



NEPAD

NEPAD

Infrastructure Short-Term Action Plan (STAP)

Review of Implementation Progress and The Way Forward



VOLUME 1: OVERVIEW

Prepared by the African Development Bank

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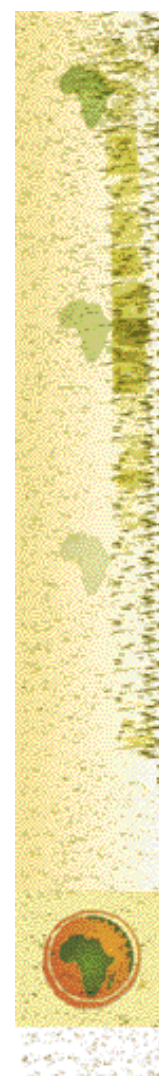
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1	Introduction	7
1.1	Background	7
1.2	The Updating Process	8
2	The STAP Update	8
2.1	Achievements	9
2.1.1	ECOWAS	9
2.1.2	ECCAS	15
2.1.3	IGAD	18
2.1.4	EAC	19
2.1.5	COMESA	20
2.1.6	SADC	23
2.1.7	UMA	28
2.1.8	Progress on the Infrastructure Technical Assistance Facility	30
2.2	Update on STAP Projects	31
2.3	Priorities	31
2.3.1	The “Top Twenty” Priorities	32
2.4	Constraints/Shortcomings	34
2.4.1	Lack of clarity as to what NEPAD really is	34
2.4.2	Lack of clarity as to what is expected of the RECs and the countries	35
2.4.3	Lack of definition regarding linkages between countries and RECs	36
2.4.4	Overlapping REC responsibilities	36
2.4.5	Failure by RECs to keep abreast of “NEPAD-type” programmes that they are not directly involved in	37
2.4.6	Lack of alignment of REC programmes and NEPAD priorities	38
2.4.7	Lack of financial and technical capacity in the RECs	38
2.4.8	Inadequate knowledge and cooperation on shared Water Resources issues	39
2.4.9	Summary of lessons learned and recommendations	40
3	The Way Forward	41
3.1	The Principle of subsidiarity	41
3.2	A suggested classification of Projects	42
3.3	How the classification could be used	46
4	Next Steps	47
4.1	Clarification of roles and responsibilities	47
4.2	Development of a capacity building programme for the RECs	48
4.3	Establishment of a STAP monitoring programme	48

ANNEXES

CONTENTS



list of acronyms

AASA	Airlines Association of Southern Africa
AEP	African Energy Program (AfDB)
AFD	French Development Agency
AfDB	African Development Bank
AFREC	African Energy Commission
ARICEA	Association of Regulators of Information and Communications
ASANRA	Association of Road Agencies of Southern Africa
ATU	African Telecommunications Union
AU	African Union
BOAD	West African Development Bank
BOT	Build Operate Transfer
BOOT	Build Own Operate Transfer
CEMAC	Economic and Monetary Community of Central Africa
CEO	Chief Executive Officer
CGS	Council for Geosciences of South Africa
CIP	Inter-state Forecast Center
COMESA	Common Market for Eastern and Southern Africa
DRC	Democratic Republic of Congo
EAC	East Africa Community
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EIB	European Investment Bank
EU	European Union
FAO	Food and Agriculture Organization
FCFASA	Federation of Clearing and Forwarding Associations of Southern Africa
FESARTA	Federation of Eastern and Southern Africa Transport Associations
GE	General Electric Corporation
GEF	Global Environmental Facility
GNSS	Global Navigation Satellite System
HSIC	Heads of State Implementation Committee
HYCOS	Hydrological Cycle Observing System
ICAO	International Civil Aviation Organisation
ICT	Information and Communications Technology
IDA	International Development Association
IDF	International Development Fund
IFAD	International Fund for Agricultural Development
IGAD	Intergovernmental Authority on Development
IMO	International Maritime Organisation
IsDB	Islamic Development Bank
IWMI	International Water Management Institute
IWRM	Integrated Water Resources Management

MDG	Millennium Development Goals
MOU	Memorandum of Understanding
NBI	Nile Basin Initiative
NEPAD	New Partnership for Africa's Development
NORAD	Norwegian Development Agency
NRSE	New and Renewable Sources of Energy
PPIAF	Private Participation in Infrastructure Advisory Facility
REC	Regional Economic Community
RMI	Road Management Initiative
SADC	Southern African Development Community
SAPP	Southern African Power Pool
SARA	Southern Africa Railways Association
SATA	Southern African Telecommunications Administrations
SATCC	Southern Africa Transport and Communications Commission
SEP	Strategic Equity Partner
SIDA	Swedish International Development Agency
SIU	Study Implementation Unit
SSATP	Sub-Sahara Africa Transport Policy
TAF	Technical Assistance Fund (ADF)
TOR	Terms of Reference
TRASA	Telecommunications Regulators Association of Southern Africa
UACC	Upper Air Space Control Center
UEMOA	West African Economic and Monetary Union
UK	United Kingdom
UMA	Union of the Arab Maghreb
USAID	United States Development Agency
US/USA	United States of America
US\$	United States Dollars
WAGP	West African Gas Pipeline
WAPP	West Africa Power Pool
WB	The World Bank





1 Introduction

1.1 Background

In May 2002, a NEPAD Short-term Action Plan for Infrastructure (STAP) was produced. The importance accorded to infrastructure in the NEPAD agenda reflects the fact that one of the priorities of NEPAD is the promotion of regional integration in the continent to overcome the lack of economies of scale. Bridging the infrastructure gap has been identified as an important element in promoting regional integration. Infrastructure is also an important element in reducing Africa's economic marginalisation. There can be no meaningful development without trade – and there can be no trade without adequate and reliable infrastructure.

The 2002 STAP outlined NEPAD's response to the challenges facing the sector under four areas:

- facilitation – the establishment of the policy, regulatory and institutional frameworks to create a suitable environment for investment and efficient operations;
- capacity building-initiatives to empower the implementing institutions to perform their mandates;
- investment – in physical and capital projects; and
- studies – to prepare future projects.

NEPAD's role in ensuring the successful implementation of the STAP was seen as:

- mobilising political will and actions to implement policy and institutional reforms, including harmonising regulatory systems and ratifying agreements;
- facilitating the mobilisation of resources for regional projects; and
- facilitating knowledge-sharing, networking and dissemination of best practice among countries, Regional Economic Communities (RECs) and technical agencies.

Underlying all NEPAD infrastructure programme is the objective of strengthening or developing sector governance arrangements that are rule-based, predictable, transparent and participatory. It is important to stress that the NEPAD program in infrastructure is not a new set of initiatives. Rather, NEPAD seeks to bring a new vigour to accelerate the response to familiar problems and to implement tested policies and good practices, founded on the African leadership's collective commitment and determination to urgently mobilise and harness all resources available to speed up economic growth and social development and, thus to eradicate poverty.

The STAP is to be complemented by a more comprehensive Medium- and Long-term Action Programme which is currently in the initial stages of development.

One year later, the performance under the STAP has been evaluated, and where necessary updated, to determine what lessons have been learned from the first year of implementation and to clarify and modify roles, responsibilities and procedures in order to enhance implementation performance in the future.

This report contains the results of that evaluation together with recommendations for future action.



1.2 The Updating Process

In order to investigate what progress has been made on implementing the NEPAD STAP, visits arranged by AfDB and NEPAD Secretariat by a team of consultants were made to COMESA, CEN-SAD, EAC, ECCAS, ECOWAS, IGAD, SADC and UMA. The visits were used to determine the degree of understanding of and commitment to the STAP by the RECs. The visits also solicited information on the progress of implementation of each project in the STAP, any projects that had been completed or withdrawn or for which financing had been secured and on any new projects that the RECs proposed to add. The RECs were also invited to revisit the question of the priority that they attached to each project. The consultations also sought to understand the constraints that impeded the implementation of the STAP as perceived by the RECs and to identify “fast-track” projects that could move forward rapidly if additional support were forthcoming.

The specific objectives of the visits, as well as the expected outputs of the consultations with the RECs were explained as follows:

- a) to review in detail with the RECs the STAP as it relates to them;
- b) to review key projects, which at the time of the preparation of the STAP could not be included in the programme, that can be included in view of the fact that the STAP is a rolling programme;
- c) for each of the projects/programmes to be coordinated by the RECs, to develop a detailed time-bound implementation schedule;
- d) to identify key capacity gaps that should be addressed to enable the RECs to fulfil their mandates in the coordination of the Implementation of the STAP;
- e) for each prioritised project/programme within each REC, determine gaps (capacity, financing, etc.) that need to be filled to enable the smooth implementation of such a project/programme.

In addition to the above, it was highlighted that another objective of the mission was to understand and document critical sectoral issues within the regions as well as priority infrastructure sectors of focus for each REC.

The visits also permitted an analysis of constraints to implementation, both within and across RECs. Consequently it has been possible to draw useful conclusions and make recommendations based on lessons learnt from one REC that could be applied to others.

2 The STAP Update

The first year of implementation of the STAP has been a learning process for the RECs, for NEPAD and for their development partners. There has therefore been a certain degree of perfectly understandable confusion and misunderstanding regarding roles and responsibilities. Understanding of roles, responsibilities and procedures has evolved at different rates across RECs; this is reflected in different rates of progress in the implementation of the STAP across RECs. Continuing political and

social instability in certain regions has also contributed to slow progress in programme implementation. This factor underlines the importance of stability for regional integration, which can be difficult at the best of times; under conditions of instability, it can become close to impossible.

Nonetheless, the year was productive in two senses: first, progress was made on specific projects; and second, it has proved a rich source of lessons learned, which, if applied consistently, should augur well for the implementation of the STAP in the future.

2.1 Achievements

2.1.1 ECOWAS

2.1.1.1 Institutional progress

The NEPAD programme is built around regional integration, good governance, public-private partnerships and conflict prevention; all these objectives are congruent with ECOWAS' programmes. Equally, ECOWAS programmes are intimately related to NEPAD's Africa-wide programme, because they aim to improve the socio-economic environment through regional integration, good governance and improved public-private partnerships in West Africa. In short, ECOWAS considers that its programmes constitute the expression of the NEPAD objectives in West Africa.

It is within this context that the ECOWAS Heads of State organized a summit in Yamoussoukro (Côte d'Ivoire) in May 2002 on the implementation of NEPAD in West Africa. The Heads of State decided to call a summit specifically dedicated to driving forward the NEPAD agenda in West Africa, thus demonstrating the support that exists for NEPAD in West Africa. At the summit, the Heads of State considered how best to implement the NEPAD agenda in West Africa and decided to:

- designate ECOWAS to coordinate and monitor the implementation of NEPAD programmes and agreed to provide ECOWAS with the appropriate resources;
- create a NEPAD Focal Point within the ECOWAS Executive Secretariat;
- invite each State to create a national NEPAD Focal Point; and
- establish an ad hoc Inter-ministerial Committee to oversee the implementation of the NEPAD programme.

This declaration places the NEPAD agenda at the centre of the ECOWAS programme in West Africa. However, the ECOWAS Secretariat recognised that it lacked the institutional capacity to carry out the role assigned to it. It, therefore, approached the donor community to solicit further support that would enable it to play its expanded and critical role with respect to NEPAD.

In order for ECOWAS to meet its new challenges and become a well-performing institution, it needs to take a number of substantive actions to address critical issues, including:

- consolidating its internal structure and simplifying the numbers of layers of decision;
- strengthening the Office of the Executive Secretary in order to better define the institution's corporate strategy, business plan and corporate priorities and to align its programmes systematically with the NEPAD programme so as to have a systematic cor-



- porate view of the institution's activities and key performance indicators;
- developing an efficient information system; this requires new equipment and software and, more importantly, a corporate framework that ensures that the sub-systems are coherent and communicate easily with each other;
- enhancing ECOWAS's capacity to communicate the content and implementation progress of NEPAD programme to civil society in the region;
- developing more transparent and streamlined administrative and financial procedures;
- developing a new management culture that is action-and result-oriented; and
- revising the incentives and staff evaluation systems.

ECOWAS also realises that it is important to harmonise the policies and activities of ECOWAS and UEMOA and to better coordinate the two programmes. This will require greater interaction and collaboration between the two organisations. They have already decided to hold a coordination meeting every six months. ECOWAS is well aware that this is an ambitious programme that will need to be executed over a period of many years and has developed an action plan for the short term, i.e., the next three years. This short-term action plan¹ covers priority staffing needs additional to ECOWAS's own hiring plan, critical needs in terms of equipment and studies to determine activities that will be carried out in the longer term, such as the up-grading of the ECOWAS computer and Intranet system.

At a donors'/funding agencies meeting in November 2002 essential components of the plan attracted funding pledges. The current challenge for ECOWAS is to move ahead expeditiously on the hiring of consultants and the carrying out of the required studies. The fact that the ECOWAS management has been distracted from this task in recent months by the crisis in Cote d'Ivoire shows how hard it is to keep a consistent focus on institutional development for regional programmes. There is no doubt, however, that ECOWAS has taken important steps forward towards defining the roadmap for the effective implementation of the NEPAD STAP. The challenge will be to translate this roadmap into operational reality.

The steps taken by ECOWAS could serve as a model for other RECs that have not yet established the institutional framework for NEPAD.

2.1.1.2 Progress on STAP Projects

The following is a summary of progress on the implementation of projects in the NEPAD (STAP) in the sub-region; more details are provided for projects in which notable progress has been made.

- 1 West African Gas Pipeline (WAGP) Project: Progress has been made towards solving the main commercial and contractual issues. A regional Gas Regulatory body has also been set up. The Sponsors and the Governments are proceeding with the negotiation and the drafting of commercial and legal agreements; and the World Bank Group is now in a position to review project documentation and to carry out the economic and financial assessment of the project.

¹ The Plan is reproduced at Annex 2 as an example of how a REC can approach its NEPAD responsibilities.

- 2 West Africa Power Pool (WAPP): Since July 2002, the following activities have been carried out:
 - setting up of national teams in Benin, Burkina Faso, Cote d'Ivoire, Ghana, and Togo focusing on the preparation of the project;
 - setting-up of a project preparation coordination committee;
 - approval of key terms-of-reference for the environmental and technical studies;
 - approval by the Council of Ministers of ECOWAS of the Energy protocol;
 - strengthening of ECOWAS capabilities in the energy sector; and
 - progress on the commissioning and appraisal of the Ikeja (Nigeria) /Sakete (Benin) transmission line, Takoradi/Tema transmission line in Ghana and the Bobo Diolasso/Ougadougou transmission line within Burkina Faso;
 - USAID, BOAD, and EBID have expressed interest in financing the project at an estimated cost of US\$221 million, up from the previous estimate of US\$ 151 million.
- 3 Master Plan for Sub-regional Inter-Connections (East, West & Central): Although the West Africa sub-region Power Master Plan exists, the World Bank has advised that a consultant be hired to address issues of demand and supply, among other things. USAID is funding the revision of the Master Plan and the recruitment of consultants is underway. There is also a need for supplementary studies and the AfDB and Japan have agreed to fund them.
- 4 Capacity Building Project for Energy (AFREC): ECOWAS has appointed a coordinator and an Executive Officer for AFREC as well as created an Energy Observatory Centre.
- 5 Facilitation Project for Energy: The following studies have been completed: (a) an assessment to generate proposals for cooperation in New and Renewable Sources of Energy (NRSEs); (b) an assessment to generate proposals for cooperation on Improving Energy Efficiency and Reliability of Energy Supply; (c) an assessment to generate proposals on Cooperation in Oil/Gas Trade, and (d) an assessment to generate proposals on Cooperation in Rural Energy in the African Energy Sector. However, individual countries now need to develop country policies which will have to be harmonised.
- 6 Action Plan for Integrated Water Resources Management in West Africa:
 - The Integrated Water Resources Unit in Ouagadougou has the responsibility to execute the project;
 - ECOWAS intends to recruit a water resources expert to enhance capacity to execute the project;
 - UA 70,000 from ECOWAS Fund and CFA 68 million from Burkina Faso as initial funds have been already secured to help establish a body to coordinate and monitor the regional action plan for the integrated management of water resources.
- 7 Strengthening of the Niger River Basin Authority Inter-State Forecast Centre (CIP) and Support of other Existing River Basin Organizations as well as New Ones: As there are no reporting arrangements between ECOWAS and the River Basin Authorities, no information could be obtained on the progress of the project.



8 Facilitation of Road Transit (incorporating Implementation of Overload Control Along Road Corridors and Strengthening Stakeholders Associations for Trade Facilitation): ECOWAS has made progress on a joint program with UEMOA and CILSS on road transport facilitation. The elements of this collaboration are given below:

- UEMOA launched a pilot programme approved by its Council of Ministers in 2002 to improve the efficiency of some of the international corridors crossing its member countries. The programme is coordinated with similar initiatives by CILSS and the private sector and is funded by UEMOA, USAID and SSATP. The first leg of the programme involves the monitoring of transit operations along these corridors. Data will be collected by truck drivers and then analysed and disseminated by regional institutions. The drivers will provide information on the number of roadblocks, the time lost at roadblocks and at borders. Data should also be collected on both official and unofficial payments made along the corridors. The information will be made public to increase accountability of governments and to encourage them to take action to reduce transport and transit obstacles. Six corridors will be monitored as follows: UEMOA will be responsible for Abidjan-Ouagadougou, Tema-Ouagadougou, Lomé-Ouagadougou and Ouagadougou-Niamey with support from the Sub-Saharan Africa Transport Program; CILSS will be responsible for Abidjan-Bamako and Dakar-Bamako with support from USAID; while ECOWAS will be responsible for Abidjan-Lagos, with support from the Abidjan-Lagos Transport Corridor Project funded by the World Bank;
- The second leg of the pilot programme is the construction of two one-stop border posts at the borders between Côte d'Ivoire and Burkina Faso and between Togo and Burkina Faso. The objective is to reduce the number of stops and controls at the borders as well as facilitate the exchange of information between customs administrations. It is proposed to modernize the customs facilities and revise the format of customs documents with the objective of reducing physical contact between customs agents and truck drivers. Scanners would also be installed to reduce physical inspection of freight;
- Other components of the program include effective implementation of the ECOWAS IRST and IST conventions. This involves specifically the implementation of a regional customs bond scheme. UEMOA programmes also aim at harmonization of transport and transit regulation, customs system integration and port procedures simplification;
- In September 2002, a meeting was held in Ouagadougou among UEMOA, ECOWAS and funding agencies (European Union, France, World Bank) to discuss the extension of the programme piloted by UEMOA to other corridors in the region. The meeting agreed that a workshop would be held to prepare the logical framework of the expanded programme, which would receive financial support from the funding agencies.

9 Rail Inter-Connection Feasibility Study for ECOWAS Countries: The activities of the project are given hereunder:

- A grant agreement has been signed between AfDB and ECOWAS;
- ECOWAS has short-listed candidates for the study support team of six rail experts from member states;
- ECOWAS is in the process of setting up a Study Implementation Unit at the headquarters;
- Bids for the study are being received.

- 10 Institutional Support for the Implementation of the Yamoussoukro Decision (incorporating the Global Navigation Satellite System (GNSS) and Cooperative Development of Operational Safety and Continuing Airworthiness Programme (COSCAP): The three separate STAP projects were combined into the Project for Air Transport Liberalisation for West and Central Africa under the implementation of the Yamoussoukro Decision.

In this regard, several studies, financed through the WB/IDF and EU grants, were carried out. They dealt with development of the economic regulatory framework of air transport, harmonization of the air transport legal and institutional framework, and development of an aviation safety oversight mechanism in West and Central Africa.

Furthermore, the importance of the implementation of the Yamoussoukro Decision is well acknowledged both by public and private stakeholders. Initial benefits (increased service and better reliability) as well as real threats (designation of carriers that do not meet technical and financial standards) are now more apparent. The need for an effective competition policy taking into account the specificities of air transport has also been discussed and acknowledged.

A seminar was organised to review proposals and develop action plans that were submitted to the Committee of Ministers. Now, action needs to be taken on economic regulation and on air safety oversight.

The Committee of Ministers, at their meeting in Lomé in February 2003, adopted a resolution which:

- Reaffirmed their collective and individual commitment to the Yamoussoukro Decision;
 - Requested all the West and Central African States to strengthen the institutional capacity of ECOWAS and CEMAC by setting up, inter alia, functional air transport units within these two sub-regional economic;
 - Requested member States to make these units operational without delay by providing them with appropriate human and financial resources to ensure the sustainability of the activities of the Committee and the Council of Ministers;
 - Established a committee for the harmonization of laws and regulations composed of the Executive Bureau, CEMAC, ECOWAS, UEMOA, the Banjul Accord Group, Mauritania, Sao Tome and Principe, funding agencies and any other interested parties;
 - Requested the Ministers of Foreign Affairs of member States to take urgent practical measures to fast-track the exchange of diplomatic notes for the designation of airlines, as provided for in the Yamoussoukro Decision.
- 11 Study on the Upper Airspace Control Centres: No progress has been reported. It seems there is need to cooperate with ASECNA to work out modalities for implementation of the USCC in the sub-region.
- 12 Maritime Security and Facilitation of Maritime Traffic: the drafting of the terms of reference for the project is in progress and will be finalized after visits to IMO and SADC.
- 13 Maritime Pollution: There is need to prepare programme documents in collaboration



with SADC and IMO. However, the project is considered a long-term one and no progress has been reported.

14 Development of Telecommunications Equipment Manufacturing in Africa: No progress has been reported. However, this project is considered to more appropriately belong to the private sector.

15 ICT Policy and Regulatory Framework at Regional Level:

- In telecommunications, good progress has been made on the physical aspects of regional integration, notably on the upgrading and harmonisation of equipment. The next step is to move towards the harmonisation of telecommunications policies as a precursor to the creation of a regional telecommunications market;
- ECOWAS plans to take advantage of the new momentum created by NEPAD to improve the process of harmonizing telecommunications reforms and developing an ECOWAS-wide regional policy. The ECOWAS Secretariat (under a PPIAF grant of US\$ 279,000) is carrying out a study on the harmonization of sector policies and regulatory framework in the telecommunications sector. Preliminary study reports have been circulated and discussed with international stakeholders (Africa Connection, International Telecommunication Union, European Union, and the World Bank);
- A workshop took place in March 2003 involving representatives of member States to discuss concrete steps towards a regional telecommunications policy and the appropriate regulatory framework after the study is completed. The workshop contributed to educating leaders and stakeholders on issues in the telecommunications sector and to building consensus on harmonization of telecommunications rules and market structures, the objective being to establish a regional telecommunications market by 2007;
- The next step is to prepare the regional policy to be presented to the Ministers in charge of communications before the ECOWAS Summit in December 2003. Efforts are also required to mobilize greater private sector financing with a view to move from a teledensity of 1.6% (end 2001) to 10% by end 2007;
- ECOWAS has also set up a West African Telecommunications Regulatory Association (WATRA) with the aim of harmonizing policies and establishing a regional ICT database at the headquarters.

16 ICT Human Resources Capacity Development Initiative for ECOWAS: ECOWAS has prepared a Short-Term Action Plan for Institutional Capacity Building Programme supported by EU, World Bank, Canada, UK, USA, France and the African Development Bank. The program includes components for ICT.

17 Strengthening of African Telecommunications and ICT Institutions: There is a regional telecommunications maintenance centre in Lomé.

18 Continental Umbrella Initiative to Facilitate the Utilization and exploitation of ICTs in African Countries: No progress has been reported.

19 STAP Road Links:

1	Boke- Quebo; 206 km construction	Economic and technical studies in progress Potential funding agencies are: IsDB, BADEA, AfDB, EU
2	Akatsi-Dzodze-Noepe; 31 km upgrading	Financing for works has been secured (AfDB – Ghana link; ECOWAS Fund – Togo Section).
3	Zinder-Nigeria border, 110 km rehabilitation	No information
4	Agades-Zinder, 130 km upgrading	No information
5	Kati- Kita Saraya; 345 upgrading	Feasibility studies & engineering design completed (2001); EIRR>14 on the Kati-Kita Section and considered for financing by EU and KFW while the Kita-Saraya is being considered by IsDB
6	Kante-Burkina Faso border; 194 km rehabilitation	Appraised by AfDB in 2001 for co-financing with AFD and Saudi Fund. Has EIR of 17; however, suspended due to Togo being in arrears with AfDB.
7	Mamfe-Enugu, 161 km upgrading in Cameroon and rehabilitation in Nigeria	Mamfe-Ekok has already been appraised by AfDB; however, Cameroon has submitted a request to AfDB for reappraisal under multinational financing. The Road Section is now in AfDB Indicative Operational Program for 2003. Meanwhile the Nigerian request is yet to be received by AfDB.

2.1.2 ECCAS

2.1.2.1 Institutional Progress

Central African experts held their 6th meeting in Libreville, on 27th and 28th March 2003. During the meeting, information was given on the following:

- Program on infrastructure for the sub-region consisting of 87 projects;
- Adoption of the STAP;
- Presentation of NEPAD at G8 meeting in Kananaskis, Canada;
- Adoption of the Memorandum of Agreement on the African Peer Review Mechanism.

Furthermore, the experts put in place a sub-regional coordination structure for NEPAD, for which the secretariat is assumed by ECCAS. The structure is composed of representatives from each national NEPAD co-ordination body (one per country), civil society, the private sector, CEMAC, ECCAS and from the ECA Office for Central Africa.



On 12th April 2003, member countries of ECCAS created the Central Africa Energy Pool. This Pool is charged with the task of finding solutions to problems inherent in the energy sector through co-operative development and exploitation of energy resources in the sub-region and through interconnection of the national networks.

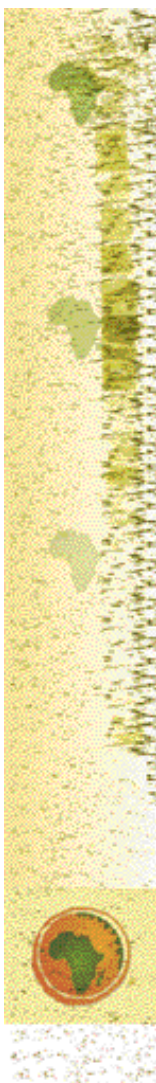
A workshop on economic integration in Central Africa was held from 16th to 18th October 2002, in Yaoundé, under the auspices of the World Bank and the European Union. As follow-up to the workshop, a World Bank institutional development project, modelled after the one currently under implementation in ECOWAS, is under preparation. However, it only covers the CEMAC region that comprises only seven countries, namely: Cameroon, Gabon, Central African Republic, Congo, Equatorial Guinea, São Tomé and Príncipe, and Chad

The review mission to ECCAS revealed that the sub-region suffers from an acute shortage of resources necessary for the formulation and management of the projects in the STAP. In order to remedy these shortcomings, ECCAS, in August 2002, made a request to the AfDB for financing an institutional support project. The terms of reference for the proposed support are currently being finalised.

2.1.2.2 Progress on STAP Projects

The following is a summary of progress on the implementation of projects in the STAP in the sub-region.

- 1 DRC – Grand INGA Integrator Study: ECCAS to liaise with DRC to draft terms of reference for the study and seek for financing. It is important that ECCAS liases with SADC on this project as the latter appears to have done considerable work on it.
- 2 Study on Interconnectivity of Electricity Networks: Following a financing request from ECCAS, the AfDB is currently preparing the terms of reference for an electricity interconnectivity study based on their mission to ECCAS in April 2003. The terms of reference are about to be finalised and the project should be presented to the African Development Fund in June 2003. The study should start in January 2004 and last two years.
- 3 Facilitation Project in the Energy Sector: No progress has been reported. ECCAS will liaise with AFREC for the implementation of the Central Africa component.
- 4 Capacity Building Project in the Energy Sector: No progress has been reported. ECCAS will liaise with AFREC for the implementation of Central Africa component.
- 5 Water Resources Management Support for Central Africa: No progress reported.
- 6 Facilitation of Road Transit Transport: ECCAS has requested support of the infrastructure technical assistance facility to undertake a study with a view to: 1) evaluating existing road facilitation programmes in the implementation of which Central African countries are involved and 2) developing an appropriate facilitation programme for Central Africa and an action plan for implementation.



- 7 Implementation of Overload Control along Road Corridors: See project N° 6.
- 8 Strengthening Stakeholders Associations for Trade Facilitation: See project N° 6.
- 9 Establishing One-Stop Border Posts: See project N° 6.
- 10 Pre-feasibility Study on Interconnectivity of Railway Networks: On the basis of draft terms of reference, ECCAS has requested the AfDB to finance the study. ECCAS is currently preparing additional information in order to enable AfDB carry out an evaluation of the request.
- 11 Pre-feasibility Study of Muyumba Port: This study is about to be completed and the conclusions seem to confirm the economic feasibility of the project. However, it is highly advisable to carry out a complete feasibility study. Gabon has expressed a desire to obtain private financing in the form of a BOT arrangement. The details on the project have been revised accordingly.
- 12 Implementation of Actions related to the Yamoussoukro Decision and COSCAP: CEMAC has been collaborating with ECOWAS in implementing the Yamoussoukro Decision on the Air Transport Deregulation in West and Central Africa². CEMAC participated actively in the preparation and organisation of the ministerial meeting that took place in February 2003 in Lomé. Seven countries from Central Africa attended this meeting. The conclusions of the meeting are elaborated upon in the section on ECOWAS.
- 13 Global Navigation Satellite System (GNSS): No progress has been reported. ECCAS will liaise with ASECNA and ICAO for the implementation of the Central Africa component.
- 14 Study on the Upper Space Control Centres: No progress has been reported. ECCAS will liaise with ASECNA and the ICAO for the implementation of Central Africa component.
- 15 Transport Recovery in Angola and DRC: ECCAS to liaise with Angola and DRC for complementary information on existing programmes.
- 16 SAT 3/WASC/SAFE – Utilisation to Improve Interconnectivity: No progress has been reported.
- 17 Development of Telecommunications Equipment Manufacture in Africa: No progress has been reported. ECCAS will liaise with the ATU for the implementation activities for the Central Africa component.
- 18 ICT Policy and Regulatory Framework at the Regional Level: ECCAS is currently finalising Terms of Reference for submission to financial institutions for possible financing.
- 19 Continental Umbrella Initiative to facilitate the Utilisation and Exploitation of ICTs in African Countries: No progress reported. ECCAS to liaise with the ATU for the implementation activities for the Central Africa component.

² See ECOWAS achievements for details.



2.1.3 IGAD

2.1.3.1 Institutional Progress

During the year 2002 the Secretariat of the Intergovernmental Authority on Development (IGAD) has formulated, under the new restructuring programme, a long-term IGAD strategy, staff service regulation, financial regulations and a new organizational structure. The restructuring exercise was participatory and involved stakeholders from member states and IGAD Partners forum. It was not specifically focused on NEPAD.

The recent signing of an MOU between IGAD and ITU will be a boost for the implementation of the NEPAD projects on ICT. The MOU has enabled IGAD to be designated as the leading REC for the implementation of PANAFTEL network in the Horn of Africa. IGAD will also find it easier to cooperate with ITU on a wide range of issues in the development of ICT and telecommunications in the sub-region.

During 2002 IGAD also established the IGAD Business Forum in accordance with the recommendations of the 21st Session of IGAD Council of Ministers meeting in Khartoum, Sudan in January 2002. The IGAD Business Forum is expected to play a leading role in regional trade facilitation, advocacy and lobbying for increased regional trade and economic integration.

Finally, the IGAD Secretariat has started publication of a newsletter that is published every two months for the dissemination of information about IGAD activities to its members.

2.1.3.2 Progress on STAP Projects

This section reviews the state of implementation of STAP programme in the IGAD sub-region.

- 1 Implementation of IGAD's Hydrological Cycle Observation System (IGAD HYCOS): Financing to the tune of USD 12,000 has been provided for the first component of the project and a work programme for the project-detailed documentation has been prepared.
- 2 Implementation of Overload Control along Road Corridors: The TOR for the project has been prepared and IGAD is seeking support to develop a framework for control of overload along road corridors in IGAD.
- 3 Port of Djibouti and Dry Port at Addis Ababa: A pre-feasibility study of the project has already been financed and financing for a full feasibility study and detailed engineering is being sought. In parallel, the EU has agreed to finance the rehabilitation of the railway (40 million) prior to concessioning.
- 4 Institutional support for the implementation of the Yamoussoukro Decision: This is an on-going project to be implemented in close collaboration with COMESA.
- 5 Cooperative development of operational Safety and Continuing of stakeholders associations: IGAD has no knowledge on status of the project as COMESA is the main implementing agency.

2.1.4 EAC

2.1.4.1 Institutional Progress

The EAC has played a leadership role vis-à-vis its member states concerning the implementation of NEPAD programme and projects. The first institutional achievement of EAC is the establishment of the Coordinating Committee as one of its organs. The Committee is responsible for ensuring consistency and complementarities among the projects and programmes agreed upon by the Partners or under implementation, including all those under NEPAD. In this regard, sectoral committees have also been established on the recommendation of the Coordinating Committee; the Committee on Energy, Transport, Communications, the Meteorological Committee and the Committee on the Environment and National Resources have the mandate to pay special attention to all NEPAD projects falling under them.

The Community has successfully established various consultative institutions in support of its NEPAD projects. A case in point is the EAC Development Partners' Consultative Meetings on Roads that is normally convened to look into the rate of implementation of the Road Network Project of EAC. It held a successful meeting in April 2003 that reviewed and approved the EAC road network programme under the project. Similar institutional arrangements exist for other components of NEPAD programmes and projects in the transport, energy, communications and water sub-sectors.

The EAC Secretariat is in the process of enhancing its coordination capacity for NEPAD projects by allocating a focal point in the Secretariat that will coordinate all NEPAD activities and liaise with NEPAD/AfDB, member states and all other partners involved in programme implementation.

2.1.4.2 Progress on STAP Projects

The EAC has eight projects under STAP, and progress on their implementation is as follows:

- 1 Strengthening Stakeholders Associations and Trade Facilitation: Consultations with the East African Business Council are in progress as well as the development of strategies for private sector development. The EAC is also carrying out preparatory activities for conducting an audit and needs assessment of trade and transport associations in the sub-region.
- 2 Institutional support for the concessioning of the Railways in Kenya, Uganda, Tanzania and TAZARA: The national railways are at different stages of restructuring and the development by EAC of a framework for harmonization of legal, financial and technical issues in connection with the project is in progress.

Meanwhile, the framework for railway restructuring has been finalized and the process of developing the project dimensions on ownership; engineering, financial and labour issues related to privatisation is on-going. EAC needs support from NEPAD/AfDB for the implementation of the project.



- 3 Rehabilitation of selected East African and SADC railways in support of concessio-
ning: The heads of the various railways were to meet and EAC would report to
NEPAD/AfDB on the outcome of the meeting and the status of the project. EAC needs
NEPAD assistance for the implementation of the project.
- 4 Safe Navigation on Lake Victoria: A study to develop a framework for navigational
aids, search and rescue, hydrography/mapping, and maritime legislation has been
completed and accepted by EAC. However, a study on maritime meteorology has not
yet been completed. Similarly, a study carried out by EAC on safe navigation has been
completed and is under considerations by the member countries.
- 5 Institutional support for the implementation of Yamoussoukro Decision: Preparations
for studies on the project are in progress at the COMESA level and EAC is developing
a proposal for a support mechanism and for consultation with COMESA. EAC will
require support from NEPAD for its implementation.
- 6 Establishing Sub-regional Upper Airspace Control Centre (UACC): The project is to
start in July 2003, and EAC will require financial support from NEPAD/AfDB for its
implementation.
- 7 Cooperative Development of Operational Safety and Continuing Airworthiness
Programme (COSCAP): the project will be finalized by end of April 2003.
- 8 The East African Road Network: An EAC Development Partners Consultative Meeting
on Roads was held at the end of April 2003 to determine progress made in imple-
mentation of the road network project. Ministers of the three countries presented elab-
orate briefs covering progress in the implementation of the road network project,
implementation of the conditionalities agreed in 1998, review of the financing of the
agreed road sections, and proposals for further funding for the outstanding sections
of the agreed road project as well as for new road sections.

The consultative meeting resolved to continue support for the implementation of the ongoing phase of the project and the proposed additional links measuring 5, 102 km. The World Bank confirmed the availability of US\$ 400-500 million for the three partner states' national road sector programmes for the next three years and the European Union also pledged Euros 375 million over the five-year period. The AfDB also expressed continued support for the regional integration projects.

2.1.5 COMESA

2.1.5.1 Institutional Progress

The Fourth Meeting of the Ministers of Transport, Communications and Public Works of COMESA in February 2003 noted that COMESA was preparing an infrastructure master plan for enhancing regional interconnectivity in order to promote regional integration through trade and investment. The projects in the master plan are expected to be based on the NEPAD framework and, in pre-

paring projects for submission, the meeting took note of the need to give priority to projects that improve regional inter-connectivity.

An integral part of the COMESA agenda is the establishment or strengthening of institutional mechanisms for achieving interconnectivity and harmonisation of policies and processes in the relevant sub-sectors. In this regard, two significant efforts have been made as follows:

- COMESA consults regularly with trade and transport associations in the region and recognizes the need to put in place formal support mechanisms for these entities especially at the regional level. While an apex organization – the COMESA Business Council--already exists, whose functions include the co-ordination of national inputs to ensure regional influence of matters of interest to the trade associations, COMESA plans to undertake an audit of private sector associations and draw up an action plan for rationalizing and supporting these associations in a more comprehensive manner;
- A second major initiative of COMESA in the area of policy harmonisation is with respect to ICT policy and regulation. A two-phase project of Regulatory Harmonisation is being carried out. Phase II of this project is based on a study conducted during Phase I and focuses mainly on providing solutions for improving and harmonising the regulatory environment of the member states in pursuance of the recommendations of the Phase I study. The main outputs from Phase II will be:
 - Development of a Common ICT Policy and Model Legislation;
 - Development of Common Policy Guidelines in specific areas of regulation;
 - Establishment of Regional Association of ICT Regulators as a driver of harmonisation of regional level;
 - National implementation of harmonisation by customising the Common ICT Policy, the Model Legislation, and the Common Guidelines in member states; and
 - Capacity building for Regulatory Authorities.
- An ICT policy for COMESA has been developed through a series of meetings of a Steering Committee and a workshop of regulators and other ICT stakeholders held in Nairobi in 2002. The workshop discussed and recommended a Model Information and Communications Bill. As regards the regional association of regulators, this was established in January 2003 and is called the Association of Regulators of Information and Communications (ARICEA).

2.1.5.2 Progress on STAP Projects

COMESA's STAP projects can be grouped into four categories, namely, a) transport and trade facilitation, b) air transport, c) lake transport, and d) telecommunications. Progress on their implementation is described below:

- 1 Implementation of Overload Control along Road Corridors: There has been good progress made in the implementation of axle load controls along key road corridors in the region. During the last meeting of COMESA Ministers of Transport and Communications (February 2003), a decision was made to fully implement the project. A study is



currently being carried out by GTZ the results of which will feed into the framework of action being developed by COMESA. A project document to prepare for capacity building within member states has been developed in collaboration with SADC and EAC.

- 2 Implementing COMESA/SADC Uniform Custom Document and Bond Guarantee Scheme: COMESA is in the process of developing a specific implementation framework for the SADC/COMESA Uniform Custom Document. On the Bond Guarantee Scheme, COMESA is in the process of implementing the scheme in the region. COMESA has been designated as the lead REC to develop and implement the project.
- 3 Establishing One-Stop Border Posts: A pilot project will be implemented between Zambia and Zimbabwe at Chirundu following the completion of the new bridge being financed by Japan. Another corridor under consideration is the one linking Kenya and Uganda with the border post being at Malaba. The results of the pilot at Chirundu will form the basis for the implementation of the border post at Malaba. To enhance the implementation of the project, COMESA is planning to visit operational projects one-stop border post such as the one in the Maputo Corridor, to ensure that good practices within such corridors are incorporated into the implementation framework within the COMESA region.
- 4 Strengthening Stakeholder Associations for Trade Facilitation: COMESA is already consulting regularly with these associations, which come under the umbrella of the COMESA Business Council. COMESA will now draw up an action plan for rationalizing and supporting these associations in a more comprehensive manner.
- 5 Yamoussoukro Decision: COMESA has made significant strides in the liberalization of air transport within the region and has been working jointly with SADC in this respect. The key aspects that need to be addressed in the finalisation of the air transport competition regulations for air transport include the drafting of the necessary implementing rules and resolving some concerns expressed by some member states.
- 6 COSCAP: COMESA is currently discussing with ICAO the setting up of appropriate groupings for the implementation of COSCAP in its member countries. The basic tenet under consideration is the question of the utilisation of regional experts as well as the pooling of countries to develop the necessary capacity for project implementation.
- 7 Upper Airspace Control Centre: The decision to implement the project has been taken by COMESA Council of Ministers. A study on the CNS/ATM systems has been ongoing with funding from EU. However, due to lack of additional funding, the study has not been progressing as well as it was expected to.
- 8 Implementation of a Global Navigation Satellite System: No progress has been reported.
- 9 Safe Navigation on the Tanganyika and Malawi/Niassa/Nyasa Lakes on which no work has been done beyond project conception.
- 10 COMESA telecommunications project (COMTEL). COMESA is currently negotiating

with a Strategic Equity Partner (SEP) who is ready to invest in the project. Due diligence work on the submission of the SEP is currently at an advanced stage. The Board expects to conclude negotiations with the SEP by May 2003 and has requested the National Telecommunications Operators to remit their share subscriptions by July 2003. It is advisable that implementation of this project be co-ordinated with the SADC SRII project as some of the National Telecommunications Operators are involved in the implementation of SRII and some of the links envisaged under COMTEL project may have already been or are being implemented under the SRII initiative.

- 11 ICT Policy and Regulatory Framework at Regional Level: COMESA has developed a common regulatory policy through the elaboration of a draft Information and Communications Bill and the establishment of a regional regulatory association called the Association of Regulators of Information and Communications (ARICEA).

2.1.6 SADC

2.1.6.1 Institutional Progress

Over the last three years, SADC has undertaken serious re-structuring of its organization and institutions. Four directorates have now been created at the SADC Secretariat to ensure greater focus on key objectives and priorities of the sub-region. These are the Directorate of Trade, Industry, Finance and Investment; Directorate of Food, Agriculture, Natural Resources; Directorate on Social and Human Development and Special Programmes; and Directorate of Infrastructure and Services. In addition, SADC is also undertaking a study on its new organizational structure. The study is intended to:

- give expression to the new organisational structure of SADC as approved by the SADC Summit in March 2001;
- review reporting lines within the new organisational structure as approved by the Summit;
- review personnel requirements, personnel administration and conditions of service as well as cost implications; and
- review policies, procedures and regulations for the new organization and provide a strategy for expeditious implementation of the new organisational structure.

At country level, according to the approved new organisational structure, SADC national committees and coordinating units have been or are being established. At sector level SADC has defined its priorities within various sectoral Protocols and programmes, which seek to harmonise policies and establish public-private partnerships in order to create an environment conducive to sectoral growth through increased investment and efficient operations. Implementation of these Protocols and programmes is in progress.

This restructuring should position SADC to be more effective in carrying out its NEPAD responsibilities.

The other major achievement of SADC, particularly in transport, has been the significant progress being made in implementing sectoral policy, legislative and institutional reforms. In order to accelerate these reforms, SADC has established regional model policies and legislative provisions that are informing and guiding the reforms at national level. These reforms have so far led to:



- Establishment of dedicated road funds and boards, autonomous road agencies/ authorities, autonomous regulatory agencies in aviation and telecommunications;
- Enhanced involvement of the private sector in infrastructure and service provision through privatisation, concessions, securing strategic partners or the establishment of new infrastructure facilities and services in areas such as toll roads, port terminals, airports, railways, fixed and mobile telecommunications, and internet services;
- Increased participation of the private sector in national and regional policies and programmes. The private sector has been encouraged and is being assisted to form national and regional associations to pool resources and coordinate their positions in key issues. Regional associations established so far include the Federation of Eastern and Southern Africa Transport Associations (FESARTA), Federation of Clearing and Forwarding Associations of Southern Africa (FCFASA), Association of Road Agencies of Southern Africa (ASANRA), Airlines Association of Southern Africa (AASA), Telecommunications Regulators Association of Southern Africa (TRASA) and Southern African Telecommunications Administrations (SATA).

2.1.6.2 Progress on STAP Projects

The following progress has been reported by SADC.

- 1 Mepanda Uncua Hydropower Project: The project had been downgraded to a national project. Although SADC would continue to offer assistance to Mozambique in the realisation of the project; thus, the responsibility for the development and implementation of the project now rests with the originating country, Mozambique.
- 2 Mozambique-Malawi Inter-connection Project: The responsibility for the development and implementation of the project rests with the originating country, Mozambique. This is part of the SAPP and both countries are deeply involved in preparation, particularly the environmental assessment and the technical feasibility. The World Bank is currently preparing the project for possible financing and IDA financing is expected in the amount of US\$ 63 million.
- 3 DRC-Grand Inga Integrator Study: The Grand Inga project is considered a priority project for SADC in view of its key objective in the energy sector, which is to harness the hydro potential in the region. Constraints to the successful realisation of the project were identified as weak institutional framework in DRC and the poor state of the DRC state utility. SADC considers the development of an institutional framework and restructuring of the DRC Utility a priority. SADC is, therefore, planning to organise a project coordination meeting involving all key stakeholders and NEPAD/AfDB to determine the most effective way forward.
- 4 DRC-Angola-Namibia Interconnection Study: The energy utilities of DRC, Angola, Namibia, Botswana and South Africa have formed a project company to develop the interconnection project. The project has subsequently been re-named as the Western Corridor Interconnection Project. The five utilities have agreed an equity contribution

of 20% to enable the project to be financed. Presently each utility has contributed US\$ 100,000 totalling USD 500,000 for the initial development work on the project.

- 5 Guidelines and Support for National Water Sector Policy and Strategy Formulation or Review in Member States: The first component of the project is very advanced and most SADC member States are currently being consulted on the development and institution of key policies in the respective member States.
- 6 Ground Water Management Programme for the SADC Region: The second component of the programme was completed and is being implemented in SADC member States. The component was re-formulated to address the 'code of good practice' as opposed to 'the minimum standards' as initially defined. The fifth component of the programme – hydrological map – was developed in conjunction with the Council of Geosciences of South Africa (CGS) and with financing from the French Development Agency. Component 10 of the programme has been developed with assistance from GEF and the component incorporates the key elements of other components, namely 1,3,4.
- 7 Assessment of Surface Water Resources: The project document had been developed in collaboration with the Water Research Commission of South Africa. The document is being discussed with member countries of the sub-region.
- 8 Expansion and Implementation of SADC Hydrological Cycle Observation System (SADC HYCOS): The first phase of the project financed by the EU has been completed. The project has moved into the second phase for which the project document has been approved. The implementation agency for the second phase – Department of Water Affairs/Forestry of South Africa – has been selected. Financing for the second phase of US\$ 4.5 million has been secured from the Dutch Government.
- 9 Implementation of Overload Control along Road Corridors: A survey conducted by GTZ on the current status of the project is nearing completion. In parallel with this, good progress on the Trans-Kalahari and Dar es Salaam corridors have been made where a USAID-funded project is assisting in the comprehensive implementation of the harmonised overload control system along the corridors, based on the established SADC model which calls for the adoption of an administrative adjudication, through on-the-spot payment of punitive steep fines, and the contracting out of the management of weighbridges.
- 10 COMESA/SADC Uniform Custom Document and Bond Guarantee Scheme: COMESA as the lead REC on the project is in the process of developing a specific implementation framework for the SADC/COMESA Uniform Custom Document. However, the experience in SADC indicates that implementation of the agreed Customs Document requires its adoption in national legislation or regulation, which may take time. After the necessary change of regulation by the Trans Kalahari Corridor countries, the system is about to be implemented in this corridor, under the USAID Hub Initiative. The Dar es Salaam Corridor countries are also considering implementation, under the same USAID assistance initiative. As regards the Bond Guarantee Scheme, the SADC customs administrations and the private sector are currently considering the best practi-



cal option to be adopted for executing a more facilitative and cheaper customs bond security system that would best suit the SADC environment and take advantage of new information technologies. The options being considered include adopting the COMESA Regional Bond Guarantee Scheme and the systems that are operational in other parts of the world, especially in Europe.

- 11 **Strengthening Stakeholders Associations for Trade Facilitation:** Stakeholders Associations have continued to receive some assistance from funding agencies especially for participating in specific donor assisted programmes. However, an analysis of the needs and long-term sustainability of the associations is planned.
- 12 **Establishing One-Stop Border Posts:** Four possible border posts are under consideration as pilot projects. Two of these are to be implemented along the Trans Kalahari and Dar es Salaam corridors, with USAID Hub project support. Through bilateral arrangements between South Africa and Mozambique, the Libombo Border Post will soon be operational as a pilot post for the one-stop border posts.
- 13 **Institutional Support for the Concessioneing of Railways:** Zambia Railway has been concessioneing. The concessioneing of Nacala Corridor Railway in Mozambique is nearing financial closure. An agreement to concessioneing the TAZARA railway was reached by the TAZARA Council of Ministers. The next step has been identified as the development of the various options and opportunities for the concessioneing of the TAZARA Railway system.
- 14 **Nacala Port (Mozambique) Rehabilitation:** The concessioneing of the Nacala Port is nearing financial closure.
- 15 **Advisory Services for Maritime Affairs:** No significant progress on the implementation of the project has been made in SADC; however, the project document is being revised by SADC for re-submission to EU for possible assistance.
- 16 **Regional Strategy for Ship Waste Reception Facilities:** No significant progress on implementation of the project has been made in SADC.
- 17 **Maritime Safety and Facilitation of Maritime Traffic:** No significant progress on implementation of the project was reported by SADC.
- 18 **Sub-Regional Upper Airspace Control Centre (UACC):** Funding of US\$ 600,000 was obtained from USTDA to implement the project. ISI had been identified as a possible company to undertake the work; however, there are some issues regarding the control of upper airspace that need to be clarified and the terms of reference for this work are yet to be finalised.
- 19 **Safe Navigation on the Tanganyika and Malawi/Niassa/Nyasa Lakes:** Malawi and Mozambique and Malawi and Tanzania have signed lake services agreement on shared lake transport. SADC needs to liase with COMESA on the project as COMESA appears to be taking a slightly different approach.

- 20 Institutional Support for the Implementation of the Yamoussoukro Decision: SADC has made significant strides in the liberalization of air transport within the region. SADC has been working jointly with COMESA in this respect. The key aspect that needs to be addressed in the finalisation of the air transport competition regulations for air transport include the drafting of the necessary implementing rules and resolving some concerns expressed by some member states.
- 21 Global Navigation Satellite System (GNSS): No significant progress on implementation of the project was reported by SADC.
- 22 Cooperative Development of Operational Safety and Continuing Airworthiness Programme (COSCAP): SADC is carrying out a needs assessment through a Task Force as well as reviewing the COSCAP proposal.
- 23 Southern Africa Power Pool (SAPP): The SAPP is now fully operational with its operational centre located in Zimbabwe and 20% of all power transactions in the region are undertaken through the power pool arrangement.

The main issues remaining to be addressed are: (a) the lack of access of some countries to the regional grid and insufficient power transfer capacity to maximize the benefits of regional power trade; (b) the need to develop a fully functional Coordination Center of the SAPP; (c) the need to increase trade on the short-term energy market; (d) the lack of a clear framework for private sector participation in regional power operations; and (e) the harmonization of regulation affecting cross-border power trade as the national utilities embark on a reform process.

The countries concerned are working with the World Bank to prepare a project, the first phase of which would comprise: (a) the upgrading of the SAPP Coordination Center (US\$ 3.4 million, financed by bilateral grants from USAID, NORAD and SIDA); (b) The feasibility study of the transmission line from Zambia to Tanzania (about US\$ 1 million, financed by IDA), and (c) the strengthening of the transmission corridor from Inga to the SAPP (US\$ 182 million out of which IDA would provide US\$ 174 million and the Government of the DRC the remainder). The portion in Zambia, outside this project, would amount to about US\$ 20 million financed by CEC.)

Subsequent phases are expected to cover:

- The transmission line and the associated substations to connect Malawi to the SAPP through Mozambique. (The cost of this would be about US\$ 87 million of which IDA would provide US\$ 62 million and NORAD and the two Governments would finance the remainder.);
 - The additional strengthening of the transmission corridor from Inga to the SAPP (330 kV line). The cost of this would be about US\$ 42 million of which IDA would provide US\$ 40 million and the Government the remainder;
 - The remaining priority investments in the SAPP, for example the Zambia-Tanzania interconnector if the feasibility is proven by the study financed in the first phase.
- 24 SADC Regional Information Infrastructure (SRII) Project: The first phase of the SRII had been completed and presently 75% of the original project scope has been completed. Difficulties are being experienced in Zimbabwe, Malawi and Zambia for the total reali-



sation of inter-connection of the countries within the region.

- 25 ICT Policy and Regulatory Framework at Regional Level: SADC is far ahead in the harmonisation of policies and regulations for the telecommunications sector with the establishment and operationalisation of TRASA. SADC is in the process of implementing a number of new initiatives to enhance the project within the SADC region.
- 26 Continental Umbrella Initiative to Facilitate the Utilization and Exploitation of ICTs in African Countries: SADC has developed a number of initiatives to deepen ICT diffusion in the region as contained in the proposal set out in item 5 (a). NEPAD/AfDB will review this for assistance in sourcing financial support for their implementation.

2.1.7 UMA

2.1.7.1 Institutional Progress

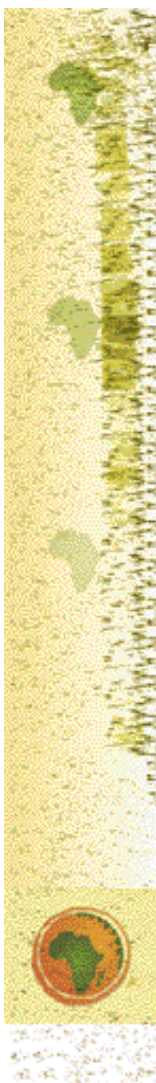
In July 1990, UMA member countries adopted a common strategy for development that defines the basis of economic solidarity within the region with the aim of creating: a) a free trade area for all the products and services originating from the region b) a customs union and a Common Market, and c) finally, an economic union being the last stage of the integration process.

In 1990 UMA adopted conventions relating to surface transport and transit insurance/reinsurance. These consist of various programmes in basic infrastructures aimed at reinforcing transport and communication systems in the region. In 1991 UMA adopted a Convention on tariffs, which recommends the application of the rules of the free trade for products originating within the region.

Finally, in 1993, UMA adopted a Convention relating to the exchange of agricultural produce within the region with the objective of promoting the agricultural potential of the region and of supporting the flow of basic agricultural produce in the region to ensure food security.

2.1.7.2 Progress on Projects

- 1 Institutional Support for the Implementation of the Yamoussoukro Decision: Countries of the UMA region are making significant strides in the liberalization of air transport within the region. UMA has been working jointly with its member countries in the realization of the above project. The project is among the priority list of projects identified by UMA for the medium and long-term action program. A meeting of UMA member countries to review and develop an implementation schedule is planned for the middle of May 2003.
- 2 Implementation of a Global Navigation Satellite System (GNSS): There already exists a system within the region.
- 3 Feasibility Study of the Trans-Maghreb Railway: UMA confirmed this project as one of the priority projects for the region. UMA is in the process of sending an official request



to the AfDB to assist them in the development of detailed terms of reference as well as financing the study.

- 4 Strengthening of Algeria-Morocco-Spain Interconnection Project: The realisation of the electrical power interconnection at 400 Kv level between Morocco and Spain, and Morocco and Algeria was launched in October 2001. Invitations to bid were sent out during the 2nd half of 2001. The project is moving into its full implementation stage and is to be completed towards the end of 2005.
- 5 Algeria Gas-Fired Power Station and Algeria-Spain Interconnection Project: This project is not being implemented under UMA auspices. However UMA is following up its implementation and is keen to provide assistance through NEPAD by promoting the project. The authorities in Algeria have established a company called the Algerian Energy Company (AEG) to assist in the implementation of the project. AEG will represent the Government of Algeria in dealing with the execution of the proposed project. Other players in the project include SONELGAZ (Algeria) and RED ELECTRICA (Spain). SONELGZ is responsible for the generation, transmission and distribution of electrical energy, and public distribution of gas in Algeria while RED ELECTRICA is in charge of the Spanish transmission grid and operation of the electricity system. At the request of SONELGAZ and RED ELECTRICA, AEG has already undertaken the feasibility study for the proposed 2000 MW power plant to be established under the project. Through AEG, the Government of Algeria intends to award a Build, Own, Operate and Transfer (BOOT) concession to a developer through companies established in Algeria specifically for the implementation of the project. In this regard, two companies are envisaged, one in generation and the other in transmission.
- 6 Tunisia-Libya Gas Pipeline Project: A techno-economic feasibility study was undertaken in 1996-1998. The project will be implemented between 2003-2007, over a period of 42 months after the funding is put in place. There is a need to have an MOU ratified by the parliaments of Tunisia and Libya and, once this is done, a company to implement the project will be formed. The utilities of the two countries will sign the gas conveyance agreement with the company and the gas purchase agreement between themselves. Currently there is no role for UMA in the implementation of the project, but future involvement will include mobilizing resources for the project. UMA has shown interest in playing this role through NEPAD.
- 7 Nigeria-Algeria Gas Pipeline Study: The study is to be jointly executed by the governments of Nigerian and Algeria, with the assistance of external consultants. The power utilities of the two countries will form a Study Implementation Unit (SIU) composed of experts from each utility to supervise the study. Currently UMA is not playing any role in the implementation of the study, but future involvement will include mobilizing resources for the development and subsequent implementation of the project.
- 8 ICT Policy and Regulatory Framework at the Regional Level: UMA reported that there is a central body concerned with the harmonization of telecommunications regulatory systems in the region. This body is the one that has the responsibility for the activities envisaged in this project.



9 Priority Projects Submitted for Inclusion in STAP: In line with the framework of the NEPAD STAP, UMA recommended the following new projects for consideration and inclusion in the STAP.

- a) Maghreb Highway Project;
- b) Feasibility Study of the Trans-Maghreb (High Speed) Railway System;
- c) Maghreb Fibre Optic Telecommunications Interconnection Project.

It was agreed that UMA would submit detailed project briefs for review by NEPAD/ AfDB and subsequent inclusion and prioritisation of the projects in the STAP.

2.1.8 Progress on the Infrastructure Technical Assistance Facility

Some of the demands arising from the NEPAD Programme will be met through its existing capacity and support mechanisms. However, existing capacities and resources will not be sufficient and need to be supplemented in order to enable the RECs and implementing agencies to take initiatives and to act in a timely fashion to get programmes underway, to address issues and to respond to demands and opportunities. This is important with respect to the identification and obtaining of the resources to carry out requisite analytical work to conceptualise projects and to build consensus through well-organized consultations. A number of funding agencies are willing to finance such activities, but securing such funding is time-consuming for the RECs, many of whom are not well aware of what is available.

In order to meet this need the AfDB recommended that NEPAD pursue the establishment of a facility to provide technical support and facilitation services to the RECs and the technical implementation agencies. The facility is expected to be useful in speeding up project planning, preparation and implementation. The specific activities to be supported by the facility and the detailed arrangements for its management were discussed with a Canadian team that visited the AfDB in April 2003.

The facility would use various mechanisms to pursue its objectives, such as: technical assistance to specific projects/programmes; identifying, disseminating and promoting best practices; building consensus for appropriate decision-making at the sub-regional or regional levels; and designing and implementing specific programmes. The mechanism of intervention would be determined by the demands emanating from RECs and technical agencies.

Specifically, the facility would finance:

- Regional coordination and joint action: exchanges among RECs consensus-building, brokering of agreements, sector peer review;
- Technical advice: implementation of conventions/protocols, assessments, programme planning and implementation, institutional capacity building;
- Knowledge Sharing and Networks: benchmarking, policy agenda, good practices, exchanges, study tours; and
- Support to PPP: Complimenting and reinforcing support activities and programmes that promote private infrastructure by RECs or technical agencies responsible for specific projects and programmes.

The Canadian Government has approved a C\$ 10 million facility to be managed by the AfDB. The AfDB is of the view that the size of the facility should be increased and will be inviting other funding agencies to contribute.

2.2 Update on STAP Projects

By and large, the RECs have not seen any need to make substantial changes to their STAP programmes. In a very few cases, projects have been withdrawn, but this is the exception rather than the rule.

Some RECs have proposed the addition of new STAP projects. For the most part, these are project ideas for which project briefs have yet to be prepared or the projects have not yet been evaluated. Thus, it was not possible to judge whether or not they should be included in the STAP. In such cases, the RECs have been invited to prepare project briefs so that the projects can be evaluated as to their suitability to be included in the STAP.

Overall, the list of STAP projects remains essentially unchanged from a year ago.

2.3 Priorities

When invited to fund the STAP, most funding agencies have expressed a desire to understand better the priority that the RECs and NEPAD attach to the different projects in the STAP. When funds are limited, funding agencies wish to ensure that the available funds go to the priority projects. In order to respond to this request, the consultations with the RECs sought to obtain the priorities as expressed by the RECs themselves.

This exercise has not been without difficulty. Some RECs have been able to prioritise their STAP projects. Others have claimed that all their projects are high priority. Whether this is because they have already eliminated the lower priority projects or because they have not given enough attention to the need to be more precise in priority setting is hard to determine. The problem is compounded by the lack of capacity in some RECs. A project may be judged to be high priority, but the RECs may not have the capacity to move it forward. In such cases, it is tempting to conclude that, because a REC has not made any progress on a project, that the project is not of high priority; that would be a mistake.

Thus, any attempt to place priorities on projects is fraught with difficulty and risks penalising certain projects just because the criteria are not consistently applied.

In the light of these difficulties, a two-stage approach has been adopted to setting priorities.

- First, the team that carried out the consultations, together with AfDB and NEPAD Secretariat, have indicated the top twenty priorities from their assessments and expe-



- rienced points of view. This reflects the consensus judgement of experienced professionals in infrastructure in Africa and may serve as a basis for the NEPAD Secretariat to indicate to funding agencies the highest priority projects and programmes;
- Second, the table in Annex 1 shows the priorities as expressed by the RECs. This list would also be given to key funding agencies as a basis for them to draw their own conclusions as to what they would like to support.

The NEPAD Secretariat and the AfDB would devise a better process for expressing and reaching judgements on priorities, so that a more robust exercise can be carried out at the time of the 2004 STAP review.

2.3.1 The “Top Twenty” Priorities

The table below shows the twenty projects that the team of experts recommends as the highest priority projects. This will serve as guidance for the NEPAD Secretariat on key focus areas in infrastructure development for the next twelve months and to promote actively with the financing community. The starting point for the selection process was the selection criteria for the STAP, namely:

- Projects that are at an advanced stage of preparation and that can be fast-tracked;
- Projects that support both a regional approach to infrastructure provision and regional integration;
- Projects that have stalled for political reasons and where NEPAD’s intervention could be expected to make a difference;
- Initiatives that offer solutions to regional policy, regulatory or institutional blockages to regional infrastructure activities; and
- Projects that respond to the involvement of the private sector in infrastructure provision.

The initial selection of projects largely reflected these criteria. But it has become apparent over the past year that, while the list of NEPAD projects was useful to the RECs in their activities it was too large to serve as a useful tool for guiding NEPAD interventions.

To remedy this situation, the team of experts assembled by the AfDB was asked to select a list of twenty projects that could be regarded as the “top priority” for both NEPAD and the financing community. They would, in effect, constitute a watch list that would be tracked and reported on regularly.

TWENTY TOP PRIORITY STAP PROJECTS
(in no particular order of priority)

PROJECT (SEE STAP FOR DETAILS)	CLASSIFICATION	PROMOTING AGENCIES	COMMENTS
FACILITATION			
Implementing the Yamoussoukro Decision	Continental	All RECs	Includes implementing the decision itself, plus COSCAP, Upper Air Space Control and



Facilitating Road Transportation	Continental	All RECs	Global Navigation Satellite System Includes Facilitation of Road Transport, Overload Control, Common Border Posts and Strengthening Stakeholder Associations for Trade and Transit Facilitation
ICT Policy/Regulatory Frameworks at Regional Level	REC	Individual RECs	
Power Pools (West and Southern Africa, etc)	REC	Individual RECs	
Nile Basin Initiative	Non-REC	NBI Institutions	
IGAD Hydrological Cycle Project	REC	IGAD	
STUDIES			
Greater Inga Integrator Study	Continental	RECs	
Trans-Magreb Railway Study	Country- Country	UMA	
Power Interconnections in East, Central and West Africa	REC	RECs	
CAPACITY BUILDING			
Establish Regional Linkages for African Energy Commission	Continental	RECs, AFREC	
Capacity-building for RECs **new**	REC	All RECs	
INVESTMENT PROJECTS			
West Africa Gas Pipeline	REC	ECOWAS	
Kenya-Uganda Oil Pipeline	Country-country	EAC	Feasibility study completed and project found viable and financing is being sought
COMTEL	Country-country	COMESA	Negotiations with SEP ongoing and expected to be concluded May 2003 NTO's required to remit share subscriptions by July 2003
Mombasa Port Container Facilities	Country-country	EAC	Feasibility study conducted already by Japanese and the Project found viable. Terminal designed for 250,000 TEUs but now operating above capacity at 320,000 TEUs
Mepanda Uncua Power Project	Country-country	SADC	
Fougamou-Doussala Road Project	Country-country	ECCAS	- High Economic return - Study available and current
Kati-Saraya Road Project	Country-country	ECOWAS	
EAC Northern Corridor Road Project	REC	EAC	It is a rail/road project. Feasibility study carried out already by World Bank. Project found viable and the World Bank is already involved in implementation of the roads component
Mamfe-Enugu Road Project	Country-country	ECOWAS	



In addition to the selection criteria in the STAP, projects were included in the 'top twenty' list because they were ones which:

- Strengthen sector governance arrangements;
- Enhance governments' capacity for policy making, effective regulatory oversight and monitoring;
- Establish regulatory frameworks that foster competition and support the emergence of regional markets for transport services;
- Focus on issues whose solutions depend on regional cooperation and implementation of regional projects;
- Support policy and institutional reform so as to create an enabling environment for competition and investment;
- Capacity building related to regulatory oversight, monitoring and participation of business organisations and professional associations;
- Represent selected physical projects for which studies are available;
- They are projects that remove bottlenecks and fill gaps in regional infrastructure networks; and
- Studies to prepare additional further projects of great regional importance.

It is believed that twenty is a number that gives scope for a reasonably broad range of activities, while remaining manageable. It is not surprising that it contains a number of projects of continental scope, since they provide the best opportunities to create a broad regional impact. The remaining projects are those that are judged to have the most important regional impact, combined with a reasonable chance of being successfully carried out. Making the selection was not an easy task and it is likely that it may not meet with the agreement of everyone. Nonetheless, it is strongly believed that they are the projects that best represent what NEPAD stands for, that they are the projects that could make the greatest contribution to regional integration on a broad scale and that they will constitute vehicles for NEPAD and the funding agencies to interact in a more practical and productive way.

2.4 Constraints/Shortcomings

In this section, an examination of what the consultations with the RECs have revealed regarding constraints³ to the effective implementation of the STAP is presented.

2.4.1 Lack of clarity as to what NEPAD really is

In order for the RECs to play an effective role in coordinating the implementation of the STAP, it is essential that they have a clear idea of what NEPAD really is, what it intends to achieve through the STAP and what contribution it will make itself towards the implementation of the STAP. Despite efforts by the NEPAD Secretariat, consultations with both the leadership structures of the RECs and with their infrastructure staff have revealed that there is lack of clarity on this point. Some seem to believe that, once a project has been included in the STAP, responsibility for its implementa-

³ It should be noted that we have not focused on one constraint that was identified at the time of preparation of the STAP, that is, instability in certain regions; there is no doubt that this factor has hampered the ability of certain RECs to make progress on the STAP.



tion passes to NEPAD. Others believe that NEPAD will be responsible for identifying and acquiring funding for the projects and studies involved; they speak of submitting funding requests to NEPAD. Others believe that the normal “rules of the game” for obtaining funding from bilateral and multilateral funding agencies have somehow been suspended with the effect that special – and in the view of some RECs – more relaxed funding conditions now apply and that there are special, additional sources of funds for NEPAD. Much more needs to be done to ensure that NEPAD is better understood and internalised in all the RECs.

It should also be noted that there is some confusion in the RECs – and in the donor community – regarding the respective roles of NEPAD and the AfDB in the context of implementing the Infrastructure STAP. In one sense, this confusion is surprising, since the original documentation for NEPAD, and indeed the preamble to the STAP itself, are quite explicit that NEPAD is intended to play a facilitating role with respect to mobilising political will within Africa and technical and financial support outside Africa. In another sense, this is not surprising at all. Experience in many fields has shown that new programmes and procedures are notoriously difficult to inculcate in organisations. People tend not to absorb what they hear in seminars and speeches and what they read in documents the first time around. Indeed, many people do not read documents carefully.

The consultations with the RECs revealed that there are still REC infrastructure staff that are not fully aware of the contents of the STAP. Jack Welch, the former CEO of GE corporation, used to say that, to bring about institutional change, the leadership has to be relentless and boring in transmitting information regarding changes!

If it is difficult to transmit information and to ensure that it is absorbed in a single organisation, it is bound to be much more difficult in the context of a programme that involves multiple players at different level – Countries, RECs, African technical institutions, not to mention a plethora of foreign partners. Moreover, the NEPAD leadership, Heads of State and the Secretariat, have of necessity been preoccupied with ensuring that NEPAD was understood and well-received outside Africa in order to obtain the backing of the international community.

The NEPAD Secretariat would intensify its efforts to:

- **Clarify for RECs and countries the role that NEPAD expects to play in the implementation of the STAP with regard to mobilising political will and facilitating the obtaining of donor support and financing.**

2.4.2 Lack of clarity as to what is expected of the RECs and Countries

Although NEPAD may have expected the RECs to play a leading role in the coordination and implementation of the STAP, the consultations have revealed that there is still a good deal of confusion on this point, both at the level of the leadership and the infrastructure staff. Whether this is due to a failure to communicate at the top level or a lack of internal communication of messages within the RECs is difficult to say. What is clear is that a major communication effort is needed to rectify the situation.

The result is that the RECs have been slow to formalise their activities with respect to NEPAD. As an example, it may be noted that, as far as we can tell from our consultations, ECOWAS



is the only REC where the Heads of State have formally designated ECOWAS as being responsible for coordinating the implementation of NEPAD programmes and liaising with the member states on NEPAD, where ECOWAS itself has diagnosed the changes in its operations that this will involve and developed a capacity-building programme to respond to the increased workload, for which it has obtained the support of the donor community.

The NEPAD Secretariat would intensify its efforts to:

- **Clarify for RECs and countries the role that NEPAD expects them to play in the implementation of the STAP with regard to identifying and preparing projects, mobilising funding and carrying out projects; and**
 - **Encourage the RECs to establish formal procedures to deal with NEPAD;**
 - **Encourage Heads of State to formalise arrangements for NEPAD coordination in their respective regions.**
- Below, we present some ideas as to how this might be achieved.**

2.4.3 Lack of definition regarding linkages between Countries and RECs

STAP activities involve actors at a number of levels. In some cases, the two or three countries concerned would carry out the STAP projects; in some cases, the RECs will be involved because the implications of the project go beyond the specific countries involved. So far, inadequate thought has been given as to how REC/country relations will be managed. The result is that, on the one hand, countries are carrying out projects that should be in the STAP without the REC being aware of or involved in them; on the other hand, some RECs are promoting projects for which they do not have the buy-in of their member states. Modalities need to be set up to provide a vehicle for improving communications and harmonising project activities. The Heads of State of ECOWAS have invited the member states to establish NEPAD coordination units in each country. However, the countries are setting them up in different ways and sometimes without attention to the relationships that the NEPAD units would have with the existing (but not always well performing) ECOWAS coordination units. ECOWAS is about to undertake a study to examine how these different units might be harmonised and made effective.

NEPAD would intensify its efforts to encourage the RECs to:

- **Establish procedures for coordinating with the countries to ensure that the countries are well aware of the challenges and opportunities of NEPAD;**
- **so that both countries and RECs can play their proper roles and maximise synergies.**

Once completed, the ECOWAS study would provide useful insights as to how this might be done that could be helpful to the other RECs.

2.4.4 Overlapping REC responsibilities

One issue that tends to hamper STAP implementation is the overlapping of responsibilities of different RECs, combined with the fact that some countries belong to more than one REC. Examples are UEMOA and ECOWAS in West Africa, CEMAC and ECCAS in Central Africa and COMESA, SADC, EAC and IGAD in Eastern and Southern Africa. The RECs may either duplicate each other's

The NEPAD Secretariat would encourage the overlapping RECs to

- **jointly examine their programmes with a view to identifying:**
 - **Areas where one REC has a clear comparative advantage and can play a leading role;**
 - **Areas where both have capacity and joint programmes can be developed; and**
 - **Areas where neither has capacity and it needs to be developed or an alternative technical partner found.**
- **Set up set up explicit joint teams and joint programs in areas where both intend to work on a topic.**

activities or fail to deal with issues, believing that another REC is taking care of them. Either resources are wasted or opportunities are missed, neither of which is desirable in a continent starved of resources.

2.4.5 Failure by RECs to keep abreast of "NEPAD-type" programmes in which they are not directly involved

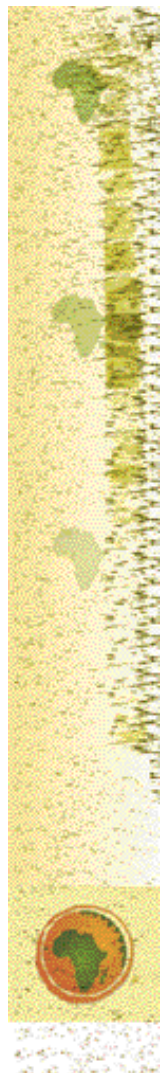
Comparing the programmes and projects that are being put forward by the RECs during the consultations with the general knowledge of the consultants of the infrastructure scene in Africa reveals that there are important programmes and projects being undertaken of which the RECs are unaware or, at least uninformed.

In some cases, notably in the area of Integrated Water Resource Management or shared river basins, larger groups of countries have made progress on cooperative programmes without any involvement from the respective RECs. An example is the Nile Basin Initiative, which has established its own governance and management structures, has attracted substantial donor support and has begun to make progress on identifying and promoting investment opportunities. This is, in effect, an example of a NEPAD project that is being developed without the active participation of the RECs or of NEPAD. Progress along the same lines is appearing in other African shared river basins, supported by funding and technical assistance from the World Bank and other funding agencies.

In the Maghreb, there are a number of projects in the gas and power sectors that are being developed by the countries involved with private partners on which UMA has little or no information. This is a problem because it means that NEPAD-type projects are being undertaken in such a way that NEPAD is unable to include them in its programmes, thus losing an opportunity to present a more comprehensive NEPAD programme to both the donor community and the citizenry of Africa.

One response to this kind of situation is for the RECs to seek to develop the capacity to get involved in or even to try to take over the project. This would be a mistake. Where things are working well and where it would be a challenge for the RECs to develop the required capacity, a division of labour should be considered that could allow the programmes to move ahead under their own steam, with the RECs obtaining enough information to be able to be knowledgeable about the projects and to maintain a watching brief so that they can be available to be called upon for assistance if and when the project promoters may find it necessary.

In addition, there are a number of donor-sponsored initiatives that cut across NEPAD programmes. A good example is the Sub-Saharan Africa Transport Program (SSATP). This programme supports activities especially in the area of road management through its Road Management Project. Any attempt to build or rehabilitate roads in Africa is of necessity dependent on the establishment of



adequate road maintenance programmes and axle load controls; these are the programmes that SSATP promotes. Similar programmes exist in other sectors.

It will be important that NEPAD and the RECs, in developing their own programmes, take account of these programmes the facilities that they offer without compromising their role as focal points for ownership and coordination of the NEPAD programme.

The NEPAD Secretariat would encourage the RECs to:

- **identify programmes for which alternative technical agencies can provide leadership, permitting the RECs to concentrate their scarce resources on technical areas where no alternative source of expertise exists;**
- **include such programmes and projects in the STAP;**
- **establish procedures for liaising with these agencies to ensure that the RECs are well informed regarding the programmes and projects that are being undertaken in their areas of influence.**

2.4.6 Lack of alignment of REC programmes and NEPAD priorities

The issue identified here is that the RECs already had work programmes before NEPAD was devised. In order for the RECs to play their designated role with respect to NEPAD, it is important that the REC programmes are aligned with the NEPAD programmes. In some cases, e.g., in the case of ECOWAS, it has been determined that the ECOWAS programmes and the NEPAD programmes are congruent and ECOWAS is in the process, with donor support, of hiring a NEPAD Coordinator and a Corporate Planner. The objective is to re-assess ECOWAS' programmes to ensure that scarce resources go to ECOWAS activities that support the NEPAD agenda, rather than to "legacy" programmes – those that are

being undertaken for historical reasons, but which are not NEPAD priorities.

This is particularly important since some RECs are still working on programmes that derive from Heads of State and ministerial resolutions that can be up to 20 years old, but which are no longer a priority in today's circumstances.

The NEPAD Secretariat would

- **encourage the RECs to:**
 - **Take steps to align their programmes with NEPAD priorities;**
 - **Undertake a review of "legacy programmes" to ensure that resources are not being devoted to non-priority programmes;**
 - **approach their authorities – Heads of State or Ministers – to validate any re-alignment of priorities.**
- **encourage Heads of State and Ministers to promote such an exercise.**

2.4.7 Lack of financial and technical capacity in the RECs

One feature of the consultation with the RECs is that they are, without exception, suffering from a chronic shortage of financial and human resources. This is due to a variety of reasons that vary in severity across RECs. Nonetheless, it is fair to say that all RECs face each of these problems to a greater or lesser degree. First of all, most RECs have inadequate funding mechanisms. Some have Community Levies that entitle them to a predetermined share of customs or other reve-

nues; others have to depend on budgetary allocations from their member states, many of who are themselves in a parlous state and cannot pay. The result is that many RECs have been subject of hiring freezes and/or have had to let staff go. Even where the budgetary situation is not too bad, salaries are often too low to attract and retain high-quality staff.

Second, as has been discussed above, some RECs are trying to undertake over-ambitious work programmes, usually representing the accumulation of a multiplicity of unfunded mandates from their political authorities that have accumulated over many years but that have not been reviewed for relevance in present day circumstances.

Third, due to hiring freezes and a lack of skills training and updating⁴, many of the staff in the RECs lack the skills to deal with the complicated issues that are to be found in today's infrastructure arena. They may be good port or energy engineers, but today's projects require a knowledge of public-private partnerships or negotiating complex concession agreements; they may be good transport economists, but today's transport activities are focused on facilitating road transport; they may be good water engineers, but today's NEPAD projects are focused on the Integrated Water Resource Management approach to shared water basins.

Finally, most RECs suffer from a plethora of out-dated bureaucratic procedures and a lack of modern technological tools. Cases have been reported where REC staff have to go to Internet cafés to send e-mails to their donor partners because their systems and networks are outdated and break down frequently.

Under these circumstances, staff morale and productivity are, for the most part, low and the RECs are encountering real difficulties in carrying out the important responsibilities that have been assigned to them under NEPAD. An urgent program of budgetary reform, staff hiring and staff training, together with short-term support from contract consultants, is required to enable the RECs to perform up to the standard they themselves seek to achieve.

The NEPAD Secretariat would:

- **encourage Heads of State to ensure that the RECs have adequate resources to meet the responsibilities that the Heads of State expect them to perform under NEPAD;**
- **use its good offices to influence Ministers of Finance to meet their financial obligations to RECs;**
- **encourage the Heads of State and Ministers to avoid assigning unfunded mandates to the RECs;**
- **encourage the RECs to develop financial and human resource development plans to meet the additional requirements of NEPAD;**
- **encourage the funding agencies to do everything possible to support the RECs in this endeavour.**

2.4.8 Inadequate knowledge and cooperation on shared Water Resources Issues

More than sixty international rivers traverse the continent of Africa. Africa has more rivers shared by three or more countries than any other continent. Sixty percent of the continent is

⁴ Not to mention the problems caused by the hiring practices of many RECs that are obliged to accept staff seconded from governments who, while perfectly capable in their own fields, may find themselves assigned to positions for which they do not possess the relevant skills.



covered by transboundary river basins and about a third of population lives under water scarcity situations. The water resources of the continent clearly need to be developed to meet the needs of the continent. As a consequence, water resources management, in particular the management of shared water resources, is a big challenge in Africa. The consultations have revealed that most RECs have not developed programmes in the water sub-sector even though NEPAD accords a very high priority to the sub-sector and has, itself, identified the key elements of regional strategies and policies and a regional water programme in line with the Africa Water Vision for 2025. Many of the RECs do not have the capacity to look into river and lake basin issues. The few river basin organizations that exist have capacity problems. Moreover, cooperation in international waterways is fundamentally a political activity.

Programmes of continental significance designed under the overall framework of the NEPAD programme is the effort to establish the African Water Facility, which seek to mobilize significant grant resources for capacity building and investment support in the water sector for implementing the MDGs. The Facility is expected to be hosted in the Bank. The diagnosis of opportunities and constraints in agricultural water use in Africa with the objective of formulating investment strategies to

enhance financial support for agricultural water use has been launching under a collaborative programme between the AfDB, the World Bank, FAO, IFAD and IWMI. The field studies under this programme have commenced and expected to be completed in 2004 with the formulation of a joint approach on increased investment in the sector.

NEPAD can play a significant role in creating the political awareness of the potential gains of co-operative river and lake basin management for broader regional cooperation.

- **NEPAD together with AfDB would send missions to selected river and lake basin organizations to carry out discussions and consultations and identify activities that can be included in NEPAD's STAP.**
- **The cooperation of other development institutions, such as the World Bank and DBSA, would be sought by AfDB and encouraged by the Secretariat in this endeavour.**
- **NEPAD and the AfDB would monitor on a regular basis the implementation of the African water facility and the Agricultural Water Use Strategy.**

2.4.9 Summary of lessons learned and recommendations

2.4.9.1 Findings

The key findings of the consultations are as follows:

- Progress has been made, although it varies substantially across RECs;
- The last year's activities have provided a rich source of experience from which much can be learned regarding how to improve the implementation of the STAP; and
- Much more would be achieved as we intensify our efforts to remove the constraints to effective implementation.

2.4.9.2 Recommended Actions

- a) There is a need to provide much greater clarity on roles, responsibilities and expectations:

- The NEPAD Secretariat would intensify its effort to clarify to the RECs and the countries precisely its role in promoting and facilitating NEPAD programmes;
 - The Secretariat would also clarify precisely what it expects from the RECs.
- b) There is a need to be much more explicit about the relationships between the RECs and the countries, how they should inter-relate in project implementation:
- The NEPAD Secretariat would take the lead in opening a debate on these issues:
 - The need to eliminate the overlapping responsibilities between RECs;
 - The need, where this has not been done, for the Heads of State to formally designate responsibilities for NEPAD coordination;
 - The need for the RECs to re-align their work programmes with NEPAD priorities; and
 - The need for the RECs to establish their priority activities, while seeking as much as possible to delegate coordination and implementation responsibilities to either the countries or to other technical agencies.
 - The RECs should avoid trying to do too much;
 - The RECs should keep abreast of regional integration projects, even if they are not directly involved in them so that they have an overall picture of integration activities in their region:
 - There is a need for the RECs to undertake a capacity-building programme based on an analysis of their new NEPAD responsibilities; and
 - There is a need for the member States to ensure that the RECs are adequately funded and to avoid assigning unfunded mandates.

3 The Way Forward

3.1 The Principle of Subsidiarity

Given the need to maintain the NEPAD Secretariat as a lean organisation and that the RECs are short on capacity, the Principle of Subsidiarity would be explicitly adopted in the delivery of NEPAD programmes. This implies that NEPAD activities would be carried out by the agencies at the lowest level that is both effective and efficient.

This principle would apply at two different levels. First, NEPAD projects would be classified according to the level at which they would be implemented and the specific roles and responsibilities for each level of the classification would be explicitly defined; second, higher level entities would only get involved in the event that problems or issues arise that could not be dealt with at the lower level. Such a procedure would provide a structure both for achieving greater clarity on expectations and for economising on the time and effort that each level would have to devote to NEPAD projects and programmes, by limiting interventions to those that would be strictly necessary.



3.2 Classification of Projects

The STAP review team has analysed likely roles and responsibilities and concluded that they are different for different types of projects. This fact may well have contributed to the misunderstanding over roles and responsibilities. In an attempt to structure the process of clarifying roles and responsibilities, a suggested classification system under which the roles and responsibilities would be the same within each category has developed. This proposed classification will serve as a suggested starting point for consultations and dialogue between the NEPAD Secretariat and the RECs on this question. The classification comprises of six categories:

1 Country-to-Country Projects⁵

This category represents the lowest level of subsidiarity. The countries involved would be able to handle the identification, preparation, funding, negotiations, etcetera, of the project and programmes by themselves. The projects and programmes may have regional implications that would be limited to a small group of countries within the REC. There would therefore be little or no need for the direct involvement of RECs.

Examples

- Power interconnections, e.g. Nigeria-Bénin;
- Corridor projects, e.g. Maputo Corridor.

Roles and Responsibilities

- Countries involved:
 - To handle all project development and implementation activities.
- The REC
 - Obtaining information;
 - Putting the project in the NEPAD Programme (STAP);
 - Monitoring project compliance with the relevant REC protocols;
 - Being available to help resolve issues.
- NEPAD
 - No pro-active involvement.

2 Multi-country, Non-REC projects

In some cases, multi-country arrangements have been put in place without the involvement of the RECs. Sometimes they reflect a lack of REC capacity and/or the complexity of working across RECs; sometimes they are simply the result of a determined initiative on the part of the countries involved. They normally have broad regional implications, but do not require REC interventions to make them work. These projects are important enough to be placed on the NEPAD agenda; in some cases they would constitute excellent examples of what NEPAD is trying to achieve.

⁵ This category would also include projects in a single country that have multi-country or regional implications. This applies particularly to ports that serve landlocked countries.

Examples

- The Nile Basin Initiative.

Roles and Responsibilities

- Countries involved
 - To handle project development and implementation activities.
- The REC
 - Obtaining information;
 - Putting the project in the NEPAD Programme (STAP);
 - Monitoring project compliance with the relevant REC protocols;
 - Being available to help resolve issues.
- NEPAD
 - In the event that these are important projects, NEPAD would play a facilitating role to ensure that the funding agencies are kept aware of the importance of the projects to NEPAD.

3 Country to country + private sector projects

In this category, the countries and private sector would be able to handle the project development and negotiations themselves, with little or no REC involvement required.

Examples

- Algeria-Morocco-Spain Gas Connection;
- Cote d'Ivoire-Burkina Railway.

Roles and Responsibilities

- Countries involved plus Private Sector.
 - To handle project development and implementation activities.
- The REC
 - Obtaining information;
 - Putting the project in the NEPAD Programme (STAP);
 - Monitoring project compliance with the relevant REC protocols;
 - Being available to help resolve issues.
- NEPAD
 - In the event that these are important projects, NEPAD would play a facilitating role to ensure that the funding agencies are kept aware of the importance of the projects to NEPAD.

4 Projects requiring REC involvement

This category applies specifically when there are typically broad/regional externalities



that require more than usual cooperation to develop and which the countries themselves may not perceive. This would happen, for example, when creating the externalities would require a regional promoter to undertake region-wide studies, to facilitate and promote the harmonization of policies and regulatory frameworks and/or to undertake promotion, facilitation and sensitisation of country partner institutions and agencies.

Examples

- Power pools (SAPP, WAPP...);
- Integrated telecom markets;
- Completing regional highway networks.

Roles and Responsibilities

- Countries involved.
 - To handle all project development and implementation activities for components within their territories.
- The RECs
 - Putting the project in the NEPAD Programme (STAP);
 - Project conceptualisation;
 - Negotiations with funding agencies for funding;
 - Background studies;
 - Monitoring project compliance with the relevant REC protocols;
 - Organising reviews with stakeholders;
 - Promoting the harmonisation of policies, regulations, agencies, tariffs, etcetera;
 - Having model legal documents produced;
 - Coordinating the actions of countries concerned in carrying out their respective components and project activities;
 - Being available to help resolve issues.
- NEPAD
 - In the event that these are important projects, NEPAD would play a facilitating role to ensure that funding agencies are kept aware of the importance of the projects to NEPAD;
 - On more important projects, assisting the RECs and the countries to approach funding agencies to obtain funding;
 - Being available to help mobilise political support and to resolve political issues.

5 Projects of continental scale

This category comprise projects that require cooperation at the level of the continent or a substantial part of it, where the externalities go beyond a single REC, projects where the problems are so common that economies of scale in analysis and promulgation could be achieved by taking a continental approach and projects for which the expertise required is more specialized that could be effectively developed in all RECs simultaneously.



Examples

- Implementing the Yamoussoukro Decision;
- Projects concerning air security and management of upper air space;
- Certain telecommunications projects;
- Transport facilitation, observatories, common customs posts.

Roles and Responsibilities

- Countries involved.
 - To handle project development and implementation activities for components within their territories.
- The RECs
 - Putting the project in the NEPAD Programme (STAP);
 - Project conceptualisation;
 - Negotiations with funding agencies for funding;
 - Background studies;
 - Monitoring project compliance with the relevant REC protocols;
 - Organising reviews with stakeholders;
 - Promoting the harmonisation of policies, regulations, agencies, tariffs, etcetera;
 - Having model legal documents produced;
 - Coordinating the actions of countries concerned in carrying out their respective components and project activities;
 - Being available to help resolve issues.
- The Project Promotion Agency (if any)
 - Putting the project in the NEPAD Programme (STAP);
 - Project conceptualisation;
 - Negotiations with funding agencies for funding;
 - Background studies;
 - Organising reviews with stakeholders, including RECs ;
 - Working with the RECs on the harmonisation of policies, regulations, agencies, tariffs, etcetera;
 - Having model legal documents produced;
 - Working with RECs on the coordination of the actions of countries concerned in carrying out their respective components and project activities;
 - Being available to help resolve issues.
- NEPAD
 - In the event that these are important projects NEPAD would play a facilitating role to ensure that the funding agencies are kept aware of the importance of the projects to NEPAD;
 - On more important projects, assisting the RECs and the countries to approach funding agencies to obtain funding;
 - Being available to help mobilise political support and to resolve political issues;
 - Being available to help resolve issues.



6 NEPAD “Flagship” Projects

A small, select number of projects would be designated as “NEPAD Flagship Projects”. This means that:

- They would become highly visible indicators of NEPAD’s activities and influence
- They would benefit from a special NEPAD effort in terms of:
 - Promotion;
 - Keeping them at the forefront of funding agencies’ attention;
 - Special reporting on them at heads of state meetings;
 - Focusing on them for raising finance.

The following ten projects have been proposed for consideration and adoption as flagship projects:

- 1 Implementing the Yamoussoukro Decision;
- 2 Facilitating Road Transportation;
- 3 ICT Policy and Regulatory Frameworks at the Regional Level;
- 4 Power Pools (West and Southern Africa, etc);
- 5 Nile Basin Initiative;
- 6 Greater Inga Integrator Study;
- 7 Establish Regional Linkages for African Energy Commission;
- 8 Capacity-building for RECs;
- 9 West Africa Gas Pipeline;
- 10 COMTEL.

3.3 How the classification could be used

The suggested classification system would serve two purposes:

First, it would serve as a basis for the NEPAD Secretariat and the RECs to fine-tune the roles and responsibilities under each category.

Second, it would be used to categorise all STAP projects so that the RECs, the NEPAD Secretariat and the development partners could be clear about what is expected of each stakeholder as they work together on a given project or program.

A preliminary attempt at classifying STAP projects into the categories is contained in the tables in Annex 1. These tables would be used as a basis for a workshop at which the RECs and the NEPAD Secretariat would discuss these issues.



4 Next Steps

The next steps concern specifically (a) the clarification of roles and responsibilities, (b) the development of a coordinated capacity building programme for the RECs and (c) the establishment of a STAP monitoring programme.

4.1 Clarification of roles and responsibilities

Three seminars intended particularly to clarify roles and responsibilities would be organised as follows:

Seminar 1: Allow the leadership of the RECs, the NEPAD Secretariat and the key members of the Steering Committee to discuss the issues raised in this review, particularly with respect to:

- Roles and responsibilities;
- Alignment of NEPAD and REC programmes;
- Financial and human resource constraints faced by the RECs; and
- Options for solving resource problems.

Seminar 2: Allow the NEPAD Secretariat and the leadership of the RECs to discuss these issues with the donor community, including:

- presentation of the new framework on roles and responsibility;
- explanation of resource issues;
- seeking donor support for a coordinated REC capacity-building programme; and
- presentation of infrastructure priorities to the donor community to invite them to concentrate on priority projects and to identify modalities for doing so.

Seminar 3: Allow the RECs infrastructure staff to gain a better understanding of how the NEPAD STAP programme was derived, as well as their own roles and responsibilities and what they can expect from NEPAD and from the donor community, specifically on:

- project classification and their responsibilities for each category;
- validating the classification of their own projects;
- explaining what support is available from funding agencies for project preparation and implementation; and
- clarifying donor procedures;
- allowing them the opportunity to exchange ideas and experiences; and
- setting up a knowledge sharing network.

The NEPAD Secretariat/RECs seminar would be followed by a further visit by the NEPAD Secretariat to each REC to explain to the entire REC staff the roles and responsibilities that will have been agreed with the RECs leadership.



4.2 Development of a capacity building programme for the RECs

One thing that this review has established beyond doubt, is that the RECs lack the financial and human resources to carry out the tasks that are being assigned to them under NEPAD. ECOWAS has embarked upon a process of examining what it can do with the resources available to it and what short-term assistance it would need to meet its NEPAD obligations; it has engaged the support of the donor community for this task. The NEPAD Secretariat would engage with the funding agencies concerned to establish their willingness to undertake a similar exercise with the other RECs, with the objective of developing a capacity-building programme in an integrated, cost-effective manner.

4.3 Establishment of a STAP monitoring programme

During this review, it has become evident that carrying out annual reviews is inadequate for the NEPAD Secretariat to keep track of what is being done and to take corrective action when necessary. The NEPAD Secretariat would develop and commission a format for the RECs to submit quarterly reports to the NEPAD Secretariat, the AfDB to prepare six-monthly analytical reports and NEPAD to commission in conjunction with AfDB regular annual reviews of STAP to be presented to Heads of State. The formal institution of this format would ensure that the reviews be planned well in advance and follow a systematic and consistent approach.



STAP Project

SHORT TERM ACTION PLAN – COMESA PRIORITISATION

ITEM	PROJECT	SECTOR	TYPE	STATUS	CATEGORY	PRIORITY
1	Global Navigation Satellite System	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	MEDIUM
2	Cooperative Development of Operational and Continuing Airworthiness Programme (COSCAP)	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	MEDIUM
3	Institutional Support for the Implementation of the Yamoussoukro Decision	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	ND
4	Study on the Upper Space Control Centres	AIR TRANSPORT	STUDY	STAP	REC	MEDIUM
5	COMTEL	ICT	INVESTMENT	STAP	PRIVATE SECTOR	HIGH
6	Continental Umbrella Initiative to Facilitate the Utilization and exploitation of ICTs in African Countries	ICT	FACILITATION	STAP	CONTINENTAL	LOW
7	ICT Policy and Regulatory Framework at Regional Level	ICT	FACILITATION	STAP	CONTINENTAL	HIGH
8	Safe Navigation on Lakes Tanganyika and Malawi/Niassa/Nyasa	MARITIME TRANS.	FACILITATION	STAP	REC	ND
9	COMESA/SADC Uniform Customs Document and Bond Guarantee	ROAD TRANSPORT	FACILITATION	STAP	REC	High
10	Establishing One-stop Border Posts	ROAD TRANSPORT	FACILITATION	STAP	REC	High
11	Implementation of Overload Control Along Road Corridors	ROAD TRANSPORT	FACILITATION	STAP	REC	High
12	Road Safety	ROAD TRANSPORT	FACILITATION	NEW	REC	ND
13	Strengthening Stakeholder Associations for Trade Facilitation	ROAD TRANSPORT	CAPACITY BUILDING	STAP		REC Not determined
14	Adoption of SDI Framework in the COMESA Infrastructure Projects	SDI	FACILITATION	NEW	REC	ND
15	NILE BASIN INITIATIVE	WATER	FACILITATION	STAP	Multicountry, non-REC	High



SHORT TERM ACTION PLAN – EAC PRIORITISATION

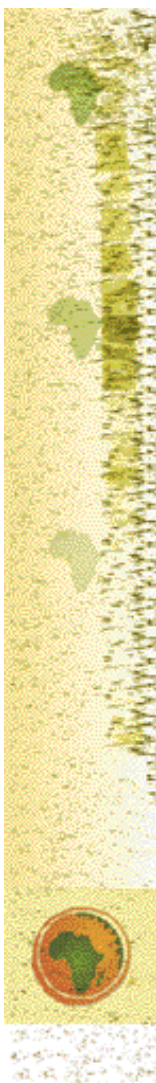
ITEM	PROJECT	SECTOR	TYPE	STATUS	CATEGORY	PRIORITY
1	Kenya-Uganda Oil pipeline	ENERGY	INVESTMENT	STAP	COUNTRY-TO-COUNTRY	HIGH
2	Safe navigation on. L. Victoria	MARITIME TRANSPORT	FACILITATION	STAP	REC	HIGH
3	Upgrading of container handling facilities at the port of Mombasa	MARITIME TRANSPORT	INVESTMENT	STAP	COUNTRY-TO-COUNTRY	MEDIUM
4	Institutional support for Kenya, Uganda, Tanzania, and TAZARA Railways	RAILWAY TRANSPORT	CAPACITY BUILDING	STAP	REC	HIGH
5	Rehabilitation of selected E.A. and SADC railways in support of concessioning	RAILWAY TRANSPORT	INVESTMENT	STAP	REC	ND
6	EAC Central corridor	ROAD TRANSPORT	INVESTMENT	STAP	REC	
7	EAC Northern Alternative	ROAD TRANSPORT	INVESTMENT	STAP	COUNTRY TO-COUNTRY	LOW
8	EAC Northern Corridor.	ROAD TRANSPORT	INVESTMENT	STAP	REC	HIGH
9	Establishment of one-stop border posts	ROAD TRANSPORT	FACILITATION	STAP	REC	HIGH
10	Implementation of East African road network	ROAD TRANSPORT	INVESTMENT	NEW	REC	ND
11	Mombasa –Nairobi-Addis	ROAD TRANSPORT	INVESTMENT	STAP	REC	
12	Strengthening stake holders associations for trade facilitation	ROAD TRANSPORT	CAPACITY BUILDING	STAP	REC	MED.

SHORT TERM ACTION PLAN – ECCAS PRIORITISATION

ITEM	PROJECT	SECTOR	TYPE	STATUS	CATEGORY	PRIORITY
1	Global Navigation Satellite System	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	MEDIUM
2	Cooperative Development of Operational and Continuing Airworthiness Programme (COSCAP)	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	HIGH
3	Institutional Support for the Implementation of the Yamoussoukro Decision	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	HIGH
4	Study on the Upper Space Control Centres	AIR TRANSPORT	STUDY	STAP	CONTINENTAL	MEDIUM
5	Capacity Building Project	ENERGY	CAPACITY BUILDING	STAP	CONTINENTAL	MEDIUM
6	DRC - Grand Inga Integrator Study	ENERGY	STUDY	STAP	CONTINENTAL	HIGH
7	Energy facilitation Project	ENERGY	FACILITATION	STAP	CONTINENTAL	MEDIUM
8	Institutional Support to Central African Power Pool	ENERGY	CAPACITY BUILDING	NEW	REC	ND
9	Master Plan for Sub-regional interconnection	ENERGY	STUDY	STAP	REC	HIGH
10	ICT Policy and Regulatory Framework at Regional Level	ICT	FACILITATION	STAP	CONTINENTAL	HIGH
11	Regional African Satellite Communications Organization (RASCOM) Project	ICT	INVESTMENT	STAP	CONTINENTAL	HIGH
12	SAT-3/WASC/SAFE-Utilization to Improve Interconnectivity	ICT	INVESTMENT	STAP	PRIVATE INITIATIVE	MEDIUM
13	Continental Umbrella Initiative to Facilitate the Utilization and exploitation of ICTs in African Countries	ICT	FACILITATION	STAP	CONTINENTAL	MEDIUM
14	Development of Telecommunications Equipment Manufacturing in Africa	ICT	INVESTMENT	STAP	PRIVATE INITIATIVE	LOW
15	ICT Human Resources Capacity Development Initiative for Africa	ICT	CAPACITY BUILDING	STAP	CONTINENTAL	MEDIUM
16	Programme to Broaden and Enhance Africa's Participation in the Global ICT Policy and Decision Making For a	ICT	CAPACITY BUILDING	STAP	CONTINENTAL	LOW
17	Strengthening of African Telecommunications and ICT Institutions	ICT	CAPACITY BUILDING	STAP	CONTINENTAL	MEDIUM
18	Feasibility Study of	MARITIME	STUDY	NEW	COUNTRY-	HIGH



	the Port of Mayumba				COUNTRY	
19	Rail Inter-Connection Feasibility Study for Central African Countries	RAIL TRANSPORT	STUDY	STAP	REC	HIGH
20	Facilitation of Road Transit	ROAD TRANSPORT	FACILITATION	STAP	REC	HIGH
21	Feasibility Study of the Doussala/ Gabon Border – Brazzaville	ROAD TRANSPORT	STUDY	NEW	COUNTRY-COUNTRY	HIGH
22	Fougamou – Doussala Road Project	ROAD TRANSPORT	INVESTMENT	NEW	COUNTRY-TO-COUNTRY	HIGH
23	Implementation of Overload Control Along Road Corridors	ROAD TRANSPORT	FACILITATION	STAP	REC	HIGH
24	Strengthening stake holders associations for trade facilitation	ROAD TRANSPORT	CAPACITY BUILDING	STAP	REC	HIGH
25	Feasibility Study of Rail/Road Bridge Brazzaville – Kinshasa	ROAD/RAILWAY TRANSPORT	STUDY	STAP	REC	HIGH
26	Rehabilitation of Transport Infrastructure in Angola and DRC	TRANSPORT	STUDY	STAP	COUNTRY-COUNTRY	ND
27	Support for the management of water resources in Central Africa	WATER	CAPACITY BUILDING	STAP	REC	LOW

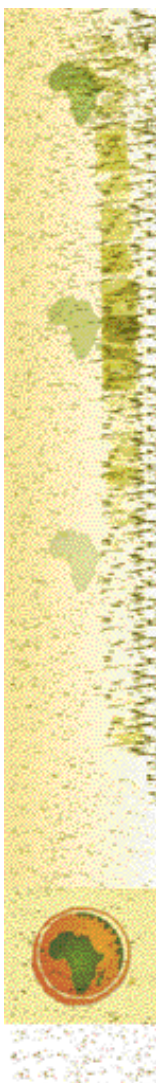


SHORT TERM ACTION PLAN – ECOWAS PRIORITISATION

ITEM	PROJECT	SECTOR	TYPE	STATUS	CATEGORY	PRIORITY
1	Project for Air Transport Liberalisation for West and Central Africa	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	HIGH
2	Study on the Upper Space Control Centres	AIR TRANSPORT	STUDY	STAP	CONTINENTAL	LOW
3	Capacity Building Project	ENERGY	CAPACITY BUILDING	STAP	CONTINENTAL	HIGH
4	Facilitation Project	ENERGY	FACILITATION	STAP	CONTINENTAL	HIGH
5	Master Plan for Sub-regional Inter-Connections (East, West & Central)	ENERGY	STUDY	STAP	REC	HIGH
6	West Africa Power Pool (WAPP)	ENERGY	FACILITATION	STAP	REC	HIGH
7	West African Gas Pipeline (WAGP) Project	ENERGY	INVESTMENT	STAP	PRIVATE INITIATIVE	HIGH
8	ICT Policy and Regulatory Framework at Regional Level	ICT	FACILITATION	STAP	REC	MEDIUM
9	Regional African Satellite Communications Organization (RASCOM) Project	ICT	INVESTMENT	STAP	CONTINENTAL	LOW
10	SAT-3/WASC/SAFE-Utilization to Improve Interconnectivity	ICT	INVESTMENT	STAP	PRIVATE INITIATIVE	LOW
11	Continental Umbrella Initiative to Facilitate the Utilization and exploitation of ICTs in African Countries	ICT	FACILITATION	STAP	CONTINENTAL	LOW
12	Development of Telecomm Equipment Manufacturing in Africa	ICT	INVESTMENT	STAP	CONTINENTAL	LOW
13	ICT Human Resources Capacity Development Initiative for Africa	ICT	CAPACITY BUILDING	STAP	CONTINENTAL	MEDIUM
14	Programme to Broaden and Enhance Africa's Participation in the Global ICT Policy and Decision Making Fora	ICT	CAPACITY BUILDING	STAP	CONTINENTAL	MEDIUM
15	Strengthening of African Telecommunications and ICT Institutions	ICT	CAPACITY BUILDING	STAP	CONTINENTAL	LOW
16	Maritime Pollution	MARITIME	FACILITATION	STAP	CONTINENTAL	LOW
17	Maritime Security and Facilitation of Maritime Traffic	MARITIME	FACILITATION	STAP	CONTINENTAL	MEDIUM
18	Rail Inter-Connection Feasibility Study for ECOWAS Countries	RAIL TRANSPORT	STUDY	STAP	REC	HIGH
19	Agades-Zinder, 130 km upgrading	ROAD TRANSPORT	INVESTMENT	STAP	COUNTRY-	MEDIUM



					COUNTRY	
20	Akatsi-Dzodze-Noepe; 31 km upgrading	ROAD TRANSPORT	INVESTMENT	STAP	COUNTRY- COUNTRY	
21	Boke- Quebo; 206 km construction	ROAD TRANSPORT	INVESTMENT	STAP	COUNTRY- COUNTRY	ND
22	Kante (Togo)-Burkina Faso border; 194 km rehabilitation	ROAD TRANSPORT	INVESTMENT	STAP	COUNTRY- COUNTRY	MEDIUM
23	Kati-Kita (Mali) – Saraya (Senegal); 345 km upgrading	ROAD TRANSPORT	INVESTMENT	STAP	COUNTRY- COUNTRY	HIGH
24	Mumfe-Ekok (Cameroon) Abakaliki (Enugu, Nigeria), 161 km upgrading in Cameroon and rehabilitation in Nigeria	ROAD TRANSPORT	INVESTMENT	STAP	COUNTRY- COUNTRY	MEDIUM
25	Road Transport Facilitation Action Plan	ROAD TRANSPORT	FACILITATION	STAP	REC	HIGH
26	Zinder-Nigeria border, 110 km rehabilitation	ROAD TRANSPORT	INVESTMENT	STAP	COUNTRY- COUNTRY	
27	Action Plan for integrated Water Res Management in West Africa	WATER	STUDY	STAP	REC	LOW
28	Strengthening of the Niger River Basin Authority Inter-State Forecast Centre (CIP) & Support of other new & Existing River Basin Organizations	WATER	CAPACITY BUILDING	STAP	Non-REC	MEDIUM



SHORT TERM ACTION PLAN – IGAD PRIORITISATION

ITEM	PROJECT	SECTOR	TYPE	STATUS	CATEGORY	PRIORITY
1	Port of Djibouti and dry Port at Addis	MARITIME TRANSPORT	INVESTMENT	STAP	REC	HIGH
2	Djibouti-Addis (North)	ROAD TRANSPORT	INVESTMENT	STAP	COUNTRY-TO-COUNTRY	HIGH
3	Implementation of the overload control	ROAD TRANSPORT	FACILITATION	STAP	REC	HIGH
4	Strengthening of stakeholders Association for Trade Facilitation	ROAD TRANSPORT	CAPACITY BUILDING	STAP	REC	MED.
5	IGAD Hydrological Cycle	WATER	FACILITATION	STAP	REC	HIGH

SHORT TERM ACTION PLAN – SADC PRIORITISATION

ITEM	PROJECT	SECTOR	TYPE	STATUS	CATEGORY	PRIORITY
1	Global Navigation Satellite System	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	MEDIUM
2	Cooperative Development of Operational and Continuing Airworthiness Programme (COSCAP)	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	HIGH
3	Institutional Support for the Implementation of the Yamoussoukro Decision	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	HIGH
4	Sub-regional Upper Space Control Centre	AIR TRANSPORT	INVESTMENT	STAP	CONTINENTAL	MEDIUM
5	DRC – Angola – Namibia (DRCANSA) Interconnection Study	ENERGY	STUDY	STAP	COUNTRY-COUNTRY	HIGH
6	DRC – Grand Inga Integrator Study	ENERGY	STUDY	STAP	CONTINENTAL	HIGH
7	Mepanda Uncua Hydropower Project	ENERGY	INVESTMENT	STAP	COUNTRY-COUNTRY	MEDIUM
8	Mozambique-Malawi Interconnection Project	ENERGY	INVESTMENT	STAP	COUNTRY-COUNTRY	MEDIUM
9	Southern Africa Power Pool (SAPP)	ENERGY	FACILITATION	STAP	REC	HIGH
10	Continental Umbrella Initiative to Facilitate the Utilization and Exploitation of ICTs in African Countries	ICT	FACILITATION	STAP	CONTINENTAL	MEDIUM
11	ICT Policy and Regulatory Framework at Regional Level	ICT	FACILITATION	STAP	CONTINENTAL	HIGH
12	SADC Region Information	ICT	INVESTMENT	STAP	REC	HIGH



Infrastructure (SRII) Project						
13	Advisory Services for Maritime Affairs	MARITIME	FACILITATION	STAP	REC	LOW
14	Maritime Safety and Facilitation of Maritime Traffic	MARITIME	FACILITATION	STAP	REC	LOW
15	Nacala Port (Mozambique) Rehabilitation	MARITIME	INVESTMENT	STAP	Non-REC	HIGH
16	Regional Strategy for Ship Waste Reception Facilities	MARITIME	FACILITATION	STAP	REC	LOW
17	Safe Navigation on the Tanganyika and Malawi/Niassa/Nyasa Lakes	MARITIME TRANS	FACILITATION	STAP	COUNTRY-COUNTRY	HIGH
18	Institutional Support for the Concessioning of Railways	RAIL TRANSPORT	CAPACITY BUILDING	STAP	REC	MEDIUM
19	COMESA/SADC Uniform Custom Document and Bond Guarantee Scheme	ROAD TRANSPORT	FACILITATION	STAP	REC	HIGH
20	Establishing One-Stop Border Posts	ROAD TRANSPORT	FACILITATION	STAP	REC	HIGH
21	Implementation of Overload Control along Road Corridors	ROAD TRANSPORT	FACILITATION	STAP	REC	HIGH
22	Strengthening Stakeholders Associations for Trade Facilitation	ROAD TRANSPORT	CAPACITY BUILDING	STAP	REC	LOW
23	Assessment of Surface Water Resources	WATER	FACILITATION	STAP	REC	
24	Expansion and Implementation of SADC Hydrological Cycle Observation System (SADC HYCOS)	WATER	FACILITATION	STAP	REC	HIGH
25	Ground Water Management Programme for the SADC Region	WATER	FACILITATION	STAP	REC	HIGH
26	Guidelines and Support for National Water Sector Policy and Strategy Formulation or Review in Member States	WATER	FACILITATION	STAP	REC	MEDIUM

SHORT TERM ACTION PLAN – UMA PRIORITISATION

ITEM	PROJECT	SECTOR	TYPE	STATUS	CATEGORY	PRIORITY
1	Implementation of a Global Navigation Satellite System (GNSS)	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	LOW
2	Institutional Support for the Implementation of the Yamoussoukro Decision concerning the Liberalisation of Air Transport in Africa	AIR TRANSPORT	FACILITATION	STAP	CONTINENTAL	HIGH
3	Algeria Gas-Fired Power Station and Algeria-Spain Interconnection Project	ENERGY	INVESTMENT	STAP	COUNTRY-TO-COUNTRY	HIGH
4	Nigeria-Algeria Gas Pipeline Study	ENERGY	STUDY	STAP	COUNTRY-TO-COUNTRY	LOW
5	Strengthening of the Algeria-Morocco-Spain Interconnection Project	ENERGY	INVESTMENT	STAP	COUNTRY-TO-COUNTRY	HIGH
6	Tunisia-Libya Gas Pipeline Project	ENERGY	INVESTMENT	STAP	COUNTRY-TO-COUNTRY	MEDIUM
7	ICT Policy and Regulatory Framework at the Regional Level	ICT	FACILITATION	STAP	CONTINENTAL	MEDIUM
8	Maghreb Fibre Optic Telecommunications Interconnection Project	ICT	INVESTMENT	NEW	REC	HIGH
9	Feasibility Study of the Trans Maghreb Railway	RAILWAY TRANSPORT	STUDY	STAP	REC	HIGH
10	Feasibility Study of the Trans-Maghreb (High Speed) Railway System	RAILWAY TRANSPORT	STUDY	NEW	REC	HIGH
11	Maghreb Highway Project	ROAD TRANSPORT	INVESTMENT	NEW	REC	HIGH



An Example of REC Capacity Building for NEPAD: The ECOWAS Institutional Capacity Building Programme Short-term Action Plan

1 Background

The Economic Community of West African States (ECOWAS) was established in May 1975 by a Treaty, which was subsequently revised in 1993, with the objective of creating a common market among member countries. It called for a phased elimination of tariffs and non-tariff barriers on intra-community products; the establishment of a common external tariff; fiscal and monetary harmonisation; the creation of a single monetary zone and close cooperation in all areas of economic activity. It comprises 15 countries – Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Guinea Bissau, Côte d'Ivoire, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo – and represented a population of 236 million and a total GDP of US\$?? million in 2000.

ECOWAS has devoted considerable attention to playing a key role in conflict prevention and resolution in the region and has had a number of successes in avoiding and resolving conflict. Recent events in Côte d'Ivoire demonstrate the extent to which ECOWAS continues to play a crucial role in this area.

In the realm of regional integration, considerable progress has been made within the subset of eight ECOWAS countries that make up UEMOA. Building on the existing monetary union, these countries have established a customs union with a common external tariff and reduced tariffs across the board. UEMOA has also made progress on questions of economic convergence and is beginning to move forward on economic policy harmonisation in areas such as a common investment code.

The challenge facing ECOWAS more widely is to build on the success of UEMOA and apply the lessons learned there to the creation of an ECOWAS-wide customs and monetary union, supported by policy harmonisation in both economic and other areas such as infrastructure and agriculture.

Prospects for this have begun to improve in recent years, particularly since the late 1990s, with Governments reaffirming their political commitment to ECOWAS and Nigeria, the largest country in the region, showing signs of assuming a more prominent leadership role. Segments of the private sector are taking a more active stance in favour of integration and representatives of civil society are beginning to have a voice in the debate.

Despite these efforts, much remains to be done to achieve deep integration, to build the physical infrastructure required to promote greater internal trade and to remove constraints that would make the region more competitive vis-à-vis the rest of the world. In this context, substantial demands are being placed on the Executive Secretariat, the key administrative institution in charge of

meeting the challenges of tomorrow by executing the decisions taken by the Conference of Heads of State and Government and applying the regulations of the Council of Ministers.

2 Objectives of the ECOWAS Secretariat

The long-term objective of ECOWAS is to secure peace and prosperity in West Africa's 15 member states, through programmes aimed at creating a developed and integrated regional economy. These programmes either contribute directly to establishing a common market and a monetary union or to creating the conditions and environment necessary for the smooth functioning of the economic and monetary union.

ECOWAS programmes fall into three interlinked strategic areas that have been identified as priorities: conflict resolution, infrastructural and sectoral programming, and regional economic integration. Each area is managed by one of the three technical branches of the ECOWAS Secretariat-Political Affairs, Defence and Security and Peacekeeping, Integration Programmes, and Policies Harmonisation. Each branch is headed by a Deputy Executive Secretary.

2.1 Political Affairs, Defence and Security

This branch contributes to the basic strategy of political stability in the region. Conflict resolution, good governance and the rule of law are necessary pre-conditions for poverty reduction, security and welfare.

Political stability and regional peace is being pursued through various ECOWAS regional programmes and instruments such as the mechanism for conflict prevention, management and resolution, peace-keeping and security, the moratorium on the importation, exportation and manufacture of light weapons, the protocol on democracy and good governance, and the protocols on the fight against corruption and child protection. These programmes aim to entrench democracy and the rule of law, to improve upon regional peace and security through an early warning system, peer review and preventive diplomacy and to eliminate trans-border criminal activities.

2.2 Integration Programmes

Region-wide, integrated programmes in infrastructure (energy, transport, and communications) and education, agriculture and industry are necessary to create an enabling environment for the private sector, by reducing the costs of factors of production and increasing competitiveness. Regarding infrastructures the programme objectives are to develop a modern regional network of infrastructural facilities and to evolve a liberalised regional market in these sectors through the harmonisation of the regulatory and legal framework, as well as facilitation measures for enhancing service delivery.

Examples of the kinds of programmes being implemented include the West African Power Pool, the West African Gas Pipeline project, telecommunications harmonisation, liberalisation of air transport and the facilitation of road transport – all with the support of a variety of funding agencies.



In the field of production, the programmes aim at a regional orientation of the development of agricultural and industrial activities through the adoption of common sectoral policies. Sectoral objectives being pursued include the achievement of regional food security, rational and integrated management of shared water resources, sustainable development of other natural resources and enhancement of ecological balance, and production diversification through resource-based industrial development.

2.3 Policy Harmonisation

Customs and monetary union is being achieved through the customs, trade and economic policy harmonisation programmes. Customs programmes are to achieve free movement of goods within ECOWAS and a common external trade policy regime. The objectives include the creation of a free trade area through the ECOWAS trade liberalisation scheme, harmonisation of internal indirect taxation, adoption of common customs documents and procedures, and the adoption of a common external tariff. Trade facilitation and enhancement of the capacity of Member States to negotiate international trade agreements are included in these programmes.

Monetary union is being approached through the macro-economic policy convergence programme. It involves a multilateral surveillance mechanism that monitor countries for the achievement of sound performance of economic aggregates such as GDP, budget balance, price stability (inflation rate, interest rate, exchange rate), and foreign reserves.

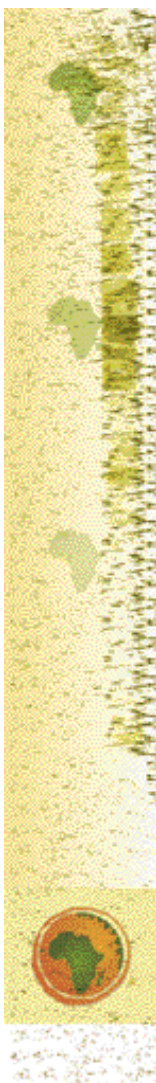
3 NEPAD

The poverty and underdevelopment that characterise Africa are unique in their scope and call for special attention. The New Partnership for Africa's Development (NEPAD) includes a comprehensive review of Africa's current situation and a detailed plan to meet the social, political and economic challenges faced by Africa's peoples. It is an integrated strategic plan developed by some of Africa's more progressive leaders and emphasizes Africa's own key role in reducing poverty, bolstering sustainable growth and development, and actively participating in the world economy and body politic.

The NEPAD programme is built around regional integration, good governance, public-private partnership and conflict prevention; all these objectives are congruent with the ECOWAS programmes. Equally, ECOWAS programmes are intimately related to NEPAD Africa-wide programme implementation, because they aim to improve the socio-economic environment through regional integration, good governance and improved public-private partnership in West Africa. In short, the ECOWAS programmes constitute the expression of the NEPAD objectives in West Africa.

4 Implementing the NEPAD Initiative

It is within this context that the ECOWAS Heads of State organized a summit in Yamoussoukro (Côte d'Ivoire) in May 2002 on the implementation of NEPAD in West Africa. The Heads of State of West Africa decided to call a specific summit to drive forward the NEPAD agenda in West Africa, thus demonstrating the support that exists for NEPAD in West Africa.



At the summit, the issue of how to implement the NEPAD agenda in West Africa was discussed and the Heads of State issued a declaration in which they:

- Designated ECOWAS to coordinate and monitor the implementation of NEPAD programmes and agreed to provide ECOWAS with the appropriate resources;
- Decided to create a NEPAD Focal Point within the ECOWAS Executive Secretariat;
- Invited each State to create a NEPAD Focal Point; and
- Established an ad hoc Inter-ministerial Committee to oversee implementation.

The importance of this decision was underlined by the events that took place at the G8 meeting on June 26-27, 2002, in Kananaskis, Canada. The G8 Leaders adopted the Africa Action Plan as a framework for action in support of NEPAD. The Presidents of Nigeria, Algeria, Senegal and South Africa participated in the discussion of the challenges faced by Africa and the G8's response to NEPAD. While the G8 Africa Action Plan is a political response to a political initiative, rather than a pledging document, G8 Leaders recognized that additional resources are needed to help give effect to NEPAD.

These events encouraged the donor community to examine further how it might support ECOWAS in playing its expanded and critical role with respect to NEPAD.

5 Institutional Issues Facing the ECOWAS Secretariat

Even though many of the NEPAD priority areas are already being covered by ECOWAS programmes, the ECOWAS Heads of state mandate making the Secretariat the regional focal point for the implementation of NEPAD entails an increase in the activities of the Secretariat. As the NEPAD focal point, the Secretariat will be called upon to participate in NEPAD activities organised at the continental level, particularly to ensure that the West African components are properly covered. The Secretariat will have to mount activities to promote West African ownership and participation in the NEPAD initiative if the different segments of both the private and public sectors are to be involved in the formulation and implementation of the relevant NEPAD programmes for West Africa. Given the diversity of the coverage of NEPAD and the multiplicity of actors, the Secretariat will have to plan and ensure effective coordination of NEPAD programmes. Finally, the Secretariat should involve itself in the mobilisation and efficient utilisation of NEPAD resources.

This means that the Yamoussoukro Heads of State Declaration places ECOWAS at the centre of the NEPAD agenda in West Africa. However, the ECOWAS Secretariat recognises that it currently lacks the institutional capacity to carry out the role that has been assigned to it. Due to financial constraints – largely as a result of late payments by member states before the introduction of the Community Levy, ECOWAS had been the object of a hiring freeze, with the result that the Secretariat is currently seriously understaffed. A new financing system based on a 0.5% levy on imports to provide ECOWAS's funding is intended to become fully operational as of January 2003. ECOWAS should then be in a stronger position financially and, with the gradual build-up of the proceeds from the levy, is expected to be financially self-sustaining by the end of 2005.

The ECOWAS Secretariat initiated a major restructuring action plan in 1999, which led to the establishment of four Deputy Executive Secretary positions and an assessment of the existing



professional staff and staffing needs by the consulting firm Ernst and Young. The result of this assessment is a staffing plan (see Table 1) indicating a need to hire (a) 35 staff members to fill vacant positions and bring its staffing strength back to the 1999 pre-freeze authorised level and (b) a further 50 staff members by 2005 if the institution is to fill the mandate given by the Heads of States.

The first round of hiring has already been approved by the ECOWAS Council of Ministers; the second proposal has not yet been authorised by the Council of Ministers who have asked for further justification.

Nonetheless, even if the full 50 positions are not authorised, it is evident that some new positions will be required to assist with programme management, to support on-going programmes and to develop programmes in sectors that are lagging behind.

TABLE 1
PROFESSIONAL POSITIONS IN ECOWAS SECRETARIAT

Administrative Unit	Approved Organisation Chart (1999)	Current Staff (2002)	Proposed Organisation Chart (2005)	Donor Funded Consultants
1 Cabinet	1	1	1	2
2 Legal	3	1	4	0
3 Internal Audit	2	1	3	0
4 Communications	3	2	4	0
5 Administration	21	10	26	0
6 Finance	4	4	8	0
7 Agric./Rural Development	7	4	12	1
8 Infrastructure and Industry	5	7	12	3
9 Human Development	4	1	7	1
10 Computer Centre	5	5	12	0
11 Trade and Customs	6	5	10	1
12 Economic Policy	8	4	14	1
13 Political Affairs	3	0	3	1
14 Humanitarian Affairs	3	0	3	0
15 Defence and Security	4	0	4	0
16 Monitoring Centre	7	5	10	0
17 Financial Controller	0	0	2	0
TOTAL	86	50	135	10

6 Request to the Donor Community

The ECOWAS Secretariat, in the context of the ECOWAS-European Commission Meeting in Dakar in June, 2002, approached the donor community to seek short to medium-term assistance over the period of the next 3-4 years to strengthen its capacity to manage the NEPAD programme and reinforce its own programmes that are complementary to the NEPAD programmes. The

funding agencies present agreed in principle to provide assistance, but requested that the Secretariat carry out a more holistic review of its needs so that the funding agencies could have a better idea of the overall institutional programmes, the resource requirements compared with what is currently available and the gaps that required financing. This report responds to the desire of the funding agencies.

For ECOWAS to meet its new challenges and become a performing institution, it needs to take a number of substantive actions to address critical issues, including:

- Consolidating its internal structure and simplifying the numbers of layers of decision;
- Strengthening the Office of the Executive Secretary in order to better define the institution's corporate strategy, business plan and corporate priorities and to align its programmes systematically with the NEPAD programme so as to have a systematic corporate view of the institution's activities and key performance indicators;
- Developing an efficient information system, which requires equipment, new software but more importantly a corporate framework to ensure that the sub-systems are coherent and communicate easily to each other;
- Enhancing ECOWAS's communications capacity to inform civil society in the member states regarding the content and implementation of NEPAD;
- Developing more transparent and streamlined administrative and financial procedures;
- Developing a new management culture that will be action – and result-oriented; and
- Revising the incentives and staff evaluation systems.

ECOWAS realises that this is an ambitious programme that will need to be executed over a period of years and has developed an action plan for the short term, i.e., the next three years. The Short-term Action Plan covers priority staffing needs to complement ECOWAS's own hiring plan, critical needs in terms of studies and equipment and studies aimed at detailing activities that will be carried out in the future, such as the up-grading of the ECOWAS computer and Intranet system.

It is for these short-term needs, which are detailed below, that ECOWAS is soliciting financial support from the donor community at the meeting on November 5, 2002.

7 Short-Term Action Plan for Capacity Building

7.1 Institutional Support to the Office of the Executive Secretary

7.1.1 NEPAD Focal Point in the ECOWAS Secretariat

The ECOWAS Secretariat intends to create the position of NEPAD Focal Point in the Office of the Executive Secretary. Given the fact that the ECOWAS and NEPAD programmes are congruent, the actual execution of the ECOWAS/NEPAD programme will be carried out by the member states with the support of the relevant Secretariat departments. The appointment of a NEPAD Focal Point in the Office of the Executive Secretary will send a clear signal to Secretariat staff and to the member states that ECOWAS considers NEPAD to be a top priority, as endorsed by the Heads of State. The NEPAD Focal Point would perform the following functions:

⁶ EC, World Bank, Canada, the UK, the USA, France and the African Development Bank.



- Harmonisation/streamlining of NEPAD and ECOWAS programmes and coordination of their implementation;
- Monitoring of the activities of the national focal points;
- Participation in technical NEPAD meetings with the NEPAD Secretariat and the lead agencies to ensure consistency with the continent-wide options; and
- Identification of resources for the NEPAD programmes in close collaboration with the Finance Department.

The cost of the Coordinator for three years, including allowances, support and travel is estimated to cost US\$ 240,000.

7.1.2 Study of ECOWAS/NEPAD Focal Points in the Member States

The ECOWAS Secretariat believes that there is a need to revisit the way in which both regional integration and NEPAD programmes are managed in member states. All ECOWAS member states have National Units whose responsibility is to coordinate and follow up on Community activities. Despite the apparent importance accorded to the National Units, as demonstrated by the number of Decisions dealing with it, performance of the National Units has been, at best, mixed. Harmonising and/or synchronising the functions and locations of the ECOWAS National Units and the NEPAD Focal Points could enhance efficiency and improve the management of the regional integration agenda in member states in the sense that regional policies are properly translated into national legislation/policies and that appropriate national resources are allocated to regional programmes.

A study will be conducted of the functions that the NEPAD Focal Points would be expected to perform and the likelihood that the ECOWAS National Units (strengthened, if necessary) could do the job and at the same time enhance the prospects for harmonising or merging ECOWAS National Units with the planned NEPAD Focal Points in member countries. Consultants would be hired to:

- Review the institutional framework in member states;
- Review the performance of national ECOWAS units in translating the regional agenda into national policies and programmes;
- Examine options for strengthening or restructuring the National Units; and
- Examine the potential for harmonizing the ECOWAS National Units and the NEPAD Focal Points;
- It is expected that the study will cost US\$ 123,000.

7.1.3 Supporting the NEPAD ad hoc Inter-Ministerial Committee

The Yamoussoukro Action Plan calls for the establishment of an ad hoc Inter-ministerial Committee to assess capacities and to formulate a plan of action for improving the institutional and regulatory framework. As part of its mandate, the Committee should be informed, briefed and its support solicited for the proposed study on the establishment of the ECOWAS and national focal points and more specifically to review the options prior to their submission to a Heads of State Summit. Logistic support to cover travel and subsistence for the committee meetings is required in the amount of US\$ 56,000.

7.1.4 Corporate Strategic Planner

ECOWAS needs to develop a new prioritised work programme to reflect the demands of NEPAD and to strategise effectively in the context of a multi-sectoral, multi-country programme that the Executive Secretariat coordinates, but which is executed by the Member States. It has to do this in a challenging bureaucratic environment.

The Executive Secretary requires assistance to carry out these improvements and proposes to install a Corporate Strategic Planner (CSP) in the Office of the Executive Secretary for a period of three years. This person would work with the Executive Secretary's Chief of Staff (Director of Cabinet) to set priorities in terms of work activities to keep the staff focused on priority NEPAD work. The CSP would work with management and staff to focus work plans and eliminate distractions, such as meetings and other activities that do not contribute to the critical NEPAD mission. The CSP would also work with technical staff and management to cull out wasteful and time-consuming procedures, to modernise systems, especially in the financial sections and to bring up-to-date the ECOWAS computer and communications systems. The Corporate Planner will work closely with the NEPAD Coordinator. The cost of the Corporate Planner over three years is estimated to be US\$ 240,000.

7.1.5 Management Training

Following up on the work of the Corporate Planner, it will be necessary to provide management training in the ECOWAS Secretariat to make sure that all managers are able to understand the corporate priorities and to plan and manage the work of their departments and divisions in order to support the work priorities. The ECOWAS Secretariat will also have to set up systems to ensure that all activities, including work assignments and travel approvals, respond to the established priorities. This training would be carried out in a series of training modules to be undertaken over a period of one year. The estimated cost of this training is US\$ 100,000.

7.1.6 Coordination with UEMOA

Bringing the policies and activities of ECOWAS and UEMOA into line with each other requires an improved level of coordination between the two programmes, through greater communications and working in joint teams. The two organisations have decided to hold a coordination meeting every six months. Logistical support is needed so that ECOWAS can participate in these meetings. The estimated cost of this support is US\$ 78,000.

7.2 Support to ECOWAS Technical Departments

ECOWAS believes that eight positions, to be filled by consultants on three-year contracts, are required to support programme areas that are critical to its NEPAD mission. (Terms of Reference for the consultants are presented in Annex 1.)



7.2.1 Policy Harmonisation Department

Two of the priority programmes in this department that are critical to the regional economic integration agenda are the establishment of the customs union and deepening the process of economic convergence. The Secretariat is badly understaffed in these areas and is requesting that the funding agencies fund two positions: one trade economist to support the development of the customs union and one macro-economist to support the process of economic convergence. It is estimated that each of these experts will cost US\$ 240,000 for three years.

7.2.2 Integration Programmes Department

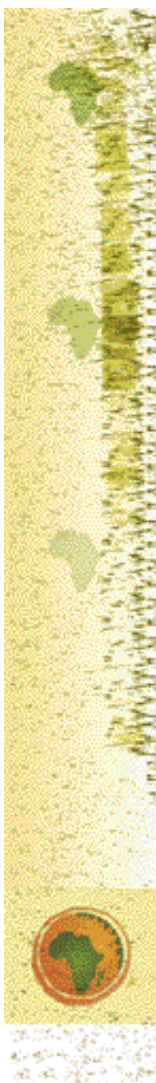
Good progress is being made on a number of integration programmes in the infrastructure sector, notably energy, telecommunications, road transport and air transport. These sectors are particularly important since they can often produce the most tangible expressions of progress for the populations concerned in the region. The energy, and air transport sub-sectors are already receiving substantial support from the donor community so no additional resources are being requested at this time.

In telecommunications, good progress has been made on the physical aspects of regional integration, notably on the upgrading and harmonisation of equipment. The next step is to move towards the harmonisation of telecommunications policies as a precursor to the creation of a regional telecommunications market. The Secretariat does not have the capacity to undertake this work and is requesting funding for a telecommunications policy and market expert for two years to lead this effort. Since it is likely that this expert may need to be recruited internationally, the estimated cost contains a budget provision of US\$ 450,000 for two years⁷.

In addition, the ECOWAS Secretariat would like to take advantage of the new momentum created by NEPAD to improve the process of harmonizing telecommunications reforms and developing a regional policy at the ECOWAS-wide level. The ECOWAS Secretariat (under a PPIAF grant of \$ 279,000) is carrying out a study on the harmonization of sector policies and regulatory framework in the telecommunications sector. Preliminary study reports have been circulated and discussed with international stakeholders (African Connection, International Telecommunications Union, European Union, and the World Bank). The next step is to discuss the findings with representatives of the Member States.

ECOWAS believes that holding workshops to discuss, amend and approve the study findings will be critical to ensure effective implementation of the regional telecommunications policy after the study is completed. The workshops will contribute to educating leaders and stakeholders on issues in the telecommunications sector and to building consensus on harmonization of telecom rules and market structures with a view to establishing a regional telecomm common market by 2007. The estimated cost of two workshops plus the additional costs of the consultants who will prepare the workshop is US\$ 63,000. The second area in which support is requested is that of road transport facilitation. Road transport in West Africa is severely hampered by a number of obstacles to the movement

⁷ To cover the possibility that one of the other experts might need to be recruited outside Africa, a contingency of US\$ 145,000 per year has been added to the budget to ensure that this would not cause a budget problem.



of people and goods, ranging from the failure to harmonise documentation for insurance and customs to the persistent existence of formal and informal roadblocks. ECOWAS has joined with UEMOA to undertake a programme of observations along key corridors – Lagos-Abidjan, in the case of ECOWAS – to collect data and hard evidence that can be taken to the political authorities to support them in their efforts to remove obstacles to road transport. The Secretariat requires an expert in road transport facilitation to carry this effort forward. The estimated cost of an African expert to fill this position for three years is US\$ 240,000.

In contrast to the infrastructure programmes, the ECOWAS programmes in agriculture and human resource development are less developed. The Secretariat requires one expert in agricultural policy and programme development and one expert in human resource development for three years to help them develop coherent programmes that are supportive of NEPAD objectives. In agriculture, it is important that the programme reflect the NEPAD objective of increasing competitiveness and reducing economic marginalisation; this means focusing on the role of the private sector in production and the importance of identifying markets as a prerequisite to progress in the sector. In Human Resource development, it will be important to address issues of regional integration of higher education and of increasing school enrolment rates in ECOWAS countries, some of which feature among the world's worst performers in this area. The estimated cost of these two experts for three years is US\$ 240,000 each.

Finally, there is an urgent need for all ECOWAS programmes to be revisited from the point of view of the NEPAD objective of making better use of the private sector. This is particularly important in infrastructure where private sector actors are often both the providers and the consumers of infrastructure services. It is also important in macroeconomic policy where ECOWAS is seeking a helpful economic environment for the private sector, in the agricultural sector where virtually all production is done by the private sector in response to the policy environment and even in the human resource sector where there is potential for the private sector to play a much bigger role.

ECOWAS wants to hire a private sector expert who would work with all ECOWAS departments to ensure that the programmes being developed and implemented take account of the needs and potential of the private sector. Although this person would be located in the Industry Division, he/she would be expected to spend half of their time on industry division activities and half working with other divisions and departments to help them devise programmes that better incorporate the needs of the private sector. This work would be closely coordinated with the NEPAD coordinator. The cost of this expert is estimated at US\$ 240,000 for three years.

7.2.3 Political Affairs, Defence and Security Department

A key NEPAD objective is to promote good governance. An important part of this is to ensure that ECOWAS Community decisions are implemented in the member states, to strengthen the rule of law and legal systems and to increase the participation of civil stakeholders. ECOWAS is seeking funding to hire an expert in political governance in order to give this activity greater prominence in ECOWAS activities. Like the private sector expert, this expert would be expected to work across the organisation. In particular, he/she would work closely with the Legal Department. The cost of this expert is estimated to be US\$ 240,000 for three years.



7.2.4 Support for the Consultants

In order to make sure that the work of the consultants is not hindered by a lack of support. ECOWAS intends to create a Support Unit of three staff, which would provide secretarial and office support – fax, photocopy, etc. – to the consultants. The estimated cost of the Unit would be US\$ 180,000 staff costs for three years and an initial equipment cost of US\$ 30,000. Each consultant would also be provided with the necessary computer equipment, estimated to cost US\$ 10,000 per consultant.

7.2.5 Linkages with ECOWAS Staff

Technical assistance to institutions can fail if staff in the institution are not involved enough in the work of the consultant, sometimes because they simply lack the means to follow the work because they do not have the equipment or the training to keep up with the consultant. To avoid this in the Short-term Action Plan for Capacity Building, the Secretariat proposes to create a technical nucleus around each consultant, including the technical and management staff that the expert will work with. This is expected to involve around 20 Secretariat staff members. Each of these staff members would receive a new computer, which would be networked within the nucleus, and training in basic computer usage, including Word, Excel, PowerPoint, email and Internet. The estimated cost of this activity is US\$ 200,000 for equipment and US\$ 40,000 for training.

7.2.5 Communications Department

Communication is a vital, if neglected, element of the ECOWAS programme and it will only grow in importance and difficulty now that ECOWAS has taken on the implementation of the NEPAD programme about which little is known in the region. ECOWAS has recognized this by increasing the staff complement of the communications unit by making one temporary position permanent and by authorizing three new positions. This takes care of the immediate staff needs of the unit. There is, however, a strong need for additional equipment. Communications is an area that requires powerful, up-to-date computer for desktop publishing and audio/video editing; the unit's equipment in this regard is severely out of date. Funding is sought for two computers, monitors and software, two professional printers, still and video digital cameras and digital editing equipment at a total estimated cost of US\$ 20,000.

7.3 System Strengthening

The Secretariat would also like to build up its key systems in order to improve its computer and information systems, administrative procedures and enhance the quality of its financial accounting, management and reporting. These are ambitious projects that can only be carried out over time. In the short-term, it will be necessary to carry out studies in the areas of (a) modernising computer systems, including the Intranet and Internet access and (b) modernising administrative systems, including personnel management – recruiting, evaluating and rewarding staff. The objective of each study will be to produce a costed, well-designed modernisation plan for each area. The estimated cost of each of the two studies is US\$ 50,000.

In addition, there is an urgent need to modernise the Secretariat's financial systems, including introducing computerised financial accounting, management and reporting systems. It is estimated that US\$ 20,000 will be required to analyse the situation and draw up a modernisation plan, US\$ 25,000 for computers and software and US\$ 20,000 for training. Since it is likely that other ad hoc short-term consultancies may be required that have not currently been identified, a contingency of US\$ 50,000 per year has been included in the budget for short-term consultancies. In addition, another US\$ 30,000 is included as a contingency for other equipment.

8 Action plan Management

Implementing the Short-term Action Plan will involve the coordination of a large number of activities, each carried out by a different ECOWAS management team and, perhaps, supported by different funding agencies. It is, therefore, important to harmonise procedures as much as possible. The objective is to streamline and simplify as much as possible the procedures associated with the implementation of the Action Plan.

8.1 Reporting

The easiest place to harmonise procedures is in reporting. It is proposed that a single consolidated report on progress in implementing the Action Plan be produced and submitted to all the funding agencies. The content would be agreed with all the agencies at the beginning to ensure that each agency receives the information that it needs. After that, the Director of Cabinet of the Executive Secretary would be responsible for coordinating the consolidated report every six months. Each expert consultant would submit a quarterly progress report. These reports would be placed on a website so that they are available to all funding agencies.

8.2 Meetings

A meeting with funding agencies would be held every year to review progress and funding. To make sure that all funding agencies can express their views on the implementation of the programme as often as they wish without having to meet, the website where the reports will be placed will have the facility to allow funding agencies and managers to have a dialogue on an on-going basis. This will maximise communication while avoiding costly meetings. The estimated cost of this facility is US\$ 50,000 per year.

8.3 Procurement

It is essential that procurement procedures be harmonised as much as possible. ECOWAS would agree to a single set of procurement procedures for goods and services with the funding agencies that would include advertising, clear qualifications and experience statements, an evaluation system and criteria for the attribution of contracts. Once agreement had been reached, ECOWAS would operate the system without prior donor review.



8.4 Financial Management

ECOWAS and several funding agencies have expressed the desire to channel funds for the Short-term Action Plan through a special fund; the objective is to streamline procedures and to avoid ECOWAS having to deal with multiple funding agencies with multiple procedures.

The participating funding agencies would agree on the programme activities that would be covered by the Fund and the uses to which the money in the Fund could be put, as well as the procedures for both disbursing from the Fund and replenishing the Fund. Any changes to programme activities would be discussed at the annual donor meeting.

Disbursements will be decided by ECOWAS and proceed according to rules for hiring of experts and procurement of equipment, in accordance with best international competitive practices, as agreed with the funding agencies. Daily operations will be executed by personnel of the ECOWAS Secretariat.

The resources of the Fund shall at all times be held, utilized, committed and disbursed completely independently from any other resources committed to the Secretariat. The Fund shall be kept in such currency and in such special bank account as may be agreed by the funding agencies. Independent accounts will be kept to permit identification of revenue, assets, costs and expenses pertaining to the Fund independent of all other operations of the Secretariat. These accounting arrangements would ensure that the resources contributed to the Fund by each donor could be identified. Because resources would be co-mingled, it will not be possible to identify the specific contracts that would be supported by each donor's money. Rather, each participating donor would finance a pre-agreed percentage of the total costs of the activities financed by the Fund.

ECOWAS realises that some funding agencies may, for procedural reasons, be unable to participate in such a Fund. Nevertheless, it encourages as many funding agencies as possible to join the Fund.

9 Summary of Funding Requests

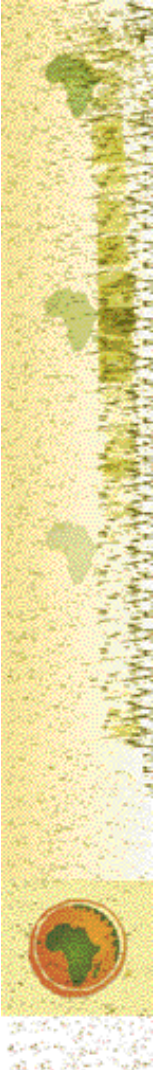
The budget requests described above are summarised in the following budget table. For ease of reference, activities are classified by type of expenditure.

10 Funding Already Confirmed

The World Bank has already approved an Institutional Development Grant that will cover the NEPAD Coordinator for two years, the study of NEPAD focal points, logistical support for the ad hoc Inter-ministerial Committee, support for liaison with UEMOA, Telecommunications Policy Workshops and equipment for the Communications Department.

Canada, as an interim measure, has also approved a contribution of CA\$ 500,000 to cover the first year funding of three consultants. France has also indicated its willingness to make a contribution of Euros 100-500,000.









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