





## **I. Introduction**

1. In its resolution 58/233, entitled “New Partnership for Africa’s Development: progress in implementation and international support”, the General Assembly requested the Secretary-General to submit to it a comprehensive report on the implementation of the resolution at its fifty-ninth session. This report responds to that request.

2. The report highlights the policy measures and actions taken by African countries and organizations in the implementation of the New Partnership for Africa’s Development (NEPAD), the response of the international community and the support of the United Nations system during the past year. The activities undertaken by both the private sector and civil society in support of NEPAD are discussed in various parts of the report. The report benefited from information and data provided by Member States, regional organizations, the NEPAD secretariat and various entities of the United Nations system.

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approved funding for a number of road and railway projects in West Africa. Funding for those projects is part of the broa



## **Environment and tourism**

13. The past year saw a broad range of follow-up actions to the NEPAD environment action plan adopted by the African Union in Maputo in July 2003. A partners conference on the NEPAD environment action plan was held in Algiers on 15 and 16 December 2003 to raise awareness of and mobilize resources for the action plan. Out of more than 250 projects in the action plan, more than 80 were selected for presentation at the partners conference.

14. The Global Environment Facility (GEF) has committed funding for several projects in the environment action plan, including the United Nations Environment Programme (UNEP)/GEF medium-sized project on the development of the subregional NEPAD environment action plan. Conserving Africa's wetlands, the prevention, control and management of alien invasive species and the conservation and sustainable use of marine, coastal environment and freshwater resources are among the eight priority areas of the NEPAD environment action plan, whose projects also receive considerable financial support from the various partners through support of the NEPAD secretariat. As part of the initiative on the wetland areas, an inventory of the wetlands in the SADC subregion is being developed with the support of the International Union for the Conservation of Nature and Natural Resources. The initiative also aims to engage civil society organizations in better management of wetlands at the grass-roots level.

15. A regional strategy for disaster risk reduction was developed by the African Union Commission and the NEPAD secretariat in collaboration with the United Nations International Strategy for Disaster Reduction. It was submitted to the African Ministerial Conference on the Environment for adoption at its tenth session and endorsed by AU in Addis Ababa in July 2004. The strategy is aimed at contributing to sustainable development and poverty eradication by facilitating the integration of disaster-risk reduction into national and subregional development frameworks. Financial support for developing the strategy guidelines and the training programme for disaster-risk reduction was provided by a number of multilateral institutions.

16. A NEPAD tourism action plan was adopted by the African tourism ministers at the forty-first meeting of the World Tourism Organization Commission for Africa. The action plan was endorsed by AU in July 2004. It underlines the importance of tourism as a sector that can contribute to the continent's economic regeneration, particularly through the diversification of African economies and generation of foreign exchange earnings. The plan focuses on eight priority areas: creating an enabling regulatory environment; strengthening institutional capacity; promoting tourism marketing; promoting research and development; promoting investment in tourism infrastructure and products; reinforcing human resources and quality assurance; establishing and adopting a code of conduct and ethics for tourism; and mobilizing financial resources.

## **Agriculture**

17. Efforts at implementing the Comprehensive Africa Agriculture Development Programme (CAADP), the centrepiece of the NEPAD agenda, have gathered momentum on several policy and institutional fronts. African Governments have not

only begun the process of aligning their food and agricultural programmes with CAADP, but a few have also indicated that they have achieved or are working towards the goal of allocating at least 10 per cent of national budgetary resources to agriculture within five years, as agreed in the Maputo Declaration on agriculture and food security in Africa, adopted in July 2003. With the support of a number of multilateral institutions, the NEPAD secretariat is developing a tracking mechanism to assist countries in tracking and evaluating their expenditures and budgetary provisions in the agricultural sector.

18. To deepen the process of national ownership of CAADP, African ministers of agriculture have endorsed the establishment of CAADP focal points at the national level to provide additional impetus for its implementation. It is also envisaged that senior policy makers, at the level of Permanent Secretary for Agriculture, will form advisory councils at the subregional level to facilitate implementation of CAADP projects in collaboration with the regional economic communities. Forty-nine African countries have received financial support to formulate national medium-term investment programmes. The NEPAD secretariat will participate in some national processes leading to the formulation of the investment programmes and the preparation of investment project profiles. The NEPAD secretariat has also facilitated a comprehensive continent-wide review of food reserve systems, with the objective of assessing the variety of food reserve systems available and the experience gained in managing them.

19. Strengthening agricultural research and development is one of the major priorities of CAADP. Through NEPAD support, the International Livestock Research Institute was granted C\$30 million by the Canadian International Development Agency. A portion of these funds will be used for the establishment and support of agricultural centres and networks of excellence on the continent. The NEPAD secretariat is currently engaged in consultations with regional stakeholders on a multi-country agricultural productivity programme aimed at achieving sustained rural poverty reduction by strengthening African agricultural technology systems. Since much can be learned from agricultural successes and failures that may assist in the implementation of CAADP, an international policy conference on successes in African agriculture was held in Pretoria in December 2003. The Pretoria statement issued by the conference identified processes, technologies and institutions considered to be prerequisites for replicating and expanding agriculture successes.

## **Science and technology**

20. Science and technology is a NEPAD area of priority. Science and technology plays a critical role in economic growth and development, and there is growing recognition that the prospects of achieving the Millennium Development Goals will depend heavily on the ability of nations to harness science and technology in order to address a range of social and economic problems. There is no single model for science and technology development, but the approaches that have proven successful have included three main ingredients: a critical mass of scientific and technological skills and capabilities; adequate resources to finance investment in basic and applied science; and institutions that promote and foster the diffusion and adaptation of scientific and technological knowledge, as well as innovation.

21. The importance of these three elements was underlined in the outcome documents of the First NEPAD Ministerial Conference on Science and Technology, which was convened in Johannesburg, South Africa on 6 and 7 November 2003, in collaboration with the Government of South Africa Department of Science and Technology. In addition to adopting a declaration, the Conference agreed on the outline of a plan of action to promote the development and application of science



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conducted for selected African partner countries to determine how they could benefit from ODA-supported strategies for enhancing the investment climate.

### **African Peer Review Mechanism**

25. Much progress has been made in moving the African Peer Review Mechanism process forward. The work programme and the rules of procedure for the African peer review panel of eminent personalities were adopted in February 2004 in Kigali, Rwanda. A separate secretariat has been established for the Mechanism. A trust fund is also to be established for the Mechanism which will finance the activities of the panel, the secretariat and the country-review teams. Individual member States will fund their own in-country reviews. Several African countries have pledged contributions to the trust fund, and each participating member State is expected to make a minimum contribution to the financing of the Mechanism. Taken together, both actions mark an important and welcome step in buttressing the principle of Mechanism ownership with financial commitments.

26. The number of countries that have signed on to the Mechanism has risen to 23. They are Algeria, Angola, Benin, Burkina Faso, Cameroon, the Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Mali, Malawi, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Uganda and the United Republic of Tanzania. The increase in the number of countries joining the Mechanism indicates the growing appeal of its voluntary approach and African ownership and leadership of the process. A schedule for the peer review of the participating countries has been agreed upon.

27. Mechanism support missions were sent to Ghana in May 2004, to Rwanda and Mauritius in June 2004 and to Kenya in July 2004. The support missions are a pre-country-review phase, in which members of the review panel, assisted by the Mechanism secretariat and NEPAD strategic partner institutions (AU, the Economic Commission for Africa, ADB, and the United Nations Development Programme), assess the preparedness and capacity of the country to participate in the African peer review process, particularly to undertake self-assessment and prepare a national programme of action. The missions also ascertain the robustness of Mechanism

gender perspective has been incorporated into thematic priority sectors and women have been actively involved in regional NEPAD governance structures and have participated in national decision-making bodies for the implementation of NEPAD

also given practical expression to the principle of ownership through adequate financial commitment. Yet, many countries face severe fiscal constraints in the short to medium term, suggesting that external support will be needed to achieve the established targets of expenditure on NEPAD priorities. There are other constraints impeding progress in specific sectors. In the infrastructure sector, for example, implementation is encountering the problem of long project-approval cycles in partner institutions, limited grant resources for project preparation and severe technical capacity constraints at the national level and in the regional economic communities. In agriculture, despite progress in the implementation of CAADP, several problems persist. Many countries will not meet the target of allocating 10 per cent of budgetary resources to agriculture in the next five years, not least because of the constraint of the medium-term expenditure framework. Agricultural extension services, which are crucial for disseminating new knowledge and practices, continue to suffer from lack of funding and a critical mass of technical

performance in three broad categories of indicators: encouraging economic freedom, investing in people and ruling justly. The eight African countries invited to submit proposals in the current fiscal year include Benin, Cape Verde, Ghana, Lesotho, Madagascar, Mali, Mozambique and Senegal.

not intended to have any influence on, the implementation of the HIPC Initiative, since its focus will be on future borrowings. Thus far, African countries not covered by the Initiative have not benefited from the new policy framework, also known as the Evian approach, adopted by the Paris Club of creditors in October 2003. The new framework aims for both greater flexibility in dealing with the external debt crisis of developing countries and greater willingness to reduce the debt of countries that are at risk of, or display signs of, insolvency.

39. Meanwhile, several developed countries have granted various forms of debt relief, including debt cancellation. Between 1998 and 2003, the Russian Federation wrote off debt of African countries amounting to \$11.3 billion and, in the course of 2003, signed intergovernmental agreements on debt settlement with five countries. France granted debt cancellation to 19 countries as part of its debt relief and development contracts. The French debt cancellation efforts for African countries in 2003 amounted to €1.717 billion, of which €1.4 million were for North African countries and €1.625 billion for sub-Saharan countries. The United Kingdom granted full debt cancellation to the 10 African countries that had reached the HIPC

billion of additional ODA, over the 2001 ODA level, required to achieve the Millennium Development Goals by 2015. Even so, these studies have not explicitly incorporated the financing requirements for building economic infrastructures in the region, which suggests that more ODA resources will be needed. The pledges of additional ODA made by Africa's developed country partners to support NEPAD implementation is a definite step in the right direction. Yet, the need to scale up further the effort to increase ODA to Africa is evident both from the huge financing requirements indicated in various studies and from the fact that ODA flows to the least developed countries, of which 34 of the 50 are in Africa, still fall below the level of 0.15-0.20 per cent of gross national income to ODA agreed in the Brussels Programme of Action for the Least Developed Countries.

41. There remains an urgent and continuing need to improve the quality and effectiveness of aid to countries in the region. This is particularly important given the continuing evidence that African countries remain burdened by complex reporting, administrative and financial procedures required by donors.<sup>6</sup> Fortunately, there is a growing number of efforts to deal with the issue of harmonization and simplification, as well as improving aid effectiveness overall, as exemplified by the Rome Declaration on Harmonization, the adoption of the action plan on managing development for results, in Marrakesh on 5 February 2004, and the ongoing work of the ECA/OECD secretariat on joint review of development effectiveness.

42. As awareness has grown that the institutional and technical capacity weaknesses in African countries are constraints to promoting growth and poverty reduction, there have been increasing efforts by OECD and non-OECD countries to channel assistance to capacity-building. For example, France has provided trade-related capacity-building assistance directly to several African countries and through its contribution to the Integrated Framework and the Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP). Sweden has contributed SKr 12 million to the Economic Community of West African States (ECOWAS) for capacity-building in West Africa for regional and international trade negotiations and approximately SKr 1.67 million for the establishment of the NEPAD secretariat. A new joint Nordic contribution is also now under consideration for the NEPAD secretariat. France has decided to contribute to the trust fund established for the African Peer Review Mechanism. Moreover, an agreement has been signed between the French Development Agency and DBSA for the establishment of a €2.8 million fund for the evaluation and preparation of NEPAD projects. Ireland has made a financial contribution of €300,000 to help strengthen the institutional capacity of the NEPAD secretariat. The Republic of Korea has offered places in various fields for trainees from Africa. Israel's official international development cooperation centre, MASHAV, has provided training for African experts through a range of economic and public-sector management courses.

## **Trade**

43. The failure of the World Trade Organization (WTO) Ministerial Meeting in Cancún, Mexico, in September 2003, was a signal event in stalling progress in international trade policy and negotiations on several areas of interest to Africa. Hope has, however, been rekindled with the recent framework agreement on negotiations for the Doha Development Round. Some important elements of the

agreement include commitments by the developed countries to eliminate agricultural export subsidies (at a date still to be determined) reduce trade-distorting domestic farm supports and launch negotiations to cut cotton subsidies and other barriers to cotton trade, to be undertaken separately within the overall agriculture talks.

44. Overall, however, African countries stand to benefit most from liberalization, covering much needed trade reforms within the agricultural sector, in particular the elimination of trade-distorting agricultural subsidies and the reduction of tariff peaks and tariff escalation for semi-processed and processed manufactured and agricultural products.<sup>7</sup> Yet, the impact of liberalization on individual African countries will vary considerably, reflecting the different costs and benefits they experience from current trade regimes. The notable absence of international initiatives on commodities on

47. France has provided financial support to ECOWAS in connection with the establishment of a regional regulating mechanism within the framework of the West African electrical energy exchange system project and for the creation of a guarantee facility offering several risk cover instruments to support financial integration, improve the investment climate and build capacity in the countries of the West African Economic and Monetary Union. The Icelandic business development programme, which encourages the formation of partnerships and joint ventures with firms in developing countries, has had a special focus on Africa and is actively engaged in Uganda. Denmark has a comprehensive private-sector support programme with a trade and investment component that is active in some African countries. Portugal has adopted double taxation agreements with Angola, Cape Verde and Mozambique in order to promote bilateral trade and investment.

### **South-South cooperation**

48. There is increasing realization that South-South cooperation, as an important complement to international development cooperation, can play a role in the implementation of NEPAD. The General Assembly, in its two resolutions on international support for NEPAD, has affirmed the need to promote South-South cooperation. A recent significant development was the launch of the third round of negotiations on the Global System of Trade Preferences (GSTP) among developing countries to expand South-South trade, at the eleventh United Nations Conference on Trade and Development. The aim was to have more developing countries join the negotiations on GSTP, which currently involve 43 countries. Thirteen African countries are now members of GSTP. A commitment was made that the third round will work towards developing concrete preferential measures in favour of least-developed-country participants.

49. During the past year, several countries from the other developing regions have provided technical assistance to African countries. Pakistan runs a special technical assistance programme for Africa, under which it has offered training for African diplomats. Indonesia provided a technical cooperation programme in 2003 to 11 African countries (Egypt, Ethiopia, Ghana, Madagascar, Malawi, Namibia, Nigeria, South Africa, the United Republic of Tanzania, Zambia and Zimbabwe). As a follow-up to the third Tokyo International Conference on African Development, an Asia-Africa business forum and an Asia-Africa public and private joint forum were organized as part of the preparatory process for the international conference on Asia-Africa cooperation for trade and investment, scheduled to be held in late October 2004.



market share amounted to an estimated income loss of \$70 billion per year, almost five times the average annual amount of ODA to Africa.<sup>8</sup> Moreover, the sharp drop in prices of key export commodities explains the deterioration of net present value of debt-to-export ratios relative to ratios projected at the decision point for 2001. Of the 15 HIPCs, 13 are African.<sup>9</sup>



for the Department and has the largest share of its resource allocation. For its part, the Department of Political Affairs has been working closely with the AU Commission and subregional organizations in supporting regionally and subregionally led peace initiatives, such as the regional peace initiative on Burundi, the African Union-led inter-Congolese dialogue, the African effort to convene a conference on peace and development in the Great Lakes region and the peace processes led by the Intergovernmental Authority on Development (IGAD) in Somalia and the Sudan.

57. WHO supports African countries in their development of health strategies and interventions based on WHO methodologies and health regimens that have proven

of the United Nations Secretariat focuses mainly on coordinating humanitarian operations and protecting civilians. The Regional Inter-Agency Coordination Support Office now serves as a major platform for dialogue between OCHA and SADC. OCHA has signed a memorandum of understanding with ECOWAS, with the goal of enhancing the latter's capacity in humanitarian crisis and conflict management.

health and education. UNICEF is one of the main partners in the immunization of children throughout the continent and in the education of girls in Africa. Following the launch of the AU/ECA/NEPAD/UNICEF publication *The Young Face of NEPAD* in 2003, UNICEF has been working actively with the three partners and individual countries to implement the complementary strategies presented in the document, focusing on key strategies for preparing a healthier, better educated and better prepared generation of Africans.

62. The World Intellectual Property Organization (WIPO) is currently supporting institution-building and awareness-raising with regard to the intellectual property system in Africa. WIPO has collaborated with national and regional institutions, such as the African Regional Industrial Property Organization and the African Intellectual Property Organization, to promote practical knowledge and technical expertise to enforce intellectual property rights, design intellectual property management systems and establish industrial property and copyright offices in many African countries. The International Maritime Organization assists African countries in developing maritime and port security procedures to ensure that African ports are free from security threats. It financed the technical cooperation programme for the African region in 2003 by bringing together South-South partners for human resources development and to protect marine life at the national and subregional levels.

63. The International Telecommunication Union (ITU) remains committed to providing full support to African member States in implementing projects within the NEPAD framework to enable them to bridge the digital divide. ITU is currently implementing a NEPAD preliminary assistance project that supports African countries in developing bankable projects for the telecommunications and ICT sectors, including telemedicine projects, e-commerce and e-government. ITU also works through subregional organizations, and is currently piloting an integrated ICT market programme for the ECOW

term financing needs for Africa. The Office also issued publications on experiences with the implementation of NEPAD: *South-South Cooperation in Support of the New Partnership for Africa's Development: Experiences of Africa, Latin America and the Caribbean and Integrating the Priorities of the New Partnership for Africa's Development (NEPAD) into the National Development Process: Experiences from Selected African Countries*. The Office also organized several briefings for delegations on topical issues pertaining to NEPAD.

### **Challenges and constraints**

65. In spite of the progress made, the United Nations system faces a number of challenges and constraints in supporting NEPAD. First, increased financial

*Notes*

<sup>1</sup> Estimate provided by the African Development Bank, NEPAD Support Unit.

<sup>2</sup> See G-8 Leaders' statement on debt sustainability for the poorest, 10 June 2004. Available from

**Annex**

Table 1