Africa Action Plan on Development Effectiveness (AAP)

Inspired by the AU Vision of "an integrated, prosperous and peaceful Africa, driven by its own citizens";

Based on National priorities, AU Agenda 2063, Post-2015 CAP, NEPAD and African Consensus and Position on DE;

Action Plan reflects consensus on Africa's priorities reached by representatives of AU Member States, RECs, CSOs and Broader Stakeholders;

Action Plan clearly outlines the Continents Development Effectiveness priorities and informs Africa's quest for effective development cooperation;

Serves as a guiding instrument for Africa's engagement in the global development agenda outlining the continent's top most priorities.
Key African Agendas and Main Thrusts

• National Development Plans and Strategies
  ➢ Outlines national development goals, priorities and targets for growth and development

• NEPAD Programme
  ➢ African Union strategic framework for pan-African socio-economic transformation and inclusive development

• AU Agenda 2063
  ➢ A shared strategic framework for inclusive growth and sustainable development

• Common African Position on Post-2015 Development Agenda (CAP)
  ➢ Articulating an African priorities for post-2015 development agenda entailing a focus on levers of growth

• African Action Plan on DE (AAP) vis-a-vis Mexico Communique
  ➢ Outlines African priorities for effective development cooperation (means of implementation) to support the above
Overview of AAP

- AAP is based on key growth enablers in line with Africa’s key development priorities i.e. industrialization etc for Africa’s inclusive growth and transformation;

- AAP serves to garner support of the GP for the following purposes:
  - Gradual exiting of aid dependence towards growth & sustainability;
  - Enhanced improvement of means of implementation;
  - Growth and expansion of innovative domestic resource mobilization mechanisms;
  - Development cooperation towards curbing illicit financial & resource flows (extractives etc) to raise adequate financing of Africa’s development through own resources.

- Mainstreaming the implementation of Busan commitments at both national and regional level; and

- Spur the achievement of RESULTS in the AAP Priorities and overall national as well as regional growth objectives
AAP Priorities

• **Priority 1**
  *Tax and Domestic Resource Mobilization*

• **AAP Priority 2**
  *MICs and Effective Development Cooperation*

• **AAP Priority 3**
  *Knowledge Sharing, South-South and Triangular Cooperation*

• **AAP Priority 4**
  *Private Sector and Effective Development Cooperation*
Regional Dimension on Implementing AAP

- The Inter-Governmental Authority on Development (IGAD), an institution of the African Union has taken up priorities of the AAP in the following areas:
  
  - Results oriented and coherent development partner organization in financing IGAD’s regional priorities through the Strategic Plan, Agenda 2063 and related SDGs;

  - Development of the Capacity Development Strategy to support the new Regional Strategy as well as for institutional strengthening;

- IGAD is facilitating development in 8 countries in the horn of Africa

- Support to the recently approved SADC Industrialization strategy and Roadmap aligned to the AU Agenda 2063 (AAP Priorities 1,3 and 4);

- 15 Countries

  - Based on Industrialization, Competitiveness and Regional Integration (Priority 3)

  - Individual countries now developing and consolidating National Industrialization plans based on priorities such as value-addition in minerals, agricultural products etc
National Initiatives

• Linkage of AAP priorities to RESULTS achieved at Country Level:
  – Benin-Results Frameworks including the road map have been submitted to the Minister of State in charge of Economy, Finances and Programs of Denationalization. *(Ministry has received commitment from SDC)*
  – The terms of reference for a study on the state of the use of country results frameworks under finalization to pave way for implementation.

• NEPAD is advanced with the development of African Mutual Accountability Standards in 4 Countries-Extractives *(DRM tools)*
  – Capacity Assessment Tool in Extractives finalised for launching in South Africa, Uganda, DRC and Botswana as pilot countries.
  – Effective linkage of the African Mining Vision with AAP (Priority 4) and Mutual Accountability Standard.

The above is linking AAP implementation, MA Standard initiative with the GP Results Initiative *(Swiss Development Coop and Government of Bangladesh)* to connect the various development agendas in Africa
Thank you
RESOURCES POTENTIAL
- US$520 billion in tax revenues
- Huge Public Pension Funds Assets
- Over US$168 billion annually in minerals
- US$400 billion in international reserves
- US$40 billion in Diaspora remittances
- US$ 5-10 billion in securitized remittances
- Over US$1.2 trillion in Stock Market Capitalization
- Private Equity Market worth over US$30 billion
- US$60 billion in banking revenues
- Increased capacity of Regional banks & DFIs

ENABLING ENVIRONMENT
- Economic growth
- Domestic savings
- Tax revenue system (tax net, not tax increase)
- Capital market
- Curtail illicit financial flows from Africa
- Governance and effective institutions
- Private sector development

EXPECTED OUTCOME
70-80% OF AU-NEPAD PROGRAMMES AND PROJECTS FINANCED FROM DOMESTIC RESOURCES

PROPOSED FINANCIAL INTERMEDIATION ARRANGEMENTS
- Africa Infrastructure Development Fund (Africa50)
- Africa Credit Guarantee Facility
- Promotion of Africa-Owned Equity Funds
- Deepening of Africa's Bond Markets
- Securitization of Africa's Diaspora Remittances
- Setup of Strategic Development Sovereign Wealth Funds
- Sovereign-backed Pension Funds
- Establishment of Regional Stock Exchanges
- Promotion of New Models of Public-Private Partnerships

IMPERATIVES FOR IMPLEMENTATION
- Sustained Progress in Regional Integration
- Governance, Policy and Institutional Reforms
- Special Capacity Development Programme
- ECA sponsored DRM Expert to NPCA (March 2014)
- NEPAD Domestic Resource Innovation Mechanism
- Impact Investment Fund for African Fisheries
- African Network for PPPs in Infrastructure

NEPAD - TRANSFORMING AFRICA