEPAD) and the widespread support among Africans for this plan.

In a similar vein, we must recognise that we have great expectations of the outcomes of this gathering. It must serve to prioritise and concretise implementation and put the processes in place for the realisation of our development plans.

Clearly, this is not the first time Africans have come together for the renewal of this continent. Throughout the last century and even prior to this period, various Africans played their parts in organising nations and continents in support of African development.

Political leaders, economists, doctors, philosophers and poets have contributed in analysing the African reality, putting forward programmes of action and dreaming of a great African

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future. The resultant initiatives have met at times with varying degrees of success and often with failure in a climate that was hostile to African unity and African prosperity, a reality characterised by Africans reduced to cheap labour and an Africa seen only as a source of raw materials for the developed world.

Yet, it was under these circumstances that for instance, Edward Blyden, one of our foremost Pan-Africanists, promoted the idea of Africans taking possession of their lives, owning their future.

In an address to the Liberian College in 1881, Blyden said the following:

"The African must advance by methods of his own. We must possess a power distinct from that of the European."

"...We must show that we are able to go alone, to carve out our own way."

This dream of 1881, three years before Africa was carved up at the Berlin Conference, was not one that could be realised in the century that ensued, that saw the entrenchment of colonialism, racism and neo-colonialism, with African economies becoming dependent on the metropolitan countries and the destruction of the productive capacity of African peoples to work in their own interests and for their own gain.

The impoverishment of the African people resulted in battles for survival and for scarce resources among different groups. The conflicts we have experienced led to Africa being defined as a place of wars, disease, dictatorships and hunger with political leaders being unable to unite the people in practical and sustained ways behind common goals and objectives.

Afro-pessimism pervaded to the extent that there are those who would say that we have forfeited our right as Africans to dream, to hope, to speak and to plan for a better life.

There are those even now who will argue that the hopes for an African renaissance are ill-founded and that Africa cannot guarantee her own future.

Yet, clearly, the latter half of the twentieth century has seen a new attitude among Africans

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who now choose to see themselves as activists for change, who are reclaiming their place as equals among other humans, who walk a common continent and world proud of who they are and confident of their abilities for self-development.

This new confidence and this new African emerges out of an Africa that has largely moved to genuine independence and democracy, where the colonial system has been liquidated, where efforts are focused on the ending of conflicts and the attainment of peace and stability, where the consciousness exists that Africa's economic and social upliftment is dependent on African unity and African peoples and countries working together to fortify themselves and insert themselves favourably in a world economy from which they have largely been excluded as global players.

The New Partnership for Africa's Development answers Blyden's call for African ownership, African possession, and asserts that Africans can and must advance by methods of their own and indeed are able "to carve out our own way."

It is premised on recognition that Africa has an abundance of natural resources and people who have the capacity to be agents for change and so holds the key to her own development.

The New Partnership is unique in African history in that African leaders have pledged to co-operate and be accountable to one another and to their people in terms of the development strategy, plans and delivery of programmes.

(Statement by an African leader at Lusaka.)

For the first time perhaps, an implementation strategy exists led by the leaders and not simply delegated to officials, so that genuine progress can be made.

Through the organising of NEPAD into an implementation committee, a steering committee and a secretariat, there is in place a clear leadership and management structure with the necessary professional expertise that is capable of dealing with political issues and technical issues competently and efficiently.

Moreover, we have established a governing structure and put Heads of State in charge,

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where leaders must account to their counterparts at summits and interact with their development partners in industrialised countries. There is also the overall accountability to the OAU (Organisation of African Unity) for the NEPAD initiative and the guidance that comes from the OAU on how to take forward this plan.

We have to highlight the approval of NEPAD by the OAU Heads of State and Government summit in Lusaka last year, followed by endorsement by African scholars. The interest of ordinary Africans in this initiative has also been awakened and this inculcates in everyone a consciousness that the NEPAD initiative exists ultimately to better the lives of the African people and thus must be accountable to them.

The interaction with the developed countries even prior to the formation of the Implementation Committee has resulted in NEPAD being high on the agenda at international gatherings, having received warm reception in July 2001 in Geneva at the UN ECOSOC Ministerial meeting, receiving endorsement from the G8 in Genoa who promptly appointed a Committee to work with NEPAD countries, receiving strong support from the EU in Brussels in October 2001 which included agreement to support infrastructure and capacity building.

NEPAD once more received attention at the 56th Session of the United Nations General Assembly in New York in December of last year. In addition, the Nordic countries have committed themselves to supporting NEPAD, especially through the financing of specific priority projects.

The Tokyo Agenda for action and the Beijing Declaration have also given clear support to African development, ensuring the participation of these regions in NEPAD processes.

Statements by President Bush in July last year to the World Bank have clearly articulated that there must be a rethinking of the financing of education and health in developing countries in the form of loans and this realisation is important for the human development aspects of NEPAD; while Prime Minister Tony Blair especially in the post September 11th period has come out in support of African Development

The intense work carried out by African heads of state has succeeded in generating hope and confidence in the future of our continent and in attaining acceptance of NEPAD as a policy framework informing the way they view African development.

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This workshop takes on even more significance since we now have an urgent responsibility to develop implementable plans, to ensure that the excellent programmes and policies that exist on paper succeed in practice, that African technical expertise from within Africa and the diaspora is harnessed to convert those programmes and policies into practical and implementable programmes and projects, that the African people come to own these programmes as belonging to them.

We are privileged to have in our midst the secretariat of the OAU of which NEPAD is an initiative and to which it annually shall report at the summits of the African Union. We meet here over the next few days conscious that we are managing NEPAD on behalf of them and mindful that our work takes place within the principles of the OAU and to underpin the political union. For the African Union to succeed there must be in place a development programme that will accelerate economic integration and the reduction of poverty levels; thus the New Partnership as a process complements the activities towards the African Union.

We are pleased that representatives of the African Development Bank, the Development Bank of Southern Africa and ECA (the Economic Commission for Africa) are present at this workshop, all of whom have pledged technical support to NEPAD in its implementation phase.

The presence of delegates from regional economic structures as well as Africa-wide structures and international development institutions indicates that for the first time on this continent technical capacity is being mobilised around this initiative and to guarantee its success.

We must also acknowledge the support from global institutions for NEPAD who are represented here and the importance we place upon sharing this experience with global partners and institutions.

This plan must look at the measures that Africa must take in detailed fashion:

- to ensure that a climate for economic growth is established throughout the continent;
- that security exists for the people of these countries

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- that measures for good governance are put in place through which our governments as accountable to their peoples;
- that best practices are agreed upon and put in place for economic and political governance.

We must do these things because we owe this to our people. Our ability to possess a reality and a future is dependent on the conditions existing for its success, on resources being utilised to attain these goals.

Our plan would be incomplete if we were not to focus on areas of human development. In this regard we must focus on:

- Our ability to deal with communicable diseases among other things, (NB. Prof Jeffrey Sachs WHO "Commission on Macroeconomics and Health");
- Empowering our people through education,
- Putting in place essential infrastructure for human development.

There is an urgent need for infrastructure investment including in ICTs so as to reduce the cost of doing business in Africa, among other things. In this way, we aim to reverse the increased marginalisation of the continent during the period of globalisation. Our economic development is also dependent on increasing our competitiveness in the world economy.

This workshop must produce concrete plans in these critical areas that are acceptable to all of us and viewed as implementable.

- We will not have achieved all our goals if we do not focus on matters of trade and finance, with special attention to African access to markets and trade flows.

We are faced with a global reality where the present financial architecture makes it difficult for developing countries especially in Africa to attract capital, where the debt burden partly stems from unequal relations.

This gathering will have to work out concrete implementable plans that must influence the financing of development, and detailed programmes that must be promoted within Africa so that we mobilise more resources from ourselves and our own budgets and also negotiate for

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other sources with international institutions.

Clearly, our continent has resources that must be unleashed, but these will have to be coupled with the participation of our development partners in these processes, so that we use this programme to engage development partners in accepting our programmes as the basis for growth.

The forthcoming "Financing for Development Conference" in Mexico in March this year requires that we be prepared to take our agenda to this meeting.

The World Summit for Sustainable Development to be held here in Johannesburg in August affords us the opportunity to state our case, what we are doing, and what we think ought to be done in conjunction with our development partners and other countries of the world.

Only in these ways shall we be able to say that we are being proactive implementers of our own sustained development, that truly we are making steady advances in the realisation of an African renaissance.

If we cannot unite through an initiative that can permanently reshape this continent and bring about sustained improvement in the lives of our people, then we would have lost an opportunity that will not arise for some time.

We have generated so much excitement, enthusiasm, and commitment for NEPAD, for Africa, for world development, that we dare not fail in our tasks.

As African institutions and expertise, it is only through you that this continent can succeed in overcoming past injustices and failures and make this the century of African development and prosperity.

The burden now rests on your shoulders. The masses of our people, our governments and our development partners await the results of this workshop and anticipate the plans that must forever change their lives and enable all of us as Africans to carve our own way in the world.

Report on the NEPAD WIP Conference Discussions

POLITICAL GOVERNANCE

Benoni, South Africa, 24 – 27 January 2002

RECOMMENDATIONS:

- **Peace and Security**
- **Conflict Prevention, Management and Resolution**

A. BACKGROUND:

1. NEPAD currently identifies three major conditions for the sustainable development of the African continent namely:
 - Peace and Security;
 - Democracy and Political Governance;
 - Economic and Corporate Governance.
2. The NEPAD Peace and Security Initiative consists of the following three elements:
 - Promoting long-term conditions for development and security;
 - Building the capacity of African institutions for early warning, as well as enhancing African institutions' capacity to prevent, manage and resolve conflicts;
 - Institutionalising commitment to the core values of the NEPAD.
3. Efforts to build Africa's capacity to manage all aspects of conflict must focus on the means necessary to strengthen existing regional and sub-regional institutions, especially in four key areas:
 - Prevention, management and resolution of conflict;
 - Peacemaking, peacekeeping and peace enforcement;
 - Post-conflict reconciliation, rehabilitation and reconstruction;
 - Combating the illicit proliferation of small arms, light weapons and

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landmines.

4. The NEPAD leadership will consider detailed and costed measures required in each of the four areas above. The exercise will also include actions required of partners, and the nature and sources of financing such activities.
5. To achieve the above objectives African leaders will take joint responsibility for the following:
 - Strengthening mechanisms for conflict prevention, management and resolution at the regional and continental levels, and ensuring that these mechanisms are used to restore and maintain peace;
 - Promoting and protecting democracy and human rights in their respective countries and regions, by developing clear standards of accountability, transparency and participatory governance at the national and sub-national levels; and
 - Building the capacity of the states in Africa to set and enforce the legal frameworks required for these standards, as well as maintaining law and order.

B. OUTCOMES OF THE WORKSHOP SESSION:

1. The meeting NOTED:

- 1.1 The dependent interrelationship between political and economic governance.
- 1.2 The need for standards and values, review systems and a peer review mechanism to be articulated and generated to provide a policy and institutional framework for peace and security to be realised.

2. The meeting further NOTED the need:

- 2.1 To strengthen democratic and participatory governance.
- 2.2 To strengthen conflict prevention and peace building mechanisms.

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- 2.3 To recognise and reduce the security threat posed by HIV/AIDS and the issue of access to natural resources.
- 2.4 To strengthen collaboration between global and African institutions, and to strengthen the capacity of the latter to promote peace and security.
- 2.5 To involve civil society in the promotion of peace and security.

3. To which end, the AU, NEPAD and associated bodies must:

- 3.1 Audit existing structures, mechanisms and initiatives of conflict prevention, management and resolution.
- 3.2 Enhance capacity for conflict prevention, management and resolution.
- 3.3 Strengthen not only early warning systems but also the capacity for rapid response.
- 3.4 Strengthen the continent's regional organisations (AMU, ECCAS, ECOWAS, COMESA and SADC) to undertake these tasks.
- 3.5 Develop a programme of action to provide a realistic framework for operationalising peace and security issues.
- 3.6 Contribute to the harmonisation of peace and security oriented institutions, policies and strategies.
- 3.7 Examine the synchronisation and linkages needed between the RECs and the AU in terms of their initiatives and mechanisms to address peace and security issues in order that they be mutually supportive and enhancing.
- 3.8 Assist in the development of an African defence policy.
- 3.9 Formulate appropriate AU legislation to give legal effect to these initiatives.

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- 3.10 Note that strict adherence to national sovereignty can constitute an obstacle to peace and, therefore, must prepare countries to cede aspects of sovereignty to the AU.
- 3.11 Review cost implications of the required actions and cost constraints.
- 3.12 Help mobilise international resources to address peace and security issues in Africa.

4. Furthermore, NEPAD initiatives must:

- 4.1 Recognise that social and economic causes often underlie conflicts and take steps to address these.
- 4.2 Empower civil society to assist in conflict prevention and resolution.
- 4.3 Pay particular attention to the needs of countries emerging from conflict.
- 4.4 Pay particular attention to the needs of women and children as victims of conflict.
- 4.5 Recognise the dangers to peace and security represented by natural disasters, and strengthen the capacity of African countries to deal with them.
- 4.6 Promote Education for Peace, being the utilisation of education systems to inculcate the values espoused in NEPAD in the next generation.
- 4.7 Provide early warning systems to monitor the risk factors that can lead to conflicts and ensure capacity to act on the early warnings received.
- 4.8 Examine a system for regional mediation and the formation of an African Council of Elders for Peace.
- 4.9 Secure bilateral and multilateral international commitment to support initiatives in this field and to build capacity. In particular, the United Nations, as the key international body responsible for global peace and security, must give attention to Africa in this regard. African states can provide the necessary manpower, but require logistical support and financing. The Brahimi report on peacekeeping must be implemented.

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- 4.10 Examine how to deal with countries that do not abide by agreed democratic principles and governance norms. This will entail developing the set of commitments and obligations, codes and standards for states to accede to; developing a review system based on agreed indices and benchmarks; developing a mechanism for peer review and peer pressure. The 1999 OAU Decision on Unconstitutional Changes of Government can also be examined in this regard as a possible mechanism to be extended to cover the behaviour of sitting governments.

C. DRAFT PROGRAMME OF ACTION

1. It is critical for the NEPAD Steering Committee, the NEPAD Sub-Committee on peace and security, the OAU's Mechanism for Conflict Prevention, Management and Resolution (MCPMR), together with security sector practitioners in both the state and civil society sector to address the following urgent issues:
 - 1.1 A review of the structures, procedures and working methods of existing conflict mechanisms needs to be conducted. Such a review should be honest, identifying both the failures and successes of these conflict mechanisms on the continent.
 - 1.2 Address mandate related constraints that were prescribed by the OAU's pre-1993 era, where some member states still continue to view sovereignty as sacrosanct and, by so doing, place severe limitations on the OAU/AU's ability to intervene.
 - 1.3 Financial limitations need to be overcome. The Peace Fund has not been funded on a regular basis and the conflict management needs of the continent have far outweighed the resource contributions from African and external sources.
 - 1.4 The lack of conflict management capacity and experience has often overwhelmed the OAU's MCPMR. The intensity, scope and range of conflicts have proved to be far too great for the MCPMR. Capacity building would have to be a priority.
2. There is an urgent need to develop a programme of action whose primary purpose would be to accomplish the following:

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- 2.1 Provide a realistic implementation framework within which peace and security issues can be operationalised.
- 2.2 Contribute to the development and harmonisation of those policies, strategies, legislation and processes within the MCPMR, the NEPAD Peace and Security Sub-Committee, and other African sub-regional organisations that have as their mandate the prevention of conflict and the promotion of peace and security.
- 2.3 Support and benefit from the current OAU and regional review of the structures, procedures and working methods of the OAU Central Organ. In essence, the nature of the Organ needs to be reviewed.
 - Currently OAU Ambassadors in Addis Ababa and senior officials are in the process of reviewing the said Central Organ. This entails an examination of its functions, terms of reference and most importantly its composition. Several options for its reorganisation have been tabled.
- 2.4 Examine the implications that the REC's mechanisms for peace and security have for the AU. This entails exploring the opportunities that may already exist in more established RECs such as ECOWAS and SADC, and to strengthen the lesser developed RECs.
- 2.5 Rendering assistance to the NEPAD Steering Committee, the Sub-Committee on peace and security and the OAU' MCPMR in the facilitation, management and formulation of their policies and strategies based on the following actions:
 - Second security practitioners, in January 2002, to the OAU to assist the OAU's MCPMR and the NEPAD Sub-Committee on peace and security in preparation for the envisaged conflict prevention, management and resolution policy formulation seminar in South Africa.
 - Convene, in late February, a conflict prevention, management and resolution policy formulation seminar in South Africa in collaboration with:
 - The MCPMR's Central Organ,

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- The NEPAD Steering Committee,
 - The NEPAD Sub-Committee on peace and security,
 - Security sector practitioners / experts / academics / scholars.
-
- Present the policy suggestions developed in the seminar referred to above, for consideration by the OAU's Council of Ministers and the NEPAD Heads of State Implementation Committee in early and mid March 2002.
 - Deepen the process through seminars in all of Africa's sub-regional organisations to present and obtain inputs on the policy positions to be formulated from March to May 2002.
 - Provide analytical, advisory and practical policy guidelines to sub-regional and regional conflict mechanisms and early warning systems.
 - Ensure that the AU's MCPMR and the UN Security Council are compatible and complementary regarding their mandates, structures, human and logistical capacities.
 - Assist in the formulation of an overall AU defence policy, through the harmonisation of existing sub-regional security and defence arrangements within Africa. Presently a number of peace and security initiatives exist on the continent, yet they are not always compatible with each other.
 - Assist in the development of strategic framework options on the creation of a Council of Elders for Peace in Africa that will assist with mediation and facilitation, as well as a system for regional mediation.
 - Assist in the formulation of appropriate AU legislation that will give legal effect to the initiatives referred to above.
 - Present the findings of the work undertaken to the OAU's MCPMR and the NEPAD Heads of State Implementation Committee.
-
- To this end, Annexure 1 is attached providing a description of the process to be

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followed in developing the detailed, concrete and implementable Programme of Action for the peace and security priority, in particular for conflict, prevention, management and resolution. The Annexure includes timeframes and expected outcomes.

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ANNEXURE 1:

Process to develop the detailed, concrete and implementable Programme of Action for Peace and Security, in particular, for Conflict Prevention, Management and Resolution.

DATE	ACTIVITY/TIES	EXPECTED OUTCOME/S	PLACE – VENUE
Jan	<p>Second three (3) security sector practitioners to the OAU to commence with the preparatory consultations with member states.</p> <p>Consult and prepare with the MCPMR's Central Organ, the NEPAD initiating countries and the NEPAD sub-committee on peace for the conflict prevention, management and resolution policy formulation seminar.</p>	Develop an agenda for the conflict prevention, management and resolution policy formulation workshop in South Africa.	Ethiopia – OAU
Feb	<p>Convene a (three to four day) conflict prevention, management and resolution policy review seminar in collaboration with the MCPMR's Central Organ - fifteen (15) countries, the NEPAD initiating countries - five (5) countries, the NEPAD sub-committee on peace and security - five (5) countries (at Ambassadorial level) plus security sector practitioners / experts / academics / scholars - ten (10) to fifteen (15).</p>	Compile a (draft 1) document for deliberation by the Ministerial meeting.	South Africa
Mar	<p>Present the policy suggestions developed in the seminar referred to above, for consideration by the Ministerial meeting for their inputs.</p> <p>Amend document in light of Ministerial meeting's inputs.</p>	Compile a (draft 2) document for the Heads of State and Government meeting.	Addis Ababa

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Mar	<p>Present the policy suggestions developed in the Ambassadorial seminar and the Ministerial meeting's input referred to above, for consideration by the OAU's NEPAD Heads of State and Government Implementation Committee for their inputs.</p> <p>Amend document in light of Heads of State and Government inputs.</p>	<p>Compile a (draft 3) document for the Regional Economic Communities' seminars.</p>	??????
Mar	<p>Deepen the consultative process through 'alignment' seminars with the <u>Southern African Development Community</u> to present and obtain inputs on the policy positions deliberated by the SADC experts, Ambassadorial, Ministerial and the NEPAD Heads of State and Government Implementation Committee meetings.</p> <p>Explore the strengths that may already exist in more established RECs like SADC.</p>	<p>Compile a (draft 4.1) document for the Regional Economic Communities' seminars.</p> <p>Create opportunities in the lesser-developed RECs.</p>	Angola - SADC
Apr	<p>Deepen the consultative process through 'alignment' seminars with the <u>Economic Community of Central African States</u> to present and obtain inputs on the policy positions deliberated by the Ambassadorial, Ministerial and the NEPAD Heads of State and Government Implementation Committee.</p>	<p>Compile a (draft 4.2) document for the Regional Economic Communities' seminars.</p>	Gabon - ECCAS
Apr	<p>Deepen the consultative process through 'alignment' seminars with the <u>Arab Maghreb Union</u> to present and obtain inputs on the policy positions deliberated by the Ambassadorial, Ministerial and the NEPAD Heads of State and Government Implementation Committee.</p>	<p>Compile a (draft 4.3) document for the Regional Economic Communities' seminars.</p>	Egypt - AMU

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May	<p>Deepen the consultative process through 'alignment' seminars with the <u>Economic Community of West African States</u> to present and obtain inputs on the policy positions deliberated by the Ambassadorial, Ministerial and the NEPAD Heads of State and Government Implementation Committee.</p> <p>Explore the strengths that may already exist in more established RECs like ECOWAS.</p>	<p>Compile a (draft 4.4) document for the Regional Economic Communities' seminars.</p> <p>Create opportunities in the lesser-developed RECs.</p>	Ghana – ECOWAS
May	<p>Deepen the consultative process through 'alignment' seminars with the <u>Inter Governmental Agency for Development</u> to present and obtain inputs on the policy positions deliberated by the Ambassadorial, Ministerial and the NEPAD Heads of State and Government Implementation Committee.</p>	<p>Compile a (draft 4.5) document for the Regional Economic Communities' seminars.</p>	Ethiopia – IGAD
Jun	<p>Compilation and finalisation of strategic framework document for the G8 Summit.</p> <p>Finalisation of document at Heads of State Implementation Committee meeting.</p>		Canada – G8 Summit
Jul	<p>Compilation and finalisation of strategic framework document for the Assembly of the AU.</p>		South Africa

Report on the NEPAD WIP Conference Discussions

ECONOMIC AND CORPORATE GOVERNANCE

Benoni, South Africa, 24 - 27 January 2002

Plenary Session

CHAIRMAN'S OPENING REMARKS

In his introduction to plenary, Ambassador Aluko Olokun stressed the equal importance of good governance in the public sector and the private sector, corresponding to the NEPAD focus on economic and corporate governance respectively.

He stressed that economic and political governance was a necessary precondition for achievement of all the NEPAD goals.

He highlighted the two core aspects of the NEPAD approach to economic governance – the measurement of economic governance performance, and a peer review mechanism to facilitate self-monitoring. Both of these are firsts in Africa.

As set out in the founding NEPAD document, the ECA and ADB have been mandated to assist a Task Force of Ministers of Finance and Central Bank Governors to develop the modalities of the Economic and Corporate Governance Initiative.

Elaboration of ECA'S Approach to Economic and Corporate Governance

Mr Kemp of the ECA outlined the ECA's work on economic governance, as summarised in the paper circulated to plenary, entitled 'Presentation Briefing Note of the ECA to the WIP Workshop of the NEPAD.'

The first part of his talk set out the organising principles of the ECA's approach to economic and corporate governance. The second part of his talk concentrated on operational modalities.

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Mr Kemp's outline of the ECA's approach to economic and corporate governance highlighted the components of both good economic and corporate governance, provided reasons as to why African countries were committing to good governance processes in both areas, and highlighted the benefits to be gained from achieving best practice. He laid particular stress on the relationship between good governance and attracting capital flows.

He also pointed to the inseparability of economic, corporate and political governance. Good governance requires a 'capable state', in five areas in particular: the administration and the civil service, parliamentary oversight, participatory decision making processes, anti-corruption and the judiciary.

He set out the ECA's division of economic governance into three areas:

- Public financial management and accountability (comprising budget discipline, equity of public resource use, efficiency of revenue mobilisation, and fiscal transparency)
- Integrity of monetary and financial systems (comprising transparency, independence, effective supervision of the monetary and financial sector, and sound accounting and auditing practices)
- Regulatory frameworks (pertaining to securities and insurance regulation, and to the regulation monopolies).

He set out the ECA's approach to corporate governance, which focuses – inter alia - on the competitiveness of the business environment, the depth of rules and laws for shareholders, and other stakeholders, for disclosure, and definition of the responsibilities of company boards, and the existence of intellectual and patent rights.

In all of the above areas he set out existing codes and standards designed to assess compliance and guide implementation of reform measures. These include a range of internationally accepted codes and standards in the areas of macroeconomic policy and data transparency, institutional/market infrastructure, and financial regulation and supervision, as well as a number of codes and standards developed by African countries.

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He highlighted a number of processes that exist for assessing country compliance with these and other standards, including the CPAR, IGR, PER, CFAA, ROSC and FSAP.

ECA's proposals for operationalisation of the Economic and Corporate Governance Initiative

With regard to the operational modalities of the NEPAD Economic and Corporate Governance Initiative, the ECA made the following proposals:

- The creation or strengthening of supreme audit institution in African countries, to audit government operations, and enable civil society to monitor government conduct
- The strengthening of watchdogs, such as ombudsmen and parliamentary oversight committees
- The creation of an African Peer Review Mechanism (APR), to focus on good economic and political governance.

The APR would serve to:

- Identify, evaluate and disseminate good practice
- Monitor progress towards agreed goals
- Use peer pressure to enhance adoption of best practice
- Assess how good practices can be transferred to other states
- Enhance African ownership of its development agenda
- Ensure that policy is based on best current knowledge
- Identify capacity gaps and recommend approaches to addressing these gaps

The ECA proposed the following modality for implementation of the African Peer Review mechanism:

- First, the ECA Governance Project would serve as source of information on the state of economic and political governance in a particular country, and help in identifying potential gaps. It would provide the basis for comparison between countries. This analysis could draw on other sources, for instance the AU's Conflict Resolution Unit.

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- Second, country peer review missions would be sent to individual countries, to engage government and civil society, identify potential gaps, explore types of external assistance that might be required to address shortcomings. The missions would comprise researchers, eminent Africans and NEPAD representatives. While it would verify data with governments, the missions would be independent.
- Third, the outcomes of these missions would be discussed by a committee of Ministers of Finance and Central Bank Governors. The ECA would serve as secretariat for the APR process.

Breakaway Session

Presentations were made by Dr Mah'moud of the ADB and Mr Gondwe of the IMF, followed by discussion.

ADB Presentation

Dr Mah'moud's presentation focussed on the process of selecting and implementing standards.

He outlined twelve internationally accepted standards in three broad areas –

- macro-economic policy
- institutional and market infrastructure
- financial regulation and supervision.

He pointed out that these standards have been developed with the participation of African countries, and that many of them have already been assessed in African countries.

He pointed out that implementation of these standards in African countries would require measures by both African countries and the international community.

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African countries would set out to:

- raise awareness of codes and standards within their countries
- undertake assessments of their own compliance
- demonstrate commitment to disseminate information and assessment results
- encourage voluntary disclosure of info on observance.

The international community would set out to:

- Enhance awareness of codes and standards
- Demonstrate how these assessments can help countries in attracting investment
- Ensure availability of information
- Improve the clarity and user-friendliness of standards
- Enhance the conduct of external assessments
- Help economies identify relevant standards

He strongly insisted that there is no need in Africa to develop 'African standards'. This is a resource intensive exercise that has already been undertaken, with the participation of African countries and the ADB.

The ADB would undertake to assist in the codes and standards process by:

- Helping countries understand the standards process
- Joining with other institutions in building institutional capacity to implement standards
- Participating in the assessments process
- Providing policy advice on how to address shortcomings identified by assessments
- Disseminating information of compliance.

IMF PRESENTATION

In his presentation, Mr Gondwe of the IMF strongly welcomed the NEPAD emphasis on peer review.

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On the question of the standards process he pointed out that:

- the internationally accepted standards that exist today are relatively new in their presently codified form.
- No single country in the world adheres to all of them, and African countries would have to engage in a process of deciding which ones to adhere to.
- Just as there are internationally accepted codes and standards, there are internationally accepted procedures for assessing compliance, with formats agreed on by the international community. It would be foolhardy to seek to implement standards that are not internationally accepted.

DISCUSSION

In a wide-ranging discussion, the following main areas of consensus emerged:

- African should not develop its own codes and standards. The process has already been undertaken, and if good governance is to attract international capital, then the standards by which it is assessed should be internationally recognised. 'Africa should not reinvent the wheel, it needs to reproduce it.'
- An endorsement of the peer review mechanism as central to the NEPAD economic governance initiative.
- There needs to be a prioritisation process of which standards to implement, and in which order, given Africa's priorities. The ADB suggested that the pace of economic reforms that are already underway in African countries presents one useful guide: macroeconomic issues, followed by financial infrastructure and institutional restructuring. The break-away session was reminded that in the founding NEPAD documents, heads of state had placed particular emphasis on the public financial management.
- The importance of the implementation of those standards that relate to the private sector – essentially accounting and auditing.

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- The issue of African ownership was given considerable attention: The importance of the standards and good governance processes needs to be ingrained both within African countries, particularly in the political system, and also at a regional level, in the RECs.

Other points made include the following:

- The IMF and WB, of which all African countries are members, already have assessment and implementation processes that African countries can participate in immediately, for instance in the form of ROSCs.
- Similarly, African countries with the necessary resources could begin assessment processes immediately.
- International financial institutions, with their considerable expertise in the assessment processes, should be involved in the proposed ECA assessment exercises.
- Central Banks need to be brought on board the process – this was supported by a presentation by a representation by the Committee for African Central Banks.
- African countries should seek greater participation in the standards setting process.
- The standards setting process ought to contain a measure of how countries are adapting to the global environment
- NEPAD economic governance processes need to be aligned with a number of processes already on the ground, and to which African countries are committed: PRSPs, the PRGF, the comprehensive development framework of the IMF, various UN processes, etc.
- African countries may be able to benefit by submitting their economies for analysis by the international credit rating agencies. Alternately, there may be scope for the creation of an African credit rating.

The ECA and ADB will continue to work on the development of the economic governance initiative, in consultation with NEPAD. Their recommendations will feed through to a task

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force of Finance Ministers and Central Bank Governors, who will then report to heads of state, ensuring that the economic governance process is both effective and politically feasible.

REPORT BACK TO PLENARY

Following the rapporteur's report back to plenary, a number of additional points were made:

- Africa faces considerable capacity constraints, and further thought will need to be given to how sufficient resources can be mobilised to enable African countries to effectively implement standards and codes.
- One participant argued that Africa faces very specific conditions, and that while African should certainly attempt to engage internationally, this should not preclude the identification of African codes and standards.
- Decentralisation and participation are key aspects of economic and corporate governance

Written submissions received from the floor raised the following two points:

- Thought will have to be given as to how the private sector can be developed in many African countries, and to questions of how the informal sector can be brought into the mainstream economy.
- Consideration should be given to the impact of those codes and standards that are adopted on the SMME sector, given the important potential that SMMEs have in contributing to economic growth and employment creation.

Economic and Corporate Governance

1. The discussion focused on the need for promoting good economic governance through the adopting of standards and introduction of peer review.

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2. Internationally accepted standards in three broad areas:
 - Macro-economic policy
 - Institutional market infrastructure
 - Financial regulation and supervision were highlighted
3. It was stressed that while it is strongly recommended that African countries must adopt internationally accepted standards and not endeavour to develop their own, but there must be a prioritisation process of which standards to implement, and to which order, given Africa's level of development.
4. It was stressed that standards must include not only the public sector but also the private sector.
5. The need to build or strengthen policies and institutions as part of improving economic government was stressed. It was also noted that such capacity building would have to be part of an integrated programme to enhance economic governance.
6. Introduction of peer reviews that are conducted by countries themselves was strongly suggested. This will be in line with the emphasis on African ownership. Outside institutions would, of course, be used to provide technical support.
7. The strengthening of watchdog institutions such as ombudsmen and parliament, outside committees were also stressed.
8. It was stressed that African countries should seek greater participation in the standard setting process.
9. African countries are encouraged to initiate self-assessment processes and to use the services of international institutions in the process.
10. The need to align the NEPAD economic governance processes with other processes on the ground, like the PRSP, the PRUF, etc, was suggested.
11. NEPAD was urged to start a process that would promote adoption of appropriate

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economic and corporate standards. The process should include identification of appropriate standards and consideration of suitable phasing process for different countries.

12. NEPAD was also urged to develop the mechanism and processes for introducing peer reviews with the technical assistance of appropriate regional and international organisations.

Report on the NEPAD WIP Conference Discussions

INFRASTRUCTURE – ICT

Benoni, South Africa, 24 - 27 January 2002

Chair: Mrs N Hegazy, Advisor to Egyptian Government.

Mr Ba, the representative of the World Bank, noted compelling reasons for Africa to bridge the digital divide: ICT for economic growth; ICT for improved delivery of social services; ICT for greater transparency and governance. He noted that there had been significant progress in African telecom over the last few years, especially in the rollout of mobile telephony, but there was still a long way to go. He urged the same attention now to Internet connectivity as there has been to mobile telephony. A critical issue was the costs of connectivity. A 3-minute call to the US from African countries averages several US dollars a minute compared with less than a dollar in many other countries. There is a clear correlation between liberalisation of telecom, reduced costs and increasing teledensity. There is also evidence that Foreign Direct Investment increases as telecom reforms are put in place. He recommended the way forward as:

- Prepare and implement a second wave of reforms including:
 - further market liberalization,
 - further disengagement of governments from operations (sale of additional shares held by Governments),
 - address the K-economy agenda (creation, acquisition, distribution and use of knowledge)
 - Strengthen existing institutions to formulate policy and implement regulations.
- Promote access to information infrastructure, with special focus to rural communities.
- Promote Regional integration of telecom and ICT national markets.

Mr Makane Faye of the ECA reported on the activities of the African Information Society Initiative since its founding in 1996. Just a couple of days ago at a meeting in Addis Ababa, the UN ICT Task Force group adopted the African Common Position as regards ICT. A regional secretariat and interim steering committee were set up and a work program for the first year. He described a series of ten priority programmes each of which has programme

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owners, strategic goals and time bound measurable targets that should be undertaken by the ECA in collaboration with others, including the private sector. They include:

- Expand, rehabilitate and upgrade the existing ICT infrastructure
- The Government Intranet Project
- The National and sub-Regional Telemedicine Projects
- Strengthening and linking existing school networks and launching new initiatives in Africa through SchoolNet Africa
- The National Multi-Purpose Community Telecenter (MCT) Project
- Export Processing and Free Zone (EPfZ) Initiatives targeted at both domestic and foreign ICT producers and service providers
- Initiatives to develop National Information and Communication Infrastructure (NICI) policies and plans
- Development of Communication Backbones
- Capacity Building for Policy Makers
- Facilitating access to rural communities

Mr Jan Mutai of the African Telecommunications Union described the history of that organisation and stated its objective to facilitate Africa's development towards universal access and full inter-country connectivity. He described highlights from the ATU's strategic plan for 1998-2002 that include special programmes for the Least Developed Countries, ICT Policy and Regulatory Framework Development Programmes, a Human Resources Development Programme, several ICT priority projects and a programme for the Development of the Information and Knowledge Society.

He also described several service delivery units that are currently active including the African Connection Centre for Strategic Planning, an e-participation Support facility for LDCs, the ATU education and training academy and the ATU foundation for the Advancement of Universal Access to ICTs in Africa. There is clearly considerable overlap between the well-worked out programmes and projects presented, and every effort should be made to foster collaboration between them and the other African and international organisations operating in the ICT arena rather than working in parallel.

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DISCUSSION

The chairperson described the approach in Egypt based on the three A's: Affordability, Accessibility and Awareness. She stressed the need to convey the value and importance of ICT to individuals and businesses to engage them in ICT development and projects. Significant attention also needs to be given to the content industry. Success stories on the continent needed wide publicity, and wherever possible local expertise and companies should be used rather than imports. There should be greater communication between bodies emulating success in ICT efforts in other countries.

The World Economic Forum attendee was concerned that the presentations were impressive but did not take into account the critical role of the private sector and investors, and he encouraged governments to take a realistic view of the value of their telecomm networks. The African Connection supported the role of the private investor but stressed the importance of government engagement and investment to make the critical rural infrastructure investments that would not normally attract the private investor. Another speaker noted the great interest of donors and international organisations in ICT in Africa, and urged harmonisation of African positions to unlock funding for ICT projects.

A SADC representative noted that SADC had adopted ICT as a priority to transform SADC into a knowledge society. An e-Readiness Task force had been set up. It would report at the WEF in February and an Action Plan was due for publication by June 2002. Within NEPAD an e-Africa Commission under the leadership of President Konari had been proposed as the NEPAD ICT Task Force. It would launch in March 2002. It was also noted that the lack of adequate and current statistics on the sector made it impossible to plan. With regard to HR development, a speaker was concerned about the role of the private sector.

The Chair noted the Egyptian experience, where agreements were made with international companies to run technical training courses for some 7000 professional trainees. Agreements had been reached to provide free Internet access, with just the price of the telephone call plus an agreement with Microsoft to avail students with their Office product for \$20.

A Rwandan participant noted the substantial progress being made in his country towards implementation of a National ICT plan supported by ECA. He attributed much of their

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success to the strong and visible direction and participation of that country's President in ICT policy.

Given the large number of practical and significant programmes and projects planned or already underway in Africa, there is a strong opportunity and need for NEPAD to co-ordinate and maximise the benefits.

PRIORITY AREAS OF ACTION IN THE ICT SECTOR

1. Establishment of the NEPAD ICT Task Force

NEPAD identifies ICTS as one of the four priority programmes and establishes Special Task Forces to co-ordinate these. Taking this into account and following the recommendation of the Ministerial Oversight Committee, (MOC), of the African Telecommunication Union, ATU, the OAU institutions in the ICT sector have recommended the establishment of the e-Africa Commission as the NEPAD Task Force on ICT.

The Composition, Terms of Reference and Programme of the e-Africa Commission need to be considered by the Heads of State Implementation Committee as soon as possible so as to speed up the co-ordination of the NEPAD ICT programme with those of the G8 DOT Force, UN ICT Task Force and other initiatives related to NEPAD.

2. Prioritising ICT Programmes and Projects

There are a number of projects that have been presented by e.g. the ECA under the framework of the African Information Society Initiative, (AISI), and the ATU and Regional institutions. There are also new projects that will be identified by different institutions and countries. In addition, the ECA has been mandated to compile a list of major projects that exist in the different Regions in order to assess their status to enable NEPAD to build on what exists on the ground.

NEPAD needs to prioritise projects and programmes that need to be followed-up under NEPAD.

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These projects and programmes need to be harmonised so as to eliminate duplication and maximise efforts and resources.

3. Contributing to the UN ICT Task Force African Stakeholders Network

Secretary General Kofi Annan launched the UN ICT Task Force in November 2001. In order to co-ordinate its work in the different regions or continents, the Task Force established Regional Networks. NEPAD needs to contribute to the UN ICT Task Force Regional Network Programme, The African Stakeholders Network which is being co-ordinated by the ECA.

4. Increasing Africa's capacity to influence the global ICT agenda

In accordance with its programme to influence the global agenda, NEPAD needs to contribute to the efforts of the African Telecommunication Union (ATU) to increase the capacity of African countries to influence the global agenda in the ICT sector, especially the International Telecommunication Union-related World conferences such as the Radio-communication, Telecommunication Development and Standardisation Conferences.

It is particularly important that there is a NEPAD input into the following two events:

- ITU World Telecommunication Development Conference which will take place in March 2002 in Istanbul
- World Summit on Information Society which will take place in Geneva and Tunis in 2003 and 2005 respectively and whose preparatory process is already underway.

5. Building e-Awareness in Africa

The importance of ICTs and the potential that they present to governments, institutions, and individuals are not obvious to the majority of Africans. There is therefore an urgent need to develop and undertake a massive e-awareness

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campaign. This is an important pre-requisite for the sustainability of the various ICT and ICT-related projects.

6. Using ICTs to popularise NEPAD

Recognition has been given to the importance of popularising NEPAD across the continent. There is a need to organise a NEPAD road-show for this purpose which should include making maximum use of exhibitions and conferences. In order to ensure maximum effect, ICTs should be made extensive use of in this regard, including the diversity of languages and communication mediums.

7. Popularising NEPAD through ITCA

The ECA should be requested to use its permanent and mobile exhibitions of the Information Technology Centre for Africa (ITCA) to have a permanent NEPAD exhibition.

8. Building the NEPAD ICT portal

The development of a portal of for all information on NEPAD, African country information database should be given a priority.

9. Prioritising in and for education

The provision of ICT education and enhancing education through ICTs constitute one of the top priority human resource development imperatives for Africa. The provision of ICTs in school programmes should be enforced as a matter of top priority using the experience and know-how from African countries.

10. Publicising Africa's success stories

Africa has a number of success stories which need to be recognised in the international arena when initiatives in different parts of the world are looked at. There is a need for NEPAD to give more publicity to success stories in Africa, especially in and using ICTs.

Report Back on the NEPAD WIP Conference Discussions on

INFRASTRUCTURE – WATER AND SANITATION SECTOR

Benoni, South Africa, 24 - 27 January 2002

Chair: M Sene

BACKGROUND

- The objectives for the water and sanitation sector are clearly laid out in the official NEPAD document (Oct 2001). The task of this session was to develop implementation plans in order to meet these objectives.
- The World Bank presentation by Maryvonne Plessis-Fraissard revolved around an ambitious project, which can be called an African attempt in the water sector, namely the Nile Basin Initiative. The presentation outlined the origins of the project and the ways in which political co-operation potentially can lead to significant socio-economic development.
- Although the presentation only touched on one major inter-state project (involving 10 countries) it was agreed during discussion that a number of other projects/initiatives fell in the same category and could also have provided pertinent perspectives on inter-state co-operation and conflict management. Africa has more than sixty international rivers/river basins. This emphasises the potential role NEPAD could play in this sector.
- Therefore a number of strategic principles have been drawn out of the presentation and subsequent discussion which have been listed below. These principles are followed by a number of hard projects which NEPAD should facilitate within its created enabling environment.
- It should be noted that although this session focused predominantly on water and sanitation, the lessons derived for NEPAD were largely at a political level rather than at a technical level around the management of natural resources. In other words, the

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presentation and discussion stressed the political framework behind a case study of natural resource management.

STRATEGIC PRINCIPLES

The Nile Basin Initiative, it was agreed during discussion, held a number of strategic principles for how NEPAD might facilitate projects in the water sector.

These were namely:

- 1. NEPAD should act as a catalyst and not as an implementer of major socio-economic projects in Africa.** It was noted that NEPAD should 'do what others can not do' and that its role was not to develop long lists of projects which it wanted to implement. Rather, the emphasis should be to provide the framework or enabling environment in which development takes place and to devolve the relevant responsibility to institutions, preferably African, with the knowledge and track record to carry out projects.
- 2. That NEPAD should stimulate and provide a framework for political co-operation** which, in turn, would lead to widespread inter-state economic benefits.
- 3. In this way NEPAD would facilitate the building of trust between states and leaders, which would allow programmes to emerge and for the necessary financing arrangements to be secured.** In other words, NEPAD should provide leadership at the highest level between states in order to build trust in areas of conflict. This, in turn, would build capacity to effectively implement and manage economic development programmes and projects between states.
- 4. It was noted that conflicts over natural resource management could potentially increase and that NEPAD should therefore play the role of a facilitator at a high political level.** It was noted that this could be the 'century of the war for water'; this made conflict management essential in the natural resource sector.
- 5. Interstate political co-operation facilitated by NEPAD needs to be**

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complemented by the nurturing of confidence of donors and private sector finance. It was emphasised during discussion that an enabling environment needed to be provided by NEPAD to encourage and ensure the role of the private sector.

6. It was also noted when utilising private sector contractors that **infrastructure projects in the water sector (and others) should be implemented through employment intensive approaches** rather than the import of labour saving technology. Research has indicated that as long as certain basic principles are followed, employment-intensive methods may be used for high standard infrastructure without comprising cost, quality or time. NEPAD should promote changes in contractual arrangements that would encourage this.
7. **Successful projects would also stimulate inter-sectoral benefits and linkages** (for example, in this case, agricultural, transport, energy etc). These inter-sectoral linkages facilitated by NEPAD in an integrated manner would lead to higher levels of regional integration (through markets, trade and infrastructure).
8. **It was agreed that institutional co-operation and partnerships were essential for project development.** An example was given of the relationship between the African Development Bank and the World Bank. It was noted that the World Bank presentation complemented the African Development Bank presentation around infrastructure (25 January 2002). The ADB has prepared a list of project proposals by the different recs. These project proposals have to be furthered scrutinised and prioritised. (annexure five in ADB Infrastructure Report).
9. This presentation by the African Development Bank referred to the **Africa Water Vision for 2025 which was formulated in response to the increasing realisation of the necessity to mount major initiatives in the water resources sector** and address the impending water crisis in Africa. The Vision for Africa is designed to address the challenges of providing water for various uses and sustained economic growth. It is a vision of 'an Africa where there is an equitable and sustained use and management of water resources for poverty alleviation, socio-economic development, regional co-operation, and the environment.' **NEPAD should take cognisance of this vision and the framework for action outlined below.**

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10. **A Framework for Action to achieve the vision goals has been set** with a major undertaking in strengthening governance of water resources, improving water wisdom, meeting urgent water needs and strengthening investment base for the desired water future. The tentative milestones and targets that define intermediate goals of the vision have been set. The milestone activities and the target set are indicative of the urgency of taking action to address the impending water crisis and magnitude of such undertaking. **This magnifies the need for close collaboration of all the stakeholders in the water sector of Africa. This is part of the suggested facilitation of NEPAD.**
11. NEPAD should **facilitate exchanges of best practice** on successful projects within Africa within different sectors
12. Delegates noted that there were many pressing cases of inter-state water management in Africa (Lake Chad Basin, the Water Tower of West Africa, the Water Scheme in Northern Zambia and indeed, numerous rural water schemes throughout the continent); **if NEPAD dealt with a number of sub-regional projects, it would contribute to building NEPAD's credibility throughout the continent.**
13. **Involving all regions of Africa in an integrated manner would result in African ownership of NEPAD and therefore shared responsibility for its success.**

The conference was designed to facilitate the emergence of a concrete plan of action for NEPAD across various sectors. But it seems that the lesson of this session was that **political co-operation was the key element to unlocking project and programmes** in difficult and sensitive sectors – such as that of water and sanitation. In itself this is a powerful message about NEPAD's role in stimulating Africa's renewal.

PROJECTS

These principles underpin a shared vision programme between states facilitated by NEPAD to build trust and capacity and to provide an enabling environment for investment.

- **The ADB has compiled an inventory of thirty-six largely inter-state project**

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proposals across Africa. This was undertaken through an intensive consultative process throughout the continent.

- **Through this consultative process the ADB identified four central issues for NEPAD which relate back to the principles indicated above in facilitating these projects:**
 - Promoting water governance
 - Mobilising financial resources
 - Facilitating capacity building and sharing knowledge
 - Creating enabling frameworks for full participation of the African communities, public and private organisations and international development partners

The large number of projects compiled as a starting point by the ADB and other institutions can be considered by NEPAD using the strategic principles outlined above. It is largely up to NEPAD and these supporting organisations to prioritise the projects to be undertaken in the short and medium-term. It was suggested during discussion that NEPAD should consider facilitating projects in all the regions of Africa in order to build up its support.

The following projects have been highlighted as illustrative examples during this conference and are indicative of NEPAD's facilitative role in the water sector.

➤ The Nile Basin Initiative

- NEPAD should support NBI structures
- NEPAD learns from this experience for widespread replication – it should act as a repository of knowledge around best practice
- NEPAD offers to facilitate political dialogue in this project – this is central to NEPAD's potential role to mediate/facilitate differences when problems arise in order to ease processes and create fair resolutions
- NEPAD recognises leaders involved and supports these
- NEPAD encourages laggards in process
- NEPAD emphasises to donors the need for co-ordination/substantial support
- NEPAD promote private sector investment
- NEPAD to use the unit costs of the NBI to estimate and illustrate costs for other African proposals (US\$680 million has been secured for the initial phases; US\$2.4

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billion needs to be secured in the next five years using up to 50% from the private sector).

World Bank presentation

➤ Water Tower of West Africa

- NEPAD to offer co-ordination in order to secure investment and political support from ten countries affected
- NEPAD to support Guinea in its acceptance to give the scheme international legal status
- Challenge to maintain hydro-ecological balance between immediate survival needs of poverty-stricken communities on highlands and downstream recipients

Workshop discussion

➤ The SADC protocol on shared watercourse

- NEPAD should support this model politically
- Emulate this model in other regions
- Encourage joint management systems such as the Lesotho Highlands, the Komati Basin Project, the Niger Basin Project and the Lake Chad Basin Project
- Create an enabling environment for such systems

ADB proposal

➤ Lake Chad Basin Project

- NEPAD should support initiative to supply water into lake in order to secure the survival of over five million inhabitants threatened by its demise
- NEPAD's role should essentially be to finalise the decision around the Lake Chad environmental situation

Workshop discussion

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- Hydro-electric power schemes on Congo (DRC)
 - The potential for clean energy in the future should be facilitated by NEPAD for Africa and beyond

Workshop discussion

- Partner the World Health Organisation in the Water and Sanitation Africa Initiative (WASAI) and Africa 2000 Initiative
 - This would serve to expand water and sanitation services in Africa utilising existing initiatives

ADB proposal

CONCLUSION

It should be reiterated that NEPAD should utilise the Africa Water Vision and the Framework for Action as the basis for action in the water resources management, focusing mainly on trans-boundary activities but also keeping tabs on sectoral development at the country level.

In **summary** it should be emphasised that **the water resource sector could promote regional co-operation and economic development within Africa.**

Report on the NEPAD WIP Conference Discussions
INFRASTRUCTURE - TRANSPORT
Benoni, South Africa, 24 - 27 January 2002

The plenary presentation on infrastructure by the ADB contained essential background material on transport issues in Africa. The ADB report also contained an inventory on potential projects within the broad transport sector received from various RECs.

These projects, however, have to be scrutinised and prioritised in consultation with other development partners, RECs and the NEPAD secretariat.

The paper presented on Air Transport in Africa by the World Bank made reference to:

- The growing liberalization of the air transport markets and the adoption of 'open skies' policies globally.
- The globalisation of the airline industry and the formation of global airline alliances.
- The relatively small market share and poor safety record on the African continent and the increasing risk of exclusion due to safety problems
- The creation of air transport hubs is essential for economies of scale
- A precondition for long term sustainability resides in the development of appropriate policies, strategies and regulatory and institutional framework.
- On the whole the air transport market has big growth potential but must incorporate a strategy for inter-continental routes.
- To focus on the development of hubs and aviation safety and the need to shift air transport from being an instrument of national prestige to an instrument for economic growth.

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The paper presented on Road Transportation by the World Bank focused on:

- How to create a combination of physical infrastructure, services and an efficient regulatory and institutional environment.
- In this instance the role of leadership, commitment and knowledge sharing are critical success factors in the management and maintenance of the road transport services and infrastructure.
- That investments in physical infrastructure are needed but will not solve the problem if the regulatory, institutional, operational and logistics issues are not addressed. That the physical design of investments should not be imposed and should rather be allowed to emerge from competition and economic forces
- That NEPAD can play an important role to catalyse the political effort, strengthen the leadership provided by regional bodies, promote the use of service levels and relevant benchmarks and develop a co-ordinated approach to donors.

The paper presented by the European Union emphasised:

- Africa's extensive infrastructure
- Users view of transport services and the demand for reliable services, access and lower transport costs
- Some of the lessons from joint Africa –EC project experience, in particular the direct and indirect impacts of conflict on transport service and infrastructure provision.

The following actions and processes were proposed during discussion:

1. That NEPAD be used to speed up the implementation of the Yamoussoukro agreement relating to the liberalization of the air transport markets
2. That NEPAD has a role in facilitating and negotiating where the key transport hubs will emerge in Africa, the formation of airport networks and enhancing the emergence of strategic carrier alliances.

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3. That NEPAD has a role in enhancing aviation safety. There are real risks of exclusion from global markets because of problems related to safety and security.
4. NEPAD has a role in facilitating in cross-border movement of people and goods by harmonising the pre clearance and clearance procedures for transit and trans-shipment, electronic documentation, information management systems and in the promotion of 'one stop' border posts.
5. NEPAD to encourage and advocate the development of policies and strategies and relevant regulatory and institutional mechanisms in-order to secure the desired benefits from investments in physical infrastructure. That is to create the conditions for long term sustainability and the emergence of market signals in the different components of the transport market. NEPAD to provide the guiding principles on future infrastructure development on the continent.
6. For NEPAD to provide guidelines and back up support with respect to private sector participation, the use of PPP's, concessions, etc. The advantages, lessons, pitfalls and governance issues related to the use of these instruments. These should be adapted to concrete realities in a manner that users and customers are protected from monopoly service provision and to ensure social aspects are entrenched within the framework.
7. NEPAD to facilitate the emergence and development of regional and continental wide transport corridors taking into account the scope of the network and the desired role of modes, which taken together will determine the extent, size and composition of the network.
8. NEPAD should use regional bodies for mandates to be fulfilled and solve issues of overlapping mandates.
9. NEPAD should encourage stakeholder and community participation in the development of all transport projects and programmes.
10. The resolution of conflicts should be encouraged as such resolutions can help to reduce transport costs, avoid the destruction of transport assets and avoid unnecessary investments in alternative corridors.

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11. NEPAD has a role in facilitating and negotiating harmonisation of transport policies, strategies, regulations and standards contributing towards the development of a seamless transport system across the continent.

12. A clear need for NEPAD to gain political commitment at the highest level for transport reforms and institutional changes in the AU Treaty and sub-regional protocols. This would include policy and legislative frameworks to encourage competition and to facilitate cross border interaction and market enlargement.

13. NEPAD should also facilitate a holistic approach in developing principal corridors along the lines of the SADC'S Maputo Corridor.

14. A long-term perspective study for the African region should be undertaken with inputs from existing regional and sub-regional studies and reviews. This would propose a coherent strategy and programme involving policy, regulatory , management and infrastructure actions designed to increase the capacity and efficiency of regional infrastructure systems and encourage their interaction.

Report on the NEPAD WIP Conference Discussions

INFRASTRUCTURE - ENERGY

Benoni, South Africa, 24 – 27 January 2002

1. MAJOR POINTS OF PRESENTERS' PAPERS

Three presentations by the ADB, DBSA and the World Bank were tabled. Extensive analysis on background, problem identification and possible solutions were presented. Specific projects as examples were included in the presentations.

Common themes and emphasis that were highlighted were;

- Role of energy in sustainable economic and social development;
- Energy challenges;
- Economic opportunities for investment;
- Harnessing existing resources e.g. flared gas;
- Possible implementation programme for action.
- Inter-connectivity projects i.e. power trading in power pools.
- Information collection and dissemination.
- Short, medium and long term actions.

The above themes culminated, in a common understanding that NEPAD's role should be:

- Facilitator;
- Integrator;
- Catalyst; and
- Context and constituency for conflict resolution.

2. CONSENSUS IN DISCUSSION

During the discussions, various issues were raised and discussed relating to;

- The main expected roles that NEPAD should play:
- Promote integration of all activities for infrastructure i.e. efforts and resources across sectors and countries;
- Mitigate political risks i.e. sponsor role, facilitator and context for conflict resolution;
- Promote confidence and trust amongst countries as a precursor for developing investor confidence and foreign direct investment;
- Provide short, medium and long-term strategies.
- Provide the framework for prioritising projects and initiatives;
- Franchise eligible and credible implementing agencies to develop infrastructure projects.
- Renewable energy sources to be exploited, in order to extend the life of finite African energy resources.
- Share research, expertise and experience and experiences and successes across the continent.
- As a strategy, implement short term and less complex projects e.g. rehabilitation of existing infrastructure to promote confidence within and between countries of Africa, and in their capacity to implement infrastructure initiatives.
- Exploit existing excess generation capacity through the development of inter-connectivities between countries and regions.

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- Develop creative solutions for energisation of rural communities e.g. conversion of natural gas as a substitute for traditional fuels.
- Accessing innovative funding mechanisms e.g. carbon funds.

3. CONCLUSION

There is a consensus of the impact and role that energy plays in economic and social development of the continent. Further, there is a good general understanding of the overall issues and challenges associated with energy in Africa. The important role that NEPAD has to assume in supporting the closure of the infrastructure gap was clearly articulated and supported.

4. PROJECT STUDIES FOR NEPAD INITIATIVES

The projects/studies are intended to address the weakness and constraints above. The projects/studies can be classified into four categories: Power System Interconnectors, Gas/Oil System Interconnectors, Power Generation, Capacity Building and Facilitation projects. The physical projects proposed for the short-term implementation are those projects whose developments have been initiated and/or studies completed.

The power interconnection projects are intended to facilitate the use generation margins available in the integrated power systems when the interconnections are realised. The proposed power systems interconnections are discussed below:

- **Northern Sub-region:** The power systems of the northern countries are all interconnected in 220 kV. The proposed 400 kV interconnector is intended to increase the power transmission capacity and the technical performance of the interconnection system.
- **Southern Sub-region:** Except the power systems of Malawi and Angola, the networks in the sub-region are all interconnected. It is proposed that the power

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system of Malawi be interconnected in the short-term and that studies be conducted, in the same period, to interconnect Angola and to strengthen the SAPP in the medium-term.

- **Western Sub-region:** The west sub-region stands third in power systems interconnection. With the interconnection of Nigeria-Benin, Ghana-Burkina Faso, Cote d'Ivoire-Mali in the short-term, countries around Sierra Leone and Senegal will remain unconnected. It is proposed that studies be undertaken in the short-term to interconnect these countries in the medium-term.

- **Eastern-Region:** Except the power systems of Kenya and Uganda, there are no grid-to-grid interconnections in the eastern sub-region. For the short-term, Uganda, Rwanda and Tanzania-Burundi interconnectors are proposed. At the same time, it is proposed that studies be carried out for the completion of the interconnections in the sub-region in the medium-term.

- **Central Sub-region:** Except the power systems interconnection between DRC and Congo Brazzaville, there are no grid-to-grid interconnections. In the short-term, it is proposed that studies be carried out for completing the interconnections in the sub-region in the medium-term.

Forty three (43) projects and studies (US\$4.562 billion) have been identified and proposed for short-term (2003-2008) implementation under sub-regional/regional co-operation. The project concepts are attached hereto and the summary of the projects is provided hereunder.

Interconnector Projects/Studies: Twelve power systems interconnection projects (US\$1619 million) are proposed for implementation in the immediate future for increased number of countries to share the generation margins available as a result of time zone difference, seasonal diversity and reserves. Eighteen sub-regional Interconnector studies (US\$9 million) could also be undertaken in the short-term to generate proposals for completing the sub-regional interconnections in the medium-term.

Gas/Oil Interconnector Projects: It is also proposed to pursue the implementation

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of five Gas/Oil Interconnector projects (US\$2.76 billion) whose studies are complete and development initiatives have been started. The projects include the West African Gas Pipeline, Kudu, Gas, Libya-Tunisia Gas and Kenya-Uganda oil Pipeline.

Generation Projects: Adjerala Hydropower Project, which is earmarked to feed West African Power Pool, has been identified for short-term implementation. The investment of the project is estimated at US\$170 millions.

Capacity Building Projects: Three capacity building projects (US\$1.5 million) are proposed for short-term implementation. They include (i) operationalisation and dissemination of the Planning Tool developed by the African Energy Programme (AEP) of the African Development Bank, (ii) study to generate proposals for the training of African energy experts using the existing/new establishments, and (iii) study to generate proposals for establishment of centre for Energy Data Bank and Networks.

Facilitation Projects: Five facilitation projects (US\$2.5 million) are proposed for short-term implementation. They include (i) preparation of Strategic Paper, based on output of AEP, and adoption of continent wide policies and strategies, (ii) study to generate proposals for co-operation in development of NREs, (iii) study to generate proposal for co-operation in Power Conservation and Demand Side management, (iv) study to generate proposal for regional oil/gas trade and co-operation in oil and gas procurement, refining and distribution, and (v) preparation of African Energy Charter which deals with Legal, Institutional and Regulatory Frameworks for co-operation.

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The table below presents a summary schedule of the projects by discipline and by region/sub-region including the cost estimates in million US Dollars.

	Power Interconnection		Generation/ Gas/Oil Project	Capacity Building	Facilitation	Total
	Project	Study				
East	5 (US\$367 m)	4 (US\$2.8 m)	1 (US\$80 m)			10(US\$449 m)
West	4 (US\$380 m)	5 (US\$2.5 m)	2 (US\$570 m)			11(US\$952.5 m)
North	1 (US\$800 m)		1 (US\$280 m)			2(US\$1080 m)
South	2 (US\$72 m)	4 (US\$2 m)	1 (US\$2000 m)			7(US\$2074 m)
Central		5 US\$2.5 m)				5(US\$2.5 m)
Continent				3 (US\$1.5 m)	5 (US\$2.5 m)	8(US\$4 m)
Total	12 (US\$1619 m)	18 (US\$9 m)	5(US\$2930 m)	3 (US\$1.5 m)	5 (US\$2.5 m)	43(US\$4562 m)

Report on the NEPAD WIP Conference

PAST AFRICAN INITIATIVES AND PROGRAMMES

Benoni, South Africa, 24 - 27 January 2002

**Points made from dinner presentation by Mr Babacar Ndiaye,
roaming Ambassador of Senegal and Honorary President of the ADB.**

Mr Ndiaye sketched the various plans and programmes that had been developed during the last 20 years to promote African development. He reflected on what they had achieved or not achieved.

1. The Lagos Plan of Action (1980).

- It was based on a belief that Africans were ready to co-operate and to put their energy and resources together. It was an idealistic plan even though the analysis was pertinent. Its idealism meant that it could not be implanted.

2. UNPAR (1985)

- The document was far more elaborated than the Lagos Plan, requiring action by governments, regional entities and the global community. But it expected too much of the international community in terms of resource flows and debt cancellations when the “mindframe was not on that sort of calculation”. But the document did contain very valuable lessons, for example, the stress on the environment, women in development, the private sector and agriculture as the pillar for economic development. But the problem for the plan was that national budgets did not attempt to reflect the priorities of the document: “how can you ask foreigners to do their part of the programme when you yourself are not implementing a programme that you adopted”.

3. The Abuja Treaty (1990)

- The problem with the document was that it relied on a phased approach to economic development – in principle this meant a total of 34 years to achieve its goals. It was a deep analysis but it was also very prudent in implementation. But it also suffered from a lack of commitment.

Reflections on these programmes

Mr Ndiaye also noted that these initiatives had all been elaborated by experts to heads of state, yet “we do not pull it off”. This was not the end of the road: instead they had to be taken down to the people to make them believe that the programme was meant for them. It was important to allow for ownership of the people.

NEPAD had to ensure that the people at grassroots level, associations, political parties, corporations etc were involved in ownership. Ownership of NEPAD had to be transferred to the people. People outlasted political leaders.

NEPAD also had to include the private sector in Africa and internationally. Public/private partnerships were important

Report on the NEPAD WIP Conference Discussions
AGRICULTURE & MARKET ACCESS –
Agriculture
Benoni, South Africa, 24 - 27 January 2002

Break-Away Session:

Strategy

- The starting point for the session was to understand the nature of NEPAD's role and its relationships with other important role players in Africa's agricultural development. As a high level continent-wide politically driven movement, NEPAD's role is primarily to unify, lead, prioritise, catalyse, advocate, facilitate and co-ordinate. Though it will itself seldom have a project implementing role, its ultimate purpose is to translate its own high level activities into on-the-ground projects that will improve the income and quality of life of the broadest possible spectrum of Africa's people.
- The projects that NEPAD initiates or to which it lends support (for example through advocacy with funding agencies) will, in general, be implemented by other role players to whom it delegates – national governments, regional or international bodies, commodity or research organizations, the private sector, NGOs and others.
- Four key strategic thrusts for agricultural development were identified:
 - maintaining, upgrading and increasing access to the natural resource base
 - increasing agricultural productivity
 - improving food security
 - expanding exports and trade.

Some suggestions follow for actions that NEPAD could take and for projects that NEPAD could initiate or support to launch and drive forward these strategic thrusts.

SUGGESTIONS FOR ACTIONS, PROJECTS

- Maintaining, upgrading and increasing access to the natural resource base
 - encourage elimination of gender biases in access to/use of land, water
 - **project proposed to increase investment in improvements to land and water management**

- Increasing agricultural productivity
 - advocate increased funding for agricultural research at the national level (target: double current \$1bn p.a. over 10 years)
 - promote training for agricultural scientists (target: raise current 8 000 to 12 000 in 10 years)
 - support proposed restructuring of Forum for Agricultural Research in Africa (FARA) - **project proposed to strengthen collaboration between research institutions**
 - promote creation of a common regulatory zone for new technology in Africa
 - convene meeting with private sector agricultural science firms to identify actions to increase their presence in Africa
 - facilitating investment by reforming policies and structures for rural finance service delivery

- Improving food security
 - seek increased funding for existing early warning systems and strengthen information flows
 - negotiate conversion of in-kind emergency food relief (from developed country stocks) to access to cash grants or concessional lending (for purchase from other African countries)
 - elevate actual priority given to agriculture and nutrition programs in PRSP and HIPC programmes
 - identify infrastructure to counter natural disasters

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- encourage national governments to keep borders open for grain trade even in times of shortage
- **project proposed to promote rice production**

- Expanding exports and trade
 - articulate a common African/developing country position in Doha Round, including banning export subsidies, accelerating reduction of developed country agricultural commodity production subsidies and negotiating compensation during the wind-down, reducing developed country tariffs on 'sensitive commodities', increasing access under tariff-free quotas, simplifying and eliminating unreasonable sanitary/phyto-sanitary (SPS) regulations
 - speed up integration of sub-regional trading blocs
 - commit to harmonizing standards and regulations
 - institute a council of African Ministers of Agriculture to pursue policy co-ordination
 - **project proposed to revitalize cotton industry.**

Report on the NEPAD WIP Conference Discussions
AGRICULTURE & MARKET ACCESS –
Market Access
Benoni, South Africa, 24 - 27 January 2002

Africa's share of world trade has gone down considerably in last three to four decades. Market access has to be looked at in the context of what the major reasons for Africa's weak trade performance has been.

KEY POINTS IN MARKET ACCESS FROM PRESENTATIONS AND DISCUSSION:

- Appreciate key constraints and trade-offs with regard to market access specifically in the context on negotiating concessions for Africa.
- Market access depends on Africa's ability to produce high-quality and competitive goods.
- A free trade regime in intra-African trade is important.
- Harmonisation of regulations critical to growth of trade.
- Stimulating intra-African trade through 'purchasing power investments.'
- Flexible approach that recognises that individual African countries are uniquely engaged in global and regional initiatives.
- A number of initiatives have improved market access for Africa.
- If Africa has unrestricted trade access from Quad countries with immediate effect, this could have substantial benefits (most of the benefits derived from protectionist countries EU and Japan).
- As things stand now, Africa faces serious barriers- specifically in agricultural and some labour-intensive products.
- Major reasons for decline in exports are declining terms of trade for agricultural commodities and exchange-range misalignment and low productivity growth in the case of non-traditional exports.
- Competitiveness will depend on boosting investment and productivity growth and

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maintaining a stable real effective exchange rate.

- Increased trade capacity will also depend on reversing capital outflows from Africa.
- Important to get private sector participation in building export capacity.
- How is NEPAD going to be implemented at the national level and how do you reconcile structural adjustment (or IMF or World Bank led) programs with NEPAD type initiatives, where Africans have ownership of their own programs and policies, designed by themselves.
- Consider a strategy to harmonise all the regional overlapping initiatives – and important task for NEPAD.

KEY PROJECTS AND PROGRAMMES

1) **Harmonisation and Standards specifically to encourage intra-African Trade**

A full-scale project to begin a process of ensuring that trading partners in Africa embark on a comprehensive approach to harmonisation and standards. These can be done through mutual co-operation between governments, as well as bring together buyers and sellers. Other complementary initiatives such as creating an export and import data-base to look at matching demand and supply of traded products is also important.

2) **Enhancing Trade Capacity**

Identify strategies and ways in which we can implement value-added opportunities. Some concrete steps for diversification need to be identified? NEPAD to act as a catalyst for co-operation to protect the decline in terms of trade of commodities. In addition capacity building for trade facilitation and export promotion is important.

3) **Exchange Rate Management**

Investigation into how African countries can better manage their exchange rates to facilitate sustained growth in exports.

4) Private Sector

Initiatives to improve the involvement of the private sectors in NEPAD are important. Some initiatives are as follows: vastly improved information program through better dissemination of NEPAD initiatives; creating forums for dialogues with business councils, for example.

Also important is to create mechanisms to bring together buyers and sellers in Africa. This is currently being done by the International Trade Centre (ITC) but more resources should be devoted to this kind of activities. NEPAD could accelerate this in a more global multi-country mechanism.

5) Creating Uniformity and Rationalisation in Africa

NEPAD should sponsor the development of standard protocols and guidelines for the negotiations of international agreements.

It is also important to set up a task force to establish how NEPAD can exactly determine the rationalisation of the myriad of regional economic initiatives that exist in the region, as well as review the role of regional economic organisations in the NEPAD process. This task force should also determine where Africa wants to go a few years down the line in the global market access regime. How do we deal with overlapping agreements, rules of origin, different levels of trade liberalization or openness amongst the different African countries. More consideration needs to be given to an African free-trade agreement.

Report on the NEPAD WIP Conference Discussions
**HUMAN DEVELOPMENT –
Health & Communicable Diseases**
Benoni, South Africa, 24 – 27 January 2002

Rapporteur: Prof Leickness C. Simbayi

1. Plenary session

Chairperson: Ambassador M. Achache, Algeria

Opening remarks by Chairperson

The chairperson referred to the main objectives of NEPAD. He highlighted that among the priorities was the fight against the scourge of various diseases including HIV/AIDS as well as the struggle against poverty.

Paper 1: Overview and key issues on human development

(Presenter: Dr Fatoumata Nafo-Traore, Hon. Minister of Health, Mali)

The presentation was centred on three main issues:

- Health
- Education
- Citizenship/good governance

With regard to health, Dr Nafo-Traore highlighted the fact that the health situation remained precarious at the start of the 21st century mainly due to some weaknesses in the approaches that have been adopted. The paradox is that there is considerable demand for health care. However, considerable progress has been made in some spheres of health during the past decade. Among the strategies recommended to remedy the situation include the following:

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- improving the functionality and performance of national health care systems such as improving delivery of health care; improvement on the demand side; reinforcing the role of the state as a subsidizing agency and regulatory organ; evaluation of health care systems and programmes;
- ensure the implementation of programmes promoting health care;
- developing new financing mechanisms such as improved management of health care centres; subsidizing health services offered, rationalizing investments in hospitals;
- developing regional cooperation in various sectors of health provision.

Concerning education, Dr Nafo-Traore highlighted the fact that the situation was equally precarious despite some countries spending very large portions of their annual national budget on education and considerable efforts to address some of the issues. Some of the issues are the inadequate training vis-à-vis the needs of the country including the problem of the brain drain, degradation of the quality of education, and growing inequality in the schooling of children. Some of the strategies proposed to address the issues include:

- related to promoting public and private schools
- mass or popular education through modern technology such as TV and internet mass media.
- The issue of brain drain also needs to be dealt with from both sides.

As for good governance/citizenship, Dr Nafo-Traore stated that both war and authoritarian political regimes were still a problem in Africa although in some countries citizenry are involved in participatory governance. Amongst the strategies proposed to address these issues include:

- Creating the rule of law,
- Decentralizing government's administrative services,
- Share management of public service with representative organizations and non-profit organizations
- Strengthening the role of the state by making sure that it focuses more on its core business of policy and regulating functions.

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She ended by emphasizing the importance of having both health and educational systems which are operational and performing.

Questions from the floor:

1. *Why is blindness not considered a priority issue in Africa in spite of its wide prevalence?*

Dr Nafo-Traore: All diseases in Africa are a priority including blindness. There have been some programmes introduced in the past that have been effective. However, TB, malaria and HIV/AIDS are new top priorities.

2. *Shouldn't NEPAD harmonise health and education training to counter the brain drain? Should this not be a priority?*

Dr Nafo-Traore: One possible solution is to develop regional hubs especially at university level as long as quality is maintained. Some departments at universities could be developed for this purpose.

3. *Importance of reproductive health in Africa and its role in development. Is it a priority?*

Dr Nafo-Traore: Although not covered in detail in the paper, the issue was also important. In particular, maternal and child mortality issues were mentioned at the beginning of the paper.

4. *What specific actions can be used to reverse the Drain Brain from the other side.*

Dr Nafo-Traore: In Mali, for example, – Malians in the diaspora are invited to come home and teach in schools and higher education institutions paid through external resources. They have several recruitment centres for the programme. However, the question of future sustainability creates a problem. NEPAD could help create a fund to assist some countries with regard to this issue.

5. *Role of education in mediating conflict such as peace education and education in emergency situations e.g. conflict. Furthermore, there was a concern that higher education is losing out – quality deteriorating.*

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Dr Nafo-Traore: It was agreed that this was an important issue that urgently needs to be addressed.

6. Dr Nafo-Traore: In response to a question asked, she indicated that health reform or re-organising health systems was important in order to make fight against all diseases be more efficient. She emphasized that there was a need to strike some balance while prioritising some issues.

2. Break-away and parallel session on Health and Communicable Diseases

Chairperson: Ms Yvette Stevens, Special Coordinator, UN-DESA

Opening remarks:

The Chairperson pointed out that WHO has stressed the importance of health in development.

Paper 1: Opportunities for the new partnership for African development and health, nutrition and population

(Presenter: Dr OK Pannenberg, World Bank)

The paper highlighted the following issues:

- The worsening health situation in Africa. Current health and nutrition situation in Africa has deteriorated due to HIV/AIDS and poor health care systems. For example, health and nutrition goals set for accomplishment by 2015, most countries are not on track.
- There are increasingly good national strategies and programmes in African countries with most having increased health budgets, using sector-wide approaches and prioritising some diseases. However, there is still a shortage of funds and technical resources for African governments to be effective and reach MDG goals. Moreover, most African countries are also suffering from the problem of erosion of health professionals through the brain drain.
- There is a bewildering array of international health initiatives. However, the main

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drawback is that there is no connection between national strategies and international initiatives and currently there exists a vacuum as to how to link the two coherently.

Paper 2:

(Presenter: Dr Asamoah Baah, World Health Organisation)

In his presentation, Dr Baah highlighted the following issues:

- The six action points outlined in the NEPAD document are very strategic.
- Most African health systems are now weaker and less responsive than a few decades ago.
- There is need for increased emphasis on institutional capacity building. Dr Baah illustrated this by describing Africa as a graveyard of initiatives and pilot projects many of which are never implemented and that those that were implemented were often done in a political and policy vacuum. This causes duplication that undermines institutional capacity building due to competition of resources caused in turn by the need for rapid results.
- There is a need for African leaders to be involved in the conception and design of initiatives. This will ensure that they are sensitive to African needs and that the medium and long-term objectives of capacity building are not unduly sacrificed in favour of short-term issues and rapid results.
- Increased investment is required by the health sector, but this must be complemented by a radical transformation of the health sector in Africa to address not only HIV, TB and malaria but also the triple burden of old diseases: epidemics, on-going problem of child and maternal and reproductive health, and the new diseases of cancers, cardiovascular diseases and violent deaths from road traffic accidents.
- There is a need for the development and generation of African research databases by Africans themselves.

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- There is a need for improved surveillance of diseases.
- There is a great need for a review of the education and training of health professionals to make them more aware of the contextual issues.

DISCUSSION

Comment: The role of information technology to bring health to rural areas e.g., in Senegal women benefit through telescanning (i.e., telemedicine) while in a rural area. Could be used for X-rays even if experts are in capital cities or abroad.

Comment: Outdated medical education can be overcome through the use internet to access new information.

Question on Paper 1:

- What can NEPAD do? What does "Bridge" actual entail for example for poverty reduction strategies?

Questions on Paper 2:

- Regional institutions in Africa – do we need to rationalize since we do have so many institutions in every country on the continent? Are they all effective? Sub-regionally or continentally?
- Standards or indicators used internationally – what is Africa's role? Who sets them? The issue of context needs to be addressed.
- What is the envisaged role of regional entities in NEPAD?

Comments:

- NEPAD could develop a clearing house for policies with the help of international

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organizations such as WHO.

- Regional cooperation in various aspects of health services e.g., drug development and procurement, vaccines development, etc. and delivery.
- The idea of development of African training centres was also suggested.
- Concerning the migration of personnel it was emphasised that to contain the brain drain the context of instability prevalent on the African continent need to be addressed.
- The Brain Drain was one of the most serious problems facing Africa, e.g., there are more Ghanaian-trained doctors in USA and countries like Malawi are losing their nurses to the West which does not contribute towards the high costs of their training in Africa.
- The main cause of the brain drain is lack of job satisfaction among health professionals. It has more to do with material and infrastructure problems meaning that they spend most of their working time always trying to solve some problems. Consequently African doctors are very experienced compared with their counterparts and this makes them to be in demand in the West.
- Bad news: External funding sources drying up – not as catalytic as was originally intended. Problem of sustainability after diminishing of donor funding.
- International initiatives: NEPAD to bridge what is said here and what happens in inter-governmental organizations on whose executive boards some African nationals sit.

Responses concerning priority projects for NEPAD

Dr Nafo-Traore (Hon. Minister of Health, Mali)

- Each country actually has its own database from which information is sent to international organizations such as WHO. There is therefore a need for advocacy for an African database with international organizations.
- Donors organizations or states should work with NEPAD.

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- Concerning capacity building and brain-drain, financial resources are the basis of the problem. We should create a fund for some countries to retain their health professionals. However, even then the problem is exacerbated by high salary bills with little money left for the other parts of the health sector. NEPAD could help with the start-up for such a fund that could be used for the next decade.
- Concerning the bridging role of NEPAD, it was proposed that a phased approach be adopted starting with priorities, e.g. based on new global initiatives such as GAVI and UN HIV/AIDS. NEPAD could monitor vaccinations, malaria and HIV/AIDS initiatives.

Dr Pannenberg:

- Advocated for widen focus on all communicable diseases.
- There should also be some concern about systemic and capacity issues.
- There is a need to give capacity and power for health ministries to tap into donor resources.
- NEPAD could work jointly with regional health organizations such as WHO AFRICA, UNICEF etc.
- Perhaps NEPAD could be a bit selective about which African governments benefit initially from its actions.

Dr Baah:

- Build trust and confidence among NEPAD governments themselves to start with.
- Use political strength to change "agenda" of donor states and/or organisations

Additional issue raised during the Report Back session

- The need to widen access to medicines and vaccines was also very important and needs

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to be addressed by NEPAD. For example, it could lead the collaboration effort among African countries in expanding the availability of vaccines to their citizens in the near future.

RECOMMENDED ACTIONS FOR NEPAD

The following actions are recommended:

Paper 1

- To bridge the national health initiatives and international initiatives is issues such multi-sector approaches and poverty reduction strategies.
- There is also a need for mainstreaming health at discussions on poverty.

Paper 2

- Develop some capacity to build our own research databases. This could be at regional level rather than on a national one.
- Develop some capacity for the analysis of the data.
- Encourage policy dialogue among African governments.
- Negotiate with the donor community about projects or programmes which they support in African countries so that they satisfy the most pressing needs rather than mostly fulfilling their own needs.

Report on the NEPAD WIP Conference Discussions

HUMAN DEVELOPMENT – Education

Benoni, South Africa, 24 - 27 January 2002

REPORT BACK

Putting education back on the NEPAD map

Key points arising from the presentations

Mr Mutumbuka,

World Bank

- Need to focus on science and technology in education – the information economy and globalisation
- Africa lags in technology diffusion
- Africa lags in human capital accumulation
- Education key to closing the gap
- Higher education – low quality, inefficient, out-dated, limited coverage, brain drain.
- Basic education – poor quality, low efficiency, limited coverage and inequality in enrolment and attainment
- Africa facing the challenge of meeting the Millennium Development goals for basic education
- Need to measure learning outcomes in education in Africa
- Teachers are an important aspect of quality
- Improve supply of basic education

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**Mr. Sankare,
UNESCO**

- Focus on what could be done with NEPAD as a partner
- Support programmes organised to look at ways of supporting NEPAD (seminar in November 2001)
- Key items include education, science and technology, human rights, role of new technology, cultural diversity, poverty eradication, fighting AIDS and strengthening African institutional partnership.
- Busy developing a regional strategy paper which will serve as reference for NEPAD
- Education is the main condition for development and poverty eradication
- Need to decisively leverage education
- The achievement of basic education for all still some way to go, e.g. of 113m children not attending schools , 40% African, with 60% girls
- Need to mobilise resources in order to achieve the goal of education for all
- Need to improve the efficiency of public spending on education
- The threat of HIV/AIDS - about 1000 teachers absent per day in Zimbabwe due to ill health, in Zambia the replacement of teachers dying of AIDS cannot be met by teacher training institutions
- Need to use preventive education as an instrument to deal with the AIDS problem

INPUTS DURING DISCUSSION

- Need for a various stakeholders to assist states in improving education
- Quality of education in Africa leaves a lot to be desired
- Making curricular more responsive and modernised
- Where is education located in NEPAD's agenda?, It seems interest is in other sectors – The multiplier effect of education warrants it being number one priority for NEPAD
- Is the focus on Universal Basic Education risking the quality of Higher education?
- Need to improve equitable access to education and the quality of education offered
- Need to review curricular to be more relevant - an audit of current country initiatives in this regard will be helpful

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PROJECTS & POA

- Develop centres of excellence
- Promote Millennium Science Initiative
- Develop Networking technologies
- Promote Distance education
- Establish inventory on the issue of brain-drain
- Need to attain the objective of education for all – need to implement national plans in this regard
- Higher education – need a dynamic system, and promote university exchanges and recognition of qualifications; harmonise training programs; and create centres of excellence regionally and sub-regionally – UNESCO chairs already established in a number of universities.
- HIV/AIDS - targeting youth in preventive education
- Information technologies need pillars to be built to better serve training and education – training in new technologies need to be introduced and improved
- Distance education – support International Institute of Capacity Building in Africa
- Strategy:
 - Education for all;
 - regional plan in Africa;
 - a network of co-ordinators established in this regard for information sharing;
 - by 2002, elaboration of national plans need to be developed and achieved in this regard towards the targets stated for 2015

COUNTRY

- Form strong development partnerships and strategic collaboration
- Commit to education quality improvement, improve efficiency of public spending, support regional plans of higher education development, and confront impact of HIV/AIDS with fast and solid plans.
- Education for all – each country to develop own national plans; a number of countries already done so with UNESCO support

Report on the NEPAD WIP Conference Discussions

HUMAN DEVELOPMENT – Poverty Eradication

Benoni, South Africa, 24 – 27 January 2002

Poverty eradication is a NEPAD priority. However, as poverty is multi-dimensional and cross-cutting there is a great danger of it being sidelined by focussed programmes. In the words of the AERC input speaker NEPAD needs to be clear about the "Centrality of poverty eradication as the overall objective of NEPAD"

That said, NEPAD cannot attempt to do everything from funding to advocacy and to implementation of policies. There is a complex of international multilateral agencies that are involved in poverty eradication and each country has its own policies. The strength of NEPAD lies in coordinating and shaping international, intra-regional and national behaviour, research and best practice poverty policies. Much of this coordination is overtly political. However, this is exactly the role that NEPAD alone can play.

The session elicited a range of tasks and strategies:

The International Arena

1. The roots African poverty were forged in this arena and even today trade and globalisation issues are key for poverty eradication. A powerful African voice is essential in international negotiations.
2. It is entirely appropriate that NEPAD coordinates the interactions between and policies of the international donor and development agencies working in Africa. Both key speakers and many participants mentioned that there are already coordination processes underway but that these would be greatly facilitated and improved if NEPAD played a central role. Indeed, the incentives, principles and procedures of international organisations are not always in line with poverty alleviation and can sometimes lead to bad domestic spending behaviour. NEPAD can help to structure

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better governance of the lending relationship so that lending is more effective.

3. One immediate project was offered from the floor. The Global Solidarity Fund (a rural infrastructure programme) has been adopted by the UN and the OAU. It is an African instrument and NEPAD should support it. They can do this by setting up the mechanisms of the Fund at the upcoming Mexican Conference on Financing of Development.
4. More generally, many existing anti-poverty initiatives are underfunded. An key example here is the PRPS. If NEPAD pushes for funding priority, this will have far more leverage.

The Continental Arena

There is a need for NEPAD to coordinate data gathering, research and the analysis of best practice policy for the continent. This will allow for the analysis and monitoring of poverty trends which is key to maintaining the high priority of poverty eradication. It will also allow NEPAD to call attention to gaps in research and will allow NEPAD to be proactive in dealing with development agencies and donors. For example, targeting of policies, shocks and formal and informal markets are under-researched and underrepresented in PRSPs right now. NEPAD will be able to feed policy lessons through to individual countries. A UNDP representative from Pretoria mentioned that they were in an advanced stage of approving funding for research capacity building and were very supportive of this.

The Regional Arena

There are strong regional dimensions to poverty. We hear much of the regional instability and negative contagions. However there are also positive neighbourhood effects that work through the provision of infrastructure and other public goods and through regional markets. Many anti-poverty policies are rationally extended across boundaries. NEPAD can facilitate good policy by providing regional data. It was suggested the recent Southern African Human Development Report could serve as a template. To intervene regionally requires a political will and NEPAD is well placed to do this.

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The national level

1. It is generally accepted that poverty reduction requires "the Holistic Promotion of Pro Poor Growth and Pro-Poor Policies". The PRSP process is a large step in the right direction in terms of facilitating the implementation of a consistent set of anti-poverty policies that are based on best-practice. By adopting a prominent advocacy and funding role, NEPAD can bolster this process a great deal. There are also elements of the PRSP that are open to improvement. Improvement and redesign coming from NEPAD would have a lot more leverage than from any individual country or research group.

2. NEPAD has a key political suasion role to play in terms of shaping pro-poor growth and sectoral development budgeting, planning, implementation and monitoring. An excellent example was suggested from the floor: Construction always involves considerable public/private partnerships. This leaves room for governments to put incentives in place in order to get the private sector to deliver infrastructure in line with poverty alleviation policy. There are many instances in which this does not imply any cost or quality trade-off. NEPAD can guide national governments through the provision of research on alternative options and through helping them with appropriate contractual arrangements.

3. An extensive presentation in the session showed that community driven development (CDD) leads to better targeting, implementation, accountability, monitoring and evaluation of many programmes. There are risks and problems. However, research suggests that such approaches have far less leakages and far higher local multipliers than top-down approaches. The World Bank is already allocating about twenty percent of its anti-poverty budget to CDD programmes and they warrant serious NEPAD attention. NEPAD would be in a position to provide balanced advice in terms of phasing in such policies. Central ministries play policy setting and standards setting roles in such approaches and it is here that NEPAD expertise could be invaluable. In addition, NEPAD could produce a CDD sourcebook and use internet to help African practitioners share experiences. (Latin America uses internet to link 2500 mayors). It could also facilitate access to low-cost inputs needed by communities, e.g. pumps, AIDS drugs. NEPAD can also harmonize donor approaches and procedures.

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4. Such CDD approaches require fiscal devolution and a reorientation of the way that government personnel are deployed. Thus there is often resistance to such decentralisation. However many participants eloquently stated that one of the dimensions of poverty is disempowerment and one of the objectives of NEPAD is to promote empowerment. Thus, it is appropriate to put this on the NEPAD agenda. Vibrant local-level political processes are integral to ensuring accountability and delivery within CDD programmes. It was suggested that "NEPAD had a role to play in tying the hands of governments for good behaviour at election time. NEPAD rather than European election observers would help a great deal."

Report on the NEPAD WIP Conference Discussions

CAPITAL FLOWS

Benoni, South Africa, 24 – 27 January 2002

Key Bullet Points from the Presentation and Discussion

The aim is to achieve the Millennium Africa Goal of 7% GDP growth per annum. To achieve this, it will be necessary to fill a resource gap equivalent to 10% of African GDP or \$54 billion/annum. How can African countries mobilize these resources for investment?

These investible resources may be sourced from public or private, domestic or foreign sources. African economies need to attract new investment, but also must improve the returns to existing investment.

The NEPAD document lays out 4 key areas for attention, and the workshop added flesh to some of these:

Domestic Resource Mobilisation

- A large proportion of revenues & profit earned from resource extraction accrue to foreign companies, and relatively little to African economies: how can African economies garner greater portions of resource rents? Should a task team be established to explore creative solutions that can be used at a national level?
- Strengthening institutions related to finance, legal frameworks, and investment promotion is essential to reducing the cost of doing business in Africa. These issues are addressed by another workshop session.
- NEPAD can play a supportive role in relationship building between business and government. While much of this is done at a national level, NEPAD's role lies in

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coordinating cross-continental communication.

Private Capital Flows

- A sustainable partnership between the private sector and the public sector in creating and maximizing opportunities for the private sector to generate investment within the continent and establishing important linkages with partners who can invest in sustainable projects.
- NEPAD can support Public Private Partnerships (PPP) by encouraging mid-income African countries to take leadership in developing know-how in their sub-regions. The SA Banking Council provides a good example, in its support of PPP training through SADC.
- Improving integration of markets with improved transport, telecoms and financial links will attract domestic and foreign investment, by expanding the size of the market. In addition to attracting forex, it should also offer more profitable investment outlets for domestic investors such as pension funds.

Official Development Assistance (ODA) Reform

- NEPAD should identify a goal of 0.7% of OECD Development Assistance Country (DAC) GDP, up from the present low of 0.3%.
- NEPAD can partner with key institutions to promote this goal, including DAC-based NGOs such as Oxfam and the churches.
- A set of common criteria should be established by the ECA on behalf of NEPAD, for ODA such as budget transparency, application to capital expenditure, etc.
- An independent arbitration body should ensure compliance with the standards set by the ECA.
- The Chair noted that ODA should be long term, predictable, be channelled through the budget process, and finally, that both donor and recipient have mutual accountability.

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Debt Reduction

- Identify goals for debt reduction: for example, UNCTAD proposes that debt that is identified as 'unpayable' be written off.
- The ECA, on behalf of NEPAD, could be tasked with identifying criteria for writing off debt, such as PRSPs
- A separate, independent arbitration body should be responsible for monitoring compliance.
- WB and IMF noted concern that if mobilize for further debt relief (apart from UNCTAD proposal?) that could encourage other larger poor indebted countries such as India or Bangladesh to ask for similar concessions.

Other Issues

- NEPAD to engage with the NGO sector to stimulate public awareness and educate public opinion within and outside of the continent about the impact of debt servicing on Africa and creditor nations.
- Four constraints that impact on domestic resource mobilization, ODA, Debt Relief, and private capital flows:
 - conflict/political instability;
 - costs of doing business in Africa;
 - HIV/AIDS; and
 - Risks (especially after September, 11th where the flow of aid may be slow).
- The UNCTAD representative suggested that NEPAD locate its role around four key areas, namely: advocacy, facilitation, policy coordination, and compliance monitoring. Examples of areas to apply this framework include:
 - Debt
 - Trade negotiation
 - Harmonization of rules
 - Acting as agent of change for good governance

Report on the NEPAD WIP Conference Discussions

ALIGNMENT OF EXISTING PARTNERSHIPS WITH NEPAD

Benoni, South Africa, 24 - 27 January 2002

Minister Alec Erwin pointed out that while improved access to the markets of industrialized countries for products in which Africa is competitive or potentially competitive was essential, there was a compelling need to increase the capacity for intra-African trade.

Other major points were –

1. Regional markets must be integrated to achieve economies of scale and efficiency in promoting trade and investments, to enhance value-addition production, and to stimulate and expand intra-Africa trade and ultimately international trade.
2. African heads of state must ensure active participation in the world trading system.
3. The continent's special concerns, needs and interests must be recognized and provided for in future WTO rules.
4. Concrete steps must be taken to enhance African states' institutional capacity by way of technical assistance from developed countries to use the WTO and to engage in multilateral trade negotiations
5. The multilateral trading system must provide a forum in which Africa, could collectively call for the structural adjustment of economies by developed countries, which requires reducing a range of protective and support measures to "inefficient" grandfather industries and sectors, thereby allowing a relocation of production and investment to developing countries, which possess comparative advantages in these areas.

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6. The existence of a large “overhang” capital in the developed economies is the basis for such resource transfer if production possibilities are opened in the developing countries.
7. In Africa's case this would involve positioning African industries in relation to global supply chains, which includes identification of areas for stimulating greater intra-African trade that increases existing exports, beneficiation of new and existing products for export, and improving the terms of trade, thereby enhancing specialization and promoting greater global competitiveness.
8. Such structural adjustment would boost investment, production and trade in developing countries, promote industrialization and development, enhance North-South and South-South trade and provide impetus to a new round of global economic growth.
9. A range of concerns need to be further addressed and discussed in terms of existing WTO agreements to avoid the marginalisation of many developing countries in decision-making. Concerns include:
 - The Anti-dumping Agreement
 - The Subsidies agreement
 - Intellectual Property Protection under The Trips agreement
 - Building capacity to upgrade the standard of production for export through a range of mechanisms
10. The diversification of African production and exports is essential to reduce the dependence on primary production. In order to do so there must be a shift towards addressing supply side constraints through the identification of strategic areas for intervention to strengthen the contribution of trade to the continent's recovery. These include:
 - The maximization of existing and potential areas of competitive advantage through strategic alliances like the benefits to be gained from the African Growth and Opportunity Act (AGOA).
 - Building standard setting and skill enhancing institutions
 - Building efficient transport and logistics infrastructure
 - Developing trans border and infrastructure projects

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- Removing inefficient regulations to streamline processes
- Reducing the cost of finance and risks of investments
- Addressing market access, tariffs and non tariff barriers through the integration of market access, assessing the scope for further liberalization, building knowledge on tariff and non-tariff barriers, identifying products for import-substitution, identifying trade flow blockages and examining revenue collection systems.