

Panel discussion on Institutional Challenges in Implementing the New Partnership for Africa's Development (NEPAD)

Opening remarks by

**Mr. Legwaila Joseph Legwaila
Under-Secretary-General and Special Adviser on Africa
United Nations**

12 October 2006, New York

It gives me great pleasure to welcome you to this Panel Discussion.

This is a particularly promising and decisive time for Africa, coinciding with the fifth anniversary of the adoption of NEPAD by African leaders. After developing the objectives, programmes and projects of NEPAD, attention is now focused on its implementation. NEPAD has raised many hopes and expectations, and both Africans and their development partners are eager to see Africa firmly set on the path to sustainable development.

The fourth report of the Secretary-General on the progress in the implementation of and international support for NEPAD (A/61/212*) emphasizes that the progress made in 2005 both in terms of regional efforts to implement NEPAD and in commitments by the international community in support of Africa, has provided a basis for a new momentum of action for Africa's development. Today's panel discussion offers the opportunity for various stakeholders to share their experiences and to provide their views on how to turn this new momentum into results by addressing the institutional challenges in the implementation of NEPAD.

Despite the significant progress achieved, many challenges remain. Implementing the right macroeconomic policies alone is not sufficient. Weak institutional capacity has been identified as one of the major constraints limiting the progress in the implementation of NEPAD at all levels – continental, regional and national. These institutional weaknesses show up both in the form of lack of technical capacity to formulate and implement programmes and in insufficiently developed rules to govern collective action.

At the continental level, the delay in the full integration of the NEPAD Secretariat into the AU Commission has resulted in a number of problems, such as inefficiency in the use of limited resources, and risk of duplication in activities. Thus, there is an urgent need for African leaders to implement the agreed upon framework to resolve the crucial question of the relationship between the AU Commission and the NEPAD Secretariat.

At the regional level, the Regional Economic Communities (RECs) are expected to play a major role in implementing the NEPAD programmes, including, most importantly, the cross-border infrastructure programmes. However, the RECs have not been able to fully carry out their role due to inadequate financial, human and technical capacity. Therefore, strengthening their capacity for planning, coordinating and implementing regional programmes and initiatives is an important priority. In addition, there is a need for enhanced efforts to align the programmes of the RECs with NEPAD priorities and to improve linkages between the national level and the RECs respectively.

The institutional challenges at the national level are of a different dimension. The nature of collaboration between the stakeholders and the risks associated with undertaking economic activities are influenced by the countries' overall institutional and regulatory framework. This is a particularly important issue, because the existence of a vibrant private sector is a vital precondition to Africa's growth and development. The necessary institutional and regulatory framework for private economic agents includes trade laws, competition laws, clearly defined property rights, law enforcement, taxation, regulations, and efficient governance structures. Some of these institutional structures are non-existent or weak, especially in the African Least Developed Countries.

However, there are some encouraging signs. For example, the World Bank's recently published "**Doing Business 2007**" report has found that two-thirds of African countries implemented at least one pro-business reform over the past year. Sub-Saharan Africa as a region ranked third in the pace of reform. The report also acknowledged progress in improving business regulation and cutting red tape in Africa. However, in many African countries building the supportive institutional environment for the private sector and foreign investment needs further efforts.

At the same time, a supportive environment for the implementation of NEPAD regional programmes and projects requires enhanced efforts at harmonizing the legal and regulatory frameworks, sectoral policies, investment codes and tax laws between the countries in each region, as well as developing the financial and capital markets at the regional level.

If NEPAD is to succeed, we must address these challenges without delay, because we cannot afford to lose the current window of opportunity.

Let me now introduce our distinguished panellists:

- **Ambassador Olukorede Willoughby**, the Deputy Chief Executive Officer, NEPAD Secretariat, will give *An overview on the institutional challenges in the implementation of NEPAD*.
- **Mr. Francis Gatare**, Adviser to the President of Rwanda on NEPAD, will focus on “*National Perspectives on the Institutional Challenges in the implementation of NEPAD*”.
- **Mr. Oma Djebah**, Deputy Editor, This Day – Nigeria –, will focus his presentation on “*Media Perspectives on the Institutional Challenges in the Implementation of NEPAD*”.
- **Mr. Ejeviome Eloho Otobo** from my office will make a presentation on the *Contribution of the Private Sector to the Implementation of NEPAD*, focusing on institutional issues.

I now invite the Panellists to make their presentations.

Thank you.