# AFRICAN UNION الأتحاد الأقريقي

# UNION AFRICAINE UNIÃO AFRICANA

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EXECUTIVE COUNCIL
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24 – 28 June 2008
Sharm El-Sheikh, EGYPT

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REPORT OF THE MEETING OF THE SUB-COMMITTEE ON CONTRIBUTIONS HELD ON JUNE 18, 2008

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#### INTRODUCTION

1. The meeting of the sub-committee was held on 18 June 2008 in the committee room of the AU conference centre.

#### **Attendance**

Libya Chairperson
Malawi 1st Chairperson
Rwanda 2<sup>nd</sup> Chairperson
Nigeria 3rd Chairperson
Burundi (Rapporteur)

Cote d'Ivoire

Togo Egypt Djibouti Lesotho Congo Gabon

#### Absent

Somalia Mozambique

#### **Opening remarks**

2. The 1<sup>st</sup> Vice chairperson of the sub-committee, H.E James Kalilangwe welcomed members present at 3.15 P.M and declared the meeting opened. He then introduced the draft agenda and asked for any amendments if any. There was none and the following agenda was adopted.

#### Agenda as adopted

- 1. a) Opening ceremony
  - b) Organization of work
  - c) Adoption of Agenda
- 2. Consideration of the statement of contributions of member States to the African Union
- 3. Consideration of the Report on countries emerging from conflict situation
- 4. Any other business

### II. Consideration of the statement of contributions of member states to the African Union

3. In introducing the agenda, the representative of the Commission highlighted the status of receipts as at 09 June as follows:

Total receipt US \$ 37, 017,820.56 Current year's receipt US \$ 30, 946.266.14 Collection of arrears US \$ 5, 673,840.37 Pre payments US \$ 397,714.05

4. He further pointed out that three payments totaling US \$ 11,921,773.12 were made after the 09 June, namely:

 Sudan
 US \$ 1,054, 235.12

 Angola
 US \$ 884,343.00

 South Africa
 US \$ 9,983,195.00

- 5. He indicated that 18 Member States were in arrears of one year and above, 27 Member Sates were without arrears but had not yet paid current year's assessment and 9 Member States were up-to-date with their contributions. They are, Algeria, Angola, Burkina Faso, Ethiopia, Kenya, Sahrawi Democratic Republic, Mozambique, Lesotho and Republic of South Africa. Angola, Burkina Faso and Kenya had made prepayments.
- 6. While thanking Member States who had fulfilled their commitments, the representative of the Commission pointed out that though a lot of progress had been made by Member States to get out of sanctions, the status of a few remained unchanged. The following countries that had been under sanctions had not made any payments, namely, Eritrea, Sao Tome and Principe and Seychelles. Cape Verde and Democratic Republic of Congo made some payments towards their arrears but their balances are still more that two years' assessment. Similarly, Central African Republic and Guinea Bissau now have arrears totaling more than two years' assessments hence fall under sanctions.
- 7. He concluded that Burundi and Sierra Leone who had been granted temporary and exceptional exemption from sanctions by the Executive Council were honoring their repayment schedules.
- 8. In the debate that ensued, delegations wanted clarifications on the following:
  - Had the Commission made any efforts to collect the arrears
  - Why was the arrears of Morocco still appearing on our records
- 9. In response, a representative of the Commission indicated that indeed the Commission made some efforts through the available avenues, namely, sending quarterly reminders and occasionally the Chairperson or his Deputy makes personal appeals to competent authorities of the countries concerned whenever he gets the

opportunity. On Morocco, he pointed out that the arrears were the amount the country owed OAU before walking out of the organization. Should she walk back, this amount would be claimed. He indicated that writing off the arrears might send a wrong or un intended signal that Morocco was no longer a member of the African organization.

#### III. Consideration of the Report on Countries emerging from conflict situation

- 10. The representative of the Commission informed the sub-committee that a detailed report prepared by Directorate of Peace and Security on this subject was ready but not yet translated in all working languages. He promised that translation will be finalized soon and the matter could be considered in Sham El Sheikh.
- 11. The sub-committee concurred and deferred the agenda.
- 12. Following the debate, the Sub-Committee then made the following recommendations:
  - (i) The sanctions imposed on the following five Member States should be maintained because there is no improvement in their arrears status:
    - 1. Cape Verde
    - 2. Democratic Republic of Congo
    - 3. Eritrea
    - 4. Sao Tome and Principe
    - 5. Seychelles
  - (ii) The following two Member States have fallen under sanctions because they have arrears of two full years or more.
    - 1. Central African Republic
    - 2. Guinea Bissau

#### IV. Any other business

13. There was no other business and the meeting was adjourned at 4.00PM.

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Annex

# MEMBER STATES IN CONFLICT OR POST CONFLICT SITUATION

#### MEMBER STATES IN CONFLICT OR POST CONFLICT SITUATION

#### 1. The Democratic Republic of Congo (DRC)

The DRC experienced two successive wars (1996-1997 and 1998-1999) which engulfed all the countries in the region. After the ceasefire in Lusaka (1999) and the conclusions of the inter-Congolese dialogue, the country went through a transition for three years which led to the general elections held in 2006. Currently, new institutions have been established and are trying to consolidate the restoration of peace and start the post conflict reconstruction and development process of the country. However, the functioning of the various institutions has been made more difficult due to the lack resources and the dilapidation of basic services as well as problems related to conditions in which the country emerged from the crisis. This situation has worsened by the recurrent instability in the Eastern part of the country, particularly in the Northern and Southern Kivu provinces where there is an upsurge of activities of illegal armed groups, particularly since August 2007. However, significant progress has been made towards peace with the ongoing implementation of the Nairobi Communiqué as well as the conference decisions on peace security and development of the Northern and Southern Kivu provinces.

#### 2. Burundi

The conflict which broke out after the assassination of the President elect Melchior Ndadaye in 1993 led to protracted negotiations which resulted in the signing of the Arusha Accord for Peace and Reconciliation in Burundi in August 2000. A transitional government was then put in place in November 2001 which lasted till August 2005, when the post transitional institutions which emerged from the general elections, held from June to August 2005 were installed.

During the transition, two ceasefire agreements were signed in October and December 2002 between the transitional government on the one hand and the CNDD-FDD of Jan Bosco Ndayikengurukiye and the Palipehutu-FNL of Alain Mugabarabona and the transitional government of the CNDD-FDD of Pierre M. Nkurunziza, formerly the biggest armed political movement. In November 2003, a comprehensive ceasefire agreement was signed between the transitional government and the CNDD-FDD of Pierre Nkurunziza.

In spite of this progress, the peace process in Burundi is not yet completed. In fact, an armed political movement, the Palipehutu-FNL, is working hard to join it. The ceaseless efforts made by the regional initiative, the South African mediation, the UNO and the AU enabled the parties to negotiate and sign in Dar-es-Salaam, first and foremost, the agreement of principle for the attainment of lasting peace security and stability in Burundi on 18 June 2006 and then the comprehensive ceasefire on 7 September 2006. The implementation of the global ceasefire agreement, which began with much effort in February 2007, still faces many difficulties, in spite of the efforts of partners in the peace process.

#### 3. The Central African Republic (CAR)

Since its independence, the CAR has been experiencing recurrent instability. This state of affairs has led the country into a situation of near economic collapse, with dramatic political and economic consequences worsened by the many coups d'état, mutinies in the army, recurrent strikes, armed rebellions as well as by problems of governance. Weakened by this situation and by the long absence of any programme with the international financial institutions, the government which emerged from the 2005 elections is faced with active rebel movements in the north and north-west of the country.

Ongoing efforts made by countries in the region, the African Union and partners in the peace and economic development process aim to ensure the stability of the country, reconciliate centrafricans, consolidate the new institutions, establish an army and republican security services, and restore the macro-economic situation. In spite of these efforts, the situation in the CAR is still fragile.

#### 4. The Comoros

Established on 1<sup>st</sup> October 1978, the Islamic Federal Republic of The Comoros has experienced about twenty coups d'état or coups d'état attempts. This instability has brought about a long political and institutional crisis characterized by recurrent attempts to disrupt the unity of the Archipelago.

The constitution established by the referendum of 23 December 2001 created the Union of the Comoros whose objective is to put an end to the instability and the vague successionist impulses. This constitution grants considerable autonomy to its major components (the three autonomous islands). However, in spite of the holding of elections with the facilitation and supervision of the AU, the political situation is still weakened by the persistent refusal of the illegal authorities of the Island of Anjouan to conform to the rules governing the functioning of the Union. The problems facing the Archipelago weaken the Union and hinder economic recovery.

#### 5. Somalia

Without a Government nor any central institution for about fifteen years, Somalia is trying with difficulty to re-establish the structures of governance and to lead the peace and reconciliation process to its conclusion. In 2002, after two years of negotiations, the reconciliation conference held under the auspices of IGAD led to the establishment of transitional institutions including a government and a Parliament.

In December 2005, the transitional federal government, with the support of countries of the region, succeeded in retaking control of Mogadishu, until then controlled by the Union of Islamic tribunals (UIC) which had defeated the warlords who occupied the capital as well as other parts of Somalia. In July/August, a reconciliation conference was held in Mogadishu during which many recommendations were made in order to consolidate peace and national reconciliation in Somalia. For its part, the AU has deployed an operation to support peace in Somalia.

However, there is still a long way to go to conduct the peace and reconciliation process to its conclusion. The security situation is precarious and the resources of the transitional institutions are extremely limited. Regarding the AU mission, it is faced with innumerable difficulties which hamper its deployment and its activities on the field. The United Nations, whom the AU requested to deploy a peace-keeping mission in order to take over from the AU, considers that the necessary political and security conditions are not yet met.

#### 6. Sudan

After almost about thirty years of civil war, the Government of Sudan and the Popular Armed Liberation Movement of Sudan (SPLM/A) signed a comprehensive peace agreement (CPA) in Nairobi in January 2005. In spite of the difficulties faced in the implementation of the said agreement, the peace process in Southern Sudan has made remarkable progress.

It was at the time when, with the support of the international community, the parties in the CPA were preparing to implement it, that the Darfur conflict (Western Sudan), which broke out in 2003 (between government forces and three rebel movements), seriously escalated. The negotiations held under the auspices of the AU enabled the Darfur Peace Agreement (DPA) between the Government and one of the three rebel movements to be signed in Abuja in Nigeria in may 2006. Unfortunately, efforts aimed at expanding the base of this agreement in order to facilitate its implementation did not achieve the expected results.

It was in this context that the AU and the United Nations, with the support of the international community, initiated new efforts aimed at signing a more comprehensive peace agreement to which all the parties in conflict would subscribe. After the opening of the new peace talks in Sirte in Libya in October 2007, the Joint AU/UN mediation pursuit consultations with all the parties in order to find a global and lasting solution to the Darfur conflict.

In order to support the political process in Darfur, the AU had deployed an operation to support peace in the region. This was replaced since 31 December 2007 by a joint African Union/United Nations operation (UNAMID).

#### 7. Cote d'Ivoire

The rebellion which broke out in Cote d'Ivoire in September 2002 had resulted in the partitioning of the country, with the northern part controlled by the rebellion and the south by the government. The numerous negotiations held respectively under the auspices of ECOWAS, France and South Africa (mandated by the AU) resulted in the

signing of several agreements (Marcoussis, Accra and Pretoria) which could not be completely implemented.

It was in this context that the President of the Republic took the initiative at the end of 2006, to have the peace process mainly conducted by the old belligerents namely the government and the new forces (former rebellion). In this regard, the Head of State requested the support of the current chairman of ECOWAS as Facilitator. As part of this process, the two parties negotiated and signed "Ouagadougou Political Agreement" and the "complementary agreement", respectively on 4 and 26 March 2007.

The different agreements contribute to easing the political and social climate in the country and enabled significant progress to be made in the peace process including, with regard to the DDR, the reunification of the country and the identification of the people. However, there were delays in the implementation of the Ouagadougou political agreement in November, the 2<sup>nd</sup> and 3<sup>rd</sup> complementary agreements aimed at speeding up the implementation of the Ouagadougou agreement.

#### 8. **Guinea Bissau**

Guinea Bissau, which acceded to independence (1974) after 12 years of war (from 1962 to 1974), has experienced three coups d'état (1980, 1999 and 2003), as well as a long mutiny of soldiers. These events caused a serious political, economic and social crisis which persists, in spite of the restoration of constitutional order at the end of the 2005 elections.

The Government which emerged from these elections is currently faced with innumerable difficulties particularly regular payment of salaries of soldiers and government officials, disastrous state of basic social services and infrastructure, cohesion and synergy between the institutions. These weakness as contributed to weaken the State at a time when the country was faced with problems related to drug trafficking.

#### 9. Liberia

After several years of conflict, Liberia is engaged in a process of peace consolidation and post conflict reconstruction. After the election of Ellen Johnson Sirleaf, the Government put in place has implemented a series of measures whose impact is now being felt as evidenced among others, by the substantial increase in State revenue and the percentage of children in full-time education, the lifting of sanctions imposed by the United Nations concerning diamond, improvement in financial management and the supply of electricity to certain parts of the capital, Monrovia for the first time in 15 years.

The fact remains that if Liberia has made significant progress in a very short period of time, many challenges still have yet to be addressed. For example, it is necessary to consolidate the new institutions of the country and the structures responsible for security, strengthen national security, meet the socio-economic needs of the victims of violence which has torn Liberia apart for a long time and generally the

needs of the people. These are the many challenges which not only require persistent commitment and determination of the Liberian authorities but also the support of the international community throughout the period.

#### **Observations**

After this quick overview of the situation of countries emerged or in the process of emerging from crisis, I would like to make the following observations:

- i) The countries whose situations have been briefly described above are not a homogenous category. On the one hand, in some of these countries, the peace processes are at an advanced stage; however, in others the process for the restoration of peace is still faced with huge difficulties including the persistence of the situation of violence. On the other hand, this group of countries is very heterogeneous in terms of revenues and economic potential.
- ii) Generally, peace building and post conflict reconstruction are processes which can succeed only if they have a time span. They require a strong political will of the national stakeholders concerned and continuous support of the international community.
- In spite of its limited resources, the AU is trying to assist the countries concerned, for example as part of the Framework of action on the post conflict reconstruction and development adopted in Banjul in June 2006. In most of the countries concerned, the AU has Liaison Offices responsible for supporting the implementation of the peace agreements signed and to assist the process of countries emerging from crisis. In some cases, the AU has gone further, making financial and technical contribution to post conflict reconstruction and development programmes as well as mobilising the continent and the international community to support national efforts including organising conferences for African solidarity.
- iv) The analysis of the situation of Member States in relation to the payment of their statutory contributions at the level of the African Union shows an instructive diversity of a case. In fact,
  - Member States which have never experienced armed conflict owe huge arrears to the AU (Sao Tome and Principe, Cape Verde, Seychelles);
  - Member States almost in a situation of permanent instability make much efforts to fulfil their obligations to the AU (Comoros);
  - Member States in conflict situation but with considerable resources continue to have huge arrears (DRC);

In order to illustrate this situation, it is necessary to present and make a brief analysis of the comparative table of some economic indicators, more or less similar but up to date with their statutory contributions:

#### A. Table of some key inductors

Country	Popul ations (millio ns)	GD P (mil lion s)	G D P G ro wt h	Per Capi ta Inco me	Per Capi ta Gro wth	% Extern al Debt/ GDP	Co ntri but ion Arr ear s'
Cap e Verd e	0.5	99 9	1 1. 9	-	9.3	54.6	
Djib outi	0.8	70 9	3. 2	-	1.4	59.8	
DRC	57.5	71 04	6. 5	120	3.3	149.2	
Sier ra Leo ne	5.5	11 93	7. 3	220	3.6	141	
Sao Tom e Prin cipe	0.2	11 3	-	420	-	298.8	
Tog o	6.1	21 09	1. 2	350	-1.3	81	
Sey chell es	0.1	72 3	1. 2	818 0	0.2	93.4	
Ga mbi a	1.5	46 1	5	460	2.3	145.6	

## B. Comparative Summary analysis of the indicators presented in the table.

# 1. Cape Verde (under sanction) with Djibouti (up to date with its contributions)

 Cape Verde has never experienced war while Djibouti has experienced one in the 60s. However, the two have been experiencing a remarkable stability during these last years;

- The two countries have a population of less than one million inhabitants;
- Cape Verde has GDP and a DGP growth rate higher than those of Djibouti;
- The growth rate of the per capita income of Cape Verde is 6.5 times higher than that of Djibouti;
- The external debt rate in relation to the GDP of Cape Verde is lower than that of Djibouti (which means, among others, that the economy of Cape Verde is under less pressure than that of Djibouti concerning external debt repayment).

## 2. The DRC (under sanction) and Sierra Leone (has request that its arrears be rescheduled)

- the two countries have experienced a protracted war;
- the GDP of the DRC is nearly 6 times higher than that of Sierra Leone;
- the two countries have a GDP growth rate and a percentage of the external debt in relation to very close GDP;
- the two countries have a GDP growth rate higher than 6 (therefore very high);
- the two have very close per capita income growth.

## 3. Sao Tome and Principe (under sanction) and Togo (up to date with its contributions)

- the two countries have not experienced war but recurrent political upheavals;
- the per capita income is higher in Seychelles than in Togo;
- Togo has a very weak GDP growth and its growth rate has been negative for several years;
- Sao Tome and Principe has a per capita income higher than that of Togo.

## 4. Seychelles (under sanctions) and Gambia (up to date with its contributions)

- the two countries experience a remarkable political stability;
- Seychelles have a GDP nearly double (more than 1.5) of that of Gambia;
- They also have a per capita income (8,180 USD) 18 times higher than that of Gambia (460 USD);

Seychelles have a percentage of external debt in relation to the GDP clearly more profitable (93) than that of Gambia (145.6).

- v) All Member States, including those who are in conflict situation try to pay the debts contracted with international financial institutions and their bilateral partners as well as the interests due on these debts.
- vi) The payment of the statutory contribution is not only an obligation under the pertinent instruments of the AU but should also be considered as a duty towards Africa. Without financial resources, the AU cannot contribute to the efforts deployed on the continent in order to promote peace and security.
- vii) Therefore, for all these reasons raised, it would be more appropriate to grant payment facilities to the countries concerned so that they could balance their arrears rather than exempt them purely and simply from one of the most fundamental obligations related to their status as members.

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