

Citation

Revision of the AU/NEPAD AFRICAN ACTION PLAN 2010–2015:
Advancing Regional and Continental Integration Together through Shared Values
Abridged Report 2010–2012

Acknowledgement

The management of the NEPAD Agency would like to thank the African Development Bank management for providing the technical and financial resources for the preparation of the revised AU/NEPAD African Action Plan and the Abridged Report.

Credits

This report is published by the NEPAD Planning and Coordinating Agency (NEPAD Agency). Content from this report may be freely reprinted, with attribution to the NEPAD Agency, and a copy of the reproduced content would be appreciated. Copyrighted photos may not be reproduced.

Correspondence may be addressed to:

Physical Address

NEPAD Planning and Coordinating Agency
International Business Gateway
New Road & 6th Road
Midridge Office Park
Corner of Challenger & Columbia Avenue
Block B
Midrand
Johannesburg 1685
South Africa

Postal Address

PO Box 1234
Halfway House
Midrand
Johannesburg 1685
South Africa

Tel: +27 (0) 11 256 3600
Fax: +27 (0) 11 206 3762
Emails: info@nepad.org
media@nepad.org
Website: www.nepad.org

(c) NEPAD 2011

Contents

Acronyms	5
Executive Summary	6
Introduction	6
Background, rationale and objectives	6
Inputs to the AAP revision	7
Revised AU/NEPAD African Action Plan 2010–2015	7
The Road Map: way forward	8
1. Introduction	9
1.1 Background	9
1.2 AU/NEPAD guiding principles and current conditions	9
1.3 Context and rationale of the review	11
2. Approach to Revising the AAP	11
2.1 Consultations with stakeholders	11
2.2 Selection of programmes and projects	11
2.3 Prioritisation of programmes and projects	12
2.4 Sequencing, monitoring and managing programmes and projects	13
2.5 Content reliability and costing	14
2.6 Sectoral objectives	15
2.7 Priority programmes and projects	15
2.8 Cost of implementing the Plan	16
3. Infrastructure: Energy, Transport, ICT and Transboundary Water Sectors	16
3.1 Energy: towards a sustainable energy future for Africa	19
3.1.1 Energy and regional integration in Africa	19
3.1.2 Partners in energy	19
3.1.3 AU/NEPAD's strategic focus in energy	20
3.2 Transport: enhancing mobility for Africans	23
3.2.1 Transport and regional integration	24
3.2.2 Partners in transport	24
3.2.3 AU/NEPAD strategic focus in transport	24
3.3 Information and communication technology (ICT): bridging Africa's digital divide	28
3.3.1 ICT and regional integration in Africa	29
3.3.2 Partners in ICT	29
3.3.3 AU/NEPAD's strategic focus in ICT	30
3.4 Transboundary water: advancing regional cooperation in water resource management	32
3.4.1 Water and regional integration in Africa	32

Contents *continued...*

3.4.2	Partners in transboundary water	.33
3.4.3	AU/NEPAD's strategic focus in transboundary water	.33
4.	Gender Development: Advancing Gender Equality in Africa	.35
4.1	Gender development and regional integration in Africa	.35
4.2	AU/NEPAD's strategic focus in gender development	.36
5.	Cross-Cutting Sectors	.39
5.1	Trade, industry, market access and private-sector development: advancing Africa's competitiveness in the global marketplace	.39
5.1.1	Trade, industry, market access and private-sector development and regional integration in Africa	.39
5.1.2	Partners in trade, industry, market access and private-sector development	.40
5.1.3	AU/NEPAD's strategic focus in trade, industry, market access and private-sector development	.40
5.2	Environment and climate change: promoting sustainability and stewardship for Africa's ecosystems	.40
5.2.1	Regional integration in environment and climate change in Africa	.41
5.2.2	Partners in environment and climate change	.41
5.2.3	AU/NEPAD's strategic focus in environment and climate change	.42
5.3	Governance: towards a democratic future for Africa	.42
5.3.1	Governance and regional integration in Africa	.43
5.4	Capacity development: building a capable and responsive leadership for Africa's future	.43
5.4.1	Capacity development and regional integration in Africa	.44
5.4.2	Partners in capacity development	.44
5.4.3	AU/NEPAD's strategic focus in capacity development	.44
6.	Implementation of the Revised AAP	.45
6.1	Success factors	.45
6.2	Financing	.45
6.3	Financing to accelerate programme and project implementation	.46
6.4	Accessing sources of programme and project financing	.46
6.5	Monitoring, managing and evaluating the AAP	.48
6.6	Institutional support to AAP	.48
6.7	Revisions and stakeholder engagement	.49
6.8	Stakeholder engagement and wider dissemination of the AAP	.49
7.	The Road Map: the Way Forward	.49

Acronyms

AAP	.AU/NEPAD African Action Plan	GSM	.Global System for Mobile Communications
AfDB	.African Development Bank	GTZ	.German Agency for Technical Cooperation
AFFM	.African Fertiliser Financing Mechanism	HIV	.Human immunodeficiency virus
AGRA	.Alliance for a Green Revolution in Africa	HSGIC	.Heads of State and Government Implementation Committee (NEPAD)
AIDS	.Acquired immune deficiency syndrome	HSGOC	.Heads of State and Government Orientation Committee (NEPAD)
AMCOW	.African Ministers' Council on Water	ICA	.Infrastructure Consortium for Africa
APCI	.African Productive Capacity Initiative	ICF	.Investment Climate Facility
APF	.Africa Partnership Forum	ICT	.Information and communication technology
APRM	.Africa Peer Review Mechanism	IDA	.International Development Association
AU	.African Union	IGAD	.Intergovernmental Authority on Development
AUC	.African Union Commission	IPPF	.Infrastructure Project Preparation Facility
AWF	.African Water Facility	JICA	.Japan International Cooperation Agency
BPFA	.Beijing Platform for Action	LVBC	.Lake Victoria Basin Commission
CAADP	.Comprehensive Africa Agriculture Development Programme	MDGs	.Millennium Development Goals
CAB	.Central Africa Broadband Network	MIP	.Minimum Integration Programme
CA-BI	.Central Africa Broadband Infrastructure Programme	MW	.Megawatt
CAMI	.Conference of African Ministers of Industry	NBI	.Nile Basin Initiative
CASSy	.Central Africa Submarine System	NEPAD	.New Partnership for Africa's Development
CDI	.Capacity Development Initiative (NEPAD)	NERICA	.New Rice for Africa
CDM	.Clean Development Mechanism	NSAS	.Nubian Sandstone Aquifer System
CDSF	.Capacity Development Strategic Framework	OAU	.Organisation of African Unity
CEDAW	.Convention on the Elimination of all Forms of Discrimination Against Women	ODA	.Official development assistance
CEN-SAD	.Community of Sahel-Saharan States	OECD	.Organisation for Economic Co-operation and Development
CEPGL	.Economic Community of the Great Lakes	OMVS	.Organisation pour la mise en valeur du Fleuve Sénégal
COMESA	.Common Market for Eastern and Southern Africa	PIDA	.Programme for Infrastructure Development in Africa
CSO	.Civil society organisation	PPP	.Public-private partnership
DFID	.Department for International Development (UK)	REC	.Regional Economic Community
DRC	.Democratic Republic of the Congo	SADC	.Southern African Development Community
EAC	.East African Community	SAPP	.Southern African Power Pool
ECA	.United Nations Economic Commission for Africa	SATA	.Southern Africa Telecommunications Association
ECCAS	.Economic Community of Central African States	SREAP	.Sub-regional Environmental Action Plan
ECOWAS	.Economic Community of West African States	STAP	.Short-Term Action Plan (NEPAD)
EIB	.European Investment Bank	UHURUNET	.Submarine cable of NEPAD ICT Broadband Infrastructure Network
EU	.European Union	UMA	.Arab Maghreb Union/ Union du Maghreb Arabe
FARA	.Forum for Agricultural Research in Africa	UMOJANET	.Terrestrial network of NEPAD ICT Broadband Infrastructure Network
G8	.Group of Eight	UNDP	.United Nations Development Programme
GDP	.Gross domestic product	UNEP	.United Nations Environment Programme
GEF	.Global Environment Facility	WTO	.World Trade Organization
GID	.Gender, Institutions and Development Database		

Executive Summary

Introduction

The AU/NEPAD African Action Plan (AAP) is the defining statement of Africa's current priority programmes and projects related to the promotion of regional and continental integration, anchored in the Guiding Principles of the New Partnership for Africa's Development (NEPAD). The 10th meeting of the Africa Partnership Forum (APF) in Tokyo in 2008 recommended the revision of the AAP. The present report is an Abridged Version of the revised Plan.

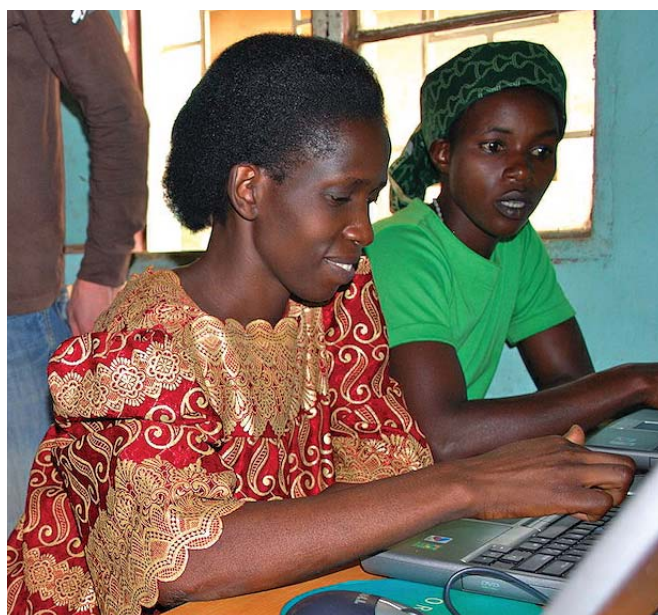
The African Development Bank, on behalf of the NEPAD Agency, was tasked to carry out a review and revision of the AU/NEPAD African Action Plan (AAP).

The revised AU/NEPAD African Action Plan 2010–2015: Advancing Regional and Continental Integration was validated in June 2009 in Tunis, and was then endorsed by the Heads of State and Government Implementation Committee (HSGIC) and the African Partnership Forum (APF) in January 2010. In order to implement the revised AAP, it will be launched formally in January 2011 at the 24th HSGOC and 16th AU Summit.

A critical next step for the AAP is the development of a Road Map for the implementation of a short-term priority action plan (PAP), focusing on Infrastructure as priority for the period: 2010–2012. The prioritisation of the AAP (the Abridged version) for implementation in the short term is necessary, for the following reasons:

- To fast track the implementation of key projects through accelerated financial closure, of the African Action Plan priority action plan (PAP).
- PIDA: The need to combine previous infrastructure flagship programmes, such as the NEPAD Short-Term Action Plan (STAP) and the infrastructure component of the African Action Plan (AAP), into a common AU/NEPAD priority infrastructure programme, i.e., the Programme for Infrastructure Development in Africa (PIDA): 2010–2040.

The Abridged AAP Report contains a snapshot of the African Action Plan Infrastructure priority action plan (PAP) for the period, 2010–2012. The report covers 23 Infrastructure projects in Energy (5), Transport (9), ICT (6) and Transboundary Water (3), as well as two Gender Development programmes, with an estimated net resource requirement of US\$9.3 billion, for such projects to reach financial closure. As the theme of the 16th AU Summit is



*'Towards Greater Unity and Integration through **Shared Values***', then to increase the rate of implementation of regional infrastructure projects and programmes, AU/NEPAD will prioritise projects whose sponsors have strong 'Shared Value' credentials and subscribe to the principles of good governance, anti-corruption, and rule of law, etc.

Mainstreaming of gender in infrastructure, particularly for the attainment of the MDGs, will be a key objective of the short term AAP 2010–2012.

Background, rationale and objectives

The AU/NEPAD African Action Plan (AAP) was originally conceived and developed in 2005/2006 in a drive to fast track the implementation of Africa's development and initiatives, including the MDGs. It consists, primarily, of the current priority programmes and projects with high potential impact on regional integration in Africa and requiring co-ordination at the continental level.

The AAP is intended as a platform for dialogue with international African partners, to raise resources for much needed public and private investment and to monitor and evaluate progress. The 10th meeting of the Africa Partnership Forum (APF) in Tokyo found that the 2008 version of the Plan, estimated to cost US\$115 billion, lacked context for its priorities, a clear indication of the status of projects, and a reliable basis for resource requirements. As a result, the African Development Bank (AfDB), together with the African Union Commission (AUC), NEPAD Secretariat and the UN Economic Commission for Africa (ECA), were mandated by the African Union (AU) and NEPAD to revise the AAP, with the overarching objective of producing a revised AAP with buy-in from all stakeholders.

Inputs to the AAP revision

The review and revision process took place over a five-month period, between January and June 2009.

- Consultations were held with the four lead institutions (AfDB, AUC, NEPAD Secretariat and ECA).
- Field visits were made to each of the eight Regional Economic Communities (RECs) and a final validation seminar was held with the RECs in June.
- Discussions were held with international partners and stakeholders.
- Progress was reviewed by the NEPAD Steering Committee in May and September 2009 and the draft Plan was endorsed by the 13th AU Summit and 21st NEPAD HSGIC in June/July 2009.
- The NEPAD Steering Committee determined that a five-year timeframe, 2010–2015, would be appropriate for the revised Plan.

The process for selecting activities and initiatives for the revised AAP incorporated the following steps:

- Beginning with priorities from the 2008 AAP, priority projects and programmes identified by the RECs were collected and reviewed.
- Sectoral priorities were reviewed with the lead institutions, to refine the priority list and to update information. In infrastructure, decisions by the AU Summit in February 2009 set priorities in energy and transport.

Progress with implementation of the Plan between 2005 and 2008 had been negligible, and only a small number of infrastructure projects have reached implementation since 2008. A prioritisation analysis was conducted, aimed at delivering bankable, 'quick-win' projects and programmes with strong regional integration impacts. The criteria included:

- Strategic alignment with AU/NEPAD objectives, RECs' master plans and partner orientations
- Development impact in terms of contribution to regional integration, economic growth and the MDGs Readiness of projects and programmes for implementation.

Because at least half of the initiatives under consideration were at an early stage of development (pre-feasibility or feasibility stages), it was important to focus attention on steps to be taken during the Plan's timeframe to develop a sustained flow of viable programmes and projects into the future, and to accelerate that process.

To clarify the state of readiness, a four-stage sequencing model or framework, based on the normal steps and activities of programme and project development, was used to describe the current status of programmes and projects in the Plan, as follows:

- Stage 1: Programme/Project Identification
- Stage 2: Feasibility/Needs Assessment
- Stage 3: Programme/Project Structuring and Promotion
- Stage 4: Implementation and Operations.

Each programme or project was set at one of these stages. Thus, users of the Plan can easily understand which development steps would normally have been accomplished, and may evaluate the reliability of the information presented accordingly.

The Programme/Project Development Stage model was used to substantially redress the unmethodical use of costing figures encountered in previous versions of the Plan. Where Stage 2 or Stage 3 studies had been done (i.e., preliminary or detailed design), implementation cost estimates were accepted. Where such cost estimates were not available, the cost of studies needed to refine an initiative and move it to the next stage was identified as the relevant cost. Financing commitments were identified for each programme or project. Using this methodology, costing and net resource requirements were identified for all priority programmes and projects in the Plan.

This framework also provides a useful structure for monitoring and managing the implementation of the Plan. It would enable the NEPAD Planning and Coordinating Agency (NPCA) to measure and report on the progress of each initiative from stage to stage towards implementation, to judge whether the normal steps and standards have been achieved and to identify gaps to be filled in and barriers to be overcome. It will also assist proponents to plan the sequence of steps to be taken to bring their initiatives to reality.

Revised AU/NEPAD African Action Plan 2010–2015

A 'new look', considerably expanded presentation has been developed for the revised Plan. To provide a context for the priority programmes and projects, the Plan features a high level overview of each sector: key components and resources, why the sector is important to the overall economic and social development of Africa, regional and continental aspects and the main challenges that must be overcome to realise its potential.

The priority initiatives described in the revised Plan fall within nine sectors, which the AU and NEPAD have jointly agreed are strategic to the objective of realising the socio-economic transformation of the continent:

- Infrastructure (Energy; Transport; Information and Communication Technology (ICT); and Transboundary Water)
- Agriculture and Food Security
- Human Resource Development (Health; Education,

- Youth and Training; and Social Affairs)
- Science and Technology
- Trade, Industry, Market Access and Private-Sector Development
- Environment and Climate Change, and Tourism
- Governance and Public Administration, and Peace and Security
- Capacity Development
- Gender Development.

This Abridged Version of the Plan includes chapters detailing two of the priority sectors – Infrastructure and Gender Development. There is also a chapter providing similar information for the major cross-cutting sectors – Trade, Industry, Market Access and Private-Sector Development, Environment and Climate Change, Governance and Capacity Development.

Statements of AU/NEPAD's sectoral objectives have been included in the revised Plan, to provide a policy framework for the priority programmes and projects in the Plan. They have been developed through multi-stakeholder consultative processes and have been reviewed and authorised by ministerial and summit consideration. They indicate the comprehensive sectoral planning and policy coherence that have evolved since the NEPAD Programme of Action was launched in 2001.

The prioritisation analysis found that virtually all priority programmes and projects align with sectoral objectives and contribute to regional or continental integration. Of the 25 priority programmes and projects listed in the abridged version of the AU/NEPAD African Action Plan, 2010–2012:

- 8 are at Stage 2: Feasibility/Needs Assessment
- 15 are at Stage 3: Programme/Project Structuring and Promotion
- 2 are at Stage 4: Implementation and Operations.

The Abridged version of the AAP contains priority initiatives at Stages 2 and 3, with a limited number of Stage 4 projects, as lessons-to-learn from, in the application of PPP arrangements in regional infrastructure projects. The short-term-priority Plan is intended to develop a sustained flow of regional and continental scale investments over time. Within the two-year life of the Plan, it is expected that significant progress will be made at each of these stages, to eventual financial closure, a key milestone.

The aggregate cost of implementing the AAP priority action plan (PAP) is as follows:

The total cost of implementing eight Stage 2, fifteen Stage 3 and two Stage 4 priority programmes and projects is estimated at US\$10.8 billion. After commitments of US\$1.55 billion are subtracted, the net financing requirement is US\$9.3 billion.

Given recent experience (as described in the Infrastructure Consortium for Africa (ICA) Annual Reports, for example), a significant part of the US\$9.3 billion capital expenditure requirements, and most if not all of the preparation costs, could be firmly committed within the two-year timeframe of the Plan.

The Road Map: way forward

The following specific implementation steps will be taken to strengthen and use the AAP (a precursor to PIDA) as the cornerstone of Africa's short-term engagement with development partners to accelerate progress in implementing its priority projects for the period, 2010–2012.

The following steps will form the Road Map for the implementation of the AAP short-term priority infrastructure projects.

Step 1: AAP Launch at the 2011 African Union Summit

The first step is the need to formally launch (i.e., showcase) the AAP's priority action plan (PAP) at the 24th Heads of State and Government Orientation Committee (HSGOC) meeting during the 16th AU Summit in Addis Ababa, Ethiopia, in January 2011. The launch will be the most significant event around the AAP since its endorsement by the 21st HSGIC and the African Partnership Forum (APF) in January 2010, and will demonstrate once again the high-level commitment of the NEPAD HSGOC and African leadership to the African Action Plan.

Step 2: AAP PAP Advocacy Workshop/Conference

The second step in the Road Map is to engender an advocacy process through a series of road shows with key stakeholders such as the Regional Economic Communities (RECs) and their member countries (RMCs), civil society organisations (CSOs) – both in Africa and outside the continent – and development partners, **to seek the requisite buy-in and ownership of the African Action Plan priority action plan (PAP)**. Such road shows will begin in earnest in mid-2011, after the launch of the AAP.

Step 3: Investment Round Table

The third, and vital, phase of the Road Map is the Investment Round Table with partners and donors for resource mobilisation for the AAP priority action plan. In this regard, the AUC, NPCA and AfDB will develop a common strategy to engage partners at the level of the Infrastructure Consortium for Africa (ICA) and the G8 some time in the third quarter of 2011.

Step 4: Institutionalise the AAP

Step 4.1 Create a central AAP unit

The NPCA will act as the executing agency for the implementation of the AAP priority action plan (PAP): 2010–2012

Step 4.2 Create a management information system (MIS)

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

Step 5: Improve the methodology of the AAP

Step 5.1 Establish sector and programme, project targets and outcomes for monitoring and evaluation

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

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

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

Step 5.2 Introduce cross-cutting themes into sector and programme/project plans

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

Step 6: Review activities and outputs

Step 6.1 Publish and distribute regular AAP updates

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

Step 6.2 Conduct a mid-point review of sectoral progress

At the beginning and mid-point of each year (2011–2012), progress toward the specific goals of each sector in the revised AAP will be evaluated. At this time a comprehensive review will be made of all activities that contribute to sectoral objectives, not just priority programmes and projects, so that Africa's leaders and the population at large can see 'the big picture' on an occasional basis, and make informed judgements on reallocation of resources. A mid-term progress review report will be provided to the NEPAD Steering Committee, and the HSGOC for information and guidance.

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

Step 7: Improve stakeholder communications through better information and support for African civil society

Step 7.1 Establish a continental statistical portal on the new NEPAD website

The AAP will be presented in an online, interactive continental statistical portal, to allow partners and donors to access up-to-date information on all AAP sectors and programmes. AAP-related content to be made available on the portal includes:

Sector pages

Online library of relevant sector strategies, summits, declarations etc.

- Background to the regional integration agenda in the sector
- Goals, objectives, expected outcomes, and progress of regional integration work in the sector
- Overview of all international, continental and regional organisations working in regional integration in the sector and links to their web pages.

Programme pages

Each AAP programme and project will have its own page featuring:

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

AAP database

A database on AAP programmes and projects will be accessible to task managers via login, to update their programme status and place links to key project reports and data. A public version of the portal will allow users to query data fields according to their interests (e.g., a search that identifies programmes with capacity building or gender components), or to review and validate project assumptions and analysis.

Step 7.2 Establish regular forums for dialogue with stakeholders and strengthen civil society participation

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

- International stakeholders – The primary forum for these discussions will be the Africa Partnership Forum (APF), for a general review of the AAP and major issues such as commitments and harmonisation.
- Ministerial/sector conferences – Sessions will also be established at ministerial conferences for sector-specific dialogue and reviews, relating to the progress of programmes and projects, financing issues, and areas where ministerial intervention can overcome obstacles. Expert panels could be used for validation and advice where available and appropriate.
- Regional and national stakeholders – A focus on the AAP will be regularly added to regional and country meetings between AU/NEPAD, AfDB and ECA, so that RECs and national representatives maintain a continuous awareness and can provide feedback on the purpose and usefulness of the AAP.
- Additional stakeholders – In the longer term, additional participatory mechanisms will be considered, such as online dialogues, discussion boards, and moderated discussion forums, to allow a broader range of participants to review and comment than those who normally attend conferences. This would be a cost-effective means of reaching individuals as well as CSOs.
- Create a Centre of Excellence for the Promotion of African Civil Society – To further encourage the participation of civil society organisations in the economic and social life of the continent, and in the activities highlighted in the AAP in particular, it is proposed to create a Centre of Excellence for the Promotion of African Civil Society. Civil society groups often supply the resourcefulness, dedication and tenacity that initiate economic and social change, strengthen democracies and generate positive results in areas such as gender development, good governance, environmental awareness, health promotion, education, and adoption of new technologies, to name only a few.
- Efforts by African institutions, such as the RECs and the African Union, to engender regional and continental integration and to maintain a focus on the Millennium Development Goals, depend on collaborative work with and support by African civil society. At the same time, many civil society groups are traditionally based and locally oriented. They may therefore need support to link with other organisations with similar interests in different regions, through capacity building, training and networking to share information, learn from each other and cooperate on a broader scale. Creation of a Centre of Excellence will expand the skills that enable civil society organisations and individuals to participate effectively in the continent's development and in the implementation of NEPAD values through the AU/NEPAD African Action Plan.

1. Introduction

The AU/NEPAD African Action Plan 2010–2015 is a defining statement of Africa's current priority initiatives related to the promotion of regional and continental integration. Covering a wide range of sectors, the Plan showcases projects and programmes in which investment is planned and for which financing is being sought, both internationally and from African sources, during the period 2010–2012, at least for infrastructure. It highlights the objectives, challenges and opportunities of programming to advance the goals of regional and continental integration in Africa, led by the African Union Commission (AUC), NPCA, AfDB and the eight Regional Economic Communities (RECs), under the banner of the New Partnership for Africa's Development (NEPAD). The Declaration by the Heads of State and Government at the AU Summit in February 2009 underlined the need for all stakeholders to work together to accelerate the pace of implementation of these efforts.

1.1 Background

The mandate to pursue regional and continental integration through the African Union is derived from the Lagos Plan of Action (1980), the Abuja Treaty on an African Economic Community (1991), the Sirte Declaration (1999) and the Constitutive Act establishing the African Union (2000). NEPAD was adopted as a programme of the Organisation of African Unity (OAU) in July 2001, in Lusaka, Zambia. In 2002, the African Union was launched in Durban, South Africa, as the successor to the OAU. NEPAD functions as the AU programme in support of regional and continental integration and Africa's development objectives. The AU embodies the principles and values of the NEPAD vision.

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

“build an integrated Africa, a prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena.”

The Accra Declaration of the AU Assembly of July 2007 called for acceleration towards the economic and political integration of the African continent. The AU has developed and articulated a comprehensive set of strategies and programme plans covering key social and economic activity sectors.

The Regional Economic Communities constitute the building blocks and pillars of regional and continental integration, as

set out in the Abuja Treaty of 1991. The eight officially recognised RECs are:

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

In consultation with the RECs, the AUC will introduce a new Minimum Integration Programme (MIP), designed to provide coherence in the movement towards regional integration.

The evolution of other pan-African institutions has increased the continent's capacity to develop and implement investment programmes and projects. For example, a replenished and stronger African Development Bank (AfDB) will support a variety of regional integration measures and infrastructure investment in particular. Specialised agencies such as the regional power pools, water basin management organisations and the Investment Climate Facility (ICF) have assumed responsibilities for implementing key programmes and projects.

It is within this framework and through these institutions and programmes, that regional and continental integration is being pursued in Africa.

1.2 AU/NEPAD guiding principles and current conditions

In 2001, NEPAD set out a Programme of Action or strategy for achieving sustainable development in the 21st century, focusing on regional and continental-scale programmes and projects. The five NEPAD initiating countries, tasked by African leaders, recognised the many economic interdependencies and common social issues faced by people across Africa, as they strive to achieve economic prosperity and social wellbeing. Thus, they saw that the need to create linkages, harmonise policies and adopt best practices, can in many instances best be done on a regional or continental basis.

In a comprehensive analysis and statement of objectives and action plans, the NEPAD Programme of Action included initiatives to strengthen the pre-conditions for sustainable development, including peace, security, democracy, and political, economic and corporate governance. The

document also identified sectoral priorities, including infrastructure, human resource development, environment, culture, and science and technology. It addressed issues of mobilising resources and improving market access, and called for a new partnership relationship with industrialised countries and multilateral organisations. The guiding principles of NEPAD include:

- African ownership and leadership
- Promotion and protection of human rights, good governance and democracy
- Anchoring Africa's development on the resources and resourcefulness of Africans – people-centred development
- Channelling resources to the highest-quality operation as measured by development impact and alignment with client objectives
- Promotion of gender equality
- Accelerating and deepening of regional and continental economic integration
- Building a new relationship of partnership among Africans, and between Africans and the international community, especially the industrialised world
- A comprehensive, holistic and integrated development programme for Africa.

Since 2001, NEPAD's call to action has been heard and responded to in many ways. The NEPAD Programme has been endorsed by virtually all international and bilateral agencies – from the UN General Assembly to the member states of the European Union (EU), the Group of Eight (G8) and the Organisation for Economic Co-operation and Development (OECD) – as the general framework around which the international community should structure its development efforts in Africa.

Largely in response to NEPAD and the recognition of great need, the early years of this century were marked by pledges and expectations of growing official development assistance (ODA) to Africa at high-level fora, including the G8 Summits in Kananaskis (2002) and Gleneagles (2005). The Paris Declaration of 2005 and the subsequent Accra Agenda for Action of 2008, made broad and specific commitments to improve aid effectiveness, based on five principles: ownership, alignment, harmonisation, managing for results, and mutual accountability – principles which echo the spirit of NEPAD. However, in the final years of the decade, overall levels of development assistance have lagged, and would now need to rise very rapidly to meet 2012 targets. Progress in implementing the Paris Declaration has been slow, giving rise to continuing problems of less predictable, fragmented and non-aligned aid flows.

Great challenges remain to be overcome. While some indicators of progress towards the Millennium Development Goals (MDGs) have risen, for example, primary enrolment, levels of many key social indicators remain far below other

regions of the world. Africa's primary enrolment rate remains the lowest in the world, and secondary and tertiary education intake rates are low. Improvements in under-five mortality and maternal mortality have been small, malaria claims more than one million people per year, access to improved sanitation and drinking water falls well below MDG targets, and women continue to face broad inequalities in many areas of life. The effects of climate change and environmental degradation pose immense issues for the continent.

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

The same global conditions will slow the pace of foreign direct investment (FDI). Domestically, higher governmental deficits will raise current borrowing requirements and thus reduce funds available for development expenditures. Like the rest of the world, African economies will take an undetermined amount of time to recover from the crisis.

It was against this background that the **AU/NEPAD African Action Plan (AAP)** was originally conceived and developed in 2005/2006, in the drive to fast track the implementation of Africa's development initiatives, including the MDGs. It comprises, primarily, the current priority programmes and projects with high potential impact of accelerating regional integration in Africa and requiring co-ordination at the continental level. These programmes and projects fall within the sectoral priorities that the AU and NEPAD have jointly identified and agreed to as strategic to the overall development objective of realising the socio-economic transformation of the continent. Broadly, the latest revision of the AU/NEPAD African Action Plan (i.e., the Abridged Report 2010-2012) seeks to highlight the critical investments and resource gaps that must be addressed if Africa and its development partners (including traditional development partners, African civil society and private sector, and emerging economies) are to succeed in raising living standards to meet the MDGs, and to forge a more integrated, efficient and sustainable economic base in Africa.

1.3 Context and rationale of the review

Previous versions of the AAP were intended as a platform for dialogue with international African partners, to raise resources for much needed public and private investment and to monitor and evaluate progress. The 10th meeting of the Africa Partnership Forum (APF) in Tokyo recommended the revision of the Plan. As a result, the AfDB, together with the AUC, the NEPAD Agency and the UN Economic Commission for Africa, were mandated by the AU and NEPAD to revise the AAP, with the overarching objective of producing a Plan with buy-in from all stakeholders. The revised Plan identifies Africa's development priorities and seeks to strengthen existing partnerships and forge new ones, in order to promote and realise Africa's key regional priority programmes and projects.

2. Approach to Revising the AAP

2.1 Consultations with stakeholders

The review process took place over a five-month period between January and June 2009.

- Consultations were held with the four lead institutions (AfDB, AUC, NEPAD Agency and ECA) between January and June.
- Visits were made to each of the eight RECs, to determine views on the AAP as a whole, to identify priorities and collect information. A final validation seminar was held with the RECs in June.
- Data on programmes and projects were obtained from a variety of sources through the review period.
- Discussions were held with international stakeholders (OECD/APF, European Union, World Bank, German Agency for Technical Cooperation (GTZ), etc.), to gain further perspective on their interests and concerns.
- Progress was reviewed by the NEPAD Steering Committee in May and September 2009 and the draft Plan (i.e., Revised Plan) was endorsed by the 13th AU Summit and 21st NEPAD HSGIC in June/July 2009.

Data collection remained a time-consuming challenge, due to the number of agencies to be contacted, the age of much of the available data and the protocols necessary to release some data. This was the case for even basic descriptive information. Data on current issues were not available in many instances.

If the Plan is to provide useful, time-sensitive information to facilitate the development and realisation of key projects and programmes, accurate and current information must be readily available to all users. Therefore, the intention is for the Plan to be backed up by a central database and arrangements made to obtain timely data from partner organisations. A significant exception to these data constraints was the availability of sectoral policy and directional frameworks. There is an impressive array of well-developed strategies and overview material for most key sectors. Looking back to 2001, this is an area of considerable evolution and maturation of the priority planning process.

2.2 Selection of programmes and projects

The first guiding principle of NEPAD is African ownership and leadership. Accordingly, the process of selecting programmes and projects for the revised AAP must ultimately be done by African institutions. The process for selecting activities and initiatives for the AAP incorporated six steps:

- The March 2008 version of the draft AAP provided a base of 56 projects and programmes.
- The descriptions of some sectors in the Plan were adjusted, and Social Affairs, Tourism and Capacity Development were added.
- A number of Emerging Priorities were flagged as candidates for review.
- Priority projects and programmes identified by the RECs were collected and reviewed.
- Sectoral priorities were reviewed with the lead institutions, to refine the priority list and to update information. Decisions by the AU Summit in February 2009 set priorities in energy and transport.
- A prioritisation analysis of alignment, development impact and readiness provided a validation input to the process.

This process resulted in extensive changes to the list of priorities included in the 2008 AAP and an increase in the number of priority programmes and projects from 56 to 80 – 28 were dropped or combined and 52 were added. As the

Plan focuses attention on initiatives that require new or additional funding, some important on-going regional integration activities may not be listed in the Plan.

Emerging priorities. An important reality recognised by all participants in the review process was that the AAP is a snapshot in time of priorities, within a dynamic process of development of initiatives and implementation of projects. The revised Plan also contains 'emerging priorities', additional programmes and projects that will create a pipeline for the future, including some regional priorities that are not listed as current pan-African priorities.

Timeframe for the plan. The NEPAD Steering Committee determined that a five-year timeframe, 2010–2015, would be appropriate for the revised Plan. Thus, the shelf life of the Plan's priorities is relatively short term. At the same time, the Plan is intended to develop a sustained flow of regional and continental-scale investments over time. The Plan contains priority initiatives at all stages of programme and project development, from initial concept development through feasibility assessment, project packaging and implementation. Within the five-year life of the Plan, it is expected that significant progress will be made at each of these stages.

2.3 Prioritisation of programmes and projects



The rationale and fundamental economic reason for prioritisation of projects is to assist in delivering bankable and quick-win projects and programmes that have strong regional integration impact. Progress in implementation of the Plan between 2005 and 2008 was negligible, and only a small number of infrastructure projects have reached implementation since 2008. Because at least half of the initiatives under consideration were at an early stage of development (pre-feasibility or feasibility stages), it was

important to focus attention on steps to be taken during the Plan's timeframe to develop a sustained flow of viable programmes and projects into the future, and to accelerate that process.

In the case of the AAP, an explicit prioritisation process provides additional transparency as to whether priority programmes and projects are in some sense, rationally based on appropriate criteria. One of the key outputs of this Review was a prioritised list of costed projects and programmes, including their current status and the level of readiness of each.

There was broad agreement and guidance from the Infrastructure Consortium for Africa (ICA) annual meeting in Tokyo in March 2008 on the criteria for prioritisation, namely:

- **Development Impact:** a project's worth measured in terms of economic net present value, contribution to economic growth, regional integration, and regional public goods
- **Strategic Alignment:** projects aligned to regional/continental objectives (NEPAD programmes, RECs specific regional master plans and strategic orientations based on partnership with donors).

Of these two broad criteria, the second is less subjective than the first, since alignment can be judged on the initial design of a programme, whereas development impact requires assumptions, if not actual data, on expected programme or project impacts.

Initially, it was intended that sectoral programmes be prioritised using the following criteria. Two of them fall into the category of **objectives**:

1. Minimum number of countries impacted as beneficiaries
2. Regional needs and gaps based on regional development strategies.

Three others have to do with **readiness**:

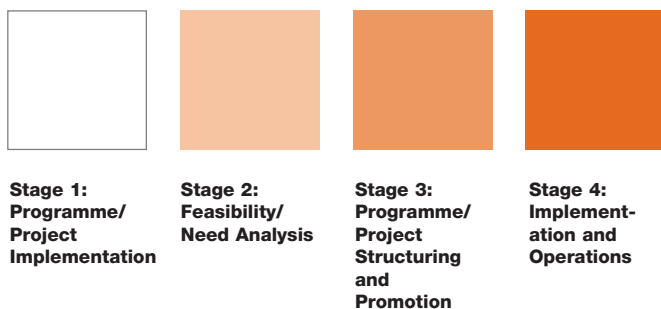
3. Project readiness for implementation with all studies completed and cost estimates firmed up
4. Sector reforms of legal, regulatory and institutional framework completed/Investment climate to attract private partnership
5. Institutional capacity for implementation.

Application of criteria. At least two problems were encountered in applying these criteria: how to deal with programmes, for which project information may not be available, and how to deal with a lack of reliable data, given the absence of comparable information covering the wide range of sectors, regions and institutions included in the AAP? Open-ended, multi-faceted programmes, often at an early stage of definition and development, made up **over half** of the priority initiatives in the Plan. The scope of the

review did not allow the time or resources to study or develop individual project and programme economics.

Accordingly, programmes and projects were assessed in terms of four criteria, as follows:

6. **Alignment with objectives.** Programmes and projects were assessed in terms of their alignment with authorised sectoral policy statements and their expected positive impact on these strategies.
7. **Beneficiaries.** The number of beneficiary countries was identified for each programme or project.
8. **Development impact.** The expected impact of programmes and projects on broad objectives (economic growth and other MDGs) and on regional and continental integration, and their economic and financial sustainability, were assessed with available data.
9. **Readiness.** The current status of each programme or project and thus its readiness for investment was described and analysed, using the following framework (described further below):



Given the variability of available data, programme and projects were evaluated against the first three criteria as **high, medium** or **low**. Tests were made using numerical weightings to ensure consistency of ratings.

Composite priority rating. The results of the four assessments were combined in a composite rating, with the impacts on the first three criteria (which collectively reflect the 'worth' of the programme or project) being given the primary consideration. When two programmes or projects were equal in other respects, greater readiness raised the rating (although not always enough to affect the overall, composite rating).

The composite priority ratings were stated as follows:

- **Top:** Programmes and projects with a very compelling case for investment, based on contribution to regional integration and continental development or to sector objectives
- **High:** Programmes and projects that show strong alignment with sectoral objectives, impact on a large number of countries and/or on regional and continental development

- **Medium:** Programmes and projects with good alignment, a low or moderate number of beneficiaries, and moderate impact on integration or development
- **Low:** Programmes that show weaker alignment with key sectoral objectives or less development impact, or raise questions regarding sustainability.

With more complete data, it would be possible to assess priorities more accurately and more precisely, and to use factors such as economic return and Development Impact criteria more effectively in that process. In the forthcoming study on the Programme for Infrastructure Development in Africa (PIDA), there will be an opportunity to apply a set of criteria more rigorously to infrastructure programmes and projects.

2.4 Sequencing, monitoring and managing programmes and projects

Knowing the current status of a proposed project or programme is key to understanding the steps needed to bring it to implementation (i.e., readiness), and to judging the reliability of related data, including costing. In order to increase the quantity and quality of implementable programmes and projects, it is important to monitor and manage them systematically, so that at the end of the process investment decisions can be based on solid information and analysis.

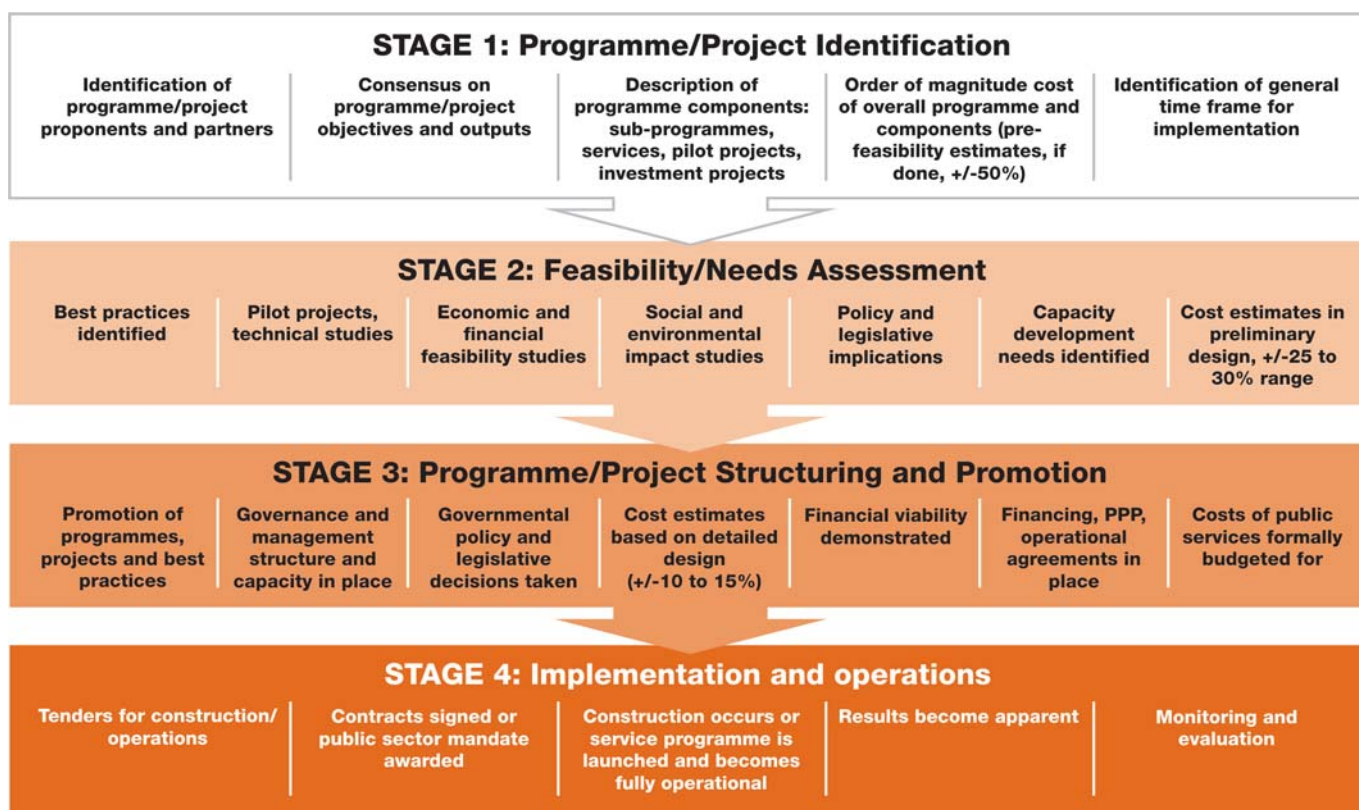
A project/programme development model. An effective tool for these purposes is the use of a sequencing framework, based on the normal steps and activities of programme and project development. The diagram below identifies a series of development stages from initiation through implementation, including:

- Programme/Project Identification
- Feasibility/Needs Assessment
- Programme/Project Structuring and Promotion
- Implementation and Operations.

The diagram describes the functions or tasks that are normally required at each stage, to move programmes and projects from concepts to reality.

Monitoring and managing progress. This development stage framework was used to provide a rapid and comparable indication of the status and readiness of all programmes and projects in the revised AAP. The framework can be used to monitor progress, and to

Stages in programme and project development



proactively manage the process of developing and refining programmes and projects, by assessing whether the appropriate tasks have been accomplished at each stage, and if not, what barriers to implementation may have arisen and what actions, and by whom, are required to overcome them. Projected timing to completion may be estimated as well. A similar framework is in use by COMESA.

2.5 Content reliability and costing

Within the scope of this review, it was problematic to undertake a full scientific, methodical and verifiable analysis of programmes and projects that would ensure consistently reliable content across the Plan. Programme managers and public sources often provided only a forward-looking account of plans and announcements, rather than hard information on completed activities. In many cases, the information was very dated, from 2006 or earlier, and thus told little about their current status or issues. Measures to ensure that more up-to-date information is available in future are described in the discussion of Implementation of the AAP and the Way Forward (p. 49).

The costing of programmes and projects presented in the 2008 AAP appeared to be almost entirely order-of-

magnitude estimates of large, partially-defined programmes and projects at Stage 1 in their development, and had not changed from a previous 2005 draft. Of the US\$115 billion total for 56 projects, US\$50 billion was a single estimate for the Grand Inga/Inga III power project, with the costs of another ten programmes and projects rounded to the nearest US\$1 billion. There was little if any indication as to the source or basis of these estimates.

New programmes and projects proposed as priorities varied from conceptual plans without any previous costing, through well-defined Stage 3 projects, with costing based on technical and economic studies. The purpose of costing work is to provide progressively more precise estimates of resource needs as a programme or project moves through the project cycle, being refined and shaped, subject to approvals along the way. At the front end of the process, it is reasonable to use descriptive, order-of-magnitude estimates, followed by subsequent improvements in accuracy and precision as preliminary designs (Stage 2) and detailed designs (Stage 3) are completed. Clearly, such improvements require application of real resources – expertise and significant amounts of time – to develop concepts and undertake technical and economic investigations.

The development stage model has been used to substantially redress the unmethodical use of costing figures encountered in previous versions of the Plan. This

has been achieved by clarifying the status or stage of development of programmes and projects, and thus the basis for the estimated cost of programme or project implementation.

Where implementation cost estimates were based on Stage 2 or Stage 3 studies, the estimates have been accepted as having a scientific and verifiable basis, and are included in the total cost of the Plan. Where cost estimates were simply order-of-magnitude estimates or were Stage 1 (pre-feasibility) estimates, the numbers have been noted separately and are not included in the estimated total cost of the Plan. Where Stage 2 or Stage 3 cost estimates were not available, the cost of undertaking studies to refine an initiative and move it to the next stage (at which further financing decisions would normally be required) was identified as the relevant cost. Where Stage 1, Stage 2 or Stage 3 preparatory work is required, costs have been estimated from proponents' data or on a notional basis, to calculate an aggregate requirement for this work.

Using this methodology, costs have been identified for all priority programmes and projects. They are presented in the sector descriptions and in the AAP-PAP matrix presentation. The estimated aggregate costs of implementing the priority initiatives in the Plan are provided in the following chapter.

Monitoring and improving cost estimates Notional costing standards were identified for each programme or project development stage, as noted in the diagram above – pre-feasibility, preliminary design and detailed design. In future, these (or similar) standards should be used for reporting on the status of programmes and projects in the AAP. Judgements should be made by a central monitoring organisation as to whether the appropriate level of costing has been done, when deciding whether to advance a project from one stage to the next. A central group could also provide a useful service to project proponents by making simplified costing methodologies available to them.

2.6 Sectoral objectives

AU/NEPAD sectoral policy frameworks

AU/NEPAD Sector	Sectoral Policy Framework	Key Promoter(s)
Infrastructure: Energy, Transport, ICT, Transboundary Water Sectors	Programme for Infrastructure Development in Africa (PIDA)	AU, NEPAD and AfDB
Development Corridors	Spatial Development Programme (SDP)	NEPAD
Gender Development	AU Gender Policy and Action Plan	AU

Source: NEPAD Agency

These statements of sectoral objectives have been included in the revised AU/NEPAD African Action Plan, to provide a policy context for the specific programmes and projects in the Plan. In an important sense, these policy frameworks elaborate on Africa's specific priorities at a broad level, in furtherance of the overarching objectives in the original NEPAD framework document of October 2001.

2.7 Priority programmes and projects

For each of the Sectors, the Plan provides a matrix-style presentation of projects and programmes, summarising key information as follows:

- Title of Programme/Project
- Region
- Estimated Cost and Commitments
- Development Stage
- Description of Programme/Project
- Contact Point(s) for further information.

This approach provides users of the revised Plan with a convenient overview of the priority initiatives, their key dimensions and status, and where to find more information on them. In sectors where emerging priorities have been identified, they are described in a separate table.

Of 25 priority programmes and projects in the abridged AU/NEPAD African Action Plan, 2010–2012:

- 8 are at Stage 2: Feasibility/Needs Assessment
- 15 are at Stage 3: Programme/Project Structuring and Promotion
- 2 are at Stage 4: Implementation and Operations

The prioritisation analysis found that virtually all priority programmes and projects are aligned with sectoral objectives and would contribute to regional or continental integration. The priority rankings are not comparable between sectors because of different scales of activity, development impacts and average stage of programme and project development, and a lack of comparable data.

Since the draft AAP was published in 2008, progress of programmes and projects towards implementation has resulted mainly from undertaking feasibility studies in Infrastructure. These identified investment opportunities in Energy, missing links in Transport infrastructure, ICT backbone needs, and opportunities in Transboundary Water management. Transport and ICT continue to have a significant number of projects at **Stage 3** in the short-term AAP 2010-2012.

Summary of AAP priority programmes and projects by sector, 2010–2012

Sectors	No. of Projects	Amount (million US\$)	Commitment (million US\$)	Total (million US\$)
Energy	5	3,124.00	851.50	2,272.50
Transport	9	6,899.00	666.78	6,232.22
ICT	6	696.30	2.45	693.85
Transboundary Water	3	120.00	20.00	100.00
Gender Mainstreaming Programme AU/NEPAD	1	1.00	0.20	0.80
African Women Empowerment/NEPAD Spanish Fund	1	–	10.00	(10.00)
Sub-total	25	10,840.30	1,550.93	9,289.37
Less commitments		1,550.93		
Net resources required		9,289.37		9,289.37

Current capital investment opportunities, including quick win projects, occur at **Stage 3: Programme/Project Structuring and Promotion**. In addition to specific projects and programmes, this stage includes a number of sector and sub-sector funds, which are designed to pool diverse financing sources to invest in a range of sectoral needs. Programmes and projects at Stage 3 are found in:

- Infrastructure: Energy (3), Water (1), Transport (7), ICT (3)
- Gender Development (1).

Programmes and projects listed in **Stage 4: Implementation and Operations** in the 2010–2012 priority list, are either being implemented or are fully operational, but may require additional funding to complete or because their success has led to demands for more, as yet unfunded activity. They include programmes and projects in:

- Energy (2): Kariba North Bank Power Generation (Project has reached financial closure); Itezhi-Teszhi Hydropower Generation Expansion (Project is at an advanced stage of financial closure).

2.8 Cost of implementing the Plan

Following the costing methodology outlined earlier, the estimated costs to implement the Plan are as follows:

- The total cost of implementing 23 priority programmes and projects, based on Stage 2 and Stage 3 costing, is estimated at **US\$10.8 billion**. After commitments of **US\$1.55 billion** are subtracted, **net financing requirements** are estimated at **US\$9.3 billion**.
- Based on recent experience (described in ICA Annual Reports, for example), a significant part of the US\$9.3 billion in implementation expenditures, and most if not all of the preparation costs, could be firmly committed within the two-year timeframe of the Plan.

3. Infrastructure: Energy, Transport, ICT and Transboundary Water Sectors



Infrastructure plays a critical role in economic development and poverty reduction. Well developed and maintained Infrastructure services – energy, transport, ICT and transboundary water sectors – reduce the barriers to economic growth and the transaction costs involved, and contribute significantly to enhancing the lives of the poor through increased access to public and social services. Inadequate infrastructure imposes major costs on business

in terms of lost output and additional costs incurred. Some estimates suggest that with an improved infrastructure stock, economic growth rates could be at least 1% higher than they are today.¹ Developing and completing infrastructure networks is recognised as a critical component of advancing regional and continental integration in Africa.

Africa suffers from a severe lack of infrastructure It is widely acknowledged that the infrastructure deficit is one of the key factors preventing Africa from realising its full potential for economic growth, competitiveness in global markets and achievement of the Millennium Development Goals (MDGs), including poverty reduction. Modern infrastructure services are largely inaccessible to the poorest 60% of the population in African countries, including the vast majority of the rural population, further isolating impoverished communities and preventing their access to healthcare, education and jobs.

Only 26% of households in Africa have access to electricity, 58% to water and 31% to basic sanitation². Road lengths per capita have been declining steadily due to increased population growth in recent years and a lack of necessary investment in transport infrastructure. Although mobile telecommunications have experienced enormous growth in the past ten years, access to broadband services remains very limited. Current levels of water withdrawal are low, with only 3.8% of potential water resources developed for water supply and hydropower use, and about 18% of irrigation potential being exploited³.

The lack of infrastructure is particularly stark when Africa is compared with other areas of the developing world. For example, while access to electricity in Africa is about 30%, in other major geographical zones in the emerging world this access ranges from 70% to 90%. For the same zones, access to water and sanitation services are 80% and 90%, respectively, compared to the 58% and 31% in Africa.

AU/NEPAD's strategic focus in Infrastructure The AUC is responsible for coordinating, harmonising and providing leadership in the continent's economic and social development and physical and political integration. The AU vision for infrastructure is for efficient, reliable, cost-effective, environmentally-friendly infrastructure and services for physical integration and realisation of the MDGs. This vision is based on the elaboration of sectoral policies, strategies and medium- to long-term programmes and master plans developed to address the identified needs for progress. These needs include strong political commitment, strong human and institutional capacity of countries and RECs to plan and implement integrated regional and continental projects, and effective resource mobilisation.

Within the AU/NEPAD framework, several initiatives have been established to address these needs and promote greater regional and continental integration.

The **Short-Term Action Plan (STAP)** was adopted by the NEPAD Heads of State and Government Implementation Committee (HSGIC) in 2002. The STAP proposed a series of hard and soft programmes and projects to develop infrastructure at the regional level. STAP's progress was reviewed in considerable detail in 2004, and more recently for the AU Summit in Addis in January 2009. At the level of both programmes and projects, the STAP has been implemented to a considerable extent. According to the AfDB, most of the projects that entered the project pipeline in 2002 are now at an advanced stage of implementation and some have been completed. Between 2002 and 2008, financing of regional infrastructure projects by the Bank and other development partners stood at approximately US\$5.6 billion, representing about 69% of the original total estimated cost.

The **Infrastructure Consortium for Africa (ICA)** was established in 2005 as a major new platform to accelerate progress of infrastructure development in Africa, with an emphasis on overcoming regional constraints. Based out of the AfDB, membership is a tripartite relationship between African institutions, bilateral donors and multilateral agencies. The Consortium is intended to make its members more effective at supporting infrastructure in Africa by pooling efforts in selected areas such as information sharing, project development and good practice. The ICA publishes an annual report that presents a concise but comprehensive overview of Africa's infrastructure investment needs, resources and activity. It focuses on the MDGs and emerging social and economic trends, and thus provides a useful framework for analysis of future needs. It analyses and prioritises institutional reform and capacity building, as well as physical infrastructure investment needs.

The **Africa Infrastructure Country Diagnostic (AICD)** study, spearheaded by the World Bank, is a multi-year, multi-country project to assess the needs and costs of infrastructure in Africa, particularly the sub-Saharan Africa region. The programme will combine studies on major topics of strategic importance to the infrastructure sector, with a major data collection exercise to set the baseline against which the renewed efforts to address the infrastructure challenge can eventually be assessed.

The NEPAD **Infrastructure Project Preparation Facility (IPPF)** is an untied fund set up to assist proponents to prepare high quality infrastructure proposals, and related project development activities. Managed by the AfDB, the

¹ Africa Infrastructure Country Diagnostic Study (Preliminary Findings), World Bank.

² The Mutual Review of Development Effectiveness in Africa 2009, OECD and ECA (figures exclude North Africa).

³ Programme for Infrastructure Development in Africa (PIDA) Concept Note, 2009, prepared by AU, African Development Bank and NEPAD.

AU/NEPAD STRATEGIC OBJECTIVES OF THE PIDA PROGRAMME ON INFRASTRUCTURE

Objective 1: Establish a **STRATEGIC FRAMEWORK** for the development of regional and continental infrastructure (energy, transport, information and communication technology (ICT) and transboundary water resources) based on a development vision, strategic objectives and sector policies.

Objective 2: Establish an **INFRASTRUCTURE INVESTMENT PROGRAMME** (short, medium and long term) around priorities established and time horizons established by the RECs.

Objective 3: Prepare an **IMPLEMENTATION STRATEGY** and processes including, in particular, a priority action plan.

Source: PIDA Concept Note

2007/08 IPPF pipeline had some thirty projects valued at US\$50 million, of which the energy and transport sectors account for 80%. Funding for project preparation continues to be relatively scarce, as the fund now has about US\$18 million to finance new commitments.

In 2009, a new study was planned and launched jointly by the AU, NEPAD and AfDB, to complement and extend efforts undertaken to date. The **Programme for Infrastructure Development in Africa (PIDA)** will develop regional and continental infrastructure policies, establish prioritised development programmes and propose implementation strategies. The study process is expected to take eighteen months and will therefore be completed towards the end of 2010. When in place, it will provide a structured framework and thoroughly planned roadmap that will facilitate investment flows to the infrastructure sector. The objectives of the PIDA programme are set out in the box on the left.

While the PIDA process reviews and articulates a comprehensive set of infrastructure priorities for the

AAP priority projects and programmes in Infrastructure, 2010–2015

Sub-Sector	Project/Programme
Energy	<p>Kariba–North and Itzhi–Teszhi Hydropower Expansion Projects Kenya–Ethiopia Interconnection Sambangalou–Kaleta Hydropower and OMVG Interconnection Zambia–Tanzania–Kenya Interconnection Project</p>
Transport	<p>Upgrading of Dobi–Galafi–Yakobi Road Section of the Djibouti to Addis Ababa (North) Highway Mombasa–Nairobi–Addis Ababa Corridor Development Project Missing Links of Djibouti–Libreville Transport Corridor Isaka–Kigali–Bujumbura Railway Maghreb Highway Project Missing Links of the Dakar–N'djamena–Djibouti Highway Corridor Gambia River Bridge Africa Rail Beira Port Development Kazungala Bridge Project Regional Infrastructure Development in Support of Trade Facilitation Programme Brazzaville–Kinshasa Rail/Road Bridge and Railway Extension Kinshasa to Ilebo Regional Transport Network Improvements Improvement of Maritime Ports for African Island Countries Implementation of the Yamoussoukro Decision</p>
ICT	<p>NEPAD ICT Broadband Infrastructure (UMOJA Terrestrial Network), including the following regional network projects:</p> <ol style="list-style-type: none"> i. East African Community Broadband Network ii. Central Africa Broadband Infrastructure Programme (CA-BI) iii. West Africa Wide Area Network iv. Southern Africa Regional Backhaul Network v. Northern–Western Africa Backbone Project <p>NEPAD ICT Broadband Infrastructure Network (UHURUNET Submarine Cable) Maritime Communication for Safety on Lake Victoria</p>
Transboundary Water	<p>Senegal River Basin Water and Environmental Management Project Water Resources Planning and Management in the Nile River Basin Niger River Basin Shared Vision Investment Programme</p>

continent, the projects in the following table are considered priority programmes and projects in the infrastructure sector for development between 2010 and 2015.

AAP programmes in Infrastructure are divided into four sub-sectors: Energy, Transport, Information and Communication Technology (ICT) and Transboundary Water. In addition, Development Corridors are included in Infrastructure as a potential future sub-sector. The priority programmes are summarised in the table below. Additional information, including emerging priorities, is provided in the individual sector descriptions that follow.

3.1 Energy: towards a sustainable energy future for Africa



A reservoir of energy resources Africa holds an immense reservoir of potential energy resources. It is estimated that Africa has more than 7% of the world's oil reserve and Africa's share in world oil production is increasing. In 2005, it contributed 12.2% of world oil production. Africa holds about 8% of the world's natural gas resources and accounts for about 6.2% of the natural gas produced.⁴

An untapped potential of renewable energy Africa's potential for renewable energy is also immense. There is enormous exploitable hydropower capacity in African countries, estimated to be 13% of the world total. But less than 7% of Africa's potential has been harnessed to date. Solar energy is also widespread in Africa. The average daily solar radiation available in many African countries ranges

between 5 and 6 kWh/m². About 15 African coastal countries have excellent wind energy potential. Using the prevailing technology, the region has the potential to generate 9,000 MW of electrical energy from geothermal sources. Moreover, the potential for improvement in energy efficiency is appreciable.

A growing and underserved demand In spite of these assets, Africa's energy consumption is the lowest in the world. Its consumption of energy per capita represents only one third of the world average. The average rate of electrification in Africa is around 26%, compared to 60% worldwide.

A challenge and an opportunity The constraints to the development of Africa's potential are many, including a lack of infrastructure to facilitate energy exchange between countries, political instability and inadequate institutional and legal frameworks unfavourable to investment. Other constraints include a shortage of specialised human resources, poor maintenance of existing energy facilities, vulnerability to the volatile world oil market, limited regional cooperation in energy development, obstacles to efficient energy pricing, inadequate demand-side management, and inadequate information and data on the African energy situation.

3.1.1 Energy and regional integration in Africa

To realise Africa's great potential in energy, AU/NEPAD are working in partnership with national, regional, continental and global organisations to promote a comprehensive programme of regional integration in the energy sector. These initiatives include the development and operationalisation of regional power pools and the development of opportunities to export Africa's excess energy production capacity to the rest of the world. The benefit of a regional integration approach to energy in Africa is expected to be a **win-win situation** for all stakeholders involved.

3.1.2 Partners in energy

AU/NEPAD is working in cooperation with a number of specialised continental and regional organisations to promote regional integration in Energy in Africa, including:

Continental partners

- African Energy Commission (AFREC)
- Forum of Energy Ministers of Africa (FEMA)
- The Union of the Producers, Transporters and Distributors of Electric Power in Africa (UPDEA)
- UN Energy

Regional partners

- Central African Power Pool (CAPP)
- West African Power Pool (WAPP)

⁴ African Development Bank, 2009.

- Southern African Power Pool (SAPP)
- East African Power Pool (EAPP)
- The North Africa Power Pool or Comité Maghrébin de l'Electricité (COMELEC)

3.1.3 AU/NEPAD's strategic focus in energy

The guiding light for AU/NEPAD's activities in the energy sector will be the Programme on Infrastructure Development in Africa (PIDA), a multi-sectoral set of infrastructure development plans now under development by leading

African institutions. PIDA is intended to provide a comprehensive and scientific review of Africa's energy needs and energy assets and will become the master plan for regional integration in energy infrastructure for Africa. The objectives of the PIDA programme in the energy sector are outlined in the accompanying box.

The **AU Summit** in February 2009 endorsed **PIDA** and identified priority projects for development and implementation in the energy sector, between 2010 and 2012 (see below).

AU/NEPAD STRATEGIC OBJECTIVES IN THE ENERGY SECTOR

Objective 1: PROMOTE INTRA-AFRICAN TRADE IN ENERGY at the regional and continental levels, with special attention to using regional power pools to leverage the economic and social development of the regions and the African continent, and their economic integration.

Objective 2: PROMOTE USE OF CLEAN ENERGY by developing access to the different forms of modern energy, in particular, by promoting the use of clean, modern energy in lieu of biomass to improve living conditions in households and protect the environment.

Objective 3: PROMOTE REGIONAL COOPERATION IN ENERGY by seeking to ensure security of regional and continental energy through trade and regional

integration, pooling of energy resources and developing them jointly.

Objective 4: PROMOTE GLOBAL EXPORTS IN ENERGY by developing energy resources (water, oil and gas, in particular) and their exports for intra-African trade and to the rest of the world (electricity and gas inter-connections with Europe and the Middle East, exports of methane gas, oil and coal).

Objective 5: PROMOTE EFFICIENCY IN ENERGY INFRASTRUCTURE by increasing the effectiveness and competitiveness of national economies, by making use of comparative advantages through trade, and in particular, by promoting efficient use of physical energy infrastructure and related services.

AAP priority programmes in Energy, 2010–2012

No.	Project	Region	Estimated Implementation Cost (Based on Stage 2 & 3) (in million US\$)	Commitment (in million US\$)	Development Stage	Description (Project Status)	Project Sponsors
	Energy Sector		3,124.00	851.50			
1	Kariba-North Bank Extension (Show case: Lesson learned/PPP) 'Emerging Funder: China Experience'	SADC	405.00 mobilised	N/A	4	<p>This project in Zambia will expand the existing Kariba North Bank power generation capacity by an additional 360 MW. The project started in 2008 with US\$325 million provided by <i>China Exim Bank</i>. The outstanding amount of US\$105 million has recently been sourced through a loan from the Development Bank of Southern African (DBSA), effectively bringing the project to financial closure, on 26 October 2010.</p> <p>The hydro plant is owned by <i>Zesco, Zambia's state-owned power utility</i>. Funding from China is based on an Engineering, Procurement and Construction (EPC) agreement.</p>	AfDB, DBSA, Government of China

No.	Project	Region	Estimated Implementation Cost (Based on Stage 2 & 3) (in million US\$)	Commitment (in million US\$)	Development Stage	Description (Project Status)	Project Sponsors
	Energy Sector		3,124.00	851.50			
						<i>China-owned Sino Hydro Corporation is the sole project contractor, and the EPC contract means they have taken full responsibility for construction – including the supply of materials and labour. The project is due to be completed by December 2012, and will be commissioned by early 2013.</i>	
2	Itezhi-Teszhi HP Generation Expansion (Show case: Lesson learned/PPP) 'Emerging Funder: India Experience'	SADC	270.00 at an advanced staged of being mobilised and closed	N/A	4	<p>This hydropower generation project complements the Kariba North Bank project by adding an additional capacity of 120 MW to the national grid, and by extension, to the Southern African Power Pool (SAPP). Zambia, secured a US\$50 million loan from <i>India Eximbank</i> for the construction of the 150 MW Itezhi-Teszhi hydro power station in Southern Zambia, a joint venture between <i>Zesco and Tata Holdings</i>. The project is expected to be operational by 2012.</p> <p>The two companies need to generate a total of US\$270 million towards constructing Itezhi-Teszhi hydro power project, whose costs would be shared on an equity basis as part of the additional energy to the country's grid. <i>The project is at an advanced stage of reaching financial closure.</i></p>	SADC, DBSA, AfDB, Governments of Zambia and India
3	Kenya-Ethiopia Interconnection	EAC-IGAD	1124.00	0.50	3	<p>The project involves interconnecting the power systems of Ethiopia and Kenya with a 400 kV transmission network over a distance of 1,200 km. It will supply power to the Eastern Region (Kenya, Uganda, Rwanda and Burundi), and eventually will support the integration of the Eastern, Northern and Southern Regions. DBSA-based PPF facility was used to prepare the project for bankability. The project is on course; environmental soundness remains the only outstanding issue for the project to reach financial closure.</p>	IGAD, COMESA, EIB, KfW, World Bank
4	Sambangalou and Kaleta HP and OMVG interconnection	ECOWAS	1140.00	851.00	3	<p>The project involves development of hydropower at Sambangalou (Senegal) with generation capacity of 128 MW, and 240 MW at Kaleta. It also involves construction of 225 kV interconnection networks over a distance of 1,677 km in the OMVG countries. The project will initially improve the reliable supply of energy in the OMVG countries (Gambia, Guinea-Bissau, Guinea-Conakry, and Senegal), and subsequently will help interconnect OMVG networks with other countries in West Africa. Feasibility studies, detailed design and tender documents preparation, which have been financed by the African Development Bank, have been completed.</p>	OMVG, EIB, KfW, AfDB, AFD, WAPP

No.	Project	Region	Estimated Implementation Cost (Based on Stage 2 & 3) (in million US\$)	Commitment (in million US\$)	Development Stage	Description (Project Status)	Project Sponsors
	Energy Sector		3,124.00	851.50			
						The financing intentions of the public financing partners and the member States announced at the two round tables of April 2007 and January 2008 amount to the equivalent of US\$851 million (as of August 2009), i.e. 63.4% of the total updated cost of the project. The AfDB has actively sought to promote private sector participation in the project, through equity or debt participation. A joint mission between the AfDB, West African Power Pool (WAPP) and the World Bank visited China in May 2008, to explore co-financing possibilities with the Chinese in the OMVG energy project, to which the response was positive, pending further discussions on the project.	
5	Zambia-Tanzania-Kenya (ZTK) Interconnection	Tripartite	860.00	N/A	3	This project will interconnect Zambia with Kenya via Tanzania. The 330 kV (double circuit) line will be constructed over a distance of 1,600 km. The outstanding issue for this project is the need to update the funding model which DBSA is leading. This project, when implemented, will be able to link Tanzania with the SAPP grid, and through Tanzania, with Kenya and Ethiopia and beyond. Further extension of the ZTK network to interconnect with the Djibouti-Ethiopia regional network will be studied.	Tripartite, AfDB, DBSA

Other regional integration projects currently under development in energy include the following emerging priorities:

Energy sub-sector	Project/Programme
Electrical Interconnections	Ethiopia-Sudan-Egypt Interconnection, to link Eastern Africa to the North African grid. Ethiopia-Djibouti and Ethiopia-Sudan 230 kV connections are underway or planned, as are Sudan-Eritrea and Sudan-Uganda projects. Additional higher kV interconnection projects based on hydro development in Ethiopia (e.g., Ethiopia-Sudan 500kV) have been identified in the Horn of Africa countries. Kenya-Uganda, Uganda-Rwanda, Burundi-Rwanda, Burundi-DRC-Rwanda and Nairobi-Arusha interconnections are also planned in the East Africa Power Pool region. Engineering and planning studies to interconnect countries in the ECCAS region (PEAC power pool) are underway, as is an IPPF study of cross-border electrification in the region.
Power Generation	Gilgel Gibe III Power Plant is a catalytic project located in Ethiopia, the source of power to be traded via the Kenya-Ethiopia Interconnection Project (a priority project). Kafue Gorge Lower Hydropower Project in Zambia. This catalytic project will add storage to an existing generating scheme, enabling reduction of Zambian power deficits and power exports to ESKOM and SAPP. It is now being structured as an IPP or PPP, at an expected cost of US\$1-1.25 billion. Refurbishment of Inga 1 and 2 in the short term, development of an effective regional energy network and ultimately exploitation of Grand Inga to export power across the continent, are strategic objectives and plans of the Central African Power Pool, a specialised body of ECCAS.
Various	Energy Projects in the West Africa Power Pool, West Africa Gas Pipeline extension to Côte d'Ivoire, Regional Energy Access Programme and Renewable Energy Efficiency Programme have been identified as ECOWAS energy priorities. The Southern Africa Power Pool (SAPP) has numerous rehabilitation, generation and transmission projects underway and planned, with early cost estimates.
Renewable Energy	UMA has identified the Maghreb Renewable Energy Programme among its priorities, and six renewable energy projects are priorities in the Horn of Africa countries, including geothermal, wind, solar and biogas projects. These projects would harness Africa's large, untapped renewable energy potential, especially in areas where other alternatives are costly.

3.2 Transport: enhancing mobility for Africans

For African countries to benefit from the increasingly global economy, an adequate transport network must be in place to provide essential and efficient physical access. The lack or poor state of transport networks in Africa is among the most serious impediments to the economic and social development, preventing many countries from becoming competitive in the global markets and slowing or preventing the process of regional integration.

Transport infrastructure impeding Africa's potential competitiveness Together with energy supply, transportation infrastructure is among the main bottlenecks to productivity growth and competitiveness in Africa⁵. The impact of poor transport infrastructure and associated logistics is particularly severe for landlocked countries. While the estimated cost of transport varies, it is reported that landlocked developing countries pay almost four times more for transport services than developed countries, and the transport costs in Africa are among the highest in the world – the transport costs for landlocked African countries can be as high as 77% of the value of exports^{6,7}.

Roads – the most important mode of transport in Africa Nearly 90% of Africa's passengers and freight travel by road, and for rural communities, roads are the only means of connecting people with centres of economic activity and with basic social infrastructure. Most African countries have a good rural road network, but improvement and maintenance are problems. In urban areas, where one in two Africans is expected to live by 2030⁸, meeting the demand for urban transport – including public transport services – has been, and will be, a challenge. Missing regional links are also a critical issue for intra-African and international trade and regional integration, with total funding requirements estimated at US\$4.3 billion⁹.

Ports – linking Africa with global markets Sea ports are the gateway for Africa's trade with the rest of the world in the global market place. The international shipping business is increasing, but Africa's ports, with some exceptions, are largely inefficient. The inefficiencies contribute to the delays and high transportation costs of goods. Some countries have effectively improved their ports' efficiency through restructuring of the sector – such as Nigeria, where the internationally favoured landlord port model has been adopted – and others are undertaking master planning, but not all address critical institutional reforms. It is essential that

ports themselves are capable of and efficient in providing the services required by shippers and that they are well connected with the rest of the transport network (as ports can only add value as nodes within a transport network) to increase Africa's competitiveness in the international trading place. Inland waterway transport, for which Africa has natural waterways and lakes, can contribute significantly to providing a solution for Africa's transport network at relatively low cost, however relatively little effort has been put into that transport sub-sector to date.

Railways – important part of the transport logistics chain in the African continent The rail sector in Africa has

AU/NEPAD STRATEGIC OBJECTIVES IN THE TRANSPORT SECTOR

Objective 1: STRENGTHEN THE ECONOMIC AND SOCIAL DEVELOPMENT OF AFRICAN REGIONS AND CONTINENT AND THEIR ECONOMIC INTEGRATION through trade and movement of people within the continent.

Objective 2: ENHANCE AFRICA'S COMPETITIVENESS at the global level.

Objective 3: PURSUE EFFORTS TO OPEN UP REGIONS AND THE CONTINENT and implementation of the Almaty Action Plan.

Objective 4: ENHANCE THE EFFICIENCY OF PHYSICAL TRANSPORT INFRASTRUCTURES and associated services.

Objective 5: PROTECT THE ENVIRONMENT.

Objective 6: PROVIDE EFFICIENT MULTIMODAL TRANSPORT LOGISTICS SERVICE with interoperability of transport networks and modal interchanges.

Objective 7: HARMONISE TECHNICAL AND SAFETY STANDARDS.

Objective 8: LIBERALISE TRANSPORT MARKET AND PROVIDE SEAMLESS TRANSPORT along key transport corridors.

Objective 9: PROVIDE MISSING LINKS for regional integration.

⁵ The Africa Competitiveness Report 2007, African Development Bank, World Bank, World Economic Forum.

⁶ Statement on Transport for Africa, made by United Nations Special Adviser on Africa and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Cheick Sidi Diarra, at the World Bank's Annual Sustainable Development Network Week in Washington on 21 February 2008.

⁷ Infrastructure Consortium for Africa (ICA): Annual Report 2007, Infrastructure Consortium for Africa (ICA).

⁸ State of World Population 2007: Unleashing the Potential of Urban Growth, United Nations Population Fund (UNFPA).

⁹ Infrastructure Consortium for Africa (ICA): Annual Report 2007, Infrastructure Consortium for Africa (ICA).

seen its traffic decline over the years due to poor management, inability to provide reliable services to users, and severe competition from the trucking sector. The railway coverage of Africa is among the lowest in the world with a mean density of about 2.9 kilometres per 1,000 square kilometres^{10,11}. However, as part of the overall logistics chain of Africa, the railway sector has the potential to play an important role in the future development of the continent. This applies particularly to long-distance freight and bulk transport, given the size of the continent and the advantages that railways provide over road transport in terms of cost and fuel needs. Railways can also have a potential role for urban mass passenger transport in major cities and medium-distance intercity passenger transport.

Africa's air transport - serious safety concerns and inadequate connections The situation with air transport in African countries varies considerably, but one common concern across the board is its safety record. While Africa's share of air traffic in the world is only 4.5%, its share of accidents is 25% (2005)^{12,13}. Many African airlines are banned from European airports for safety reasons. Another important issue to note is the 'protectionism' of countries that prevents Africa's major cities from being adequately connected with each other. The African Union's **Yamoussoukro Declaration**, which pursues liberalisation of intra-African air transport, is far from adequately implemented. This impedes regional integration and economic and social exchanges by creating a situation where major African cities are not directly connected by air transport.

3.2.1 Transport and regional integration

Given Africa's geography and the nature of transport infrastructure (i.e., it is there to 'connect'), transport sector development for Africa must be approached from a regional perspective. According to the ICA: 'Africa's geography and its fragmented markets make regional integration a development imperative; and a key prerequisite for trade and increased competitiveness.'¹⁴

Landlocked countries are particularly disadvantaged when they are not connected by effective transport links. The 2003 **Almaty Programme of Action** outlined specific measures to help landlocked countries and their transit country neighbours bolster development and cooperation. At a High-Level Midterm Review in October 2008, the UN General Assembly urged development partners and international organisations to support efforts by countries in a spirit of shared responsibility.

Better transport networks and regional integration in Africa would be mutually enhancing forces. Better physical links among African countries will facilitate trade and social and cultural exchanges among them, moving further towards regional integration. At the same time, on-going regional

integration efforts that involve efforts for institutional, regulatory and legal framework harmonisation will significantly contribute to enabling countries to take full advantage of physical transport links by removing non-physical barriers to trade and transport.

3.2.2 Partners in transport

AU/NEPAD is working in cooperation with a number of partners to promote regional integration in transport, particularly the RECs:

Regional partners

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

3.2.3 AU/NEPAD strategic focus in transport

AU/NEPAD's activities in the transport sector will be guided by the **Programme on Infrastructure Development in Africa (PIDA)**, a multi-sectoral set of infrastructure development plans now being assembled by leading African institutions. **PIDA** is intended to provide a comprehensive and scientific review of Africa's transport needs and transport assets and it will become the master plan for regional integration in transport infrastructure for Africa. The objectives of the PIDA programme in the transport sector are in the box on page 23. Good examples are the Dakar-Ndjamena-Djibouti transport corridor and the Djibouti-Libreville transport corridor pre-feasibility studies, which are currently under the supervision of the African Union Commission.

The **AU Summit** in February 2009 endorsed **PIDA** and identified priority projects for development and implementation in the transport sector, between 2010 and 2012.



¹⁰ Ibid.

¹¹ African Development Bank.

¹² "Infrastructure Consortium for Africa (ICA): Annual Report 2007", Infrastructure Consortium for Africa (ICA).

¹³ African Development Bank.

¹⁴ "Infrastructure Consortium for Africa (ICA): Annual Report 2007", Infrastructure Consortium for Africa (ICA).

AAP priority programmes in Transport, 2010–2012

No.	Project	Region	Estimated Implementation Cost (Based on Stage 2 & 3) (in million US\$)	Commitment (in million US\$)	Development Stage	Description (Project Status)	Project Sponsors
	Transport Sector		6,899.00	666.78			
1	North-South Corridor: Regional Infrastructure Development and Regional Trade Facilitation Project	Tripartite	N/A (US\$20million feasibility study funded by AfDB). The NSC has strong financial and technical support and commitment from partners, as well as the political will of the Tripartite countries of EAC-COMESA-SADC. About US\$1.2 billion of funding has been committed by the development partners for upgrading road, rail, ports and energy infrastructure and to support implementation of trade facilitation instruments.	20.00	3	The programme involves a range of sub-projects to upgrade infrastructure and remove bottlenecks to trade flows, including regulatory and administrative constraints to transport and transit systems as a whole. The project covers East and Southern Africa, involving COMESA, EAC and SADC countries. The project is related to the regional North-South corridor linking the countries of Botswana, the Democratic Republic of Congo (DRC), Malawi, Mozambique, Zambia and Zimbabwe with interlinks to other corridors including the Trans Kalahari, Beira, Lobito, Dar es Salaam and Nacala Corridors. The Development Bank of Southern Africa (DBSA) is the Secretariat of the Tripartite Task Force Investment Committee, currently composed of DBSA, DFID, the 3 RECs and a private sector member.	Tripartite, DFID, AfDB, DBSA
2	Kazungula Bridge	SADC	158.00	3.28	3	Preparation of feasibility and detailed design studies and tender documents for the bridge over the Zambezi River. The bridge is an important link in the North-South corridor linking the countries of Botswana, DRC, Malawi, Mozambique, South Africa, Zambia and Zimbabwe, with interlinks to other corridors including the Trans Kalahari, Beira, Lobito, Dar es Salaam and Nacala Corridors. In particular, the bridge will facilitate transport services along the north-south corridor within Botswana and Zambia.	SADC
3	Mombasa–Nairobi–Addis Ababa Corridor Development Project	EAC–IGAD–COMESA	530.00	338.00	3	The Corridor is an important section of the Trans-African Highway from Cairo to Cape Town. Phase I of the project, to be completed in 2010, is aimed at providing enhanced mobility and accessibility to Kenya's north-eastern arid and semi-arid lands. It is also planned to economically integrate the area with the rest of the country. Phase II of the project involves the construction and tarring of 438 km of the Mombasa–Nairobi–Addis Ababa road corridor. These sections include the 245 km Merille River–Marsabit–Turbi	EAC–IGAD–COMESA

No.	Project	Region	Estimated Implementation Cost (Based on Stage 2 & 3) (in million US\$)	Commitment (in million US\$)	Development Stage	Description (Project Status)	Project Sponsors
	Transport Sector		6,899.00	666.78			
						<p>road section in Kenya and the 193 km Ageremariam–Yabelo–Mega road section in Ethiopia.</p> <p>Phase I of the project is jointly co-financed by the African Development Fund (ADF), the concessionary window of the AfDB, and the governments of Kenya and Ethiopia. The AfDB is the lead financing agency, providing 64% of requirements in the form of two ADF loans to Ethiopia and Kenya. One loan is for UA85 m and the other for UA125 m.</p>	
4	Upgrading of the Djibouti-Addis Highway Corridor: Dobi-Galafi-Yakobi Road Section	IGAD	30.00	N/A	2	<p>Project is to upgrade to bitumen standard a 72 km section of road between Dobi (Ethiopia) and Yakobi (Djibouti). This section of road is part of the Dakar–N'djamena–Djibouti highway (Trans-African Highway 6). The road link has high national as well as regional priority for trade and development, and will strengthen inter-state trade and integration. It will permit reduced vehicle operating, maintenance/rehabilitation costs, and faster turn-around for transport vehicles, permitting important time savings for trade activities.</p>	IGAD
5	Gambia Bridge	ECOWAS	75.00	0.30	3	<p>The project is to construct a bridge across the Gambia River. The bridge is part of the Dakar–N'djamena–Djibouti Highway Corridor, which will increase regional trade and economic integration. The feasibility studies and engineering detailed design studies are complete. The project is yet to reach financial closure.</p>	OMVG
6	Africa Rail (Phase 1)	ECOWAS	1,500.00	4.00	3	<p>Africa Rail is a project to rehabilitate and construct 2,000 km of new railway to link the railway systems of Ivory Coast, Burkina Faso, Niger, Benin and Togo (all 1,000 mm narrow gauge), including a train service linking the ports of Lomé and Cotonou.</p> <p>Specifically, the project involves the following sections: Benin to Niger from Parakou–Malanville–Gaya–Dosso–Niamey (625 km); Burkina to Niger from Kaya–Dori–Terra–Niamey (398 km); Dori–Tambao (99 km); Togo to Benin from Lomé–Anecho–Segbohue (90 km); and Burkina to Togo from Ouagadougou–Blittaw (783 km). A future stage of the project would link Mali (1,000 mm), Nigeria (1,067 mm gauge, changing to 1,435 mm) and Ghana (1,067 mm gauge).</p>	ECOWAS
7	Nacala Corridor	SADC	606.00	292.00	3	<p>The Nacala road corridor project comprises rail and road components. The road project consists of over</p>	SADC

No.	Project	Region	Estimated Implementation Cost (Based on Stage 2 & 3) (in million US\$)	Commitment (in million US\$)	Development Stage	Description (Project Status)	Project Sponsors
	Transport Sector		6,899.00	666.78			
						1,000 km of civil works and two one-stop border posts (OSBPs), one between Mozambique and Malawi and the other between Malawi and Zambia. The road works are being financed by JICA, Government of Zambia and the ADB that financed the upgrading of the Nacala section of road in Zambia costing US\$95 million. Phase I, which was approved in June 2009, covers 348 km in Mozambique (ADF loan of UA102.72 million) and a 13 km bypass in Malawi (ADF loan of UA14.32 million). Phase II, which was approved in September 2010, covers 114.7 km in Zambia (ADF loan of UA69 million). Phase III is under preparation.	
8	Isaka-Kigali-Bujumbura Railway	EAC	4,000.00	1.50	3	A feasibility study was funded by AfDB to extend the railway line from Isaka (Tanzania) to Kigali (Rwanda) and Bujumbura (Burundi). The project is part of the Dar es Salaam-Kigali-Bujumbura Central Transport Corridor. The new railway line would provide an alternative route to the port of Dar es Salaam for landlocked countries such as Rwanda and Burundi. A PPP funding model is under consideration by the project sponsors; Rwanda is the Secretariat of this project.	EAC
9	Brazzaville-Kinshasa Rail/Road Bridge	ECCAS/SADC	N/A	7.70	2	This rail and road bridge project will link the two capital cities of Brazzaville (Republic of Congo) and Kinshasa (DRC), across the Congo river. The road/rail bridge will complete a missing road link of the Trans-African Highway: Tripoli-Windhoek-Cape Town, and a rail link for the Pointe Noire-South-Eastern Africa railway network. The bridge will promote regional integration and economic development in both countries, and will also serve as an inter-state and sub-regional trans-African link. A feasibility study is underway, financed by the African Development Bank (AfDB).	ECCAS/SADC

3.3 Information and communication technology (ICT): bridging Africa's digital divide



Access to advanced ICT is critical to the long-term economic and social development of Africa. It has increasingly become essential that appropriate ICT infrastructure, applications and skills are in place and accessible to the population to close the development gap between Africa and the rest of the world.

Improvement in access to basic voice communications

Africa has succeeded in rapidly increasing access to basic voice communications. It is estimated that the Global System for Mobile Communications (GSM) mobile phone population coverage increased from virtually zero for the vast majority of countries in the region (with the major exception of South Africa and Senegal) to over 50% (to as high as almost 100%) for many between 1999 and 2006¹⁵, and this expansion is expected to continue.

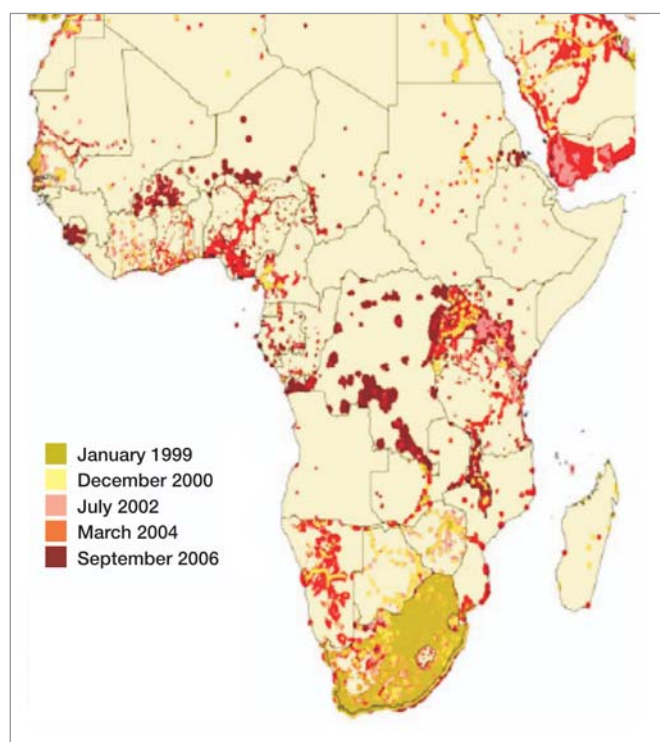
Bridging the digital divide In spite of this significant achievement in the area of voice communications, the provision of broadband connectivity has been slow. It is estimated that only five countries have a broadband penetration rate higher than 1% as of 2008¹⁶, and the gap between Africa and the rest of the world is becoming wider.

Two factors are key to the low penetration rate of broadband in Africa: high prices and limited availability. According to local estimates, a basic E1 circuit is US\$5,000 per month, as compared to, for example, US\$10–20 (developed countries) and US\$200–350 (India). Much of the infrastructure, where it exists, is of poor quality¹⁷.

Significant opportunity and underserved demand Efforts to close the digital divide between Africa and the rest of the world will greatly contribute to the continent's poverty reduction and social and economic development by enhancing efficiency and productivity, improving public services, creating jobs, generating knowledge, facilitating trade and regional integration. It is assumed that a significant demand for broadband exists in Africa as the rapid increase in the use of mobile voice communication services to date (despite its relatively high price and limited availability in many parts of the region) indicates the value that people place on communications technology.

Bottlenecks and challenges The major constraints to affordable and reliable ICT (particularly, broadband) services are the lack of a backbone infrastructure and of an appropriate policy and regulatory environment. Where a backbone infrastructure is available, the network has been

GSM mobile phone expansion in Africa, 1999–2006



Source: World Bank

¹⁵ Determinants of a Digital Divide in Sub-Saharan Africa: A Spatial Econometric Analysis of Cell Phone Coverage, World Bank (Policy Research Working Paper 4516), February 2008.

¹⁶ Bank Group's Information & Communication Technologies (ICT) Operations Strategy, African Development Bank Group, October 2008.

¹⁷ Williams, Mark, Broadband for Africa: Policy for Promoting the Development of Backbone Networks, World Bank.

concentrated in urban areas, leaving the rest out of reach, and the un-liberalised (or only partially liberalised) market with limited competition prevents further network development, limiting service availability and keeping prices high. An inadequate skill base further limits the capacity to utilise and support the infrastructure and develop applications, content and related economic benefits.

3.3.1 ICT and regional integration in Africa

Africa is currently undertaking a number of major ICT initiatives, many of which are regional in nature. The regional nature of these initiatives requires significant efforts for countries to cooperate with each other and synchronise/coordinate policies and regulatory frameworks. As such, further regional integration will help advance various regional initiatives in this sector. An advanced ICT sector in Africa, in turn, will likely lead to faster integration of the region by facilitating trade and social exchanges between African countries as evidenced elsewhere in the world.

This challenge is being addressed through the policy and regulatory framework in the **Kigali Protocol**. The Kigali Protocol has been signed by twelve countries in Eastern and Southern Africa, and ratified by eight of them. Legal experts from the African Union Commission have confirmed that any country in Africa can accede to the protocol, which is being amended to incorporate all African countries.

The **Connect Africa Summit** held in Kigali, Rwanda in 2007 established the following continental goals in ICT:

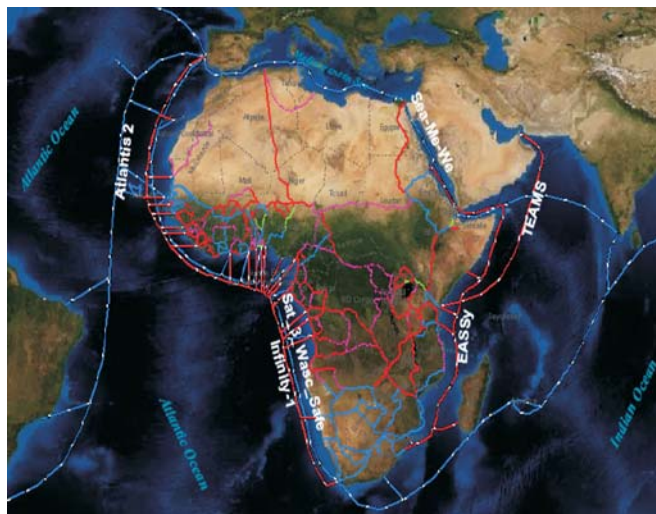
- Goal 1:** Interconnect all African capitals and major cities and strengthen connectivity to the rest of the world by 2012
- Goal 2:** Connect African villages to broadband ICT services by 2015 and implement shared access initiatives such as community telecentres and village phones
- Goal 3:** Adopt key regulatory measures that promote affordable, widespread access to a full range of broadband ICT services
- Goal 4:** Capacity building to support the development of a critical mass of ICT skills required by the knowledge economy
- Goal 5:** Adopt a national e-strategy including a cyber-security framework; deploy at least one flagship e-government service, e-education, e-commerce and e-health service using accessible technologies in each country in Africa by 2015

Programmes are being developed by various partners to meet these goals.

3.3.2 Partners in ICT

AU/NEPAD is working in cooperation with a number of specialised continental and regional organisations

Optical fibre network (existing, under construction, planned)



Source: African Development Bank

promoting regional integration in the ICT sector in Africa, including:

Continental partners

- African Telecommunication Union (ATU)
- Réseau Francophone de la Régulation des Télécommunications (FRATEL)
- African Telecommunications Regulators Network (ATRN)
- ECA

Regional partners

- West African Telecommunications Regulators Association (WATRA)
- Communications Regulators Association of Southern Africa (CRASA)
- Association of Regulators for Information and Communication Services of Eastern and Southern Africa (ARICEA)
- East African Regulatory Post and Telecommunications Organisation (EARPTO)



AU/NEPAD STRATEGIC OBJECTIVES IN THE ICT SECTOR

Objective 1: ESTABLISH HARMONISED POLICY, LEGAL AND REGULATORY FRAMEWORKS at the regional and continental levels to create an enabling environment that will attract investment and foster the sustainable development of competitive African telecommunications/ICT regional markets, infrastructure, and to increase affordable access to telecoms/ICTs.

Objective 2: ACCELERATE DEVELOPMENT OF INTEGRATED INFRASTRUCTURE that will help bridge the digital divide, i.e., foster access to reliable and quality telecommunications/ICT services that will be affordable for the greatest number of people in Africa.

Objective 3: PROMOTE E-APPLICATIONS AND SERVICES aimed at improving government services (e-government), education (e-education), trade and business (e-commerce) and other social services.

Objective 4: INCREASE GLOBAL COMPETITIVENESS OF AFRICA by reducing the costs of services and enabling Africa to integrate into the global economy.

Objective 5: REDUCE OR ELIMINATE TRANSIT OF INTRA AND INTERREGIONAL TRAFFIC out of the continent.

Source: Programme on Infrastructure Development in Africa (PIDA)

3.3.3 AU/NEPAD's strategic focus in ICT

The former **eAfrica Commission** (now **NEPAD ICT Programme**) was mandated by the AU/NEPAD to develop a broad NEPAD ICT strategy and comprehensive action plan with the objective of:

- Accelerating the development of African inter-country, intra-country and global connectivity, and
- Promoting conditions for Africa to be an equal and active participant in the global information society.

Two flagship programmes of the NEPAD ICT Programme are the UHURUNET submarine cable project and the UMOJANET terrestrial cable project. In June 2010, the Uhurunet project reached a major milestone with the signing of the Construction and Management Agreement in Paris, France, between the France Telecom-led ACE consortium and 19 members from 23 countries, and a Supply Contract with Alcatel-Lucent. The total cost apportioned to the NEPAD/Baharicom ACE partner is US\$225 million, which is to be raised through a combination of debt and equity capital.

The **Programme on Infrastructure Development in Africa (PIDA)** will develop a comprehensive, scientific study on infrastructure in the ICT sector and will guide such activities in the future. The objectives of the PIDA study in ICT are listed in the box on the left. While the PIDA process reviews and articulates a comprehensive set of infrastructure priorities for the continent, the projects in the following table are considered priority projects for development in the ICT sector between 2010 and 2012.

AAP priority programmes in ICT, 2010–2012

No.	Project	Region	Estimated Implementation Cost (Based on Stage 2 & 3) (in million US\$)	Commitment (in million US\$)	Development Stage	Description (Project Status)	Project Sponsors
	ICT Sector		696.30	2.45			
1	NEPAD ICT Broadband (UHURUNET Submarine Cable Project)	Continental	225.00	N/A	3	The programme ultimately aims to encircle the entire continent with an undersea cable, UHURUNET. The network, together with UMOJANET, will link 54 African countries. The programme is expected to decrease communication costs, provide integrated communication systems, and help to integrate the continent by facilitating trade, social and cultural exchanges. For the ACE (Africa Coast to Europe) submarine cable system, a landmark Construction and Maintenance Agreement (C&MA) was	NEPAD/NPCA

No.	Project	Region	Estimated Implementation Cost (Based on Stage 2 & 3) (in million US\$)	Commitment (in million US\$)	Development Stage	Description (Project Status)	Project Sponsors
	ICT Sector		696.30	2.45			
						<p>signed in Paris on 5th June 2010 with 19 members from 23 countries; an additional culmination was the signing of the Supply Contract with Alcatel-Lucent. The contract came into force on 3rd August, 2010.</p> <p>The Africa Coast to Europe (ACE) submarine cable is co-sponsored by France Telecom, Baharicom (a NEPAD company), and private sector interest groups.</p>	
2	East African Community Network	EAC	30.00	0.40	3	The project will establish a backbone for Burundi, Kenya, Rwanda, Tanzania and Uganda covering 4,493 km, and links with Djibouti, Eritrea, Ethiopia and Sudan. It includes the Eastern Africa Submarine System (EASSy) cable.	EAC
3	Central Africa Broadband Network (CAB) Backbone Project	ECCAS	100.00	0.60	3	The project will establish links among Libreville–Franceville–Lekoni–Oyo–Brazzaville, Cameroon–Chad–Central African Republic and to a SAT-3 station in Douala, over 4,406 km.	ECCAS
4	West Africa Wide Area Network (ECOWAN)	ECOWAS	252.00	0.50	2	<p>The ECOWAS Wide Area Network (ECOWAN) is an e-governance platform that will provide intra-community broadband interconnectivity that will help accelerate regional integration (particularly in the areas of trade, customs administration, tourism, monetary cooperation and agriculture) and will contribute to the implementation of the regional sectoral database as well as an improved internet network for West African citizens. The network will link the countries of ECOWAS together over 14,285 km.</p> <p>Ministers responsible for telecommunications, information and communication technology in ECOWAS Member States on Saturday, 31st July 2010 approved a US\$100 million regional e-governance project that will enhance the seamless exchange of information among officials of the ECOWAS Commission, institutions of the Community and national focal points for ECOWAS.</p>	ECOWAS
5	Southern Africa Regional Backhaul Network	SADC	81.00	0.50	2	The network will connect countries of the SADC region (14,757 km).	SADC
6	Maritime Communication for Safety on Lake Victoria	Tripartite	8.30	0.45	2	The project will include the following components: (a) wireless communication system based on GSM technology allowing two-way contact between boats in distress and rescue centres; (b) a Regional Maritime Communications Centre (RMCC), with	Tripartite

No.	Project	Region	Estimated Implementation Cost (Based on Stage 2 & 3) (in million US\$)	Commitment (in million US\$)	Development Stage	Description (Project Status)	Project Sponsors
	ICT Sector		696.30	2.45			
						the capacity to process distress radio traffic from the public in the region; and (c) a maritime communications system that will facilitate Search and Rescue operations. A grant for a detailed pre-investment feasibility study is underway.	

3.4 Transboundary water: advancing regional cooperation in water resource management

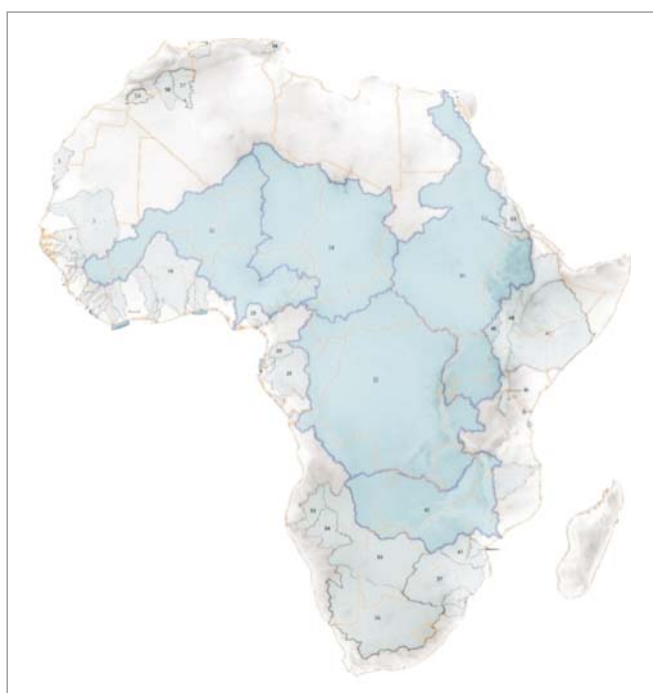


Water is central to life sustenance, poverty alleviation and sustainable growth and development in Africa¹⁸

Water is the almost universal input into all areas of human activity, from individual needs to massive energy projects. Its availability is affected by climate change, and through droughts and floods it causes major environmental impacts and migrations of people. A growing population is increasing the demand on already limited water supplies. It is estimated that over 300 million people in Africa face conditions of water scarcity.

Water presents a complex, long-term set of issues that challenge leadership and require vision, action and resources.

Transboundary water basins in Africa



Source: Africa Atlas of our Changing Environment, UNEP

Africans are dependent on transboundary water sources

Africa has 59 international transboundary river basins, 15 principal lakes, 38 transboundary aquifer systems, and 24 main watersheds that cross the manmade political boundaries of two or more countries. These resources cover about 64% of the continent's land area and contain 93% of its total surface water resources¹⁹. These water basins are also home to 77% of the African population.

3.4.1 Water and regional integration in Africa

The combination of environmental factors and the political issues of managing a resource owned by multiple nations

¹⁸ NEPAD Short-Term Action Plan for Transboundary Water Resources, 2005.

¹⁹ Africa Atlas of our Changing Environment, UNEP.

AU/NEPAD STRATEGIC OBJECTIVES IN THE TRANSBOUNDARY WATER SECTOR

Objective 1: ENSURE WATER SECURITY to meet future increases in demand for water and enable the socio-economic development of the regions of the African continent

Objective 2: ENABLE EQUITABLE ALLOCATION of water resources among competing water uses for sustainable development

Objective 3: PROMOTE EQUITABLE SHARING of benefits arising from the shared basin resources

Objective 4: MITIGATE CLIMATE CHANGE IMPACTS by adapting to and mitigating climate change impacts and variability in weather patterns

Objective 5: ENHANCE REGIONAL COOPERATION by deploying the principles of integrated water resource management (IWRM) particularly for shared water resources through the lake/river basin organisations (L/RBOs) and regional water protocols

Objective 6: ENSURE GOVERNMENTAL SUPPORT by ensuring African Ministers' Council on Water (AMCOW) fully supports the outputs

Objective 7: PROMOTE ENVIRONMENTAL PROTECTION by ensuring environmental protection and management

Objective 8: ACHIEVE AFRICA WATER VISION by achieving the Africa Water Vision 2025 in the long term

provides a considerable challenge to providing adequate quantities and quality of water on the continent. Trans-boundary water resource management is critical to succeeding in these challenges, and requires partnerships that encourage sustained cooperation on a continental and regional scale. (Sanitation projects are almost all national in scope.)

The **Africa Water Vision 2025**, written in 2000, provides the long-term framework for water development in Africa. Under the leadership of **AMCOW (African Ministers' Council on Water)**, ministerial declarations have addressed key water issues, leading to the AU Summit declaration at Sharm el-Sheikh (2008). Major multilateral and bilateral commitments have been made to support integrated water management in the seven basins. The African Water Facility (AWF) has been set up and housed in the African Development Bank, and infrastructure investments have increased to US\$2.9

billion in 2007 (ICA). Huge requirements remain, however, to meet the targets of the **Africa Water Vision 2025**.

NEPAD has chosen seven transboundary water basins, holding 80% of the continent's water resources, as the focus of its STAP. The ultimate objective is to create fully functioning, integrated basin management systems. Progress in the basins across the range of measures is needed to achieve this goal.

3.4.2 Partners in transboundary water

AU/NEPAD is working in cooperation with a number of specialised continental and regional organisations to promote regional integration in the transboundary water sector in Africa, including:

Continental partners

- African Ministers' Council on Water (AMCOW)
- UN Water
- African Network of Basin Organizations
- African Civil Society Network on Water and Sanitation

Regional partners

- The Lake Victoria Basin Commission (LVBC)
- The Nile Basin Initiative (NBI)
- The Economic Community of the Great Lakes (CEPGL)
- Organisation pour la mise en valeur du Fleuve Sénégal (OMVS)

3.4.3 AU/NEPAD's strategic focus in transboundary water

The guiding document for AU/NEPAD's activities in the transboundary water sector will be the Programme on Infrastructure Development in Africa (PIDA) that will provide a comprehensive, scientific and verifiable study on Africa's transboundary water needs and will become the master plan for management of transboundary water for Africa. The objectives of the PIDA programme in the transboundary water sector are set out in the box to the left.

While the PIDA process reviews and articulates a comprehensive set of infrastructure priorities for the continent, the projects in the following table are considered priority programmes for development and investment in the transboundary water sector, between 2010 and 2012.

AAP priority programmes in Transboundary Water, 2010–2012

<i>Project</i>	<i>Region</i>	<i>Estimated Implementation Cost (Based on Stage 2 & 3) (in million US\$)</i>	<i>Commitment (in million US\$)</i>	<i>Development Stage</i>	<i>Description (Project Status)</i>	<i>Project Sponsors</i>
Transboundary Water Sector		120.00	20.00			
Water Resources Planning & Management in the Nile River Basin	COMESA	33.00	N/A	2	Programme to build a common technical foundation to facilitate integrated water resources planning and management in the Nile River Basin.	COMESA
Senegal River Basin Water & Environment Management Project	OMVG/ ECOWAS	21.00	20.00	3	The project involves the development of a framework for an environmentally sustainable Senegal River Basin and the launching of a basin-wide cooperative programme for an effective transboundary land and water management system.	OMVS/ ECOWAS
Niger River Basin Shared Vision Investment Programme	ECOWAS	66.00	N/A	2	Programme of investment to realise the shared vision for the sustainable development of the Niger River Basin, through capacity building and stakeholder investment, conservation of the ecosystem and protection of specific resources, and development of infrastructure for socio-economic purposes, including three transboundary dams.	ECOWAS

Other regional integration programmes currently under development in transboundary water include the following:

Emerging priorities in Transboundary Water

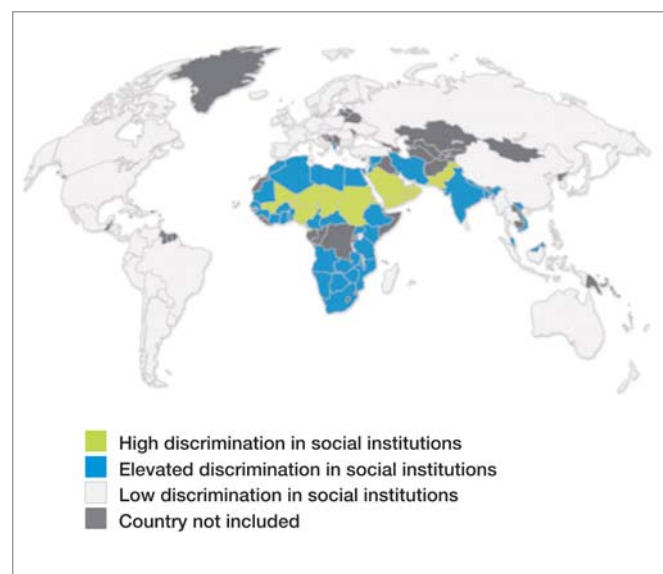
<i>Transboundary Water Programmes/Projects</i>
<p>Lake Chad Water Basin, Congo River Water Basin, Okavango River Water Basin and Zambezi River Water Basin. NEPAD has chosen seven transboundary water basins, holding 80% of the continent's water resources, as the focus of its STAP. Major multilateral and bilateral commitments have been made to support integrated water management in the seven basins. Investment projects have been initiated in the three basins listed as AAP priorities. The four basins considered emerging priorities are primarily the focus of capacity-building efforts. For example, facing a severely declining resource, PRODEBALT, the Lake Chad Basin Sustainable Development Programme, is initiating shared management of water resources, establishing sustainable data collection networks, carrying out sector actions to control water demand, fighting desertification and biodiversity loss, ensuring prevention and control of contaminants, improving water ecosystems exploitation methods, and launching technical studies on inter-basin water transfer. Financing requirements of US\$90 million over five years will be supported by a group of major development partners led by the AfDB.</p>
<p>Regional water management in the Horn of Africa. Experts in the EC-Horn of Africa Initiative have identified six key projects to strengthen water management and increase water supply in this arid and semi-arid region. These include water harvesting, regional dialogue forums, groundwater assessment, capacity building for water planning institutions, a regional water trust fund, and rural water supply in Karamoja pastoral areas.</p>
<p>Shared aquifer management. The Nubian Sandstone Aquifer System (NSAS) is the world's largest underground fossil water reservoir. It is shared by four states: Chad, Egypt, Libya and Sudan, and occupies over 2 million square kilometres. With an estimated total volume of over 542,000 cubic kilometres, it has the potential, if tapped on a large scale, to turn an ostensibly water-scarce region into an oasis. Rational and equitable management of the NSAS for sustainable socioeconomic development and the protection of biodiversity and land resources is the objective of management of this key resource.</p>

4. Gender Development: Advancing Gender Equality in Africa

Women constitute over 52% of the African population and contribute significantly to the development of the continent. They remain the backbone of the agricultural sector, key players in the service industry, undisputed drivers of the informal sector and home economy. However, they rarely enjoy access to basic services or equal opportunities, and are often excluded from major decision-making processes.

In recognition of their role and the constraints facing women, African leaders have, through Article 4(1) of the Constitutive Act of the African Union (2000), adopted a gender parity principle. Further, through the adoption of the **Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa** and the signing of the **Solemn Declaration on Gender Equality**, the Heads

Inequalities in social institutions worldwide



Source: OECD, GID

²⁰ United Nations General Assembly, In-depth study on all forms of violence against women Report of the Secretary-General. 6 July 2006.

²¹ AAP, Gender and Development Preamble. March 2008.

of State have demonstrated political commitment to gender equality at the highest level. The Statute of the AUC and NEPAD's foundation document make a clear call for centrally anchoring gender within the AU/NEPAD policy framework. Indeed, one of the two goals of NEPAD is specifically devoted to the empowerment of women. In this regard, all of the organs of the AU, including the AUC and NEPAD, are committed to ensuring that gender equality is mainstreamed institutionally.

In order for AU/NEPAD to close the existing gender gaps and address widespread gender disparities, it needs additional financial resources to use towards institutional capacity building, technical expertise and funding of special interventions addressing existing barriers to gender equality. Additional resources will support gender mainstreaming and the implementation of the Beijing Platform for Action (BPFA) at the national level as well as build capacities linked to project implementation and interventions that address gender-based marginalisation through social exclusion, vulnerability and for orphaned children.

4.1 Gender development and regional integration in Africa

The Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa expanded its definition in the Declaration on the Elimination of Violence against Women by including within its ambit economic violence or harm²⁰. Certainly, one of the issues for the AU's Gender Policy is not only to ensure that the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) is ratified by each country, but also implemented by each member state. The RECs and AU structure will be important in achieving MDG3 and the implementation of CEDAW over the next five years.

Prior to the finalisation of the AU's Gender Policy, the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa was adopted and the Solemn Declaration on Gender Equality was signed²¹.

4.2 AU/NEPAD's strategic focus in gender development

The guiding document for AU/NEPAD's activities in gender is the **African Union Gender Policy** adopted in 2009. The objectives outlined in the gender and development area from the AU Policy are set out in the adjacent box.

Policy commitments The policy commitments of the AU Gender Policy are based on AU and international gender equality instruments, including the Constitutive Act of the African Union, MDGs, the Solemn Declaration on Gender Equality in Africa (SDGEA), Protocol to the African Charter on Human and Peoples' Rights related to the Rights of Women in Africa, BPFA, and UN Resolution 1325 (2000) on Peace and Security emphasising gender mainstreaming as core to the promotion of the culture of peace, promotion of democracy, economic and social development and human rights. The policy commitments are overarching and anchored on the pillars of AU Organs, RECs and member states' institutional policy statements, strategic plans, roadmaps and action plans for achieving gender equality and women's empowerment targets in eight areas as follows:

1. Creating an enabling and a stable political environment
2. Legal protection actions against discrimination for ensuring gender equality
3. Mobilisation of different players for gender equality in Africa
4. Rationalisation and harmonisation of RECs' gender policies and programmes
5. Resource mobilisation
6. Capacity building for gender mainstreaming
7. Gender mainstreaming in all sectors
8. Maintaining peace, security, the settlement of conflicts and reconstruction.

The **African Union Gender Policy Plan of Action** will outline a series of steps towards achieving gender mainstreaming across all of the sectors where the AU works. The expected outcomes of this gender mainstreaming plan will target most of the AAP sectors, as set out in first the table on page 37.

AU/NEPAD STRATEGIC OBJECTIVES IN THE GENDER DEVELOPMENT SECTOR

Objective 1: To advocate the promotion of a gender responsive environment and practices and the enforcement of human rights, gender equality and women's empowerment commitments made at international, continental, regional and member states level;

Objective 2: To initiate and accelerate gender mainstreaming in institutions, legal frame-works, policies, programmes, strategic frameworks and plans, human resources and performance management systems, resource allocation and decision-making processes at all levels;

Objective 3: To promote the development of guidelines and enforcement of standards against sexual and gender-based violence, gender-insensitive language and actions in the workplace (including the AU Commission and other organs, the RECs and member states);

Objective 4: To develop a Gender Management System (GMS) within the AU and promote its adoption within other AU organs, the RECs and member states;

Objective 5: To address gender-based barriers to the free movement of persons and goods across borders throughout the continent;

Objective 6: To promote equitable access for both women and men to/control over resources, knowledge, information, land and business ownership, and services such as education and training, healthcare, credit and legal rights; and

Objective 7: To facilitate implementation of remedial measures to address existing in-qualities in access to and control over factors of production, including land.

Source: African Union Gender Policy

While the AU Gender Policy Plan of Action will present a comprehensive set of gender priorities for the continent, the projects in the second table on page 37 are considered priority programmes for development and investment in the gender sector, between 2010 and 2012.

<i>Sector</i>	<i>Expected Outcomes</i>
Cross-cutting priorities	<ul style="list-style-type: none"> ■ Implement the AU Gender Policy, existing member states' and RECs' gender policies across sectors and programmes ■ Adopt affirmative action policies in recruitment, training, career progression and promotion ■ Develop a sexual harassment policy ■ Eliminate violence at the work place such as sexual harassment and intimidation ■ Gender mainstreaming tools and guidelines for all sectors ■ Guarantee equal access to opportunities, services and factors of production ■ Develop indicators to identify and measure progress towards gender equality in all programmes and sectors
Infrastructure	<ul style="list-style-type: none"> ■ Develop gender sensitivity in operations of infrastructure ■ Improve gender balance in hiring in infrastructure ■ Build awareness of different infrastructure needs of both men and women ■ Increase women's participation in infrastructure decision-making institutions at all levels
Trade, market access and private-sector development	<ul style="list-style-type: none"> ■ Women should form part of the decision-making process in trade and industry issues ■ Development of gender-sensitive trade agreements ■ Establish an African learning context for women's entrepreneurship ■ Increase women's enterprises in Africa including micro-credit facilities ■ Education for women to promote economic literacy, generate awareness and enable them to organise themselves into cooperatives to attract investment ■ Development of a framework for engendering trade-related capacity for trade programmes ■ Gender-sensitive measures introduced to deal with negative outcomes of trade reforms ■ Gender-equality interventions to overcome constraints on market entry in small- and medium-sized enterprises and other businesses owned by women
Governance	<ul style="list-style-type: none"> ■ Training and advocacy programmes for women in governance ■ Specific gender-responsive political and governance policies where necessary ■ Adoption of affirmative action and quota share and representation to increase women's participation in decision making ■ Build equitable, gender-sensitive democratic and accountable governance ■ Put in place accountable mechanisms to ensure governance institutions honour and promote gender-equality commitments ■ Build capacity for women to become effective political actors to transform political space for gender equality ■ Advocacy, awareness raising and education to change mindsets about women's involvement in decision making, politics and public life.

AAP priority programmes in Gender Development, 2010–2012

<i>Project</i>	<i>Region</i>	<i>Estimated Implementation Cost (Based on Stage 2 & 3) (in million US\$)</i>	<i>Commitment (in million US\$)</i>	<i>Development Stage</i>	<i>Description (Project Status)</i>	<i>Project Sponsors</i>
Gender Development		1.00	10.20			
Gender Mainstreaming Programme AU/NEPAD	Continental	1.00	0.20	2	The gender programme of the NEPAD Agency will articulate and advocate gender mainstreaming in policy making, management and implementation, using time-tested tools and best practices. NPCA will facilitate the capacity development of professional and programme staff at the Agency on gender issues and mainstreaming in line with the AU Gender Policy and AU/NEPAD Capacity Development Strategic Framework. Gender mainstreaming tools and materials, including a pocket handbook, fact sheets and background documents on gender, will be developed for NPCA staff, the RECs and governments implementing NEPAD priority programmes. The framework for gender mainstreaming will design strategy to monitor and	AECID/ Spanish Government

<i>Project</i>	<i>Region</i>	<i>Estimated Implementation Cost¹ (Based on Stage 2 & 3) (in million US\$)</i>	<i>Commitment² (in million US\$)</i>	<i>Development Stage</i>	<i>Description (Project Status)</i>	<i>Project Sponsors</i>
Gender Development		1.00	10.20			
					evaluate progress achieved in this area. At the end of the NEPAD Gender mainstreaming process, sector-specific policy briefs will be presented to address any gaps identified.	
African Women Empowerment Programme (AECID/Spanish government committed to provide €10 m (US\$7.5 m) over 3 years, in support of women's empowerment in Africa.)	Continental		10.00	3	<p>The NEPAD/Spain Fund for the Empowerment of Women in Africa resonates perfectly with the mandate of the NPCA and the Spanish Agency for International Development and Cooperation (AECID). Both institutions work towards the achievement of the MDGs in Africa by 2015 and the alleviation of poverty by considering gender equity, equality and women's empowerment as a pre-condition to sustainable growth and development. This commitment is enshrined in the Memorandum of Understanding signed by NEPAD and the Government of Spain on 12 June 2007, to formalise the establishment of the Spain-NEPAD Fund for the Empowerment of Women in Africa. Both parties strengthened this commitment in the IV Steering Committee of the Fund, on 17 June 2009, by extending the duration of the Fund for a five-year period, starting on that date.</p> <p>The goal of the NEPAD/Spanish Fund is to promote gender equality and increase the capacities and autonomy of African women, in order to contribute to the acceleration of the achievement of the Millennium Development Goals, in particular MDG3.</p> <p>In the first call for proposals in 2008, 46 projects from 23 countries in sub-Saharan Africa were approved. In addition, €2 m has been assigned to carry out a Business Incubator for Women project implemented by COMESA and ECOWAS. Its aim is to support women entrepreneurs in Africa. The business incubators will lead to increased capacities of SMEs run by women in African countries. During the last Steering Committee meeting, €10 m was approved for release to the Fund by AECID at the end of 2010, with the aim of launching a second call for proposals at the beginning of 2011. This second phase of the Fund will focus on finance projects to African organisations/institutions working in the areas of economic women's empowerment, civil society and women, community-based organisations, and institutional strengthening.</p>	AECID/ Spanish Government

5. Cross-Cutting Sectors

5.1 Trade, industry, market access and private-sector development: advancing Africa's competitiveness in the global marketplace

Trade, industrialisation and investment Exports in 2007 totalled almost US\$425 billion and accounted for 3% of world exports. Exports are concentrated in fuel and mining (70%) and agriculture. Exports to Asia have grown significantly. Within Africa, intra-regional trade accounts for about 7% of total exports, compared with about 50% in Asia. Manufacturing contributes less than 15% of gross domestic product in many African countries, and is concentrated in food, textiles, clothing and footwear. Foreign direct investment inflows to Africa rose from about US\$13 billion in 2002 to US\$45 billion in 2007, largely in the extractive industries and in various service industries. Total net private capital flows to Africa rose to US\$81 billion in 2007.

Challenges With almost half of the population under 25 years old, creating jobs and career prospects is critical to Africa's prosperity and stability. Africa is abundantly endowed with natural resources, including many industrial minerals and agricultural resources, but the continent remains relatively poor, with little or no local value added and processing and minimum local inputs. Dependence on primary products has exposed resource-rich African countries to the vagaries of global markets and commodity cycles. Supply-side constraints act as limiting factors in many countries, both in manufacturing and in agriculture.

Responses NEPAD recognises the critical role of the private sector as the continent's engine of economic growth. It has encouraged governments to establish an environment conducive to business and investment activities, and partners to facilitate greater world market access. Measures included legal and regulatory reforms, harmonisation of standards and trade facilitation, reduction of internal tariffs, deepening of financial markets, technology acquisition and knowledge sharing, industrial diversification and strategic

participation in international trade negotiations. In addition, fundamental economic policies such as investment in infrastructure (energy, communications, transport, water, etc.) are critical to the promotion and sustenance of industrial development in Africa. Similarly, building human capacity through health, education and training and technology development is also necessary to enable the continent to compete in the increasingly knowledge-driven global economy. Aid for Trade is a mechanism that can address these imperatives (see box below).

5.1.1 Trade, industry, market access and private-sector development and regional integration in Africa

Opening up African markets through infrastructure development and trade facilitation are important elements of regional integration in Africa. The eight RECs across the continent are key actors in expanding Free Trade Areas and Customs Unions, as well as other forms of trade facilitation.

Aid for Trade refers to assistance by the international community to help countries address supply-side constraints to their participation in international markets, and to cope with transitional adjustment costs from liberalisation of trade. It covers assistance with trade policy and regulations and trade development, but also trade related infrastructure, capacity development, and trade-related government budget adjustments. The WTO Hong Kong ministerial meeting launched the initiative in 2005.

The **European Union** is a major supporter of the approach and committed €2.73 billion to Africa in 2007. Support to regional integration is a priority. The European Development Fund allocated €645 million for eastern and southern Africa (EAC-COMESA-SADC), notably to a jointly-planned North-South Corridor programme. Another regional review of Aid for Trade takes place in the ECOWAS region in June 2009, and a global review is scheduled for July 2009.

In this context, Aid for Trade may be seen as an important funding modality, providing technical support to trade liberalisation and also support for the infrastructure base that is critical to expanding trade.

'Eradication of extreme hunger and poverty can only be achieved through faster economic growth and enhanced competitiveness'

U.N. Deputy Secretary-General Asha-Rose Migiro

5.1.2 Partners in trade, industry, market access and private-sector development

AU/NEPAD is working with a number of specialised continental and regional organisations to promote regional integration in trade, industry, market access and private sector development in Africa, including:

International partners

- United Nations Industrial Development Organization (UNIDO)

Continental partners

- Conference of African Ministers of Industry (CAMI)
- Investment Climate Facility (ICF)

Regional partners

- Regional Economic Communities

5.1.3 AU/NEPAD's strategic focus in trade, industry, market access and private-sector development

In 2004, the AU Summit in Addis Ababa adopted the African Productive Capacity Initiative (APCI) as the policy framework for Africa's industrialisation effort through NEPAD. The APCI was designed to facilitate a shift towards a hands-on approach for tackling industrial performance and productivity, sustainable employment creation, and the contribution of industry to poverty reduction.

In January 2008, the African Union Assembly endorsed the Action Plan for Accelerated Industrial Development of Africa (AIDA). The Conference of African Ministers of Industry (CAMI) subsequently adopted an implementation strategy to:

- Promote economic diversification through industrial value-added activities
- Create an enabling environment and institutional

framework that promotes private sector-sensitive industrial development, regional economic co-operation and international competitiveness

- Enhance supply-side and demand-side capacity for industrial production and trade.

Programme-specific objectives of this strategy are based on the measures described in the box below.

5.2 Environment and climate change: promoting sustainability and stewardship for Africa's ecosystems

Africa contains some of the richest environmental resources in the world. Africans depend on a healthy and vibrant ecosystem and for their livelihoods on everything from forest products, water, food and agricultural products to tourism. Yet unless Africa is able to foster sustainable use and stewardship of its resources, the continent will face many threats to these treasures in the future.

A rich biodiversity Africa contains over 3,000 protected areas including 198 Marine Protected Areas, 50 Biosphere Reserves, and 80 Wetlands of International Importance. Eight of the world's 34 international biodiversity hotspots are in Africa²². Despite their recognised status, these areas remain under threat from poaching, encroachment and the introduction of alien species.

AU/NEPAD STRATEGIC OBJECTIVES IN TRADE, INDUSTRY, MARKET ACCESS AND PRIVATE-SECTOR DEVELOPMENT

Objective 1: Building productive capacity and capabilities for converting comparative advantage into industrial competitiveness.

Objective 2: Promoting actions that facilitate export of value-added products through the conversion of commodities into products.

Objective 3: Enhancing trade linkages and market penetration for expanding the extent of the market for products.

Objective 4: Promoting value chains by thinking globally and acting locally for job creation and poverty reduction.

Objective 5: Developing small and medium-sized enterprises (SMEs) and their linkages to large-scale enterprises for seizing opportunities for industrial expansion.

Objective 6: Promulgating standardisation, accreditation, quality and metrology for effective global market integration.

Objective 7: Fostering public-private partnerships (PPPs) for industrial development.

Objective 8: Removing bureaucratic and administrative impediments to trade and investment.

²² Africa Atlas of our Changing Environment, UNEP.

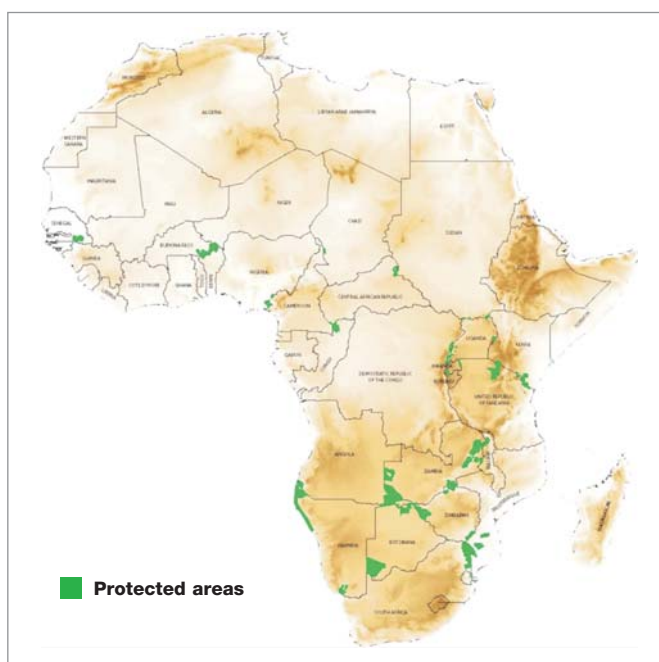
The threat of land degradation Due to the lack of strong environmental management, land in Africa is becoming increasingly degraded. The most prevalent forms of degradation include desertification, deforestation, dust storms, rising pollution and loss of ecosystems from rapid urbanisation. Thirty-one per cent of the region's pasture lands and 19% of its forests are classified as degraded. Forests account for over 20% of Africa's land area, but are being destroyed by logging and conversion of forests to agriculture and urban settlements. Africa is currently losing more than four million hectares of forest every year – twice the world's average deforestation rate.

The threat of climate change Although Africa produces only 4% of total global carbon dioxide emissions, its inhabitants suffer greatly from the consequences of global climate change. In many parts of Africa, even small changes in precipitation and water availability are having a devastating effect on agricultural output and consequently on food security. As climate change intensifies and its impacts deepen, adaptation amongst the communities in Africa will become increasingly challenging.

5.2.1 Regional integration in environment and climate change in Africa

Many environmental issues transcend national boundaries. The sustainable use of natural resources such as those derived from forest ecosystems and monitoring, management, and climate change control, are problems of major concern to all African nation. Since these resources and issues span more than one nation, they are often treated with different levels of political priority using different

Transboundary protected areas



Source: Africa Atlas of our Changing Environment, UNEP

management approaches, laws and regulations. Some efforts have been made to introduce management mechanisms that involve a degree of international cooperation, but there are still many challenges to be overcome before a unified framework can be achieved. To this end, AU/NEPAD has focused on six programme areas and three cross-cutting issues in the NEPAD Action Plan for the Environment Initiative that concentrate on fostering regional cooperation on transboundary environmental issues:

- Programme Area 1 Combating Land Degradation, Drought and Desertification
- Programme Area 2 Conserving Africa's Wetlands
- Programme Area 3 Prevention, Control and Management of Invasive Alien Species
- Programme Area 4 Conservation and Sustainable Use of Marine, Coastal and Freshwater Resources
- Programme Area 5 Combating Climate Change in Africa
- Programme Area 6 Transboundary Conservation or Management of Natural Resources
- Cross Cutting Issue 1 Health and the Environment
- Cross Cutting Issue 2 Trade and the Environment
- Cross Cutting Issue 3 Technology and the Environment

5.2.2 Partners in environment and climate change

AU/NEPAD is working with number of specialised continental and regional organisations to promote regional integration in Environment and Climate Change in Africa including:

Global partners

- The Global Climate Observing System (GCOS)
- United Nations Environmental Programme (UNEP)
- World Meteorological Organization (WMO)
- The Global Environment Facility (GEF)
- The European Commission's African Monitoring of the Environment for Sustainable Development (AMESD)
- The Netherlands Climate Assistance Programme (NCAP)
- The International Research Institute for Climate and Society (IRI)
- The Energy and Resources Institute (TERI)
- The Stockholm Environment Institute (SEI)

Continental partners

- Africa Ministerial Conference of Environment (AMCE)
- The African Centre of Meteorological Application for Development (ACMAD)
- Centre for Environmental Economics and Policy in Africa (CEEPA)

Regional partners

- The Climate Prediction and Application Centre (IGAD-ICPAC)

AU/NEPAD STRATEGIC OBJECTIVES IN ENVIRONMENT AND CLIMATE CHANGE

Objective 1: CONTRIBUTE TO THE IMPLEMENTATION OF NEPAD through the effective implementation of its Environment Initiative

Objective 2: PROMOTE SUSTAINABLE USE of Africa's natural resources and strengthen public and political support to regional and sub-regional environmental initiatives

Objective 3: SUPPORT IMPLEMENTATION BY AFRICAN COUNTRIES of their commitments under the global and regional environmental conventions and other legal instruments to which they are party

Objective 4: ENHANCE THE HUMAN AND INSTITUTIONAL CAPACITIES of African countries to effectively address the environmental challenges facing the continent

Objective 5: PROMOTE INTEGRATION of environmental issues in poverty reduction strategies

Objective 6: FOSTER REGIONAL AND SUBREGIONAL COOPERATION to address environmental challenges

Objective 7: BUILD A NETWORK OF REGIONAL CENTRES OF EXCELLENCE in environmental science and management

Objective 8: MOTIVATE AND DIRECT AFRICAN AND INTERNATIONAL SCIENTIFIC AND TECHNICAL COMMUNITIES to solve Africa's pressing environmental problems

Objective 9: ENHANCE EFFECTIVE PARTICIPATION of major African groups and their important contribution to informing intergovernmental decision-making

Objective 10: IMPROVE THE INSTITUTIONAL FRAMEWORK for regional environmental governance

Objective 11: MOBILISE INTERNATIONAL RESOURCES for the implementation of the Environment Initiative of NEPAD

Objective 12: PROVIDE A FRAMEWORK FOR PARTNERSHIP between African countries themselves and with their bilateral and multilateral partners, including multilateral financial institutions such as GEF, in accordance with the spirit and the letter of the United Nations Millennium Declaration

- The Regional Centre for Agriculture, Hydrology and Meteorology (AGRHYMET)
- SADC Drought Monitoring Centre (SADC-DMC)
- Observatoire du Sahara et Sahel (OSS)
- The Lake Victoria Basin Commission (LVBC)
- The Nile Basin Initiative (NBI)
- The Economic Community of the Great Lakes (CEPGL)
- The Central African Forest Commission (COMIFAC)
- SouthSouthNorth (SSN)

5.2.3 AU/NEPAD's strategic focus in environment and climate change

The **NEPAD Action Plan for the Environment Initiative** is the guiding document for AU/NEPAD's activities in the environment and climate change sector. Sub-Regional Environmental Action Plans (SREAPs) have also been developed and adopted by many of the sub-regions (e.g., IGAD's SREAP, which covers each of the programme areas of the Action Plan, including monitoring). The overall objectives of AU/NEPAD's activities in environment and climate change are listed in the box on the left.

Carbon finance has not played a large role in African development finance to date, for specific reasons. The Clean Development Mechanism (CDM) focuses primarily on the emission reduction components of projects, and provides post-investment cash flow only. Since Africa's emissions are relatively low, and since African financial markets are less developed than in some parts of the world, such financing has not generated large amounts of investment capital. With further development of the mechanism and domestic capital markets, carbon finance could play a larger role in African project investment.

5.3 Governance: towards a democratic future for Africa

Governance underlines the basis for sustainable development Governance is interlinked with institutionalised values such as democracy, observance of human rights, accountability, transparency and greater efficiency and effectiveness of the public sector. Good governance ensures that political, social and economic priorities are based on a broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources²³. Improving good governance in Africa is of central importance. Governance is seen as an effective means of enabling and guaranteeing development, building

²³ Governance for Sustainable Human Development, A UNDP Policy Paper, UNDP 1997, pp. 2-3.

and/or restoring stability as opposed to conflict in countries, regions and sub-regions.

Africa has made good progress in improving governance but it also faces serious challenges Calls for good governance in Africa have led to some progress, particularly in improving the regulatory environment for businesses. Improvements in governance are correlated with advancements in other areas. More than half of the continent follows the democratic process and the level of resources committed by African governments to tackling poverty and other problems is rising, along with the revenue base. However, as Africa moves to address problems of governance in development, it faces some fundamental challenges, including a) the need to build the capacity of states to incorporate mechanisms for political oversight and the management of state-society relations; b) the need to institute appropriate structures and mechanisms to foster active participation by citizens, gender equality, women's empowerment, human rights and more active and meaningful participation of civil society in the development process; and c) the need to reduce the costs of doing business by improving the quality of regulatory frameworks, reducing administrative barriers, improving physical infrastructure and stamping out corruption.

The African Peer Review Mechanism (APRM): Africa's innovative thinking on governance The various bodies of the AU play an important role in the evolution of governance mechanisms in Africa. In March 2003, NEPAD adopted the APRM process. APRM is a mutually-agreed instrument voluntarily acceded to by member states of the AU as a self-monitoring mechanism. The overarching goal of APRM is for all participating countries to accelerate their progress towards adopting and implementing NEPAD's priorities and programmes by achieving mutually-agreed objectives and compliance with best practices in each APRM area of governance and development, namely: the main pillars of the Declaration on Democracy, Political, Economic and Corporate Governance. The implementation of APRM has not proceeded without issues. It has encountered a number of challenges, ranging from financial, capacity, procedural and operational to political, both at the national and continental levels. Twenty-nine countries have now voluntarily acceded to the Mechanism. Of these, 14 have established their national structures and are at various stages of implementing the APRM process. The process has three phases, starting with a self-assessment, followed by peer country review missions, and finally implementation of a National Programme of Action.

5.3.1 Governance and regional integration in Africa

Africa's integration should be based on a set of core values held in common, including good governance, anti-corruption and the rule of law. Improved governance will further strengthen regional integration and harmonisation. In order to address the governance challenges, AU/NEPAD are working in

partnership with national, regional, continental and global organisations to promote a comprehensive programme in support of accountability, transparency, participation, combating corruption and the promotion of an enabling legal and judicial framework. The main regional focus is the continuous operation of the APRM and its increased membership. Other substantial and important initiatives encompass the development and implementation of programmes for the efficient administration of public resources, including the **Extractive Industries Transparency Initiative**, the **Construction Transparency Initiative**, the **African Agenda for Good Financial Governance** and the **Collaborative Africa Budget Reform Initiative (CABRI)**.

5.4 Capacity development: building a capable and responsive leadership for Africa's future



Capacity development is a fundamental issue to enable Africa to attain the MDG goals Africa is pursuing its development agenda in a challenging, complex and ever changing environment. Capacity on the 'soft' side, namely the capacity to carry out consistent design, implementation, monitoring and evaluation activities, is critical to leverage outcomes from existing investments and to attract more financing from both public and private sectors. Low capacity has an adverse effect on the conceptualisation, management, execution and impact of development initiatives. Capacity development is a prerequisite for the implementation of African development strategies, and must be undertaken at national, regional and continental levels. NEPAD represents an expression of the will and determination of the AU leadership to steer Africa to higher levels of sustainable development through adoption of policies and strategies to create an enabling institutional, technical, administrative and political environment.

Limited capacity in African countries has been a bottleneck for Africa's development General issues of capacity building in Africa include the impacts of HIV/AIDS, the need for a highly effective leadership and well-trained civil servants, and the lack of efficient administrative and delivery systems. These deficiencies arise from a combination of factors related to individual, institutional and systemic constraints, ranging from weak harmonisation and integration to skill and knowledge gaps. Traditional capacity building is very much determined by a somewhat limited approach of building up capacity through training measures for individuals, provision of material and financial support as well as organisational restructuring, which fail to address the systemic capacity constraints. Africa needs a capacity development strategy that takes into account Africa's unique needs, priorities, challenges and context.

Capacity building is a long-term process requiring a systemic approach The NEPAD Agency has launched a Capacity Development Initiative (CDI) to take on the challenge of conceptualising, developing, adopting and implementing a Capacity Development Strategic Framework (CDSF). Based on continent-wide consultation, CDSF creates a common understanding of capacity gaps and challenges, identifies key elements of a strategy for capacity and skill development at all levels. It advocates transformation, a mind-set change as well as dealing with the structural and systemic challenges hampering effective and efficient service delivery. The CDI is not framed as a stand-alone agenda and needs to be built on a solid national foundation to facilitate integration or mainstreaming into national planning and budgetary frameworks including sector plans. Moreover, CDSF needs to be championed at all levels by a range of stakeholders, not only governments. NEPAD is playing an important role in capacity development initiatives in the continent as it has a strategic advantage to be a change agent through facilitation by RECs.

5.4.1 Capacity development and regional integration in Africa

Capacity development is a central strategy to transform the performance of African systems of service delivery and economic and social development. The need for regional integration in capacity development has been accelerated by the fact that more and more high-quality and viable African projects and programmes have adopted a regional/continental outlook, and aim to ensure sustainable regional economic development integration through cooperation among African countries. Low capacity levels in some countries, inability by others to finance projects on their own, and political differences hinder the integration process. As regional public institutions, RECs and their subsidiaries could effectively create unified political space for national policies to be aligned and harmonised.

Capacity development in the RECs is the focus of enhanced capacity development being planned in 2009 by a

consortium of partners, in order to enhance and accelerate the regional development process.

5.4.2 Partners in capacity development

AU/NEPAD is working with a number of continental and regional organisations promoting regional integration in capacity building in Africa including:

Continental and international partners

- Africa Capacity Building Foundation (ACBF)
- ECA
- Southern Africa Trust (SAT)
- Germany (GTZ)
- Flanders International Cooperation Agency

5.4.3 AU/NEPAD's strategic focus in capacity development

The guiding document for AU/NEPAD's activities in capacity development sector is the **Capacity Development Strategic Framework (CDSF)**. Its strategic objects are listed listed in the box below.

As a fundamental instrument, CDSF offers a common structure, a holistic and integrated approach based on performance and competencies. The CDSF consists of six cornerstones identified as the most critical success factors for capacity building in Africa. They are Leadership Transformation; Citizenship Transformation; Evidence-based Knowledge and Innovation; Utilizing African Potential, Skills and Resources; Developing the Capacity of Capacity Developers; and Integrated Planning and Implementation for Results.

AU/NEPAD STRATEGIC OBJECTIVES IN THE CAPACITY DEVELOPMENT SECTOR

Objective 1: Address Africa's real capacity challenges in a sustainable manner through a strategic perspective focusing on organisational systems capacities.

Objective 2: Work towards the fulfilment of the vision of African renewal espoused in the NEPAD framework through fundamental transformation, re-orientation, realignment and strengthening of the African institutional framework.

Objective 3: Promote the adoption and application of the CDSF by countries and institutions to enable them to comprehensively identify and apply solutions to capacity challenges in order to achieve transform action and change of mindsets. By engaging with NEPAD, countries and RECs lay the foundation for meeting this transformative objective.

6. Implementation of the Revised AAP

6.1 Success factors

The NEPAD Programme of Action has attracted widespread acceptance of the guiding principles, leading to pledges and commitments by the international community; clear articulation of objectives and strategies in the sectors and regions it covers; greatly expanded capacity of African institutions to direct and plan activities in these areas; and modest progress in implementing programmes and projects.

The AAP 2010–2012 serves as another partnership tool to build on the modest achievements since the adoption of NEPAD as an AU programme in 2001. Key success factors, therefore, for accelerating the progress of the AAP priority action plan (PAP) in the period 2010–2012, will include the following:

At the continental/political level: Continuing commitment to the political and economic reforms set out by African countries with AU and NEPAD as forming the continental framework is essential. Likewise, focusing on promoting sustainable conditions for growth and integration will be advantageous for Africa. In this regard, the following factors are of utmost importance:

- Leadership emphasis on high-level priorities: regional integration and sectoral policy frameworks in place, with emphasis on time-related outcomes, and regular progress reviews
- Governance improvements, positive peace and security conditions, and policies and practices to encourage private-sector investment
- Recognition of the importance of joint participation by investors and development partners in planning and implementation of projects and programmes
- Rationalisation of overlapping areas of responsibility among RECs and in AU/NEPAD, to simplify processes and free up resources.

At the national government level: Integration of regional strategies with national strategies and mobilisation of African resources, including:

- Prompt and cooperative decisions on integration matters
- Harmonisation of laws, regulations and procedures to promote interconnections and economic integration

- Direct investment in planning and implementing regional projects
- Provision of on-going budgetary support as needed.

Among African institutions: A coordinated focus on making programmes and projects ready for investment and providing effective institutional support for that effort:

- Use of the AAP as an effective monitoring and management tool by developing and maintaining a current, accurate and accessible database, reporting on progress at least yearly
- Dedicated NPCA infrastructure staff will assist RECs and other proponents to prepare projects and package for financing
- Revision of future AAP priorities through a more inclusive process, to strengthen awareness and consensus on the Plan.

Among international partners: Scale up levels of support to meet commitments and align efforts with the Paris Declaration:

- Recognition of Africa's underlying needs and the added effects of the global recession in multilateral and bilateral funding
- Acceleration of liberalisation of trade access
- Longer-term commitments to broad sectoral and regional development programmes
- Increased support for programme planning and project development
- Increased use of multinational pooling and consortia to reduce multiplicity of funding sources
- Harmonisation of terms and conditionalities among partners.

6.2 Financing

The international financial crisis and resulting global economic downturn that began in 2008 are now negatively affecting the African continent and threatening the achievements of the last decade of sustained economic growth. African leaders are speaking out to underscore the seriousness of the economic and financial situation Africa faces.

Development partners also recognise the needs, which are to some extent in competition with demands from other regions and from within developed countries themselves. For example, the World Bank is mobilising its instruments in the following ways, which will affect the supply of funds in Africa and other world regions:

- increasing International Bank for Reconstruction and Development lending to US\$100 billion over the next three years
- making available US\$42 billion in International

Development Association grants and interest-free loans to the poorest countries

- helping the private sector through support for trade, banks and infrastructure projects.

The AfDB has a recognised comparative advantage as a channel for investment in all areas of infrastructure and economic integration, and in convening coordinated financial actions within Africa. To address the rapidly diminishing access to capital faced by its clients, the AfDB recently adopted a set of initiatives and is also reassessing the needs for additional/strengthening existing instruments under the ADF Replenishment cycles:

- establishment of flexible and fast disbursing facilities (Emergency Liquidity Facility (ELF) and Trade Finance Lines of Credit)²⁴
- the African Development Fund replenishment cycle (ADF XII): substantial resources over and above ADF XI for deeper and more effective support to fragile states and deeper regional integration within Africa
- the adoption of a Sixth General Capital Increase (GCI-VI) in 2010, representing a major capital increase that would maintain prudential ratios within their limits until 2018.

6.3 Financing to accelerate programme and project implementation

Immediate steps The current circumstances provide an opportunity to increase the supply of sound projects on a sustainable basis. In 2007, regional projects accounted for 20 to 25% of ICA member commitments to infrastructure. If this proportion is applied to total external investment in infrastructure (US\$40 billion in 2007), regional projects across the range of the AAP's sectors could require investment of perhaps US\$10–15 billion per year. **It is clear that at present there are not enough good projects that are investment-ready or bankable to absorb such quantities of capital, even if it were available.** Additional attention is needed to accelerate the supply of investment-ready programmes and projects.

The existence of the IPPF has clearly contributed to the implementation of infrastructure projects under STAP. Funding for project preparation continues to be scarce: in December 2008, the Facility had less than US\$15 million unallocated and a pipeline in the order of two to three times that amount. It appears that many of the other sectors in the Plan lack similar access to preparation funds. This

means that sectoral priorities tend to become distorted, when funding is not available to develop programme and project concepts to the point at which they can attract funding.

Professional resources for project packaging. For projects with clear indications of economic return but significant challenges, it may accelerate progress to employ capable investment advisors at an early stage, to structure workable transactions that address difficult issues. For example, giving a mandate to an experienced firm to build a commercially and financially acceptable risk management framework and institutional structure, around a major, multistate energy project that poses significant sovereign risk issues, may unearth solutions that may catalyse the project. This process can involve African banks as well as international firms, and so develop a knowledge base that will yield future dividends in the form of enhanced capability for project development.

Public–private partnerships (PPPs). In Africa, PPPs have been successfully structured and implemented in power generation, ports, railways, ICT and some other applications, where commercial demand and pricing can be identified and used. PPPs are more difficult to achieve where multiple jurisdictions are involved or when the environment is less like the free market. In a public-private partnership structure, the responsibilities for ownership, financing, construction and commercial operations are shared between the public and private sectors, usually on a long-term basis. The sharing may be successfully done in many ways, as long as it is consistent with the capabilities and risk absorption capacities of the parties; some costs are lower in the private sector, but some risks cannot be born effectively by it. Determining the appropriate sharing of responsibilities and putting together a stable, long-term transaction is normally a complex set of tasks. Most countries (e.g., the UK) started slowly with a small number of projects, in order to develop models suited to their circumstances. As government and banking institutions gain experience, the process can become more efficient and repeatable.

6.4 Accessing sources of programme and project financing

A relationship-based, primarily sectoral approach Sources of finance to implement the African Action Plan are varied and are to a considerable extent oriented to or concentrated in specific sectors. The European Union, for example, has committed to support at least six of the sectors represented in the AAP in its Africa-EU strategic

²⁴ See ADB/BD/WP/2009/27 document, "Bank Response to the Economic Impact of the Financial Crisis".

partnership, as well as some important regional concentrations. Infrastructure (power, transport corridors and communications) made up two thirds of the World Bank's portfolio of International Development Association (IDA)/GEF activity in regional integration in 2008. The remainder was divided among water resources management and environment (20%), financial sector integration (about 10%), and HIV/AIDS and regional agriculture. Additionally the World Bank managed or financed projects in HIV/AIDS, agricultural research, energy and water basin management through the Nile Basin umbrella programme, and has announced a new agriculture water facility initiative.

Other major multilateral and bilateral partners have equivalent areas of concentration in specific sectors and regions, and more scattered investment. Increasing investment has come from non-OECD partners, including China, India and Brazil, as well as the Arab Funds, which have been active on the continent for many years. Much of the private sector investment in infrastructure has gone to ICT and energy projects, with lesser amounts to transport.

The most promising approach to establishing sustained financing for regional development would seem to be to establish long-term relationships with major investors and development partners, based on their sectoral orientation or regional interests. Beyond reviewing the state of multilateral and bilateral commitments against public pledges, important general issues such as harmonisation of terms and consistency with the principles of the Paris Declaration, and broad statements of African needs and priorities, multisectoral forums such as the APF are unlikely to generate direct opportunities to finance programmes and projects.

Pooling of funds A sectoral approach also lends itself to pooling of funds from a variety of willing donors or investors, to provide flexibility, lower costs and assure sustained multi-year funding. Financing of Health and Education, which relies primarily on domestic resources, is especially impacted by global recession, because the negative impact on African governments' revenues particularly hits allocations to these two sectors, in which the poor countries spend significantly less per capita than richer countries.

Aid fluctuations add to the financing problem. A study of 72 countries found that volatility in aid flows far exceeds that in tax revenues, averaging about 40 times that in revenue. The many private sources of health funding active on the continent, while highly important in aggregate, impose administrative burdens and affect priorities in recipient countries and regions.

Some sectors have dedicated sector funds, such as the African Water Facility (AWF), or targeted funds such as the IPPF, the Investment Climate Facility and the Spanish fund directed at African women's empowerment and gender development. A number of funds or similar mechanisms are

included among priority programmes in the AAP, including Agriculture, Environment, Social Affairs and Science and Technology. Similar mechanisms may be useful in Health and Education, to stimulate preparation and financing of key programmes and projects.

Given the variety of multilateral, bilateral and private partners, resource mobilisation missions and other strategies that target partners with identified sectoral or regional interests, or work with consortia of partners over a period of time, based on long-term relationships, should be productive. They are likely to attract financing that will help develop programmes that are at an earlier, less well-defined stage as well as investment-ready projects. These approaches should also facilitate harmonisation of terms and funding integration, consistent with the principles of the Paris Declaration.

While the traditional institutional grouping of partners may not include newer, non-OECD partners, it is in Africa's interest to encourage their participation in pooling and other forms of harmonisation, to gain the full benefits of these approaches.

Integration of cross-cutting themes Promotion and mainstreaming of cross-cutting objectives such as gender equality, respect for the environment and other MDGs, and allocation of funds for common needs such as capacity development, can be effectively achieved if they are built in to sector, programme and project plans. Such an approach is normal practice for international financial institutions. Measurement of progress toward these objectives in programme and project reports is necessary to create a base for appropriate monitoring and evaluation. Strengthening these practices will facilitate funding by international partners, who are expected to report on cross-cutting themes in their worldwide activities. Cross-cutting themes that may require or would benefit from general promotion, such as gender equality and development, will continue to require their own core funding. Other more instrumental but important themes, such as capacity development, may also require seed funding to ensure they are not forgotten in other sectoral planning.

Aid for Trade refers to the provision of assistance by the international community to help countries address supply-side constraints to their participation in international markets, and to cope with transitional adjustment costs from liberalisation of trade. It covers assistance with trade policy and regulations and trade development, but also more broadly, trade-related infrastructure, capacity development, and trade-related government budget adjustments. The World Trade Organization (WTO) Hong Kong ministerial meeting launched the initiative in 2005.

The European Union is a major supporter of the approach and committed 2.73 billion to Africa in 2007. Support to regional integration is a priority. The European Development Fund allocated 645 million for eastern and southern Africa

(EAC-COMESA-SADC), notably to a jointly-planned North-South Corridor programme (reviewed in Lusaka in April 2009). Another regional review of Aid for Trade was to take place in the ECOWAS region in June 2009, with a global review in July 2009. In this context, Aid for Trade should be seen as an important funding modality, providing technical support to trade liberalisation and also support for the infrastructure base that is critical to expanding trade.

Carbon Finance has not played a large role in African development finance to date, for specific reasons. The Clean Development Mechanism (CDM) is focused primarily on the emission-reduction components of projects, and provides post-investment cash flow only. Since Africa's emissions are relatively low, and since African financial markets are less developed than in some parts of the world, such financing does not generate large amounts of investment capital. Use of the CDM by African countries has been minimal. With further development of the mechanism and domestic capital markets, carbon finance could play a larger role in African project investment.

6.5 Monitoring, managing and evaluating the AAP

Continuous monitoring and management A fundamental conclusion of this review is that continuous monitoring and management of the AAP's portfolio of programmes and projects is necessary, if significant progress is to be made in accelerating the implementation of sound proposals across all sectors in the Plan. Monitoring and management implies that the state of readiness of each programme or project is known and reported regularly, and proponents are assisted to refine and present proposals for financing, based on sound analysis and quality information.

The Programme/Project Development Stages approach built into the Revised AAP provides an effective framework for monitoring and managing the AAP. Evidence of the benefits of this approach and of the need for institutional support to achieve it, is quite clear in the infrastructure sector, particularly in the STAP portfolio.

Regular reporting Annually, there should be reports of activity levels and financial commitments in all sectors and regions, to keep tabs on the level of effort and progress being made to implement programmes and projects. Annual HSGOC or African Summit meetings would review progress in selected sectors as at present, and a more complete review of the progress of the AAP portfolio could take place bi-annually (January and June).

Project development and financing support For a viable arrangement among parties involved in the AAP, the NPCA

should assist RECs and other implementing agencies to develop projects in order to accelerate financial closure of the priority projects.

Evaluating results Addition of baseline data and time-related targets to sector strategies and objectives would enable better monitoring and evaluation of progress toward Africa's sectoral and integration goals. Similarly, employing baseline measures and time-bound targets in programme and project plans provides a basis for managing and for learning from such activity. There is great interest in such data on the part of international partners, who have to justify allocations to taxpayers and investors.

A current, accessible database It is not possible to perform either monitoring or management functions effectively without a readily accessible, current database on programmes and projects. The costs in terms of time and effort to gather and update relevant information from many sources, in real time, are too great to keep track of a large portfolio and to respond effectively to project opportunities or investor interest.

6.6 Institutional support to AAP

Such a data system must be managed with adequate staff support, resourced to produce information on a timely and accurate basis, with access to computers and a simplified protocol to obtain data from partner organisations for the purpose of the AAP.

The NPCA as executing agency for the AAP implementation agenda (2010–2012), will develop a database to monitor the implementation progress by RECs and other implementing agencies, to report to the NEPAD Steering Committee and HSGOC in January and June of each year.

For every programme or project accorded priority status in the AAP, a basic information template should be filled out and kept current by the proponents so that users can gain access to relevant data on a timely basis (the Final Technical Report provides such a template).

The Agency's current responsibilities (see the box opposite, drawn from a NEPAD sectoral document) are consistent with this role. A re-orientation of staff from policy and programme development toward project management and finance would be required.

A coordination mechanism underpinned by the AU Assembly Decision of January 2010 [Decision: Assembly/ AU/14 (XIV)] and the Institutional Architecture for Infrastructure Development in Africa (IAIDA) will define, and guide the

implementation and monitoring processes of the African Action Plan (AAP) for the period 2010-2012, and beyond.

NEPAD Agency

- Provides technical backstopping of RECs
- Monitors and evaluates continental Africa Peer Review Mechanism
- Provides continental-level information
- Facilitates partnership and resource mobilisation at the continental level
- Facilitates mutual learning

6.7 Revisions and stakeholder engagement

Schedule Consistent with the continuous monitoring approach proposed above, revisions to the AAP would take place annually, as programmes and projects reach financial closure, and are being implemented. The revised AAP has been given a lifespan of five years by the NEPAD Steering Committee. Within two to three years, the PIDA study of infrastructure priorities should be completed. At that point, an interim review of progress, similar to the Short-Term Action Plan (STAP) reviews, will be done, and all projects and programmes in 'work in progress', rolled into the PIDA.

6.8 Stakeholder engagement and wider dissemination of the AAP

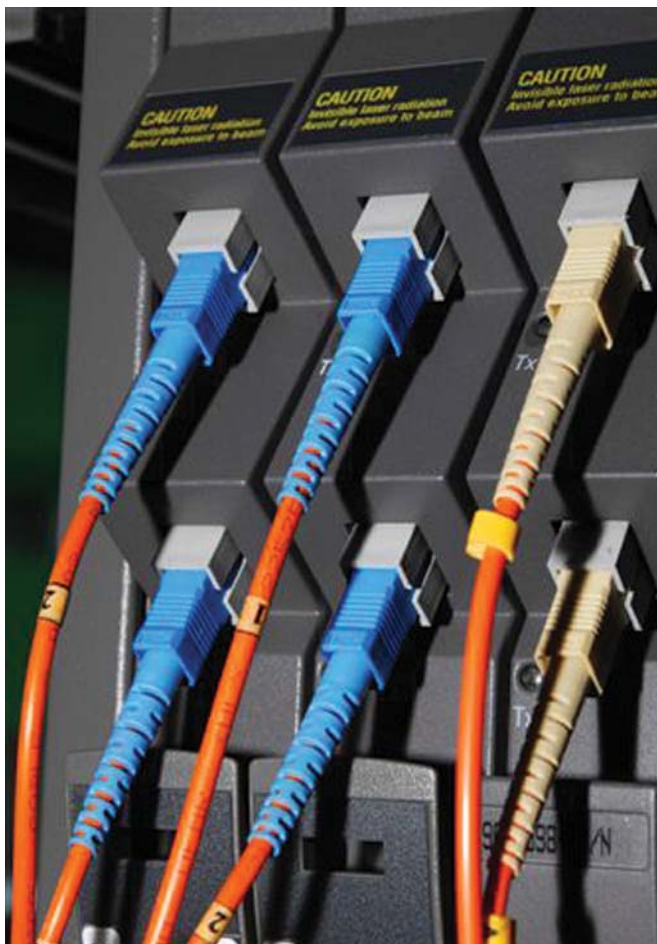
International stakeholders were generally aware of the AAP, but many REC representatives were not. Some stakeholders saw a potential in the AAP to be useful as a framework for defining, analysing and monitoring the progress of continental and regional integration in Africa, or for aiding them in securing financing for their programmes. However, few saw it as a process that transferred any of these benefits to them at the current time.

To date the AAP has not been promoted or disseminated to other stakeholder groups, including governments, civil society (civil society organisations or CSOs) and the general population and diaspora groups. Raising awareness among these groups of Africa's key investment priorities for regional and continental integration will strengthen political and popular support for these efforts, if they are well managed. The revised AAP format, which includes extensive

description of sectors and policies, as well as programmes and projects, should be more interesting and useful for engaging such groups.

To achieve these purposes, the AAP should be made available online and regular forums held to allow stakeholders to engage in dialogue on the AAP's process and progress.

7. The Road Map: the Way Forward



The following specific implementation steps will be taken to strengthen and use the AAP (as a precursor to the PIDA, at least for Infrastructure) as the cornerstone of Africa's engagement with development partners, and to accelerate the progress of its priority programmes and projects to successful implementation on a sustained basis.

Step 1: AAP Launch at the 2011 African Union Summit

As a first step, is the need to formally launch (i.e., showcase) the AAP's priority action plan (PAP) at the Heads of State and Government Orientation Committee (HSGOC) meeting during the next AU Summit in Addis Ababa, Ethiopia, in January 2011. The launch will be the most significant event around the AAP since its endorsement by the African Partnership Forum (APF) in January 2010, which will demonstrate once again, the high-level commitment of the NEPAD HSGOC and African leadership, in the short-term AAP priority action plan: 2010–2012.

Step 2: AAP PAP Advocacy Workshop/Conference

The second step in the Road Map is to engender an advocacy process through a series of road shows with key stakeholders such as the Regional Economic Communities (RECs) and their member countries (RMCs), civil society organisations (CSOs) – both in Africa and outside the continent – and development partners, **to seek the requisite buy-in and ownership of the African Action Plan priority action plan (PAP)**. Such road shows will begin in earnest in mid-2011, after the launch of the AAP.

Step 3: Investment Round Table

The third, and vital phase of the Road Map, is the Investment Round Table for resource mobilisation for the AAP priority action plan, with partners and donors. The AUC, NPCA and AfDB will develop a common strategy to engage partners at the level of the Infrastructure Consortium for Africa (ICA) and the G8, sometime in the third quarter of 2011.

Step 4: Institutionalise the AAP

Step 4.1 Create a central AAP unit

The NPCA will act as the executing agency for the implementation of the AAP priority action plan (PAP): 2010–2012

Step 4.2 Create a management information system (MIS)

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

Step 5: Improve the methodology of the AAP

Step 5.1 Establish sector and programme, project targets and outcomes for monitoring and evaluation

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

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

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

Step 5.2 Introduce cross-cutting themes into sector and programme/project plans

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

Step 6: Review activities and outputs

Step 6.1 Publish and distribute regular AAP updates

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

Step 6.2 Conduct a mid-point review of sectoral progress

At the beginning and mid-point of each year (2011–2012), progress toward the specific goals of each sector in the revised AAP will be evaluated. At this time a comprehensive review will be made of all activities that contribute to sectoral objectives, not just priority programmes and projects, so that Africa's leaders and the population at large can see 'the big picture' on an occasional basis, and make informed judgements on reallocation of resources. A mid-term progress review report will be provided to the NEPAD Steering Committee, and the HSGOC for information and guidance.

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

Step 7: Improve stakeholder communications through better information and support for African civil society

Step 7.1 Establish a continental statistical portal on the new NEPAD website

The AAP will be presented in an online, interactive continental statistical portal, to allow partners and donors to access up-to-date information on all AAP sectors and programmes. AAP-related content to be made available on the portal includes:

Sector pages

Online library of relevant sector strategies, summits, declarations etc.

- Background to the regional integration agenda in the sector
- Goals, objectives, expected outcomes, and progress of regional integration work in the sector
- Overview of all international, continental and regional organisations working in regional integration in the sector and links to their web pages.

Programme pages

Each AAP programme and project will have its own page featuring:

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

AAP database

A database on AAP programmes and projects will be accessible to task managers via login, to update their programme status and place links to key project reports and data. A public version of the portal will allow users to query data fields according to their interests (e.g., a search that identifies programmes with capacity building or gender components), or to review and validate project assumptions and analysis.

Step 7.2 Establish regular forums for dialogue with stakeholders and strengthen civil society participation

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

- International stakeholders – The primary forum for these discussions will be the Africa Partnership Forum (APF), for a general review of the AAP and major issues such as commitments and harmonisation.
- Ministerial/sector conferences – Sessions will also be established at ministerial conferences for sector-specific dialogue and reviews, relating to the progress of programmes and projects, financing issues, and areas where ministerial intervention can overcome obstacles. Expert panels could be used for validation and advice where available and appropriate.
- Regional and national stakeholders – A focus on the AAP will be regularly added to regional and country

meetings between AU/NEPAD, AfDB and ECA, so that RECs and national representatives maintain a continuous awareness and can provide feedback on the purpose and usefulness of the AAP.

- Additional stakeholders – In the longer term, additional participatory mechanisms will be considered, such as online dialogues, discussion boards, and moderated discussion forums, to allow a broader range of participants to review and comment than those who normally attend conferences. This would be a cost-effective means of reaching individuals as well as CSOs.
- Create a Centre of Excellence for the Promotion of African Civil Society – To further encourage the participation of civil society organisations in the economic and social life of the continent, and in the activities highlighted in the AAP in particular, it is proposed to create a Centre of Excellence for the Promotion of African Civil Society. Civil society groups often supply the resourcefulness, dedication and tenacity that initiate economic and social change, strengthen democracies and generate positive results in areas such as gender development, good governance, environmental awareness, health promotion, education, and adoption of new technologies, to name only a few.
- Efforts by African institutions, such as the RECs and the African Union, to engender regional and continental integration and to maintain a focus on the Millennium Development Goals, depend on collaborative work with and support by African civil society. At the same time, many civil society groups are traditionally based and locally oriented. They may therefore need support to link with other organisations with similar interests in different regions, through capacity building, training and networking to share information, learn from each other and cooperate on a broader scale. Creation of a Centre of Excellence will expand the skills that enable civil society organisations and individuals to participate effectively in the continent's development and in the implementation of NEPAD values through the AU/NEPAD African Action Plan.

For more information on infrastructure work being done at the NEPAD Agency contact:

Adama Deen

Head of Infrastructure Programmes and Projects

NEPAD Planning and Coordinating Agency
International Business Gateway
New Road & 6th Road
Midridge Office Park
Corner of Challenger & Columbia Avenue
Block B
Midrand
Johannesburg 1685
South Africa

Tel: +27 (0) 11 256 3600
Fax: +27 (0) 11 206 3762
Email: adamad@nepad.org
Website: www.nepad.org