

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

UNIÃO AFRICANA

Addis Ababa, Ethiopia

P. O. Box 3243

Telephone: 5517 700

Fax: 5517844 / 5182523

Website: www.au.int

SC8854

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**ANNUAL REPORT OF THE CHAIRPERSON ON THE ACTIVITIES
OF THE COMMISSION COVERING THE PERIOD
JANUARY TO DECEMBER 2012**

TABLE OF CONTENTS

FOREWORD	i
EXECUTIVE SUMMARY	1
INTRODUCTION	1
II. PEACE AND SECURITY	3
II.1 OPERATIONALIZATION OF THE APSA	3
II.2 OVERVIEW OF THE SITUATIONS ON THE GROUND	4
II.3 MAKE PEACE HAPPEN CAMPAIGN.....	15
II.4 AU BORDER PROGRAMME	16
II.5 POST-CONFLICT RECONSTRUCTION AND DEVELOPMENT (PCRD) / FOLLOW-UP TO THE AFRICAN SOLIDARITY INITIATIVE	16
II.6 SECURITY SECTOR REFORM (SSR)	17
II.7 DISARMAMENT AND RELATED ISSUES	18
II.8 PREVENTION AND COMBATING TERRORISM AND FIGHT AGAINST TRANSNATIONAL CRIME	19
III. REGIONAL INTEGRATION, DEVELOPMENT AND COOPERATION	21
III.1 INTEGRATION AND HUMAN CAPITAL DEVELOPMENT	21
1. EDUCATION	21
2. SCIENCE & TECHNOLOGY AND ICT	23
3. HEALTH AND SANITATION	26
4. HUMAN AND SOCIAL WELFARE	28
5. CHILDREN, YOUTH AND SPORT	30
III.2 INTEGRATION AND DEVELOPMENT OF INTERCONNECTIVITY	32
1. IMPLEMENTATION OF THE PROGRAMME FOR INFRASTRUCTURE DEVELOPMENT IN AFRICA (PIDA) TO ADDRESS THE INFRASTRUCTURE GAP	33
2. TRANSPORT AND TOURISM	33
3. ENERGY	34
4. TELECOMMUNICATIONS, POSTS AND ICT	36
III.3 INTEGRATION AND CLIMATE CHANGE AND SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES.....	38
1. ENHANCING THE COORDINATION OF ANIMAL RESOURCE DEVELOPMENT INITIATIVES IN AFRICA	38
2. SUSTAINABLE MANAGEMENT OF THE ENVIRONMENT AND NATURAL RESOURCES.....	40
III.4 INTEGRATION AND DEVELOPMENT OF FINANCIAL MARKET AND ASSETS	43
1. THE FINANCIAL INSTITUTIONS.....	43
2. ALTERNATIVE SOURCES OF FINANCING THE AFRICAN UNION.....	44

III.5	INTEGRATION AND DEVELOPMENT OF PRODUCTION CAPACITIES .	45
1.	<i>IMPLEMENTATION OF THE COMPREHENSIVE AFRICA AGRICULTURE DEVELOPMENT PROGRAMME (CAADP) AND OTHER FLAGSHIP PROJECTS IN SUPPORT OF FOOD SECURITY AND RURAL DEVELOPMENT</i>	45
2.	<i>INTEGRATION AND DEVELOPMENT OF PRODUCTION CAPACITIES</i> .	48
III.6	INTEGRATION AND TRADE CAPACITY BUILDING	50
1.	<i>INTRA-AFRICAN TRADE</i>	50
III.7	ROLE OF ALL ACTORS IN STRENGTHENING THE INTEGRATION PROCESS (PUBLIC SECTOR, PRIVATE SECTOR, CIVIL SOCIETY, DIASPORA).....	52
1.	<i>INTEGRATION</i>	52
2.	<i>STATISTICS</i>	53
3.	<i>PRIVATE SECTOR DEVELOPMENT</i>	53
4.	<i>AFRICAN CITIZENS AND DIASPORA</i>	53
III.8	PARTNERSHIPS AND RELATIONS WITH THE WORLD	56
1.	<i>ON-GOING PARTNERSHIPS</i>	56
2.	<i>REPRESENTATIONAL OFFICES</i>	61
IV.	SHARED VALUES	72
IV.1	DEMOCRACY, ELECTIONS AND GOVERNANCE	72
IV.2	HUMAN RIGHTS	77
IV.3	GENDER AND DEVELOPMENT	81
IV.5	CULTURE.....	84
IV.6	LEGAL MATTERS (LEGAL ARCHITECTURE OF THE UNION)	85
V.	STRENGTHENING THE INSTITUTIONS	94
V.1	THE COMMISSION - AUC INSTITUTION CAPACITY BUILDING PROGRAMME (ICBP)	94
1.	<i>PROGRAMME PLANNING AND BUDGETING</i>	97
2.	<i>HUMAN RESOURCES MANAGEMENT</i>	99
3.	<i>OTHER ADMINISTRATIVE SERVICES</i>	103
4.	<i>FINANCIAL MANAGEMENT AND ACCOUNTING</i>	106
5.	<i>CONFERENCE MANAGEMENT AND PUBLICATIONS</i>	109
6.	<i>MEDICAL SERVICES</i>	111
7.	<i>INTER-DEPARTMENTAL COORDINATION</i>	113
8.	<i>STRATEGIC POLICY PLANNING, MONITORING AND EVALUATION, AND RESOURCE MOBILIZATION (SPPMERM)</i>	115
9.	<i>AUDIT ACTIVITIES</i>	117
10.	<i>INSTITUTIONAL CAPACITY BUILDING</i>	119
VI.	CONCLUSION	123

FOREWORD

This is the first report that is being presented by the Commission that was elected in July 2012. Therefore, on behalf of all the Commissioners, we would like to take this opportunity to thank the Assembly for the honour and privilege you have bestowed upon us as a Commission, to facilitate the work of the African Union. We are aware of the huge task that lies ahead. We will work tirelessly, with Member States, towards a prosperous, integrated Africa at Peace with itself, and taking its rightful place in the world.

We would like to thank Dr. Jean Ping, the former Chairperson of the Commission, for his leadership, and his team for its work on which most of this report is based. We would also like to thank the Commission staff that continues to work tirelessly to enable us to make progress towards the attainment of our agenda. We would also like to thank the Member States for their unwavering support to the work of the Commission.

The Commission is in the process of developing its Strategic Plan (2014-2017) which will be completed by the end of March. We are also working on the AU-Wide Strategic Framework in accordance with the decision of the Assembly. For this, we are working closely with all the institutions of the AU, and shall consult with the RECs and Member States. We are also working with other continental institutions, and we shall consult with different sectors of the African population.

We will also focus on building a well-functioning, competent and effective Commission that is more responsive to the needs of the continent.

Our aim is also to ensure that we balance our work between development and peace and security. We will therefore redouble our efforts to facilitate the advancement of human development, with emphasis on higher education, science, technology and innovation. We also commit to continue working closely with Member States, and Regional Economic Communities on food security and nutrition, infrastructure and intra-Africa trade.

The empowerment of women and gender parity in all institutions and programmes of the Union is going to be one of our areas of focus.

In order to achieve the objectives of the Union, the Commission will pursue resource mobilization and alternative sources of funding for the Union within and outside the continent.

Through effective and better communication, we hope to inform and mobilise the African citizenry to contribute and support the work of the African Union.

This year should be a watershed year as we celebrate the 50th Anniversary of the Organisation of African Unity/African Union under the theme "*Pan-Africanism and the Africa Renaissance*". The Commission and Member States should make this a memorable occasion, and at the same time develop a long-term vision and agenda for the continent; Africa 2063.

As we move forward with the implementation of the AU objectives, we will continue to count on the support of all Member States.

Dr. N.C. Dlamini Zuma
Chairperson, African Union Commission

EXECUTIVE SUMMARY

INTRODUCTION

1. These are interesting times for Africa, times of boundless opportunity but also times of continuing challenges for our Continent. While the world financial and economic crises have continued to shackle the growth of the global economy, Africa has fared relatively well, its economic growth averaging over 5% per annum. Africa's economic resilience in the face of global recession has greatly helped to keep the global economy from tipping into a fully-fledged depression. World outlook towards Africa has changed. Africa is increasingly being seen as the continent of the future, thanks to a young and growing population, the abundance of our natural resources, the attractive and continually improving business climate and opportunities, the strides made in the consolidation of democracy and governance, and improvements in accountability and respect for the rule of law and human rights. Africa is proud of the important role that our women are playing in the running of the affairs of the continent and shaping its destiny.

2. Africa does, however, still have challenges that need to be overcome urgently and collectively. We have seen a resurgence of conflicts and unconstitutional approaches to change of governments. Without peace and stability we cannot guarantee or sustain the positive gains we have achieved. Our continent also has to contend with diminishing aid from external partners. At the same time, it is a matter of concern that negotiations on global trade issues and climate change have all but collapsed, with very serious consequences for Africa.

3. It is important that Africa remains resolute and determined to overcome these challenges by investing in the development of its human capital, especially the youth and women, its infrastructure and agriculture, and in the sustainable use and management of its natural resources. It is important that the continent asserts itself in the world on issues of global interest, particularly on those regarding its destiny, its dignity and the exploitation of its natural resources.

4. This report is being presented in a watershed year for Africa. 2013 Marks the 50 Years of the Organisation of Africa Unity (OAU), as well as the 10 Years of the launch of its successor, the African Union, which emerged as a conscious design to give new impetus to African integration and unity.

5. Thus the first decade of the AU saw the establishment of (NEPAD) and its related programmes like the Africa Peer Review Mechanism (APRM) and the development of various Africa-wide policy frameworks and programmes spanning a range of socio-economic and sectors and themes. This laid the foundation for the possibility of continental policy harmonisation and codification.

6. The AU also ran a campaign that saw debt reduction and cancellation in some countries.

7. In addition, the AU also established its Peace and Security Architecture (PSA),

with its emphasis on African solutions for African problems. The PSA - although still a work in progress - provides the continent with the infrastructure and capacity to coordinate its collective approaches and responses and to engage with the rest of the world on conflicts on the continent. Although this process has had some notable achievements, there have also been setbacks and weaknesses, specifically with regard to preventing new conflicts.

8. To mark the 50th Anniversary of the OAU, the AU assembly has decided on “*Pan Africanism and African Renaissance*” as the theme for this Summit. The theme has also been adopted for the yearlong celebrations of the 50th Anniversary of the OAU.

9. The AU Summit in July 2012 committed the continent towards the development of a long-term African Union-wide vision and agenda that will ensure Africa’s renewal. The AU Commission, together with its continental strategic partners the UN Economic Commission for Africa (ECA) and the African development Bank (ADB), are cooperating on the development of An African Agenda 2063, with a view towards widespread inputs from Member states, the RECs, civil society and all sectors on the continent and the Diaspora.

10. The exercise of developing an AU wide Agenda 2063 is of historical importance, building on the experiences of such continental plans as the Lagos Plan of Action, the Abuja Treaty and NEPAD. It should galvanise and energise all sectors, by providing a new drive for Africa’s rapid and sustained development. It is an opportunity to provide an inclusive platform for stakeholder engagement, with special regard to the marginalised groups of women, youth and people with disabilities, in the firm belief that this will be pivotal to the realisation of a better future for the majority of the continent’s people.

11. Africa is well placed to develop innovative solutions to the challenges it faces. Africa has its own genius, own Shared Values and resources, be they human or natural, to invent and reinvent models of equitable growth and sustainable development that will ensure a harmonious future for the generations to come.

12. As the African Union celebrates ten years of its existence, a stock-taking of its achievements and key milestones needs to be undertaken and shared with the citizens of the continent and the world at large.

13. This report captures the work that has been done by the Commission from January-December 2012. It covers all the sectoral work of the Commission, namely Peace and Security, Integration, Development and Cooperation, Integration Through Infrastructure Development, Integration and Climate Change and Sustainable management of natural Resources, Integration and Development of Financial Markets and Assets, Role of all actors in Strengthening the Integration Process, Partnerships and Relations with the World, the work of AU Representational Offices, Shared values, Gender and Development, the Legal Architecture of the Union, Structural Reform of the Commission and the Unions Organs, Other Administrative Services, Strategic Planning, Monitoring and Evaluation, and Resource mobilisation, Audit Activities and Institutional Capacity Building.

PEACE AND SECURITY

14. In the area of peace and security, steady progress is being made towards **operationalizing the African Peace and Security Architecture (APSA)**. Efforts continue to be made to strengthen **the relationship between the AU and the Regional Economic Communities (RECS)/Regional Mechanisms for Conflict Prevention, Management and Resolution**, bearing in mind the provisions of the Peace and Security Council (PSC) Protocol which stipulate that the PSC has primary responsibility for promoting peace, security and stability in Africa and that the RECs/RMs are part of the overall security architecture of our Union. The **Continental Early Warning System (CEWS)** is now operational, even though interaction with decision-makers needs to be enhanced, to facilitate timely and appropriate action in the face of potential crises. Furthermore, a number of steps were taken during the reporting period to ensure that the **African Standby Force (ASF)** is fully operational by 2015.

15. On the ground, the peace and security landscape remains a mixture that is characterized by the occurrence of worrying developments in some regions of the continent and encouraging progress in others. **Mali** continues to face unprecedented challenges with the occupation of the northern part of the country by armed terrorist and criminal groups. This situation poses a serious threat to the unity and territorial integrity of Mali, as well as to regional peace and security. The AU and ECOWAS, working together with all stakeholders, including the United Nations and other international partners, have exerted tremendous efforts to address the challenges at hand. Africa should extend its full support to Mali to enable it quickly emerge from the current crisis.

16. Negative developments in the **eastern part of the Democratic Republic of Congo (DRC)** have continued to draw the full attention of the Commission, in view of their impact on the ground and implications for stability in the entire Great Lakes Region. The AU, through the Commission and the PSC, took a number of steps in support of the decisions taken by the International Conference on the Great Lakes Region (ICGLR), both with respect to the deployment of the Neutral International Force (NIF) and the dialogue between the DRC Government and the M23. These efforts need to be intensified and complemented by long-term strategies to address the root causes of the recurring instability in the region.

17. The **Central African Republic (CAR)** continues to be confronted by daunting challenges. Against this background, the signing of a peace agreement by the parties, in Libreville, under the auspices of the Economic Community of Central African States (ECCAS), is a welcome development.

18. The developments in **Mali, eastern DRC and the CAR** are illustrative of the growing disturbing trend of recourse to armed rebellion to further political claims. The AU should resolutely address this problem, for its recurrence has the potential of reversing the progress made in the democratization processes and in the promotion of security and stability on the continent.

19. In **Somalia**, tremendous progress has been made both at the security and political fronts, as demonstrated by the continued expansion of the areas under the

control of the Government and AMISOM, as well as the successful conclusion of the Transition, which culminated with the election of Mr. Hassan Sheikh Mohamud as President. It is critical that Africa, working together with the rest of the international community, remains actively engaged to assist Somalia in addressing the daunting and complex task of peace-building and post-conflict reconstruction to sustain the progress made and prevent relapse to statelessness.

20. The AU has continued to make sustained efforts to address the outstanding issues in the relations between **Sudan and South Sudan**, in the context of the agreed principle of two viable States at peace with one another and working together on issues of common concern. The reporting period was marked by the signing of landmark agreements on 27 September 2012, under the auspices of the AUHIP, and by the Summit meeting between Presidents Omar Hassan Al Bashir and Salva Kiir Mayardit, which took place in Addis Ababa, on 4 and 5 January 2013. It is my sincere hope that the commitments made by the two parties will be fully implemented and that the two countries will show the necessary spirit of compromise and flexibility to address the remaining outstanding issues, in the best interests of their people, the region and Africa as a whole.

21. With particular reference to **Sudan**, it is worth noting the efforts that continue to be made regarding the implementation of the Doha Document for Peace in Darfur (DDPD), in spite of the challenges encountered. The deterioration of the security situation, including the attacks against UNAMID, is a matter of deep concern. Renewed efforts are needed, both to make the peace process as inclusive as possible, and to effectively address the challenges on the ground, to achieve the lasting peace that the people of Darfur are yearning for.

22. Efforts to address the crisis in **Guinea Bissau** have also continued. The joint ECOWAS/AU/CPLP/EU/UN assessment mission that visited Guinea Bissau in December 2012 was an encouraging development towards a common approach to the situation in Guinea Bissau, in support of the ongoing regional-led efforts.

23. Encouraging political developments were recorded in **Madagascar** with the announcement by both former President Marc Ravalomanana and current transition President Andy Rajual that they will not stand for the presidential elections scheduled to take place in May-July 2013.

24. The Commission also continues to follow closely the transitions underway in North Africa. In **Tunisia**, the drafting of the new Constitution is expected to be completed by April 2013, while the general elections (presidential and legislative) are scheduled to take place in the 2nd quarter of 2013. In **Libya**, following the successful elections of July 2012, the General National Congress (GNC) was inaugurated and a new Prime Minister appointed. In **Egypt**, one of the major developments during the reporting period was the adoption of a new Constitution, in December 2012, paving the way to the holding of legislative elections for the dissolved Lower House of Parliament that will mark the end of the transition that was ushered in by the popular uprisings of February 2011.

25. The transition processes in **North Africa** have, at the same time, continued to face several challenges. All concerned need to exert renewed efforts and demonstrate the commitment required to ensure that indeed the promises of the popular uprisings in the region are fulfilled.

26. Headways towards peace consolidation and economic recovery continue to be made in a number of countries that emerged recently from conflict. This is particularly the case in **The Comoros, Cote d'Ivoire, Liberia, and Sierra Leone**. The international community should, of necessity, remain actively engaged in support of the post-conflict reconstruction, peace-building and development efforts in the countries concerned. In this respect, the Commission has intensified its efforts towards the implementation of the African Solidarity Initiative (ASI), launched last July, in Addis Ababa, with a view to mobilizing support from within the continent for African countries emerging from conflict.

27. Related to post-conflict reconstruction and development are also the steps being taken by the Commission in the areas of **Disarmament, Demobilization and Reintegration (DDR)**, as well as **Security Sector Reform (SSR)**. The Commission is supporting DDR programmes in some Member States. It has also finalized an AU Policy Framework on SSR, which is intended to serve as a guiding policy framework for the implementation of SSR in Africa. The Commission looks forward to working with AU Member States in the implementation of this Policy.

28. The Commission also took a number of other initiatives. In this respect, it is worth mentioning the pursuit of the **"Make Peace Happen" Campaign**. Notably, the Commission and the Confederation of African Football (CAF), as part of their partnership, have taken the initiative to use the Africa Cup of Nations (AFCON) in South Africa, as a platform to further the Campaign and mobilize all stakeholders to commit themselves to actions that would indeed make peace happen.

29. The implementation of the **AU Border Programme (AUBP)** has also achieved a number of milestones. The AUBP is a cross-cutting undertaking that contributes both, towards the structural prevention of conflicts and the deepening of integration on the continent.

30. **Within the framework of the African Defense and Security Policy**, disarmament, arms control, and related issues continue to feature prominently in the activities of the Commission. It is against this background that the Commission facilitated the adoption of a **Common African Position on the Arms Trade Treaty (ATT)** to ensure that the continent's concerns and interests are effectively defended during the Final UN Conference on the ATT scheduled to be convened in March 2013. Furthermore, the Commission has finalized an AU Strategy on the Control of Illicit Proliferation, Circulation and Trafficking of **Small Arms and Light Weapons (SALW)**, together with its Action Plan. We encourage Member States to make use of the Strategy and its Action Plan, in order to effectively address the illicit proliferation of SALW.

31. Further progress has been made regarding the implementation of the **African Nuclear-Weapon-Free Zone Treaty (Treaty of Pelindaba)**. In addition to convening, the Second Conference of the States Parties, in Addis Ababa, in November 2012, the

Commission is working closely with the Government of South Africa, as the host country, towards the early operationalization of the African Commission on Nuclear Energy (AFCONE). Efforts are also underway regarding the promotion and implementation of the Chemical Weapons Convention (CWC), in collaboration with the Organisation for the Prohibition of Chemical Weapons (OPCW). Finally, the Commission is taking steps to support the implementation within the continent of UN Security Council resolution 1540 (2004) on prohibiting the proliferation of chemical, biological, radiological and nuclear weapons to non-state actors and terrorist groups, bearing in mind the peculiarities of the African context and the development needs of the Member States.

32. In spite of all this, Africa continues to suffer from the scourge of **terrorism**. Through the African Centre for the Study and Research on Terrorism (ACSRT), the Commission has actively contributed to the efforts aimed at enhancing the capacity of Member States, as well as facilitating inter-state cooperation and intelligence sharing. In this respect, assessment missions have been conducted in some Member States with a view to identifying their needs and mobilizing the required support. Efforts have also been made to counter violent religious extremism and radicalization.

INTEGRATION AND HUMAN CAPITAL DEVELOPMENT

33. In the area of Integration and Human Capital Development, especially on Education, the work of the Commission continues to be informed by the Plan of Action for the Second Decade of Education for Africa. One of the flagship programmes, the Pan -African University (PAU)'s first three Institutes have been opened, based in Cameroon (Governance, Humanities and Social Sciences), Nigeria (Life and Earth Sciences) and Kenya (Basic Sciences technology innovation). The PAU Institute for Water and Energy Sciences will open in Algeria. The 5th will open in Southern Africa in a Member State yet to be identified. Kenya and Cameroon has made significant contributions to the PAU Institutes as hosting countries.

34. Twenty out of 43 students who were awarded the Nyerere Scholarship have graduated. Additional support from the EU will see the launch of 8 University networks in Africa. Progress is also being recorded in the implementation of the Africa-Indi Scholarship.

35. The AU Commission continues to implement the AU Harmonisation Strategy for higher education through various projects on the ground.

36. Under the Education Management and Information System (EMIS), progress is being realised in the Centre for the Education of Girls and Women in Africa based in Ouagadougou. However, the Education Observatory I Kinshasa is facing significant financial constraints due to lack of Member States' contributions.

37. Partnerships continue to be developed for the Teacher Development programme. At the same time, progress is being recorded in the AU-UNESCO History of Africa Project.

38. In the area of Science and Technology, the AU-TWAS 2012 Young Scientists

National Award was bestowed to 15 researchers, and work is underway to finalise the Women Scientists Award. Progress is also being realised in the implementation of the African Union Research Grants Programme.

39. The AU Commission continues to promote and enhance the role of parliamentarians in science and technology and innovation (STI).

40. The Fifth African Ministerial Conference on Science and Technology (AMCOST) was held in Brazzaville in November, whereby it elected a new Bureau and Steering Committee who will guide the work of AMCOST for the next 2 years. The meeting also called for increased support to the implementation of the Consolidated Plan of Action (CPA).

41. In the area of Biosafety, the Commission is working on the development of guidelines for a coordinated implementation of the Nagoya protocol on Access and Benefit Sharing of genetic resources (ABS).

42. A framework on the establishment of five regional virtual networks linked to Centres of Excellence across the five regions of the AU has been developed. It will be presented to the Assembly in January 2013.

43. Progress is also being made towards the establishment of the Pan African Intellectual Property Organisation (PAIPO).

44. The implementation of the African Observatory for science, technology and innovation (AOSTI) is on course.

HEALTH AND SANITATION

45. In the area of health, the Commission has revived AIDS WATCH AFRICA (AWA) as an accountability and advocacy platform for Heads of State and Government.

46. Since the launch of the Campaign on Accelerated Reduction of Maternal Mortality in Africa (CARMA) in 2009, 37 Member States have launched it and taken ownership of the initiative.

47. Given the importance of access to medicines in Africa, the AU Commission, in partnership with UNIDO, have developed a Pharmaceutical Manufacturing Plan for Africa (PMPA).

48. The demographic changes on the continent, particularly the youth bulge, requires the full attention of Member States in ensuring that these changes are matched with adequate investments in human capital.

49. In the area of Human and Social Welfare, the Commission continues to work with partners to implement the Social Policy Framework for Africa. The Commission is also working on the development of a Protocol on the Rights of Older Persons. The Commission is also working on the Protocol on the Rights of Persons with Disabilities.

50. In order to make the African Charter on the Rights and Welfare of the Child to become a reality, Member States are being called upon to fulfill their obligations under the Charter by submitting their reports on time, and for those that have not ratified/acceded to the Charter to do so.

51. The Commission continues to work on the Labour Market Information Systems Harmonisation and Coordination Framework (LMIS-HCF).

52. Regarding the establishment of the African Institute for Remittances (AIR), the Commission has completed work on the proposed structure of AIR, and is submitting it to the PRC through the Sub-Committee on Structures. Formal offers for hosting AIR were received from four Member States. The Commission is therefore inviting the Executive Council to decide on the country to host the AIR.

53. In the area of Children, Youth and Sport, 28 Member States have ratified the Africa Youth Charter.

54. The African Union Youth Volunteer Corps is one of the AU Commission's flagship programmes aimed at promoting youth participation in development. The demand from African youths to participate in this program remains high.

55. Implementation of the Technical Vocational Education Training (TVET), which is being supported by the Indian Government, is on course.

56. Following the Malabo Summit (2011) Declaration on Youth Empowerment and Employment, Ministers of the African Union in Charge of Youth (COMY) met in September and made various recommendations, which have been submitted under a different report.

57. The Commission continues to implement the Executive Council Decision (2012) on the establishment of a new Architecture for Sport in Africa. However, the dissolution of the Supreme Council for Sport in Africa is not going smoothly. As part of building partnerships in sports, the AU Commission signed an MoU with the Confederation of African Football. Notably, the CAF played the AU anthem and hoisted the AU flag for the first time.

INTEGRATION THROUGH INFRASTRUCTURE DEVELOPMENT

58. In the area of integration through infrastructure development, the following actions were undertaken as medium and long term solutions in collaboration with the NEPAD Planning and Coordinating Agency (NPCA), RECs, AfDB, UNECA, Member States, Specialized Institutions, Regional and Development Partners: elaboration and harmonization of policy, strategic and regulatory frameworks; development of sectorial master plans (Transport, Energy, Telecoms/ICT and Tourism); support to implementation of concrete projects in the AU/NEPAD Flagship Programme; coordination of key African institutions involved in sectorial activities; advocacy for Africa's interests in the development of global infrastructure policy and regulatory

frameworks; and promotion of partnerships for the development of integration infrastructure.

59. More specifically, during 2012 the PIDA Priority Action Plan saw the start of the process of alignment of REC Regional Master Plans for infrastructure with PIDA; a proposal on the contribution of Member States to the NEPAD-Infrastructure Public Private Funds and mobilization of partner funding; norms and standards for Trans-African highways and Inter-governmental Agreement and the development of norms and standards for a continental infrastructure development architecture. On the development of transport corridors, some of the pre-feasibility and preparatory studies on missing road and railway links and on the liberalization for air transport markets in Africa have been concluded. Maritime transport is increasingly becoming an important component of connectivity, and we should therefore urge member states to ratify the Revised African Maritime Transport Charter, adopted at the Summit in July 2010.

60. The Infrastructure department and the NPCA developed a continental programme for energy infrastructure growth up to 2040, within the PIDA programme. Thus, progress is been made with regards energy infrastructure projects such as the Africa Hydropower 2020 Initiative, the East Africa Geothermal Programme, the development of a Bio-energy Policy, Renewable energy programme for the most energy poverty stricken countries and a Strategy, Framework and training on the development of Solar and Wind power. In this regard, the responsibility allocated to the Africa Energy Commission to maintain the continental energy database will be critical, to enable us to monitor progress with regards to the implementation and impact of these programmes.

61. A third critical infrastructure area is Telecommunications, Post and ICT, with progress on initiatives such as the dot Africa (.Africa) project with excellent support from Member states; the analog to digital terrestrial television transition project; action for the development of African postal services; development of e-schools through African Leadership in ICT and Internet Exchange Systems (Axis). The NEPAD e-Africa programme focuses on cross-sector initiatives, in order to entrench ICT in all social sectors, to develop e-services, and Africa's digital competitiveness. Critical to this is the Broadband Infrastructure Network of Africa, connecting all countries to the world through the submarine (Uhurunet) and terrestrial (Umojanet) cable systems.

62. It is clear that Africa's infrastructure development programme faces huge financial shortfalls. We therefore have to continue to find innovative solutions to the issue of funding of our infrastructure programmes.

INTEGRATION AND CLIMATE CHANGE AND SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES

63. The AUC, Member states, relevant organs and partners continue to work on initiatives to:

- (i) enhance the coordination of animal resource initiatives including promotion of animal health and pest prevention, promotion of trade in animals and animal products by mainstreaming livestock within CAADP;

- (ii) advance the Africa Water Vision 2025 and achieving the 2008 Sharm El-Sheikh on access to Water and Sanitation;
- (iii) strengthen disaster management capacity, especially with regards to droughts;
- (iv) development of the green economy;
- (v) updating and advocating for the African Common Position on Climate Change;
- (vi) developing a coordinating mechanism on biodiversity;
- (vii) make strides on the Great Green Wall initiative; and
- (viii) implement the African Monitoring for Sustainable Development.

64. The Commission's advocacy and capacity building programme on Multi-lateral Environmental Agreements (MEAs), the creation of a database on Africa experts on MEAs, as well as the Wangari Maathai award, are helping to raise the profile of environmental issues and strengthening the African voice in global fora.

65. Challenges of funding, particularly from Member States, slow pace of implementation of major decisions, and staff shortage in the Department continue to constrain faster implementation. These challenges need to be addressed.

INTEGRATION AND DEVELOPMENT OF FINANCIAL MARKETS AND ASSETS

66. Regarding the Financial institutions, as at July 13, 2012, 19 countries had signed the Protocol Establishing the Africa Investment Bank. Two countries had ratified the Protocol. Member States are being urged to ratify the Protocol.

67. With respect to the African Monetary Fund, the Statutes and Annexes will be submitted to Member States' experts for consideration in February 2013, and the Joint AU/ECA Conference of African ministers of Finance, Planning and Economic Development in March 2013 before submission to the May 2013 Summit.

68. As far as the establishment of the African Central Bank is concerned, a Joint AUC/Association of African Central Banks (AACB) draft strategy has been produced. The strategy will be presented to the Bureau AACB, the Joint AU/ECA Conference of African Ministers, and then to the AU Assembly in May 2013 for adoption.

69. On the Pan African Stock Exchange, A technical study has been carried out and validated. It will be submitted to Member States Experts in February 2013, as well as to the AUC/ECA Conference of African Ministers of Finance, Planning and Economic Development.

ALTERNATIVE SOURCES OF FINANCING THE AFRICAN UNION

70. The Commission is in the process of carrying out a study whose findings will be presented to the next Joint AU/ECA Conference of Ministers of Finance, Planning and Economic Development.

INTEGRATION AND DEVELOPMENT CAPACITIES

IMPLEMENTATION OF THE COMPREHENSIVE AFRICA AGRICULTURE DEVELOPMENT PROGRAMME (CAADP) AND OTHER FLAGSHIP PROJECTS IN SUPPORT OF FOOD SECURITY AND RURAL DEVELOPMENT

71. The Implementation of CAADP is progressing well, with strong support from Member States, private sector civil society, farmers and development partners. Progress is also being realized with the allocation of 10% of national budgets to agriculture. Partners' commitment to CAADP is demonstrated by the Global Agriculture and Food Security Programme's (GAFSP) support to 5 African countries agricultural programmes.

72. Regional economic Communities are at various levels of developing their regional CAADP Compacts, which will be evolved into regional investment plans. Efforts are also being made to engage the private sector, through the World Economic Forum's Grow Africa scheme.

73. The Commission continues to drive other food security and rural development flagship initiatives such as the Partnership for Aflatoxin Control in Africa (PACA), awareness and advocacy on food security and food nutrition security, popularizing common policy frameworks and engagement of farmers with the CAADP process, as well as vulnerability, climate change and food security.

74. As already mentioned, work in this area is hampered by inadequate Member States' financial contributions, as well as low capacities within the department. These need to be addressed if the CAADP targets are to be met.

INTEGRATION AND DEVELOPMENT OF PRODUCTION CAPACITIES

75. Much of the work of the Commission has been focused on the economic diversification of productive capacity of African countries with specific focus on the implementation of the Action Plan for the Accelerated Industrial Development of Africa (AIDA), the African Agribusiness and Agro-Industry Development of Africa (AIDA), the African Agribusiness and Agro-Industry Development Initiative (3ADI) and the Africa Mining Vision (AMV). Given the many constraints facing the effective implementation of these programmes, the Commission has made a number of recommendations aimed at fast-tracking implementation; these pertain to partnership arrangements, resource allocation, implementation of decisions by member states, as well as policy alignment.

INTEGRATION AND TRADE CAPACITY BUILDING

76. The AU Assembly took a historic decision in January 2012 to establish the Continental Free Trade Area (CFTA) for Africa by an indicative date of 2017. It also established the High-Level African Trade Committee (HATC) comprising of Heads of State and Government. The Summit also adopted an Action Plan for Boosting Intra—Africa Trade (BIAT). The work of the Commission since then has been focused on operationalizing these instruments. It has also continued to advocate for and harmonise African positions in major global trade negotiations such as the Economic partnership Agreements. The challenge of African countries speaking with one voice in these negotiations still remains.

ROLE OF ALL ACTORS IN STRENGTHENING THE INTEGRATION PROCESS (PUBLIC SECTOR, PRIVATE SECTOR, CIVIL SOCIETY, DIASPORA)

INTEGRATION

77. The Commission has noted with encouragement the progress being made by some RECs towards the implementation of the Abuja Treaty particularly on the free movement of persons, goods and services. However, the Commission also notes that there is still a lot of work that needs to be done and some challenges that need to be addressed. These pertain to financial constraints, sovereignty, and governance.

78. The development of relevant statistics has the potential to enable the country to more accurately assess its performance in its various development priority areas, and thereby project its own image to itself and the rest of the world. In this regard, the Commission has developed the African Charter on Statistics and a strategy on the harmonization of statistics. This Charter has not been ratified, and Member States are being called upon to ratify and implement the Charter and the strategy.

79. In the area of private sector development, much still needs to be done by way of Member States providing an enabling environment to foreign and domestic investors, and also to integrate the Plan of Action on Micro-Finance into their national development planning.

AFRICAN CITIZENS AND DIASPORA

80. The Commission continues to strengthen the framework of consultation and participation of civil society groups in the agenda of development and integration of the continent. However there is a need to balance the increasing interest and expectations of civil society participation in the affairs of the AU, and the manner in which such participation supports the Pan-African values.

81. Under the development and consolidation of the Diaspora initiative, the Global African Diaspora Summit was held in May 2012 in South Africa, which resulted in the adoption of a Declaration that will form the basis of the Diaspora Programme. Five legacy projects were also adopted, namely, the production of a skills database for African professional in the diaspora; the establishment of the African Diaspora

Volunteers Corps; the Africa Diaspora Investment Fund; the programme on the development marketplace for the diaspora, and the African Remittances Institute. The Commission is now focused on the implementation of the AU Summit Decisions following the Diaspora Summit.

82. Other Civil Society programmes include

- (i) mapping of African civil society organisations in order to develop a data base, to enhance participation in and the elections of the ECOSOC Council;
- (ii) workshops to facilitate civil society understanding of AU organs, key structures and decisions;
- (iii) support for inter-continental civil society consultations with partners and sectoral dialogues such as with the business organisations, the AU/OATUU Trade Union Partnership and the Africa Union Interfaith Dialogue.

83. Challenges with implementation include the very diverse nature of civil society, as well as the fact that civil society participation in AU processes is at an infant stage, and there is a need to build a relationship of mutual understanding. Inadequate staff in the Department is also a huge constraint.

PARTNERSHIPS AND RELATIONS WITH THE WORLD

84. At the institutional level, a new division on the office of the Chairperson has been established to coordinate the Commission's work on partnerships.

ON-GOING PARTNERSHIPS

85. Under the Africa-EU Dialogue, significant funding has been allocated by the EU to the Pan African Fund, which is aimed at the implementation of the Plan of action of the Joint Strategy. It is important that African countries also contribute to this Fund as it was initially agreed that the two partners would co-finance the Fund.

86. The 3rd Africa-Arab Summit is being planned to take place in November in the State of Kuwait. The Commission is proposing that the focus of the Summit be on areas such as trade and investment.

87. Under cooperation with the Gulf Cooperation Council, the Commission has started engaging the Gulf Cooperation Council, with a view to formalising relations between the two sides.

88. A meeting of the Africa-South America (ASA) Coordination Mechanism at Ministerial level was held in September on the margins of the Un General assembly. The ASA Summit will take place in Equatorial Guinea during the second half of 2013.

89. The Fifth Ministerial Conference of the Forum on China-Africa Cooperation took place in July 2012, and adopted the Beijing Declaration and Pan of action 2013-2015,

which covers various sectoral areas for cooperation. China has also pledged USD 20 billion line of credit to African countries to assist them develop their programmes.

90. Under the TICAD process, the AU Commission's status has been changed from "Observer" to "Co-organiser". This meant to give the Africa side a more prominent role. The two sides are now working towards the holding of the TICAD 5 to be held in Yokohama, Japan, on 1-3 June 2013.

91. The Third Africa-Korea Forum was held in Seoul, Republic of Korea, from 16-17 October 2012. The Forum adopted the Seoul Declaration which took note of some of the AU's priority programmes. It also adopted an action Plan 2013-2015, indicative of Korea's contribution. The Action plan will be tabled to Council for adoption.

92. The draft Action Plan under the Africa- India Forum has been completed and will soon be tabled for adopted by both sides.

93. The Third AU- USA High Level Officials meeting between the United States of America was held in Washington in November 2012 and covered a number of priorities. The two sides endorsed the need to develop a framework of cooperation to guide their relationship.

94. The government of Turkey, under the framework of the Joint Implementation Plan of Africa- Turkey Partnership 2010-2014, has positively considered 6 projects out of a package of 16 submitted by the AU Commission.

REPRESENTATIONAL OFFICES

New York Office

95. The African Union Permanent Observer Mission to the United Nations continued to support and guide the effective participation of the Commission delegation to the High-level Segment of the 67th Session of the UN General Assembly. The mission also monitored and reported on developments in the Peace and Security Council.

96. In the area of development, the Annual NEPAD week and related activities by the NPCA. The Office also played an important role in shaping the Africa Group's vision for advancing Africa's interest and priorities during the 67th Session. It is recommended that the AU Summit considers providing political guidance and direction for a common position to guide the work of the Africa Group in both New York and Geneva. The Office guided the Africa Group in the process of adopting the Africa Group's Biennium General Assembly Resolution on Cooperation between the UN and Regional Organisations.

97. The Mission also continues to promote the implementation of the Permanent Memorial Slavery Project, of which the AU is the vanguard of the international process to give effect to this project.

98. There is a need for the provision of increased technical, financial and human resources to the Mission if it is to meet the expectation of an increased role and visibility

of the African union in the multi-lateral arena.

THE GENEVA OFFICE

99. The Geneva Office has focused its work in five areas, namely: Political Affairs (Human Rights and Humanitarian Affairs), Economic Affairs and Trade, Social Affairs and the Coordination of the African Group. The Office continues to monitor and report on developments in these areas. It works closely with the Africa Group in Geneva, and at times assists the Group by organizing workshops and seminars as a way of strengthening the capacity of the Group, as well as facilitate the adoption of common positions. This has helped to profile the African Union's presence in Geneva.

THE BRUSSELS OFFICE

100. The work of the Brussels office has focused on the implementation of the cooperation instruments between Africa and the European Union namely; the Africa-EU Joint Strategy and the ACP-EU Cotonou Agreement. The Office also facilitates the activities of the Group of African Ambassadors in Brussels, as well as the monitoring of regular working relations with the EU institutions. It also does various representational tasks.

THE CAIRO OFFICE

101. The **Cairo office** main work centers around the implementation of the Africa-Arab Cooperation adopted at the 2nd Africa Summit in 2010, working closely with the League of Arab States general Secretariat. This work includes strengthening existing institutional mechanisms, mobilizing resources for the Joint Action Plan, establishment of Africa-Arab Groups of Ambassadors in multi-lateral capitals, proposals for an Africa-Arab Disaster Response Fund, and Africa-Arab 5Development Found and facilitating a MOU between the African and Arab Peace and Security Councils signed in December 2012.

102. In the area of economic cooperation, the mission assisted activities around the implementation of the Joint Action Plans on Agricultural development and food security and on Investment, the promotion of Africa-Arab trade and relations between the AUC and the Gulf Cooperation Council.

103. In the area of socio-cultural cooperation activities include transformation of the Africa Arab Cultural institute in Bamako, the establishment and promotion of an Africa-Arab development Film Festival Sports tournament.

THE LILONGWE OFFICE

104. The Office is monitoring political, economic, social and cultural developments in the SADC Member States and COMESA as well as the integration and development process and intergovernmental organisations in the region, including the UNECA and the AfDB. The office is facing some challenges, which include low level of Member States representation in Lilongwe, inadequate staff complement and resources, staff

incomes, which have been reduced due to high costs of living and limited office space.

SHARED VALUES

Democracy, Governance and Elections

105. A High Level Consultation on *Governance and Democracy in Africa: Trends, Challenges and Prospects*, was convened by the Commission in Dakar, Senegal, from 28 to 30 November 2012. The key outcomes of this consultations were the following:

- (i) Greater synergy and complementarity between the African Governance Architecture (AGA) and the African Peace and Security Architecture (APSA) to ensure good governance and democratisation, prevent conflicts, mediation, post-conflict reconstruction and development and to foster sustainable peace and development;
- (ii) Affirming that the democracy and good governance momentum in Africa is critical in consolidating appropriate African owned and driven indicators, standards and benchmarks on compliance with shared values norms and standards and setting into place effective monitoring and evaluation practices that complement the African Peer Review Mechanism (APRM);
- (iii) The imperative to accelerate regional integration through for instance facilitation of free movement of African peoples and to enhance local governance as a way to build citizen identity, security and participation;
- (iv) Affirming that the youth and women of the Continent are now significant actors in shaping the direction of the democratic processes. Political institutions, especially parliaments, to evolve to ensure more inclusive political and economic participation opportunities for young people and women in Member State and continental affairs.

106. During 2012, the AUC coordinated AU Election Observer Missions to Senegal, Algeria, Libya, Congo-Brazzaville, Angola, Sierra Leone, Burkina Faso and Ghana. Election reports were submitted to the AU Chairperson and Member states, drawing attention to areas that require improvement in those processes.

107. Across the continent, democratic elections are now the norm, with many countries already been through three or four national elections over the last decade. Elections are generally more peaceful, but incidences of political violence associated with elections, allegations of vote rigging and contestation of elections results are a continuing concern, and have in fact become a new source of conflict and instability. The work by the Commission to build the capacity of Election Management Bodies and Parliamentarians and the training of AU election observers in the five regions is therefore critical.

Public Administration, Decentralisation and Local Governance

108. Since the adoption of the African Charter on the Values and Principles of Public Service and Administration in January 2011, various opportunities were used to popularize the Charter. These include the Eastern Caucus Pan-African Parliament meeting in March 2012 in Mombasa, Kenya, and the Africa Governance Institute (AGI) meeting on the relationship between Public Finance Reform and Public Administration Reform in July 2012 in Praia, Cape Verde. The Commission also worked with the (RECs), Schools of Public Administration and African Think Tanks in May 2012 in Bujumbura, Burundi, to develop an Action Plan for the popularization of the Charter. In accordance with Executive Council decisions, the Commission took steps to operationalize the Secretariat of the Conference of African Ministers of Public Service within its structures.

109. Violent conflicts and instability severely undermine African Public Service and Administration in affected countries, a matter addressed in a workshop on Post Conflict Reconstruction of Public Service and Administration in Africa held in Bujumbura, Burundi, on 13 -19 December 2012. The Commission is therefore resolved to support all post conflict countries to rebuild their public service and administration as they are key conditions for post-conflict reconstruction.

110. In January 2012, the Executive Council adopted a decision on the All Africa Ministerial Conference on Decentralization and Local Development (AMCOD). As a follow up, the Commission convened an Expert Meeting on the Development of the African Charter on the Values and Principles of Decentralization, Local Governance and Development in May 2012 in Yaoundé, Cameroon.

111. The draft Charter will be submitted to the Policy Organs for consideration in due course as well as a proposal on the establishment of a High Council of African Local Authorities within the framework of the African Union. These two initiatives will strengthen the African Governance Architecture to set norms for local governance and create enabling conditions local economic and social development and participation.

Anti-corruption activities

112. The Commission convened a meeting for those working on anti-corruption in September 2012 in Dakar, Senegal. Amongst others, this meeting recommended the development of an African Union Framework for the establishment of credible national anti-corruption bodies to strengthen anti-corruption institutions, and a Continental Integrity and Accountability Framework for Public Servants at the National and Local levels to prevent and combat corruption in Public Service in Africa. A meeting organized by the Commission in December 2012 worked on these documents and intends to finalize them in 2013.

113. These initiatives are part of the popularization and implementation of the African Union Convention on Preventing and Combating Corruption, which in 2013 will be the tenth anniversary of the adoption of that Convention. We recall that there are still nineteen (19) countries that should ratify the convention.

Transitional justice and Human rights

114. Consultations continued during 2012 on the role of the African Union with regards to transitional justice, including a thematic consultation on gender and transitional justice.

115. The Commission also celebrated 25th anniversary of the African Commission on Human and Peoples Rights in Banjul this year on Africa Human Rights Day in October. The African Court on Human Rights and People's Rights (ACHRPR) also held its 52nd Ordinary session in Côte d'Ivoire. The first meeting of the African Governance Architecture Human rights cluster was also held in December 2012 in Nairobi, as part of the implementation process of the Action Plan of the Human Rights Strategy for Africa, followed by the 4th Conference on the African National Human Rights Institutions

Gender and development

116. Efforts are made to mainstream gender across the four AU pillars and in all institutions of the Union. During 2012, this included the Pre-summit on Gender and the role of women in inter-Africa trade and regional economic integration held in Addis Ababa in July 2012; briefing sessions on the theme of women and agriculture on the margins of the UN Commission on the Status of Women in New York; training of trainers of peacekeepers, security cluster, troop sending cluster and civil society on the Training manual on Gender for AU Peace Support Operations and joint initiatives with AMISOM for new Somali women MPs.

117. The African Fund for Women had its third year of disbursements of funds for projects and by end September 2012 an amount of 252,000 USD was disbursed to 28 projects in 15 Member States. A fundraising luncheon for the Fund was held at the 19th Summit.

Culture

118. The cultural development field is constituted by four areas: the support and promotion of African cultural institutions; the promotion of cultural industries; the coordination and harmonization of cultural policies and programmes; and the promotion and protection of African cultural heritage. In 2012, the Commission produced two frameworks for action, which have been adopted by the Conference of Ministers of Culture, namely: (a) Framework for Action on Combatting Harmful Traditional Practices (HTP) and (b) Framework for Action for the Promotion of Culture as a Tool for Socio-Economic Development.

119. We should mention the slow pace of the ratification of the Charter for African Cultural Renaissance (adopted in 2006), with only four Member states ratified to date, whereas its entry into force is subjected to two-thirds of Members States' ratification. As we celebrate the 50th Anniversary of the OAU/AU with the theme of Pan-Africanism and African Renaissance, it is imperative that Member States proactively manage their process of ratification and ensure the entry into force of this important continental legal

instrument.

Legal architecture of the Union

120. Since the birth of the Organisation of African Union (OAU) in 1963, the policy organs of the OAU and the African Union (AU) have adopted forty-two (42) treaties, the most recent being the African Charter on the Values and Principles of Public Service and Administration adopted by the Assembly in Addis Ababa, Ethiopia, in January 2011.

121. Twenty-eight (28) of these treaties have entered into force, the most recent one being the African Union Convention for the Protection and Assistance of Internally Displaced Persons in Africa (Kampala Convention) (6 December 2012). The remainder of the treaties is in various stages of signature and ratification or accession, with the pace of signature much lower than during the previous reporting period while ratifications/accessions have been higher.

122. The Commission extends a special invitation to the Republic of South Sudan, as the 54th Member State of the African Union since 15 August 2011, to start the process of signature and ratification or accession to OAU/AU Treaties thus becoming a State Party and participating fully in the realization of the Union's objectives.

123. The Commission has also actively and closely worked with the Government of Senegal in relation with the preparation for the trial of Mr. Hissene Habre. In this regard, several meetings have been held in Dakar and Addis Ababa with a view to ensure that this trial takes place as soon as possible.

124. As we start the celebrations of 50 years of the Union, we must commit to accelerate the signing and ratification of or accession to treaties adopted under the aegis of the OAU/AU, which underline the commitment of Member States to common principles, values and standards of the Union and thus to the realization of its vision of a united, integrated and prosperous Africa, at peace with itself.

125. The Administrative Tribunal has been facing financial and staffing challenges for several years, with some of its members falling under sanctions. The Judges propose to hold an Administrative Tribunal meeting in the first quarter of 2013 to start consideration of cases.

126. Legal Advisors of the African Union and Regional economic Communities continue to meet on an annual basis with a view to coordinate and harmonise legal standards and procedures both at the AU and REC level. Since this activity has been funded solely by partners, it is recommended that going forward, the activity be funded by Member states.

127. The draft legal instrument on the revision of the Protocol relating to the Pan African parliament was submitted to the Assembly for consideration and adoption, but was deferred to the 20th Ordinary Session in January 2013.

128. Regarding the implementation of the Assembly Decision on Granting

Competence to the African Court of Justice and Human Rights to deal with International Crimes, the Commission has done further work and is advising the Assembly on the need to grant competence to the Court to try international crimes taking into account the financial and structural implications as well as reaching a consensus on the definition of the crime of unconstitutional change of government.

129. The Commission continues to receive and consider requests for accreditation from various non-African States and Organisations. Since the last reporting period, eleven (11) non-African States and (3) international organisations were accredited.

STRENGTHENING THE INSTITUTIONS

130. Since 2008, the Commission has been working on institutional capacity building and organizational reform. The focus has been on strengthening processes and procedures for policy and programme planning and development, budgeting, human resource development and management, financial management, other administrative services including information and communication technology, procurement and travel, and facilities management, the management of meetings and conferences, the delivery of medical services as well as partners and stakeholders management, all within the overall objectives of the Institutional Capacity Building Programme.

131. The AU plays a lead role in the convening of the Regional Coordination Mechanism (RCM) to implement the Ten Year Capacity Building programme (TYCBP) a plan to fund various programmes in the AU Departments was finalized in July 2012.

132. In the area of Human resource management, the Commission has established positions which were approved by the Member States at 1262. The Commission has developed an E-recruitment with a view to enhancing efficiency, accuracy and transparency of the AUC recruitment process. It is also increasingly meeting its recruitment targets.

133. The Commission developed a draft document on Human Resources Policy Framework on the recruitment and deployment of civilian personnel for peace and security operations.

134. The appraisal of staff performance in the Commission is underpinned by the Performance Management and Accountability Framework (PMAF) directive which was endorsed two years ago but is awaiting final adoption. The directive provides for a unified performance appraisal cycle that requires all staff of the Commission to set targets and deliverables at the beginning of the year, carry out a mid-term performance review and a final performance at the end of the year.

135. There is continuous training of staff in the Commission, involving group courses for cross-cutting skills areas, and individual training courses for technical skills.

136. On Pension matters, draft Pension Regulations and Rules were drafted and sent to the AU Commission and AU Organs for comments and inputs. The draft Regulations and Rules will be submitted to the Executive Council in May 2013.

- 137.** The AUC has reinstated medical insurance for the Short Term staff.
- 138.** Plans are underway to establish a travel insurance plan for all staff.
- 139.** The Commission has established a process of declaring staff on permanent or partial disability due to sickness for a long period on staff Permanent Total Disability in order for them to benefit from the Insurance Company.
- 140.** Regarding staff salaries, the AUC Scale is currently not competitive with sister organisations. In accordance with the Executive Council Decision in January 2012, AUC Staff Salaries should have been reviewed and effected. The decision on this is overdue. It is expected that once a decision is passed, the salary scale will be made effective from January 2012.

STRUCTURAL REFORMS OF THE COMMISSION AND THE UNION ORGANS

- 141.** A new division combining the administrative and the facilities management functions of the Commission was established and provided with necessary resources to discharge its duties.
- 142.** The Structures of the PAP, and the NEPAD Planning and Coordinating Agency were finalized, as well as adjustments and additions to the Structure of the African Court on Human and People's Rights (to check contradiction with what Legal is saying on same), the AU Board on Corruption and the African Energy Commission. A Review of APRM structures is ongoing.

OTHER ADMINISTRATIVE SERVICES

- 143.** *The AUC Conference Complex:* The move of most staff to the new complex has significantly reduced the lease of office spaces. It is envisaged that the use of the conference centre will also generate some income.
- 144.** *Peace and security building:* Construction work is due to be completed in May 2013.
- 145.** *African Observatory for Science, Technology and Innovation (AOSTI) Malabo:* Construction of the AOSTI Head Quarters in Malabo will start in 2013.
- 146.** *Renovation and upgrading works:* All old buildings of the AUC are in the process of being renovated.
- 147.** *Record management System:* The Commission initiated the African Union Electronic Records Management System.
- 148.** *Continuous Improvement Programme:* The focus of the programme has been on reducing waste for achieving operational efficiency and organizational excellence through physical work place improvement, process improvement, policy improvement

and people involvement.

149. *Information and Technology Management:* The management Information System (MIS) has driven efforts to ensure that the Commission enjoys well managed, cost effective and consumer driven ICT Services and Applications to support AU Commission's core business.

150. *Strengthening of SAP for better services and control:* This has resulted in enhanced visibility of the AUC operations, better and timely accountability of funds, improved alignments of operations and performance.

FINANCIAL MANAGEMENT AND ACCOUNTABILITY

151. The Commission has developed immediate, short, and medium term measures in planning and budgeting, financial management and procurement. It has embarked on a process of modernizing its accounting system and practices under the ICBP.

CONFERENCE MANAGEMENT AND PUBLICATIONS

152. The Commission has continued to perform its duties of translation, interpretation, documentation, room allocation, in addition to overall planning for, and servicing of AU meetings.

MEDICAL SERVICES

153. The AU Commission Health Centre has undertaken a number of development projects aimed at enhancing the effectiveness of provision of medical care to AUC staff and Diplomatic missions accredited to the AU.

INTERDEPARTMENTAL COORDINATION

154. The Office of the Secretary General of the Commission has pursued its activities as the focal point of the Commission in the discharge of its responsibilities as Secretariat of the Union.

STRATEGIC POLICY PLANNING, MONITORING AND EVALUATION, AND RESOURCE MOBILISATION (SPPMERM)

155. The Commission has prepared the 2013 Programme Budget. It has also spearheaded the development of the AUC Strategic plan 2014-2017. The African Monitoring, Evaluation and Reporting Tool has been operationalized.

156. Under knowledge management, the Commission has initiated the binding of documents, improving the digitization of items database, and developed a blue print for the archives forward looking plan. The web based Portal (KMS) is now fully operational.

157. In the area of resource mobilization, the Commission has facilitated the adoption of the Mutual Accountability Framework. It has also initiated and developed the Joint

Programme Arrangements (JPAs). It also facilitated the extension of the AU Fund Agreement and the development of the second programme under the 10th European Development Fund (EDF).

158. In policy Analysis and Research, the Commission is leading the process of the preparation of the African-Union Strategic Framework 2063.

AUDIT ACTIVITIES

159. The OIA has carried out various audit projects on financial, compliance, operational/performance audits, IT audits, and investigations based on the approved audit plan for the year 201. The OIA faces a number of challenges, key of which are: formal risk management, lack of implementation of audit recommendations, and delays in receiving management responses.

INSTITUTIONAL CAPACITY BUILDING

160. *AU Communication and Advocacy Strategy:* The Commission is working on a Communications and Advocacy Strategy, which will map out the key communication approaches, needs, strategies and activities which will meet the needs of the Commission as well as those of its stakeholders. The Commission is also implementing a branding campaign, which is aimed at creating awareness of the AU, the AU Commission and its work, among all sectors of society. There is a plan to partner with various public and private sector companies to ensure that the Strategy under development will be effectively implemented.

**ANNUAL REPORT OF THE CHAIRPERSON ON THE ACTIVITIES
OF THE COMMISSION COVERING THE PERIOD
JANUARY - DECEMBER 2012**

INTRODUCTION

1. These are interesting times for Africa, times of boundless opportunity but also times of continuing challenges for our Continent. While the world financial and economic crises have continued to shackle the growth of the global economy, Africa has fared relatively well, its economic growth averaging over 5% per annum. Africa's economic resilience in the face of global recession has greatly helped to keep the global economy from tipping into a fully-fledged depression. World outlook towards Africa has changed. Africa is increasingly being seen as the continent of the future, thanks to a young and growing population, the abundance of our natural resources, the attractive and continually improving business climate and opportunities, the strides made in the consolidation of democracy and governance, and improvements in accountability and respect for the rule of law and human rights. Africa is proud of the important role that our women are playing in the running of the affairs of the continent and shaping its destiny.

2. Africa does, however, still have challenges that need to be overcome urgently and collectively. We have seen a resurgence of conflicts and unconstitutional approaches to change of governments. Without peace and stability we cannot guarantee or sustain the positive gains we have achieved. Our continent also has to contend with diminishing aid from external partners. At the same time, it is a matter of concern that negotiations on global trade issues and climate change have all but collapsed, with very serious consequences for Africa.

3. It is important that Africa remains resolute and determined to overcome these challenges by investing in the development of its human capital, especially the youth and women, its infrastructure and agriculture, and in the sustainable use and management of its natural resources. It is important that the continent asserts itself in the world on issues of global interest, particularly on those regarding its destiny, its dignity and the exploitation of its natural resources.

4. This Annual Report of the African Union Commission concludes the year when we celebrated a decade since the transformation of the Organisation of African Union (OAU) into the African Union. This decade-long journey has seen achievements and challenges, which must provide us with lessons as we chart the next fifty years of our journey as the Union of this great continent.

5. The African Union emerged on the foundations of the OAU as a conscious design to give new impetus to African integration and unity, to the continent's social and economic transformation, towards resolving and preventing conflicts and the building of an institutional architecture that can lead the African agenda and programme. The Union' emergence was also founded on greater participation by member states and RECs, emphasis on the need for involvement of civil society and popular participation in the project of African unity, prosperity, peace and integration.

6. Thus, during the first decade of the AU operationalised its institutional framework and major organs, and developed various Africa-wide policies and strategies covering a range of socio-economic and political themes and sectors, with continental policy harmonisation and codification as a central focus.

7. Over the first AU decade, initially starting with the debt reduction and write-off drive, but expanding to Africa's positions on trade, emerging issues such as climate change to more generally Africa's position in the world, the Union facilitated common continental positions, gaining recognition as the premier representative voice of Africa. Thus, whereas at the start of the new millennium many were prepared to write us off as a lost case, a decade later, Africa has the potential over the coming decades to become a new global growth pole.

Brief Evaluation of the First AU Decade

8. Thus the first decade of the AU saw the establishment of various technical committees aimed at promoting various Africa-wide policy frameworks and programmes spanning a range of socio-economic and political sectors and themes. This laid the foundation for the possibility of continental policy harmonisation and codification. The AU's first decade was predominantly preoccupied with debt reduction and write-off drive, Africa's trade expansion, and emerging issues such as climate change as well as facilitation for common African positions in global dialogues.

9. In addition, the first decade of the AU also saw the evolution of its Peace and Security Architecture (PSA), with its emphasis on African solutions for African problems. The PSA - although still a work in progress - provides the continent with the infrastructure and capacity to coordinate its collective approaches and responses and to engage with the rest of the world on conflicts on the continent. Although this process during the decade has had some notable achievements, there have also been setbacks and weaknesses, specifically with regard to preventing new conflicts by addressing underlying issues of exclusion and the challenges of post-conflict reconstruction.

10. In more recent times, the concept of African renaissance has become associated with African people and nations overcoming their challenges, thus achieving political, social, cultural, scientific and economic renewal. In this context, the establishment of a just, inclusive and equitable continental and global order requires the ending of violence, elitism, corruption and poverty. At the centre of this is the need for Africans to take pride in their rich and diverse heritage and culture. These are necessary prerequisites to building a better future for the citizens of the continent. During the course of 2013 it will be important to popularise these concepts and enable all citizens to engage in a robust debate about their contribution to the current and future development trajectory of the continent.

11. While the above is brief synopsis of the first decade of the AU, a more detailed evaluation and analysis of the first decade of the AU is necessary to continue to provide lessons learnt which can continue to guide our work for the next decade.

Implementation of the Second Strategic Plan 2009-2012

12. The AUC Second Strategic Plan 2009-2012 is based on four pillars, which taken collectively are aimed at furthering the vision of the AU of building an integrated, people-centered and prosperous continent, at peace with itself and a dynamic force in the world.

13. The role identified for the African Union Commission, in line with its mandate, is to play a 'policy and strategy setting role as well as coordinating and facilitating the continental socio-economic development and integration agenda. It will also play the advocacy role, as well as that of experience and information sharing among stakeholders, and promote best practices across the continent.'

14. The pillars of the AUC Second Strategic Plan are: (i) Peace and Security; (ii) Cooperation, Development and Regional Integration; (iii) Institutional Capacity Building and (iv) Shared Values. The detailed reports on the Commission's activities for 2012 are organized in accordance with these four areas.

II. PEACE AND SECURITY

15. Pursuant to the decisions taken by the Ordinary Session of the Assembly of the Union in July 2012, the Commission continued action initiated on the different aspects of the Peace and Security Pillar. The following paragraphs give an account of efforts deployed for the operationalization of the African Peace and Security Architecture (APSA), situations on the ground, the "Make Peace Happen" Campaign, the AU Border Programme (AUBP), post-conflict reconstruction and development, and other related aspects, as well as issues pertaining to disarmament and combating terrorism.

II.1 OPERATIONALIZATION OF THE APSA

16. The Commission has pursued the efforts towards the full operationalization of all the components of the APSA. With respect to the Continental Early Warning System (CEWS), progress made during the period under review includes the deployment of the Africa Media Monitor (AMM) tool at the AU Headquarters, in Addis Ababa; the recruitment of analysts to enhance the analytical capacity of CEWS, as well as its engagement with decision-makers; and the continued deepening of coordination and collaboration with the Regional Economic Communities/Regional Mechanisms for Conflict Prevention, Management and Resolution (RECs/RMs). Furthermore, the Commission provided technical assistance to COMESA for the operationalization of its early warning system, as well as to some Member States to help them establish Situation Rooms.

17. Progress has continued to be made towards full operational capability for the African Standby Force (ASF), which is to be attained in 2015. The efforts undertaken since the last Summit include the development of additional policy documents; the conduct, in Addis Ababa, in October 2012, of a Police and Civilian Focused Exercise, dubbed NJIWA, as part of the preparation of AMANI II Field Training Exercise (FTX); the harmonization of the concept for the Douala Continental Logistics Base (CLB) with the

concepts of the regional logistics depots; as well as the steps taken for the establishment of the Maritime Information and Coordination Cell (MIC2). It is also imperative that the operationalisation of the Africa Standby Force be accelerated given current security threats in some parts of the continent, for example in Mali.

18. Regarding the relations with the RECs/RMs, the main development relates to the deployment by the Commission, in November 2012, of Liaison Officers to five RECs, namely: COMESA, EAC, ECCAS, IGAD and SADC. The Commission expects to finalize the recruitment and establishment of Liaison Offices to the remaining RECs/RMs, namely ECOWAS, CEN-SAD, NARC and EASFCOM, within the first quarter of 2013. All RECs/RMs, with the exception of CEN-SAD and the Arab Maghreb Union (AMU), have set up Liaison Offices to the AU.

II.2 OVERVIEW OF THE SITUATIONS ON THE GROUND

19. The contrasting situations on the ground continued, marked by progress in some cases and persistent difficulties in others. The following paragraphs give an overview of the situation in the different countries concerned and of the relevant efforts deployed.

a) Madagascar

20. The period under consideration was marked by the continuation of the process for the implementation of the SADC Road Map. Significant progress was made since the signing of the latter on 17 September 2010. However, key aspects of the Road Map are still in abeyance. It is important to note here the lack of or partial application of the provisions of the Road Map relating mainly to the neutral, inclusive and consensual nature of the transition process, measures to build trust and national reconciliation, as well as the amnesty and unconditional return of all political exiles. Furthermore, the electoral process experienced logistics and financial problems that could have a negative impact on compliance with the electoral calendar. Lastly, mention should be made of the growing insecurity in the South of the country, and the deterioration of the socio-economic situation.

21. It was against this backdrop that the SADC Extraordinary Summit held in Dar-es-Salaam, Tanzania, on 7 and 8 December 2012, considered the situation in Madagascar. The Summit, among other things, urged the Malagasy political stakeholders to fully implement the Road Map and respect the electoral calendar, and reiterated its decision concerning the unconditional return to the country of former President Marc Ravalomanana. The Summit also stressed the need to persuade Mr. Ravalomanana and Mr. Rajoelina not to contest in the forthcoming presidential elections. On 10 December 2012, Mr. Ravalomanana announced that he would not be a candidate. It is important for the AU to continue to support on-going efforts and envisage additional measures to speed up the resolution of the crisis in Madagascar.

b) The Comoros

22. The gains made in recent years continued to be consolidated. In that regard, it is worth mentioning the appointment, on 11 October 2012, of senior officials of the

opposition to important positions in the Government. However, there are still significant challenges to be overcome, such as the process for the collection of individual weapons that are still in circulation in the Archipelago, as well as the reform of the defence and security sector, for which the AU provides support. It is also important to urge international partners once again to honour the commitments made at the Donors Conference held in Doha, in March 2010. Furthermore, the Comoros continued to face the human hecatomb caused by the drowning of many persons attempting from the Autonomous Island of Anjouan to reach the coasts of Mayotte, which was granted the status of a “French Department” in March 2011.

c) Somalia

23. Somalia entered into a new political dispensation when, in September 2012, through a credible, but arduous democratic process, a new Federal Parliament elected a new President, thus constitutionally ending the eight years of transitional arrangements established with the adoption of the Transitional Federal Charter (TFC), in 2004, and the complimentary August 2008 Djibouti process. President Hassan Sheikh Mohamud was formally inaugurated in Mogadishu, on 16 September 2012. He outlined the six (6) immediate priorities of his Government to include security improvement, national reconciliation, social service delivery, improvement of public financial management and economic development, and justice. He also stressed that he would reach out to armed opposition groups, and that he would continue dialogue with Somaliland. On 6 October 2012, he nominated Abdi Farah Shirdon “Saacid” as Prime Minister. The Prime Minister and the Cabinet he formed were endorsed by the Legislature, on 13 November 2012. Since then, the Somali authorities have taken a number of steps in furtherance of the priorities they have outlined.

24. On the military and security front, the Somali and AMISOM forces have continued to expand their areas of control. Al Shabaab has relocated much of its manpower and equipment to areas situated in Hiraaan and Puntland, where Somali forces and allied militia have a limited presence. AMISOM, which is now deployed in all the four operational sectors, in collaboration with the Somali Government, is taking steps to address the problems associated with the rising number of defectors from Al Shabaab. Steps are also being taken to assist the Somali Government in the establishment of local administrations, delivery of basic services, disarmament and labour intensive projects. It is against this background that the Commission has launched the Review process of AMISOM, with a view to adjusting its mandate and operations to the positively changing situation on the ground. The Review, which will be completed in January 2013, will also address the issue of the funding of AMISOM, bearing in mind that, based on current forecast, there will be a shortfall of about 100 million dollars in the Mission’s 2013 budget, as well as possible re-hatting of AMISOM or any other scheme leading to synergies between the AU and the UN in Somalia.

25. We must commend the Somalis for having successfully ended the Transition and also acknowledge the tremendous achievements made by AMISOM and the Somali Forces on the ground. Never had the prospects for lasting peace and stability in Somalia been so real. It is now incumbent upon the Somali stakeholders to redouble their efforts and to seize this unique window of opportunity to end the two-decade long conflict in

their country. It is equally important that the international community, which has invested considerable efforts and resources in Somalia, remain engaged to assist Somalia in meeting the complex and daunting challenges of post-conflict peace building and reconstruction.

d) Peace Process between Eritrea and Ethiopia

26. Since the last Summit, there has been no movement towards overcoming the impasse in the peace process between Eritrea and Ethiopia. Against this background, we would like, once again, to emphasize the need for renewed African efforts, under the aegis of the AU, to help the two countries overcome the difficulties facing the peace process, normalize their relations and lay the foundation for lasting peace in the region.

e) Relations between Djibouti and Eritrea

27. During the period under review, the Commission did not receive any written updates from Djibouti and Eritrea regarding the evolution of their relations and the implementation of the Agreement signed between the two countries on 6 June 2010. We should like to reiterate the AU's call for the scrupulous implementation of this Agreement, in order to address all the issues at hand and consolidate the normalization of the relations between the two countries. The Commission stands ready to assist them in taking steps in this direction.

f) Horn of Africa – regional approach

28. Over the past few years, the Assembly has regularly stressed the need to develop a regional approach to the challenges of peace and security in the Horn of Africa. Accordingly, it has encouraged the Commission, in collaboration with IGAD, the UN and other stakeholders, to initiate a process of consultations which would lead to a regionally-organized endeavor for peace, security, cooperation and development in the Horn of Africa. The Commission is working out the modalities of the proposed consultation process, and will initiate the ground work towards the launching of the process that would lead to an internationally-supported regional consensus to that end.

g) Sudan (Darfur)

29. The Commission has continued to closely follow the situation in the Darfur region of Sudan and to assist in steering the peace efforts. The Parties to the Doha Document for Peace in Darfur (DDPD), namely the Government of Sudan and the Liberation and Justice Movement (LJM), have pursued their efforts to implement the provisions of the Document. While some progress has been made, the implementation process has nonetheless witnessed delays. On a more positive note, a significant military wing of the Justice and Equality Movement (JEM), one of the major armed groups, has signed a ceasefire agreement with the Government of Sudan and agreed to resume negotiations on the basis of the DDPD. UNAMID is actively supporting the implementation of the DDPD and efforts for a more inclusive peace process in Darfur.

30. On the security front, the situation has witnessed a worrying deterioration,

especially in North Darfur, with incidents ranging from fighting between Government forces and armed movements to attacks on UNAMID troops. Criminality and banditry have also continued unabated. This has led to considerable civilian casualties and displacements across Darfur. In spite of the operational challenges it is facing, including attacks by unidentified elements, continued restrictions of movements and delays in the issuance of visas for the Mission's personnel, UNAMID has not relented in its efforts to protect civilians and assist those who are affected by the ongoing violence, without prejudice to the responsibility of the Government of Sudan to protect its citizens. We should also indicate that the long outstanding appointment of a substantive Joint Special Representative (JSR) to replace Professor Ibrahim Gambari has now been resolved. Following consultations over the past months between the AU and the UN, on the one hand, the Government of Sudan, on the other, Sudan has conveyed its acceptance of the appointment of Dr. Mohammed Ibn Chambas (from Ghana) as the new JSR, Head of UNAMID. We pay tribute to Professor Ibrahim Gambari for his outstanding contribution to the quest for peace in Darfur.

31. We call on the parties to the DDPD to expedite their efforts towards the implementation of their commitments, and urge for renewed engagement to promote as an inclusive a peace process as possible. We further call on the Government fully to exercise its sovereign responsibility to protect civilians and on the non-signatory armed movements to fulfill their obligations under international humanitarian law. We condemn in the strongest terms the attacks perpetrated against UNAMID, and urge the Government of Sudan to do all it can to track down the perpetrators of these crimes and bring them to justice. Nine years on, the conflict in Darfur continues to require the full attention of the international community. In this respect, it is important that Member States and partners alike extend all the necessary support, including by actively participating in the Donors' Conference, scheduled to take place in Doha in February 2013.

h) Implementation of the AU Roadmap on the situation between Sudan and South Sudan and related issues

32. Sustained efforts have continued to be made regarding the situation between Sudan and South Sudan on the basis of the Roadmap adopted by the Peace and Security Council (PSC) at its meeting held on 24 April 2012. It should be recalled that the Roadmap required the Sudanese Parties to implement a series of measures, within a clearly defined timetable, to halt hostilities and reduce tension, build confidence between the two States and complete negotiations on the outstanding issues under the facilitation of the AU High Level Implementation Panel (AUHIP), within three months. The UN Security Council endorsed the Roadmap on 2 May 2012, through the adoption of resolution 2046 (2012). 2 August 2012 was set as the deadline for the completion of these obligations. During its July 2012 session, the Assembly stressed the need for, and obligation of, the Parties fully and expeditiously to fulfill their commitments under the Roadmap.

33. From May to August 2012, the AUHIP convened the Parties in negotiations that focused on the implementation of all aspects of the Roadmap. On 3 August 2012, the Parties reached an Agreement on the terms of payment under which South Sudan

would resume the export of oil through Port Sudan. The Parties also agreed to appoint a Team of Experts to give an authoritative but non-binding opinion on the status of the five disputed border areas. At its meeting held on 3 August 2012, the PSC welcomed the Agreements reached and extended the deadline for the submission of the report on the implementation of the Roadmap by the AUHIP to 22 September 2012.

34. Negotiations continued throughout September 2012, under the auspices of the AUHIP. Supported by Ethiopia, as Chair of IGAD, the AUHIP convened a Summit meeting bringing together President Omar Hassan al-Bashir and President Salva Kiir Mayardit, in Addis Ababa, from 23 to 27 September 2012. On 27 September, the two Presidents signed a series of Agreements covering security arrangements, oil and transitional financial arrangements, the status of nationals of one country resident in the other, post service benefits, trade, banking, border issues and other certain economic matters, as well as an overall Cooperation Agreement. However, two outstanding matters between Sudan and South Sudan remained. These relate to the determination of the final status of Abyei and the resolution of the status of the disputed and claimed border areas. The Panel provided recommendations on the resolution of these outstanding matters. The PSC, at its meeting of 24 October 2012, while welcoming the progress made, urged to Parties to finalize the outstanding issues within the stipulated timelines.

35. Subsequently, the AUHIP engaged the Parties to encourage direct dialogue and communication between them, in order to resolve all the outstanding issues. Regarding Abyei, at the time of finalizing this report, the Parties had not yet been able to engage with each other, with a view to reaching an agreement within the six-week period decided by the PSC. On the issue of borders, the Team of Experts was undertaking consultations with the Parties, in order to produce an opinion that would assist in the resolution of the status of the five disputed areas. At its meeting of 14 December 2012, the PSC decided to encourage the negotiations between the two countries and to await for the outcomes of the contemplated Summit meeting between their Heads of State, and to refer a determination on the issue of the Final Status of the Abyei Area to its Summit level meeting scheduled to be held in January 2013, on the margins of the Assembly of the Union.

36. The 24 October 2012 PSC meeting also urged the Government of Sudan and the Sudan People's Liberation Movement-North (SPLM-N) to reach a political settlement to the conflict in the two Sudanese states of Blue Nile and Southern Kordofan. It further called for the immediate implementation of the Tripartite Proposal for humanitarian access to war-affected populations in these two states, put forward jointly by the AU, the UN and the League of Arab States. Between May and September 2012, the AUHIP made strenuous efforts to engage the Parties and to initiate direct talks between them. At the same time, the AU, UN and LAS endeavoured to obtain agreement on the modalities for the implementation of the Joint Proposal, resulting in Memoranda of Understanding signed on 4 and 5 August 2012. Unfortunately, no progress was made regarding the conflict in Blue Nile and Southern Kordofan, which in fact, has escalated, leading to the worsening of the humanitarian situation. The Parties are yet to meet for face-to-face negotiations, as requested by the PSC.

37. In general, the implementation of the 27 September 2012 Agreements has been slow, hampered notably by the continued conflict in the Two Areas and the accusations and counter-accusation by each side regarding military support to the SPLM-N. I would like to urge the Parties to live up to the expectations generated both within their respective countries and in the rest of the continent by the Agreements of 27 September 2012. In so doing, they would not only further peace, security and prosperity in their respective countries, but also greatly contribute to stability in the region and beyond.

i) Democratic Republic of Congo

38. At its July 2012 session, the Assembly of the Union considered the situation in the East of the DRC. The consideration took place in a context marked by the resumption of hostilities in the East of the DRC at the initiative of the M23. The Assembly expressed AU support for the efforts of the Congolese Government aimed at re-establishing peace and restoring State authority in the East of the country, and encouraged countries of the region to give the country the necessary support.

39. During the reporting period, the International Conference on the Great Lakes Region (ICGLR) held several Summits to consider the situation in the East of the DRC. Decisions were taken on the deployment of an International Neutral Force (INF) to eradicate the negative forces operating in the East of the DRC, namely the M23 and the Democratic Forces for the Liberation of Rwanda (FDLR), and the establishment of an expanded Joint Verification Mechanism (JVM); mobilization of the support of the international community, particularly the United Nations; and encouraging dialogue between the Government and the M23, with a view to evaluating and taking into account all the legitimate claims the Movement might have.

40. Concerning the INF in particular, its Concept of Operations (CONOPS), was finalized by the Military Evaluation Team (MET) established by the ICGLR and endorsed by the competent bodies. The PSC should endorse it in good time, in the light of consultations the Commission is carrying out with the ICGLR and SADC, which at its Dar-es-Salaam Summit of 8 December 2012, undertook to deploy its Standby Brigade, as well as other stakeholders. On the ground, after the violation on 15 November 2012, of the ceasefire that the M23 had agreed to observe starting from August 2012, the ICGLR, at its Extraordinary Summit of 24 November 2012, adopted a series of measures aimed at speeding up the resolution of the crisis, which were endorsed by the PSC on 26 November 2012. Progress was made in the implementation of the measures, particularly the withdrawal of the M23 from the town of Goma, which it had taken control of as a result of the offensive it had launched. Furthermore, talks were being held between M23 and the Congolese Government in Kampala at the time of drafting this report, under the auspices of Uganda, mainly with the support of the AU Commission.

41. The Commission, at my level and at the level of the Commissioner for Peace and Security, actively participated in various meetings of the ICGLR, and lent the necessary support for the implementation of the decisions taken. I appointed a Special Representative for the Great Lakes Region in the person of Ambassador Boubacar Gaoussou Diarra of Mali, who has since held consultations with the different regional stakeholders, with visits to Kinshasa and Kigali. The Commission will continue to

support the process for the resolution of the crisis, as well as efforts aimed in the long term, at stabilizing the Great Lakes Region. I intend, at the appropriate time, to initiate the necessary consultations on the last issue. In the meantime, I wish to reaffirm AU's commitment to respect the unity and territorial integrity of the DRC, and its total rejection of the recourse to armed rebellion to assert political claims.

j) Central African Republic

42. During the period under consideration, the Central African Authorities adopted a number of measures aimed at consolidating peace, security and stability in their country. The dialogue initiated by the Government with the different political and social actors to promote conciliation, following the tension resulting from the contestation by the opposition of the conditions in which the presidential and legislative elections were conducted in January and March 2011, led to an agreement on the draft Electoral Code, which has now been submitted to the National Assembly for adoption. In spite of the encouraging signs, the security situation remained a source of concern. In addition, there were difficulties in the implementation of Disarmament, Demobilization and Reintegration Programmes (DDR), and the Security Sector Reform (SSR). It is essential that Africa and the international partners of the CAR mobilize themselves alongside the country to lend it the necessary support. Furthermore, I intend to initiate consultations with the Government of CAR, ECCAS and other stakeholders, in order to determine the modalities for support from the international community in the area of security, after the withdrawal of the ECCAS Multinational Force by the end of 2013.

k) Combating the Lord's Resistance Army

43. The Commission continued the implementation of the Regional Cooperation Initiative against the Lord's Resistance Army (RCI-LRA). After the transfer of Central African, Ugandan and South Sudanese contingents to the Regional Intervention Force (RIF) in September 2012, the Chiefs of Defence Staff of the four countries affected by the atrocities of the LRA met in Bangui in mid-December 2012, to adopt the mission documents of the Initiative. In addition, my Special Envoy for the LRA Issue pursued his interaction with the different stakeholders, with a view to increasing the effectiveness of the action undertaken. Although the joint efforts of all stakeholders made it possible to some extent to contain the criminal activities of the LRA, the terrorist group is far from being neutralized. Hence the need for renewed efforts to release all RCI-LRA potential. I wish to seize this opportunity to thank the EU, the United Nations and the United States of America for their support. I intend to establish a RCI-LRA Support Fund shortly, to speed up the mobilization of the financial and logistics support required for the realization of the set objectives.

l) Liberia

44. Liberia has continued to make remarkable progress in different areas, in particular economic recovery. The country has maintained positive economic growth rates, and pursued an encouraging policy to attract foreign investment. Cooperation has also continued with the UN Mission in Liberia (UNMIL), as well as coordination with the Government of Côte d'Ivoire to monitor the border between the two countries, which has

been volatile over the past few months. As UNMIL reduces its presence in the country, there is need to strengthen the capacity of the military and the police. We call on the international community to continue to support the efforts of the Government of Liberia.

m) Côte d'Ivoire

45. The Ivorian Authorities pursued efforts initiated to consolidate peace and rebuild their country. It should be noted here that Côte d'Ivoire continued to achieve good economic growth and to carry out structural and management reforms, as well as launch several public infrastructure projects. At security level, the efforts aimed at organizing the defence and security forces continued, mainly with the establishment of a National Security Council, the adoption of the national security sector reform, and establishment of a Disarmament, Demobilization and Reintegration Authority (DDRA). In spite of a few destabilization attempts observed mainly during the months of August and September 2012, there was a significant decrease in the insecurity index, as well as in the number of refugees and internally displaced persons. Lastly, the commitment to national reconciliation was demonstrated mainly through consultations held by the Dialogue, Truth and Reconciliation Commission (CDVR), and the dialogue between the Government and the opposition parties. In that respect, I wish to encourage the Ivorian Government and other stakeholders to intensify their efforts, and call on the international community to continue to support the process for the consolidation of peace and post-conflict reconstruction in Côte d'Ivoire.

n) Mali and the Sahel

46. During the period under consideration, the ongoing multidimensional crisis in Mali and the situation in the Sahel, generally continued to be the focus of Africa's and the international community's attention and efforts. The Commission, for its part, worked resolutely towards the implementation of the relevant decisions of the Assembly of the Union and the PSC on Mali.

47. Special attention was paid to the elaboration of documents required by the Security Council under the terms of its Resolutions 2056 (2012) and 2071 (2012) of 5 July and 12 October 2012, respectively, in response to ECOWAS and AU requests to address the situation in Mali. In that context, the Commission led the process for the elaboration of a Strategic Concept for the Resolution of the Crises in Mali. The document, which was the subject of lengthy consultations, sets forth the different measures to be taken in order to speed up the resolution of the ongoing crises in Mali, and is designed to organize the action of the Continent and the rest of the international community with regard to the situation in Mali. The Strategic Concept was adopted by the meeting of the Support and Monitoring Group jointly chaired by the AU, ECOWAS, and the United Nations, held in Bamako, on 19 October 2012. I attended the meeting, which was my first international trip following my assumption of duty on 15 October 2012. The Strategic Concept was endorsed by the PSC on 24 October 2012, and subsequently transmitted to the Security Council.

48. Furthermore, the Commission, in close collaboration with ECOWAS, the core countries of the region, the United Nations and other partners, was actively involved in

the elaboration of a harmonized Concept of Operations (CONOPS) for the deployment of an operation in Mali, at the request of the Malian authorities. The draft harmonized CONOPS was endorsed by ECOWAS and the PSC on 11 and 13 November 2012 respectively. It provides for the deployment of a 3,300 man African-led International Support Mission in Mali (AFISMA), to assist in the training and restructuring of the Malian defence and security forces, and the re-establishment of State authority throughout the national territory. At the time of finalizing this report, consultations were underway within the UN Security Council on a draft resolution, pursuant to the submission by the Secretary General of the report requested of him by Resolution 2071 (2012), and the public debate held on 5 December 2012. It should be noted here that in its request to the Security Council, the PSC asked the former organization to support the Strategic Concept, authorize the deployment of AFISMA, the establishment of a support module financed by statutory contributions, and the creation of a Trust Fund to support the Malian Defence and Security Forces.

49. At the same time, mediation efforts continued with the Malian rebel groups who undertook to negotiate on the basis of AU principles, particularly strict respect of the unity and territorial integrity of Mali, the rejection of terrorism and organized crime, as well as the renunciation of armed combat as a means of asserting political claims. I expressed my appreciation to the ECOWAS Mediator and the core countries for their initiatives and the results achieved so far.

50. The establishment of an inclusive transition under the authority of the Interim President, Mr. Dioncounda Traoré, is essential in order to confirm Mali's ownership of the search for a lasting solution to the current crisis. To that end, the PSC as well as the Commission, together with ECOWAS and the United Nations, incessantly urged the Malian stakeholders to agree on a Road Map for the management of the Transition. I hope that the Interim President and the new Prime Minister, Diango Cissoko, will be able to fast track the process for the adoption of the Road Map. In that regard, it is important that military interference from the former military junta in the political process in Mali cease, as evidenced by the conditions which led to the former Prime Minister Cheick Modibo Diarra tendering his resignation.

51. As indicated in the Strategic Concept, the resolution of the crises in Mali requires a holistic approach. It is essential to simultaneously deploy resolute efforts to promote democratic governance, initiate dialogue with the groups that are prepared to negotiate within the framework of the principles supported by the international community, and work towards the deployment of AFISMA to contribute to overcoming the security challenges in the North of the country, and re-establish State authority throughout the national territory. Any absence of determination on either of those components, will only delay the resolution of the crisis, and increase the danger looming over Mali, the region and beyond.

52. The AU is determined to spare no effort to speed up the resolution of the serious crisis in Mali, and contribute to the stabilization of the Sahel region. It was to that end that I appointed former President Pierre Buyoya as my High Representative for Mali and the Sahel. Within the framework of his mandate, he carried out missions to Mali and in the region, and initiated contacts with the international partners, namely the United

Nations. I call on all Member States to lend the much-needed support to Mali, in this painful phase of its history.

o) Guinea Bissau

53. The July 2012 Ordinary Session of the Assembly of the Union considered the situation in Guinea Bissau within the context of the coup d'État that took place in the country in April 2012, and the international initiatives aimed at restoring constitutional order. At internal level, the period under consideration was marked by a few developments. Following its initial refusal to integrate the transition structures established as part of ECOWAS efforts, the African Party for the Independence of Guinea and Cape Verde (PAIGC), the majority party, witnessed some of its members finally join the transition, which made it possible for the People's National Assembly to resume its activities that had been blocked till then. Furthermore, mention should be made of the attack on 21 October 2012 on the Bissalanca airbase in Bissau, and the resulting reprisals.

54. For its part, in implementation of the relevant PSC decisions, the Commission facilitated a meeting between the representatives of the ruling authorities, and those of the deposed regime, in New York on 29 September 2012. Another meeting was to be held in Addis Ababa in December 2012, but could not take place as scheduled due to the absence of the ruling authorities. Moreover, the Commission organized in Addis Ababa on 1 December 2012, a meeting between the five organizations concerned (ECOWAS, AU, Community of Portuguese Language Countries – CPLP, EU and the United Nations), to facilitate the harmonization of the approach and action of the international community on the situation in Guinea Bissau. As a follow-up to the meeting, the five organizations carried out a joint mission to Bissau, from 16 to 21 December 2012, to assess the situation and make recommendations on the way forward, in support of comprehensive efforts towards the re-establishment of constitutional order in the country.

p) Western Sahara

55. No progress has been made during the period under review on the question of Western Sahara. In its resolution 2044 (2012) adopted on 24 April 2012, the UN Security Council renewed its call on the Parties, namely the Frente POLISARIO and the Kingdom of Morocco to continue to negotiate without preconditions and urged them to cooperate with the mediation, *“with a view to allow a just, lasting and mutually acceptable political solution which will provide for the self-determination of the people of Western Sahara, in the context of arrangements consistent with the principles and purposes of the Charter of the United Nations”*. In this respect, it should be pointed out that Ambassador Christopher Ross, the UN Secretary-General Personal Envoy, whose mediation was interrupted as a result of Morocco's rejection of his continued involvement in the process on the allegation of a pro-POLISARIO bias, has since resumed his work. From 27 October to 8 November 2012, he visited the region and, for the first time, Western Sahara, talking to a spectrum of indigenous actors on the future of the Territory. It is important that international efforts to resolve this long standing conflict be expedited, with a view to finding a solution that is consistent with international

legality. It is important that international efforts to resolve this long standing conflict be intensified towards the holding of a referendum to enable the people of Western Sahara to choose between the option of independence and that of integration. To this end, the Commission's interactions with the United Nations and other international actors are being furthered.

q) Egypt

56. The period under review has witnessed a number of developments. In this respect, it is worth mentioning the decision taken by President Mohamed Morsi, on 12 August 2012, to annul the 17 June 2012 Supplementary Constitutional Declaration (SCD), through which the Supreme Council of the Armed Forces (SCAF), which governed the country during the transition, insulated itself against any oversight by the elected President. Furthermore, in a Constitutional Declaration made on 22 November 2012, President Morsi ordered the removal from office of Public Prosecutor Abdel-Meguid Mahmoud, who was accused of links with the former regime; called for the re-investigation of alleged perpetrators of the violence committed against demonstrators during the 18-day protests that forced Hosni Mubarak to relinquish power; extended the tenure of the Constituent Assembly drafting the Constitution by eight extra weeks, in order for its 100 members to work out differences and finalise their work; and immunised the Assembly from any threat of dissolution. While the President justified his action by saying that it is aimed at protecting the Revolution and ensuring justice for its victims, his opponents protested against the decision, seeing in it an attempt by the President to shield himself from any democratic oversight.

57. In a communiqué issued in relation to these developments, we called on all Egyptian stakeholders to exercise restraint and work together towards peaceful institution building and an inclusive Constitution-making process. At the time of finalizing this report, a referendum on the draft Constitution was taking place. We renew our call to the Egyptian stakeholders to live up to the expectations generated by the 2011 Revolution and to work towards the deepening of democracy and the strengthening of the rule of law in their country, through a peaceful institution-building and inclusive Constitution-making process.

r) Tunisia

58. Efforts to complete the transition have continued. The National Constituent Assembly has pursued its efforts on drafting the new Constitution, but it was given more time to complete its work beyond the initial deadline of 23 October 2012. It is now expected to complete the draft Constitution by April 2013. Because of this delay, the general elections (presidential and legislative), which will mark the end of the Transition, are now expected to be held in the second quarter of 2013. Occasionally, violent confrontations broke out between stakeholders, as well as between protesters and security forces across the country, especially in Tunis. We urge the Tunisian stakeholders to spare no efforts in order to successfully complete the transition and further the democratic transformation process of the country.

s) Libya

59. The last ordinary session of the Assembly took place against the backdrop of the successful conduct, on 7 July 2012, of nationwide polls to elect a General National Congress (GNC). Subsequent to its inauguration, the GNC elected Mr. Ali Zidan as Prime Minister, on 14 October 2012. In accepting his appointment, the Prime Minister emphasized the establishment of a unified military and national security forces and the promotion of national reconciliation as priority objectives for the Government. On 31 October 2012, the GNC approved the newly-elected Government and, on 14 November 2012, the hand-over to the new Government was completed. Notwithstanding this positive development, however, major challenges still remain, including security sector reform, so as to ensure stability and successful economic rebuilding of the country. On its part, the Commission, through its AU Liaison Office in Tripoli, and working closely with the UN as well as other AU partners in the country, is continuing to support the transitional process. We reiterate AU's support for the Transition, and stress the need for continued engagement between Libya and its neighbours to address common security and related challenges.

II.3 MAKE PEACE HAPPEN CAMPAIGN

60. The Commission has pursued its efforts regarding the "Make Peace Happen" Campaign, as a follow up to the relevant decisions of the AU policy making organs. In this respect, and in order to create greater public awareness about AU's efforts to promote peace and security on the continent, the Commission widely disseminated the 10-minute video documentary titled '10 Years in the Quest for Peace and Security in Africa', which was launched during the July 2012 Summit. Steps have also been taken to strengthen the partnership with the Confederation of African Football (CAF), which was formalized through the signing of a Memorandum of Understanding (MoU), on 14 July 2012, in order to utilize the universal appeal of football as a platform to further peace on the continent. In particular, a number of outreach events and initiatives are planned in the course of the Africa Cup of Nations (AFCON), scheduled to take place in South Africa, in January 2013, as well as during the CAF General Assembly, in March 2013. The Make Peace Happen Campaign will be contributing to the programme of the 50th Anniversary of the OAU-AU.

61. Furthermore, and as has been the case every year since 2010, the Commission engaged Member States, civil society and other stakeholders, to mobilize them on the occasion of the International Day of Peace (Peace Day), to commit to activities that would indeed contribute to the advancement of peace on the continent. At the AU headquarters, Peace Day 2012 focused on the plight of women and children in armed conflicts. The Commission also took the opportunity to launch its newly-dedicated peace and security website, www.peaceau.org, with its related social media tools (Twitter and Facebook). Finally, the Commission successfully organized the 3rd AU Retreat of Special Envoys and Mediators in Cairo, from 5 to 6 November 2012, on the theme "Transforming the African Peace and Security Context in the Next Decade: Appraisal and Opportunities".

II.4 AU BORDER PROGRAMME

62. The last ordinary session of the Assembly endorsed the Declaration on the Implementation of the AU Border Programme (AUBP), adopted by the 3rd Conference of African Ministers in charge of Border Issues, held in Niamey, Niger, in May 2012. During the period under review, a number of steps were taken towards the implementation of the AUBP. These include the full establishment of the Boundary Information System (BIS) that enables Member States to easily access information on their boundaries. The AUBP has also acquired map-making capability, and continued to provide technical support to Member States on border delimitation, demarcation and reaffirmation.

63. The Commission has played an active role in contributing to the resolution of border disputes in Africa. The most prominent initiative has been the establishment of a Team of Experts to produce an authoritative opinion on the status of the disputed areas on the boundary between Sudan and South Sudan, as requested by the PSC. The Commission has also communicated with both the Governments of the United Republic of Tanzania and the Republic of Malawi to offer advice and to support efforts to peacefully resolve the boundary dispute between the two neighbours. In the area of capacity building, the Commission has taken steps to finalize key guides and handbooks, as well as assist Member States to establish boundary commissions. The AUBP is also establishing a database of border experts, and collecting colonial documents related to African borders from the archives of former colonial powers. So far, the Government of Germany has made available its colonial records, while Belgium is in the process of doing the same. Progress has also been made in terms of partnerships. In this respect, the Commission is collaborating with the International Organization for Migration (IOM), to offer training courses to middle-level border management personnel. It is also negotiating with the Regional Centre for Mapping of Resources for Development (RCMRD), to offer courses in demarcation and to build the capacity of Member States in boundary maintenance.

64. We would like to reiterate AU's gratitude to the German Government for its continuous financial and technical support, through the GiZ, in the implementation of the AUBP, as well as to the United Kingdom, which has supported the activities of the AUBP in Sudan and South Sudan, and other partners. We would like to stress the importance of the AUBP, as a cross-cutting programme which has the potential of greatly contributing to the prevention of conflict and the promotion of integration on the continent.

II.5 POST-CONFLICT RECONSTRUCTION AND DEVELOPMENT (PCRD) / FOLLOW-UP TO THE AFRICAN SOLIDARITY INITIATIVE

65. The July 2012 Summit witnessed the launching of the African Solidarity Initiative (ASI) to mobilize enhanced support for countries emerging from conflict, as part of the implementation of the AU Policy on Post-Conflict Reconstruction and Development (PCRD), adopted in Banjul, in June 2006. As a follow up to the Summit decision and Declaration on the ASI, the Commission, jointly with NEPAD, organized a planning meeting to formulate a roadmap for implementation of the ASI, in Johannesburg, South

Africa, from 24 to 26 October 2012. Furthermore, from 5 to 8 November 2012, in Abidjan, the Commission organized a Round Table on the occasion of the 5th African Private Sector Forum, to discuss practical ways in which the private sector can provide support to PCRD activities in the 8 pilot countries identified by the AU for the implementation of the ASI. Furthermore, the Commission interacted with a number of international stakeholders, notably the UNDP, the UN Peace-building Commission, the World Bank and the US Bureau for Reconstruction and Stabilization (CRS), in order to build partnerships and mobilize further support to AU Member States emerging from conflict.

66. With regards to the establishment of the AU Centre for Post-Conflict Reconstruction and Development, the Commission, at the time of finalising this report, was about to dispatch a team to Uganda to assess the facilities offered to host the Centre. A similar mission had been sent to Egypt earlier. As a follow-up to the recommendations contained in its report on the matter to the Executive Council, in July 2012, the Commission stands ready to assist the two countries speedily reach a consensus on the issue of the location of the Centre and facilitate the adoption of the steps required to make it operational. The Commission has reached out to some partners who have expressed willingness to support the establishment of the Centre once its key parameters have been agreed upon.

II.6 SECURITY SECTOR REFORM (SSR)

67. The Commission has completed the development of the draft AU Policy Framework on Security Sector Reform (SSR), in fulfilment of Assembly Decision Assembly/AU/Dec.177(X) of January 2008. It should be recalled that, in May 2011, the Commission held a meeting of Government Experts of Member States in Addis Ababa, which considered and endorsed the draft AU Policy Framework on SSR. The development process of the document also involved wide consultations with other stakeholders, including RECs/RMs, the Committee of Intelligence and Security Services of Africa (CISSA), and civil society. Additional documents are due to be developed, as appropriate, on SSR specific areas.

68. The AU Policy Framework on SSR is conceived as a guide for the implementation of SSR on the African continent, building on the normative basis established by the United Nations. The Policy Framework stresses that the objective is to assist Member States, where required, to transform their security apparatus, in order to make them more effective and efficient, as well as to enhance democratic oversight. The Policy recognizes that SSR is context-specific, underscores the importance of international principles on the governance of security sector, and sets out parameters for the coordination of external assistance. We urge Member States to take advantage of the Policy, as well as of the assistance that the Commission is availing in terms of implementation and follow-up. We further encourage the Policy Organs of the African Union to consider the adoption of this AU Policy Framework on Security Sector Reform in the next Summit.

II.7 DISARMAMENT AND RELATED ISSUES

a) African Union Common Position on an Arms Trade Treaty

69. In its decision Assembly/AU/Dec.369(XVII), the Assembly encouraged the Commission to facilitate the elaboration of an Africa Common Position on the Arms Trade Treaty (ATT), including the convening of a meeting of Member States experts, ahead of the UN-sponsored Conference on the issue, then scheduled to be held in New York, in July 2012. Consequently, the Commission took the necessary steps, notably the convening in Lomé, Togo, in September 2011, of a meeting of Member States' Experts, which adopted the Common Position. Further consultations were conducted with Member States to promote the broadest consensus possible within the continent. The Commission encouraged Member States to make use of the Common Position during negotiations on the ATT in New York, in April 2012. As the Final UN Conference on the ATT will be held in New York in March 2013, it is critical that Member States continue to make use of the Common Position to further Africa's concerns and interests.

b) African Union Strategy on the Control of Illicit Proliferation, Circulation and Trafficking of Small Arms and Light Weapons

70. The Lomé Experts' meeting also adopted the "African Union Strategy on the Control of Illicit Proliferation, Circulation and Trafficking of Small Arms and Light Weapons", in the context of decision Assembly/AU/Dec.369(XVII) of July 2011. In April 2012, the Commission circulated the final draft Strategy and the draft Action Plan for its implementation to all Member States and RECs. I encourage Member States to make use of the Strategy and its Action Plan.

c) The Treaty of Pelindaba

71. The Commission facilitated the convening of the 2nd Ordinary Session of the African Commission on Nuclear Energy (AFCONE), on 26 July 2012, in Addis Ababa, which considered matter relating to its establishment. This was followed by the 2nd Conference of States Parties to the Treaty, which took place from 12 to 13 November 2012, in Addis Ababa. The Conference endorsed the decisions and documents adopted at the 1st and 2nd Ordinary Sessions of AFCONE. Furthermore, the Commission and the Republic of South Africa have pursued their consultations regarding the host agreement for the headquarters of AFCONE, which will be based in Pretoria, and other related aspects.

d) Chemical Weapons

72. The Commission has continued its collaboration with the Organization for the Prohibition of Chemical Weapons (OPCW) under the MoU signed in 2006. From 22 to 24 May 2012, the 10th Regional Meeting of National Authorities in Africa was co-hosted by the Commission and the OPCW, at the AU headquarters, under the theme "Full Implementation of the Chemical Weapons Convention (CWC) in Africa: The Role of Regional and Sub-Regional Institutions".

e) Implementation of UN Security Council Resolution 1540 (2004)

73. The Republic of South Africa, Chair of the Committee established pursuant to UN Security Council resolution 1540 (2004), in collaboration with the Commission and with the support of the UN Office for Disarmament Affairs (UNODA), hosted, from 21 to 22 November 2012, in Pretoria, a workshop on the implementation of resolution 1540 in Africa. In the course of their deliberations, the participants stressed the need for assistance available under resolution 1540 to take into consideration the developmental challenges of the continent. They also underlined the relevance of AU non-proliferation and counter-terrorism instruments, as well as resolutions 1810 (2008) and 1977 (2011), which recognize the need to enhance coordination at sub-regional and regional levels, and call for an enhanced role for regional organizations. The participants requested the Commission to take the necessary steps, in collaboration with the 1540 Committee and all other stakeholders, to further promote and enhance the implementation of resolution 1540 (2004) in Africa. They further requested the AU to establish an ad-hoc committee on Resolution 1540 within its auspices and provide it with the necessary resources, in order to better coordinate its work. The Commission has already initiated the required follow-up action.

II.8 PREVENTION AND COMBATING TERRORISM AND FIGHT AGAINST TRANSNATIONAL CRIME

a) Transnational Organized Crime

74. Organized crime poses a serious threat to peace and security of African countries, especially West Africa where many countries have just emerged from decades of violent conflicts. Organized crime groups exploit the gains of globalisation to smuggle drugs, arms and human beings and undermine financial systems through money laundering. The vast sums of money involved can compromise legitimate economies and directly impact on public processes by 'buying' elections through corruption or bribing government official to overlook criminal activities.

75. The transnational nature of organized crime means that criminal networks forge bonds across borders as well as overcome cultural and linguistic differences in the commission of their crime. Organized crime is not stagnant, but adapts as new crimes emerge and as relationships between criminal networks become both more flexible, and more sophisticated, with ever-greater reach around the globe. Transnational organized crime manifests in many forms, such as trafficking in drugs, human beings and firearms as well as terrorism.

b) Drug Trafficking

76. In recent years, the trans-shipment of illicit narcotics from Latin America through West Africa to Europe and North America has increased significantly. Organized crime syndicates are now operating in West Africa to ensure safe passage of their drug cargos through the region. At the same time, drug consumption in the region both of locally produced products and trafficked imports, notably cocaine, have increased substantially.

77. The growth of drug trafficking through Africa poses new challenges to the crises prone continent especially West Africa. Profits from drug trafficking is distorting economies of many African countries and in some of the poorest states, the value of trafficked drugs exceeds these countries gross national income. It also detracts from on-going efforts to improve governance, political stability, rule of law, human rights, and capacity building programmes to attain the MDG goals embarked on by many countries in Africa. Drug trafficking and associated corruption is also seen as having an increasing impact on governance in West Africa in the form of vote buying, and other forms of corruption of the electoral and governance systems.

78. The nexus between drug trafficking cartels, corrupt government officials and suspected terrorist elements in the Sahel region as well as in the Horn of Africa will impact on international security. Several studies have warned of growing close relationship between terrorist groups operating in the Sahel region of Africa and drug barons from Latin America to facilitate the movement of drugs from Latin America through West Africa and the Sahel into Europe. In this new criminal synergy, drugs not only enrich organised criminal organisations, but also help terrorists and anti-government forces Sahel to make money from drug trade to fund their operations, purchase equipment and pay foot-soldiers.

79. The whole of the African continent is also seeing a dramatic increase in drug addiction, which was helping to spread AIDS. The drug cartels are increasingly paying their African middle-men in drugs, most of which end up been sold in the continent for local consumption.

c) Drug Control and Crime Prevention

80. The AU Plan of Action on Drug Control and Crime Prevention (2007-2012) (AUPA) was designed to assist Member States in addressing the imbalance and inadequacies in their drug control policies and to alert them to the threat of drug trafficking and associated security threats. The Commission has undertaken an evaluation of AUPA and developed a Revised AU Plan of Action on Drug Control (2013-2017) as the framework to galvanise national, regional and international cooperation to counter the drug problem on the Continent over the next five years. In addition, the Commission has developed: (a) The African Common Position on Controlled Substances and Access to Pain Management Drugs; and (b) Continental Minimum Quality Standards for Treatment of Drug Dependence.

d) Prevention and Combating of Terrorism

81. The Commission, notably through the African Center for the Study and Research on Terrorism (ACSRT), has continued to provide support for the implementation of the AU instruments on terrorism, including through sensitizing Member States on the continental and global normative and operational counterterrorism frameworks and the need for their comprehensive and effective implementation. The Commission has also undertaken evaluation visits to several Member States, with the view to assessing their capacity to fulfil their commitments under the AU counter terrorism framework, and to developing recommendations on the way forward. From 28 to 30 November 2012, the

Commission convened, in Algiers, a meeting of the 48 National and Regional Focal Points of the ACSRT. For the first time, CISSA, represented by its bureau, participated in the deliberations, which focused on the strengthening of the relations between the two institutions.

82. The need for strategic coordination of the range of activities required for the sustainable promotion of peace, security and stability in Africa, from conflict and crisis prevention and resolution to post-conflict reconstruction and development, is highlighted as one of the lessons learnt from the experience of the AU. Progress in that area would greatly facilitate the attainment of our Union's objectives in terms of socio-economic development. The focus would be not only on working to resolve current crises and the consolidation of peace, but also, in the long term, of tackling the root causes of the prevalence of conflicts and instability in the Continent, and the factors that lead to the outbreak of crises.

III. REGIONAL INTEGRATION, DEVELOPMENT AND COOPERATION

III.1 INTEGRATION AND HUMAN CAPITAL DEVELOPMENT

1. EDUCATION

83. The education programme continues to be informed by the Plan of Action for the Second Decade of Education for Africa.

a) The Pan African University (PAU)

84. The PAU Rectorate has been established with interim staff. Substantive positions will be filled in 2013. The first three PAU Institutes based in Cameroon (Governance, Humanities and Social Sciences), Nigeria (Life and Earth Sciences) and Kenya (Basic sciences technology and Innovation) have opened with 150 students from 30 African member states, and professors from several African countries. The Pan African University Rentrée Solennelle which was scheduled to take place in Yaounde, Cameroon, in December 2012 was postponed due to some technical reasons and would be held soon after the January 2013 Summit. The event will help to place the PAU in full global view, raising great expectations for its impact in higher education, research and development.

85. The Commission has disbursed funds to the three institutes for staff support and for student scholarships; from Member States, Sweden and Germany. The 4th PAU Institute for Water and Energy Sciences, (including climate change) is on course to open in 2013 in Algeria. During the same period, the African Development Bank has finalized a PAU project document, through which the Bank will provide 45 million USD support. Partners including Germany, Sweden, Japan, India and China are still discussing memoranda of understanding for their collaboration and support. Southern Africa region has yet to submit the Member State that will host the Pan African University Institute for Space Sciences.

86. A major challenge for PAU is sustainability of support. Support from Partners will depend on Member States demonstrating their commitment by making the first contribution. Already Kenya and Cameroon as host countries have led the way with significant seed funding that is expected to be increased in 2013.

b) Mwalimu Nyerere African Union Scholarship Scheme

87. Of the 43 students from 22 African countries who have been awarded the Nyerere Scholarship, 20 have graduated successfully. Under the expanded Nyerere (Intra-ACP mobility) funded by the EU, 8 University networks involving 67 Universities from 29 Member States have qualified for the award of nearly 20 million Euro, to support intra-African mobility of 604 Masters students, 250 PhD candidates and 144 academic staff. Meanwhile, the Africa-India scholarships for Agriculture are benefitting 89 African students from 25 African countries, studying in 30 Indian Agricultural Universities. Student selection for 2012/13 is in progress to award 75 new scholarships. A major challenge is to achieve convergence with the Pan African University.

c) Harmonization of Higher Education in Africa

88. To implement the AU Harmonization Strategy for Higher Education, the Commission is working to ensure that the Revised Arusha Convention is approved through the appropriate structures of AU. In collaboration with the European Commission, a pilot project developing harmonised university curricula, using the European Tuning Approach is underway with 60 African Universities, working on Teacher Education, Mechanical Engineering, Medicine, Agriculture and Civil Engineering. A Global Tuning workshop for mutual learning was held in November 2012 in Brussels. Meanwhile, the report of the pilot run of the African Quality Rating Mechanism for encouraging a culture of continuous quality improvement in African universities has been published.

d) Education Management and Information System (EMIS)

89. Recruitment for staff for the Education Observatory housed by the Pan African Institute of Education for Development (IPED) in Kinshasa and the International Centre for the Education of Girls and Women in Africa (CIEFFA) in Ouagadougou is underway. The Observatory Office in Kinshasa has been closed since December 2011, and the challenge of a 3 million USD debt remains, due to previous arrears of Member States contributions. In the meantime, collaboration in producing African education statistics continues with technical support within the Commission and with ADEA, UNICEF and UNESCO.

e) Teacher Development

90. During the second Pan African Conference on Teacher Education (PACTED II), held during COMEDAF V in Abuja in May 2012, a roadmap addressing the challenges of quality and quantity of teachers in Africa, as well as a monitoring and evaluation tool were adopted. As a follow-up a workshop was organized by the Commission, the Secretariat of the International Task Force on Teachers for EFA and ADEA in Paris in

September 2012, to build partnerships and implementation strategies or enhancing the coordination of interventions on teacher development for a quality education for all in Africa. A policy dialogue forum was also organized in Namibia in November 2012 to take stock of existing efforts to reduce the teacher gap and accelerate countries' efforts towards achievement of the Second Decade of Education.

f) Further Collaborative Activities

91. Progress has also been achieved in the AU-UNESCO History of Africa Project, whereby UNESCO is spearheading the production of teaching manuals based on the UNESCO History of Africa volumes, to encourage Pan Africanism and shared African values. There is urgent need for Member States to support this important project. The Commission is also participating in discussions on post 2015 global agenda, lobbying for inclusion of higher education and skills development among the key goals. Key partners in this activity include UNESCO, UNICEF, ADEA and the Brookings Institute in the USA.

2. SCIENCE & TECHNOLOGY AND ICT

a) Science and Technology

i) African Union Kwame Nkrumah Scientific Awards Programme

92. This is a key programme for popularization of science and technology and promotion of public understanding and participation with a view to building an African scientific culture and raising awareness on the role Science, Technology and Innovation (STI) sector is playing in national socio-economic transformation and promotion of Africa's integration priorities. In 2012, 15 top young researchers were awarded the AU-TWAS 2012 Young Scientists National Award. The Commission is currently finalizing applications for the 2012 Regional level award for women scientists, and Continental level award for pioneer scientists.

ii) African Union Research Grants Programme

93. The 2012 African Union Research Grant Open call for proposals, with an envelope of 7 million Euros, was launched in January 2012. The call covered the following thematic areas: post-harvest and agriculture, renewable and sustainable energy, and water and sanitation. The topics of fisheries and climate change were introduced under the thematic area of post-harvest and agriculture. A total of 253 applications were received and showed significant improvement in quality and standard. A minimum of 11 clusters totalling more than 33 research institutions are expected to receive grants ranging between 500,000 and 750,000 Euros, to conduct research in 22 African countries.

94. One of the key achievements of the African Union Research Grant program is the establishment of numerous research networks collaborating in conducting their research work. The implementation strategy for the grants is through the creation of research networks for regional and sub-regional co-operation and of inter-institutional co-operation in Africa via setting up of consortia of scientists. It is hoped that these

collaborative networks will have an important role to play in structuring Africa research capacity, and can be a key force for knowledge sharing, thereby contributing towards the overall goal of Africa's integration.

iii) *AU Parliamentarians Workshop*

95. In October 2012, the Commission organized, with the technical and financial support of regional institutions like UNECA, ISESCO, and UNESCO, a workshop on enhancing the role of the parliamentarians in science, technology and innovation (STI), in Cairo, Egypt. The objective of the workshop was to enhance the role of the legislators to advance STI in Africa and to strengthen the African Inter-Parliamentary Forum on Science, Technology and Innovation (AIPF-STI) initiative that was launched in May 2011 by UNECA as a common platform for dialogue. A critical outcome of this workshop is that African parliamentarians identified actions that they can start implementing within their constituencies and respective parliaments with the view to contributing to the STI agenda at country level for human and institutional capacity development in STI for inclusive growth. The meeting recommended that Parliaments of Member States continue to create an enabling environment for STI in the continent by formulating relevant legislations and advocating for adequate budgets, particularly the push beyond the 1% GDP allocation to STI and the need for restructuring S&T institutions like universities and research centres for innovation.

iv) *The Fifth African Ministerial Conference on Science and Technology (AMCOST V)*

96. The fifth Ordinary Session of the African Union Ministerial Conference on Science and Technology (AMCOST V) took place in Brazzaville, Republic of Congo on the 14th and 15th of November 2012. The meeting was preceded by two days Senior Official Session from the 12th to the 13th of November 2012. The conference discussed among other issues, the progress report on the implementation of Africa's Science and Technology Consolidated Plan of Action (CPA), AU decisions on science and technology, international cooperation and programmes proposed by Member States, RECs and Regional Organisations.

97. Key outcome of the conference was the election of New Bureau and Steering Committee members to direct the activities of AMCOST V for the next 2 years. Decisions to further enhance the development of Science and Technology in the continent were made by AMCOST following the updates reported on programmes being implemented. AMCOST V specifically recommended for the institutionalization of monitoring, evaluation and impact assessment in the revised Consolidated Plan of Action (CPA) in order to track progress, facilitate learning and communicate results to relevant stakeholders. The meeting called upon AU Member States, RECs and development partners to be proactive in supporting implementation of the CPA programmes to extend outreach and ensure sustainability. A comprehensive separate report has been submitted to the current session of the Executive Council for consideration.

v) Biosafety Unit

98. With the Support of the GIZ, the Commission is currently developing an AU Guidelines for a Coordinated Implementation of the Nagoya Protocol on Access and Benefit Sharing of genetic resources (ABS). The Fourteenth Session of the African Ministerial Conference on the Environment (AMCEN) meeting in Arusha in September 2012 gave its support to the Commission on the ABS Guidelines. The Commission was represented at the Eleventh Conference of the Parties to the Convention on Biological Diversity (COP 11) in October in Hyderabad, India. With the financial support from the GIZ ABS Capacity Development Project, an African Coordination Meeting was organized before the COP 11 negotiations which was instrumental for ensuring that African negotiators on biodiversity were well briefed to be able to develop well-informed African common positions on key elements of negotiations and to represent Africa's interests as a regional block.

b) **African Union, Scientific, Technical and Research Commission (STRC)**

99. STRC Office was relocated from Lagos to Abuja in March 2012 through the assistance of the Federal Government of Nigeria. The Federal Ministry of Science and Technology, Nigeria is in the process of secondment of two senior staff to further strengthen the capacity of the Office. STRC is mandated to implement programmes and projects that are guided by the Africa's Science and Technology Consolidated Plan of Action and by the AU development strategies at large. Considerable progress has been made in the implementation of the AU projects on Infectious Diseases and Pan African Intellectual Property Organization.

i) African Union Science and Technology Framework for detection, Identification and monitoring of Infectious Diseases of Human, Animals and Plants in Africa

100. A framework has been developed in collaboration with Member States and partners with the aim of establishing five regional virtual networks linked to Centers of Excellence across the five geopolitical regions of AU. The framework was recommended by AMCOST V for the endorsement of the Assembly of the Union at its January 2013 Summit.

STRC has identified the regional networks and its members by conducting three regional workshops and two networks were identified (Eastern African and Southern African networks) while the Western African network is at the inception stage.

ii) Pan African Intellectual Property Organization (PAIPO)

101. The progress made in the implementation of the Assembly decision AU/Dec. 138 (VII) on the need to establish Pan African Intellectual Property Organization (PAIPO) is significant. The Statute establishing the PAIPO was developed and reviewed in wider consultations with Member States, ARIPO¹, OAPI², WIPO³ and other stakeholders. The

¹ African Regional Intellectual Property Organization

Statute was commended by AMCOST V which called for further extensive deliberations on some key issues in the Statute and report to AMCOST Bureau by 2013.

c) African Observatory for Science, Technology and Innovation (AOSTI)

102. The implementation of the African Observatory for science, technology and innovation (AOSTI) is on course and thanks to the seed funding of the Government of Equatorial Guinea. The current staff complement of the AOSTI Secretariat comprises an interim Director transferred from the NEPAD Agency to AOSTI in November 2011, an Administrative and Finance Expert recruited in May 2012 and two Senior Experts, one in science and technology and the other in innovation policy, both recruited in June 2012. The recruitment of support staff is under way.

103. The intergovernmental meeting on AOSTI which was held in May 2012 identified the following thematic areas for programme development over the next five years 2013-2017: (i) Building STI capacity; (ii) Technology forecasting and prospecting; (iii) Developing and managing STI indicators; (iv) Strengthening national innovation systems (NISs); (v) Policy studies and (vi) Policy outreach and advocacy.

104. For the period June-December 2012, AOSTI has undertaken a series of studies in order to collated empirical evidence which will inform the development and implementation of the programme of work identified by the intergovernmental meeting. These studies will be concluded in the first quarter of 2013 and they include: (i) Assessment of best practices of STI observatories; (ii) Assessment of STI policy capacity needs at national and regional levels; (iii) Preparation of an African framework for reviewing national innovation systems; and (iv) A comprehensive bibliometric analysis of the current state of S&T production in AU member states.

105. As requested by the host country, AUC/AOSTI submitted an architectural design of the building which will host the headquarters of AOSTI. Additional work to determine the total budget will be completed before the need of the year 2012. AOSTI programme of work and its governance structure were endorsed by AMCOST V held in Brazzaville in November 2012.

3. HEALTH AND SANITATION

a) Health

i) Control of HIV/AIDS, Tuberculosis, Malaria and Other Infectious Diseases

106. Infectious diseases continue to be a major challenge to socio-economic development in Africa, with HIV/AIDS, TB and Malaria comprising the big three killer diseases. Prevention remains the main strategy for controlling these diseases. The

² Organisation Africaine de la Propriété Intellectuelle

³ World Intellectual Property Organization

Commission has revived AIDS WATCH AFRICA (AWA) as an accountability and advocacy platform for Heads of State and Government. During its 19th Ordinary Session July 2012, the Assembly endorsed two important policy documents recommended by the Action Committee of AWA: the future Direction of AIDS Watch Africa (AWA) 2012-2015; and the AU Roadmap on Shared Responsibility and Global Solidarity for AIDS, TB and Malaria Response in Africa.

107. In addition, President Thomas Boni YAYI of Benin, Chairperson of the African Union and AWA, convened a high-level side event at the UN General Assembly in New York on 26 September 2012 on the subject of shared responsibility and global solidarity in the response to AIDS in Africa.

ii) Reproductive Health and CARMMA

108. In May 2009, the Commission launched a Campaign on Accelerated Reduction of Maternal Mortality in Africa (CARMMA), which is aimed at increasing political commitment and concrete actions towards the attainment of MDG 5. Since CARMMA was launched at continental level, 37 Member States have launched it and taken ownership of this initiative. The Commission developed and presented the Annual Status of Maternal Newborn and Child Health Report to the Assembly in July 2012.

iii) Pharmaceutical Manufacturing Plan for Africa (PMPA)

109. Access to medicines remains a major impediment to public health in many African countries and reversing this is a vital contribution to achieving the health related Millennium Development Goals, that express African and global priorities to improve child health, improve maternal health and combat HIV-AIDS, TB and malaria and other neglected tropical diseases. The Commission in partnership with UNIDO has developed the Pharmaceutical Manufacturing Plan for Africa (PMPA). The Business Plan was endorsed by the AU Summit of July 2012.

b) Population

110. With a view to provide consistent guidance to population programmes on the continent, the Bureau of African Population Commission convened to review ongoing programmes and discuss the draft report of the State of African Population 2012 report which focuses on “harnessing Africa’s demographic dividend for socio-economic development”. The Bureau also reviewed the ongoing processes for the operational review of the ICPD plus 20 especially against the background of the post 2015 MDG agenda.

111. The Executive Council is invited to draw the attention of Member States to the demographic changes on the continent, in particular the youth bulge and the potential demographic dividend that awaits them with adequate investment in human capital.

4. HUMAN AND SOCIAL WELFARE

a) Accelerate implementation of the Social Policy Framework for Africa

112. The Social Policy Framework for Africa (SPF) is a comprehensive policy document addressing priority areas for social and human development on the Continent. In order to facilitate the implementation of the SPF, the Department of Social engaged the UN Institute for Economic Development and Planning (IDEP), in Dakar, Senegal, and trained the first group of 28 development planners from 22 Member States on social policy from 21-31 August 2012. The Commission will extend the training to other Member States in 2013.

b) Implement the AU Policy Framework and Plan of Action on Ageing

113. The AU Policy Framework and Plan of Action on Ageing was adopted in 2002, and it provides for the establishment of an Advisory Council on Ageing to be responsible for monitoring, implementation and evaluation of the Plan of Action. The Commission collaborated with the Working Group of the African Commission on Human and People's Rights on the Rights of Older Persons and People with Disabilities to draft the Protocol to the African Charter on Human and People's Rights on the Rights of Older Persons. The draft Protocol, which will be submitted to the Assembly in due course for endorsement contains provisions for an Advisory Council on Ageing. The Commission will make budgetary provisions for the operation of the Council in 2014.

c) Promote the Welfare of Persons with Disability

114. The Commission drafted the African Union Disability Architecture (AUDA) which has been endorsed by the Ministers in charge of Social Development. The Architecture comprises of a legal, a programme and an institutional component to address disability comprehensively on the Continent. The legal component is the Protocol on the Rights of Persons with Disabilities, which is being drafted for consideration by the African Commission on Human and People's Rights in 2013. The programme component is the Continental Plan of Action of the Decade of Persons with Disabilities (2010 – 2019) and the institutional component consists of the African Union Conference of Ministers of Social Development (CAMSD), the Commission and an AU Technical Office/Institute on Disability.

d) Children

i. Implementation of the African Charter on the Rights and Welfare of the Child

115. The Commission, through the "Children Charter Project", has continued to assist and strengthen the capacity of the African Committee of Experts on the Rights and Welfare of the Child (ACERWC) to deliver on its mandate. The Commission also assisted the Committee to implement its Plan of Action (2010-2014) activities for 2012, which are among others, the elaboration of a Communication Plan for the Committee, a

Plan of Action for collaboration between the Committee and RECs, drafting of a General Comment on the Article 30 of the Charter “Children of imprisoned mothers”, and Guidelines for the Civil Society Organizations report on the implementation of the Charter.

116. The Executive Council is invited to call on Member States to fulfill their obligation under the African Charter on the Rights and Welfare of the Child by submitting their report, as and when due to the Committee of Experts on the Rights and Welfare of the Child (ACERWC) and for the Member States that have not yet done so to ratify/accede to the Charter.

e) Labour, Employment and Migration

i) Labour Market Information Systems Harmonization and Coordination Framework (LMIS-HCF)

117. Inadequate information about the labour market which often results in the mismatch between the demands of the labour market and graduates of educational institutions is one of the factors underlying high youth unemployment. The Commission has developed the technical tools for the implementation of the AU Labour Market Information Systems Harmonization and Coordination Framework (LMIS-HCF) The Commission has embarked on the training of Member States with the first regional training session in Abidjan in August 2012 for the ECOWAS Member States as well as the ECOWAS Secretariat. The Regional Training for SADC and EAC is scheduled for December 2012.

ii) African Institute for Remittances (AIR)

118. The Executive Council in its decision EX.CL/Dec.683(XX) acknowledged that the establishment of AIR will facilitate remittances leverage for social and economic development. The Fifth Joint Annual Meetings of the African Union (AU) Conference of Ministers of Economy and Finance and United Nations Economic Commission for Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development requested the Commission to submit the mandate of the AIR, and its organizational structure, which should be lean and sustainable to the PRC through its relevant Sub-committees and also requested the Commission to examine the offers from Member States wishing to host the Institute.

119. The Assembly in its Decision Assembly/AU/Dec.443(XIX) endorsed the AIR as one of the five (5) flag ship or legacy projects establishment of AIR adopted by the African Global Diaspora Summit in South Africa in May 2012. In July 2012, the Assembly by its Decision (Assembly/AU/Dec.440 (XIX) “*endorsed the establishment of AIR and directed the Commission to work on the modalities for its structure and location to facilitate its early operationalization*”.

120. The Commission has completed work on the proposed structure of AIR and is being submitted to the PRC through its Sub-Committee on Structures. Similarly, formal hosting offers for AIR were received from four Member States: Djibouti, Egypt, Kenya

and Mauritius. The Commission sent an independent fact-finding team to the Member States to correlate the written offers to host the AIR with the facilities on ground. The detailed outcome of the fact-finding mission is available and is being circulated to all Member States.

121. Pursuant to the Assembly Decision requesting the Commission to facilitate the quick take-off of the Institute, the Executive Council is invited to decide on the country to host the Institute among the four that offered to host. As earlier indicated, a fact-finding mission report has been prepared by the Commission and is being circulated to all Member States for further action.

5. CHILDREN, YOUTH AND SPORT

a) The African Youth Charter

122. The Charter entered into force in August 2009 and as of November 2012, 28 countries have ratified the African Youth Charter, deposited the relevant instruments at the Commission and are implementing it at various levels on the basis of national priorities. 39 Countries have signed the Charter and are at various stages of its popularization, ratification process, making it the fastest ratified Charter of the AU.

b) The Youth Decade Plan of Action (DPoA) – 2009 - 2018

123. This Plan of Action, which has been endorsed by the Assembly at its July 2011 Summit in Malabo, is a roadmap for accelerated implementation of the African Youth Charter and intends to ensure a mechanism of benchmark and fairness for the benefit of youth a continental level by 2018. The major activity that has been carried out by the Commission is the preparedness & capacity needs assessment for REC's and national institutions responsible for youth towards the implementation of DPoA. This seeks to enhance the capacity of the Ministries in Charge of Youth to implement, monitor, evaluate and report progress made on youth development initiatives at national level and contribute to accelerated implementation and achievement of the targets of the Youth Decade Plan of Action.

c) The African Union Youth Volunteer Corps (AUYVC)

124. The AUYVC is a continental development program that recruits and works with youth volunteers, for deployment in all 54 Member States. The Youth Volunteer Corps is one of the Flagship programmes of the Commission, which promotes youth participation in development, building of youth capacities in various areas of competence and youth empowerment through training, under the inspiration of Pan-Africanism and the African Youth Charter.

125. Through the AUYVC programme, African youth continue to be involved in concrete actions for the social, economic, cultural and political development of Africa. A total of 273 youth from 40 Member States have been trained and 50 of them have been deployed. The 4th batch was trained in December 2012. Main areas of the AUYVC's competence include education, health and HIV/ AIDS, peace and security, information

and communications technology, business and youth entrepreneurship, agriculture and environment. The demands from the African young people remain high. An AU Junior Professionals Programme is being developed to go beyond the volunteerism phase, as an effective and concrete response to the AUC's Human Resource capacity gap.

d) Technical Vocational Education Training (TVET)

126. Under the Africa-India cooperation framework, the Indian Government is supporting the establishment and operationalization of 10 TVET Centres (2 per Region) in Africa, by providing technical support, equipment, and paying salaries of trainers for three years; while the African counterpart's contribution provides the land and premises. Training programs are offered by the Centres, including skills training, entrepreneurship and business management; financial and human resource management; and other relevant skills needed for successful entrepreneurship in micro and small business. In 2008 and 2009, three pilot projects were initiated in "post-conflict" countries (Liberia, Burundi and Congo), involving creation of vocational training centres to provide young people previously involved in conflict, with skills and knowledge that are relevant and useful in the reconstruction of their communities and their own lives.

127. The Commission also undertook an evaluation of selected TVET Centres around Africa, and developed a best practice model for Africa which was disseminated through a workshop in December 2012.

e) Fourth Conference of Ministers of Youth (COMY IV)

128. The fourth Ordinary Session of the Conference of Ministers of the African Union in charge of Youth (COMY IV) was convened in Addis Ababa, Ethiopia from the 12 to 14th September 2012 to discuss acceleration of the implementation of the Decision and Declaration from the Malabo Summit in 2011 on Youth Empowerment and Employment, and how to reap Africa's demographic dividend. COMY IV elected Congo as Chair, Cote d'Ivoire as 1st Vice-Chair, Swaziland as 2nd Vice Chair, Tunisia as 3rd Vice-Chair and Rwanda as Rapporteur.

129. COMY IV considered, approved and made recommendations on several issues, including youth as an opportunity if properly harnessed by 2032; for an acceleration of Youth empowerment and employment; professionalization of Youth work through academic interventions; and mobilization of domestic funding for youth enterprise development in Africa. A comprehensive separate report has been submitted on this COMY IV to the Executive Council for consideration.

f) Sport

130. The Commission is principally charged with the coordination of the implementation of the Policy Framework for the Sustainable Development of Sport in Africa (2008-2018). In implementing the Policy Framework, the AU Executive Council in January 2012, endorsed the establishment of a new Architecture for Sport in Africa which includes the dissolution of the Supreme Council for Sport in Africa (SCSA). The SCSA Secretariat General has thus far consistently frustrated three major attempts in

2012 by Ministers of Sport to dissolve the SCSA in line with its constitution. Nevertheless, the Commission has begun the implementation of the new Architecture by strengthening and re-organizing the Sports Development Regions in order for the Regions to contribute to sport development and development through sport on the continent.

131. Furthermore, in enhancing strategic partnership on sport for development in Africa, the Commission and the Confederation of African Football (CAF) signed an MOU in July 2012 to use the power of football for social change and to get across AU key messages such Make Peace Happen, Combatting Violence Against Women, and the fight against Malaria, HIV/AIDS, among others. CAF has lived up to its commitment through the donation of \$200,000 towards the victims of hunger in the Horn of Africa during the 2012 Africa Cup of Nations in Gabon and Equatorial Guinea. It is also noteworthy that at the final of the 2012 CAF in Libreville, for the first time, CAF played the AU anthem and hoisted AU flag.

132. The Executive Council is invited to make a strong pronouncement on the consistent action by the Secretariat General of the Supreme Council for Sport (SCSA) in Africa to frustrate the efforts of the Ministers of Sport to implements the Council's Decision as they relate to the dissolution of SCSA and to urge the Ministers of Sport to be more decisive in dealing with the matter.

III.2 INTEGRATION AND DEVELOPMENT OF INTERCONNECTIVITY

133. The main challenges faced in infrastructure development are: closing the physical infrastructure deficit; reducing energy costs and increasing access; slashing transport costs and, hence, boost intra-African trade; increase global connectivity in transport and ICT; addressing the inadequacy of notably project preparation funding; and difficulties in the physical implementation of regional projects namely the lack of appropriate coordination, alignment and financial problems.

134. To overcome these challenges and in line with the AUC Strategic Plan 2009-2012 and various decisions of the AU Policy Organs, the following overall actions were undertaken as medium and long term solutions in collaboration with the NPCA, RECs, AfDB, UNECA, Member States, Specialized Institutions, Regional and Development Partners: elaboration and harmonization of policy, strategic and regulatory frameworks; development of sectorial master plans (Transport, Energy, Telecoms/ICT and Tourism); support to implementation of concrete projects in the AU/NEPAD Flagship Programme; coordination of key African institutions involved in sectorial activities; advocacy for Africa's interests in the development of global infrastructure policy and regulatory frameworks; and promotion of partnerships for the development of integration infrastructure.

135. The main activities and achievements of the Commission in each of the Infrastructure sector and sub-sector are outlined in the following sections:

1. IMPLEMENTATION OF THE PROGRAMME FOR INFRASTRUCTURE DEVELOPMENT IN AFRICA (PIDA) TO ADDRESS THE INFRASTRUCTURE GAP

136. PIDA is primarily aimed at facilitating continental integration in Africa through improved regional infrastructure. Its Priority Action Plan (PIDA-PAP) is made up of 51 key priority projects/programmes. The overall cost of PIDA is US\$ 360 billion for the period 2012-2040. The PIDA-PAP covering the period 2012-2020 will cost US\$ 68 billion.

137. A Road Map for the implementation of the PIDA-PAP for 2012 – 2013 adopted in February 2012 is under implementation and the major achievements include: adoption and implementation of comprehensive capacity building programme for the stakeholders, notably RECs, NPCA and AUC to support effective and coordinated implementation of PIDA; proposal on the contribution of Member States to the NEPAD-IPPF funds; organization of advocacy meetings with Partners to support the PIDA- PAP implementation; development and adoption of Rules and Procedures of the Council for Infrastructure Development (CID) and the Term of Reference (TORs) of the Infrastructure Advisory Group (IAG), two structures of the Institutional Architecture for Infrastructure Development in Africa (IAIDA) supporting PIDA Implementation; advocacy and presentation of PIDA to partners and private sector; and coordination with RECs which have started to align their Regional Master Plans with PIDA.

2. TRANSPORT AND TOURISM

a) Air Transport

138. The Commission focused on speedy implementation of the Yamoussoukro Decision on the Liberalization of Air Transport Markets in Africa and the African Civil Aviation Policy (AFCAP) adopted in January 2012. With regard to the negative impact of some foreign air transport policies, the Commission is pursuing the conclusion of mutually beneficial joint aviation cooperation frameworks with international Partners.

b) Maritime Transport

139. The Revised African Maritime Transport Charter adopted by the AU Summit in July 2010 which outlines the continental policy and strategic framework for maritime transport development, requires fifteen (15) instruments of ratification in order to enter into force. To-date, only eleven (11) countries have signed the Charter and two (2) have ratified it. The Commission has sent reminders to Member States for signature and ratification of the Charter; as well as to RECs and specialised institutions to assist with following-up including putting ratification of the Charter on the agenda of their key transport events.

c) Road Transport

140. The Commission collaborated with UNECA and the Sub-Saharan Transport Policy Programme (SSATP) to initiate a project on the elaboration of common standards

and norms for Trans-African Highways and its Inter-Governmental Agreement. Also the Commission, in collaboration with UNECA and WHO, joined the Government of the Federal Democratic Republic of Ethiopia to successfully organise the celebration of the First Africa's Road Safety Day in Addis Ababa on the 18th November 2012 in line with the Executive Council's Decision EX.CL/Dec.682 (XX).

d) Development of Transport Corridors

141. The pre-feasibility studies of missing road and railway links on the Dakar-N'djamena-Djibouti and Djibouti-Libreville transport corridors that are supported by the NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF) were successfully completed in April 2012. The Final Reports of both studies have been submitted by the respective consulting firms to the AUC which is the Executing Agency.

142. Furthermore, the Commission, in collaboration with the RECs, specialised institutions, AfDB, UNECA and concerned countries, executed preparatory studies on projects aimed at bridging missing transport links on some major corridors with the support of Euros 10 million provided by the EU in the EU-Africa Infrastructure Partnership framework (9th EDF). These studies which were successfully completed by August 2012 are: (i) Continental Evaluation of Implementation of the Yamoussoukro Decision on the Liberalisation of Air Transport Markets in Africa; (ii) Operationalisation of the Executing Agency of the Yamoussoukro Decision; (iii) Pre-Feasibility Study of the Beira-Lobito Corridor (TAH No. 9); (iv) Regional Transport Study of the Trans-African Highway N°3 (At Kinshasa-Brazzaville Bridge) with Pre-Feasibility Road Study and Regional Ports Options; (v) Comprehensive Market Analysis and Options Study for Implementation, Operation and Financing of Cotonou-Niamey-Ouagadougou Railway; and (vi) Technical Advocacy and Support Activities for the Gambia Bridge Project.

143. The next step will be to organise workshops involving the AUC and other key stakeholders to consider the way forward for implementation of the recommended actions including resource mobilisation and capacity building.

3. ENERGY

a) The Africa Hydropower 2020 Initiative

144. On 1-3 February 2012, the Commission organized a training workshop on Public Private Partnership (PPP) dedicated to national experts from the DRC Ministry of Energy and the National Power Utility Company (SNEL). Also technical assistance was provided to AFREC and AFSEC.

b) East Africa Regional Geothermal Programme

145. The 2nd Regional Geothermal Working Group meeting in Addis Ababa on 27-30 March 2012 to adopt the Policy Guidelines and Institutional and Regulatory Frameworks for Geothermal Development and coordination meeting held in Hamburg, Germany on 29 August 2012. The Regional Geothermal Policy Guidelines and Institutional and

Regulatory Framework have been adopted by experts of the Eastern Africa Rift System countries and RECs.

c) Operationalization of the AUC/KfW Geothermal Risk Mitigation Facility (GRMF)

146. The first Stakeholders Meeting and Information Workshop for potential investors were organized on 10-11 October 2012 in Addis Ababa and the first Application Round to GRMF launched on 17 October 2012. As on 13th November 2012, public and private potential investors submitted Expression of Interest for 5 projects for surface studies, 7 projects for drilling and 6 projects for associated infrastructure. The evaluation process were expected to be completed by 15 December 2012.

d) Africa-EU Energy Partnership (AEEP)

147. The 7th and 8th Africa-EU Joint Experts Group Meetings were held in February and November 2012, respectively, to monitor the progress made towards the achievement of the political targets of 10,000 MW in hydropower, 5,000 MW of wind energy, 500 MW for solar and tripling the installed capacity of other renewable energy sources. The Commission organized, in collaboration with EUEI-PDF in May 2012 in Cape Town, South Africa, the 1st Africa-EU Energy Forum.

e) Bio-energy Policy and Strategy Framework

148. The 2nd Experts Group Meeting of stakeholders was held on 16-18 October 2012 in Addis Ababa, to validate Africa Bio-energy Policy framework and Guidelines. The draft policy framework and guidelines was presented at the CEMA last meeting and endorsed along with a Resolution. A dissemination process will be undertaken.

f) Africa Energy Information System and Database

149. The African Energy Commission (AFREC) has designed, created and updated an energy continental data base and facilitated rapid dissemination and exchange of information among Member States, as well as among the (RECs) with the support of the Infrastructure and Energy Department through the AEEP.

g) Training (CSP, wind)

150. The Commission and AFREC organized four training workshops on the concentrated solar power which started in Algiers, Algeria in January 2011, Kuraymat, Egypt in October 2011 and Abuja, Nigeria in December 2011 and the fourth will be organized in Tunisia on 19-22 December 2012 that will be attended by senior solar energy experts of the countries with favourable solar radiation suitable for CSP installation around Africa.

h) Second AU Conference of Energy Ministers Responsible for Energy in Africa (CEMA), 12-16 November 2012

151. The conference adopted a Final communiqué six (6) Resolutions on: (i) UN Initiative on Sustainable Energy for All (SE4ALL), (ii) Africa Bioenergy Policy Framework and Framework, (iii) Implementation of PIDA Energy Priority Action Plan, (iv) Investment Financing and the Role of PPP in development of renewable energy, (v) African Energy database and Information system, and (vi) Rules of Procedure of CEMA. A comprehensive separate report has been submitted to this session of the Executive Council for consideration.

4. TELECOMMUNICATIONS, POSTS AND ICT

a) The Dot Africa (.Africa) Geographical Top-Level Domain name (gTLD) project

152. Through a bid process, UniForum SA has been selected to apply and launch the dot Africa (.Africa), The AUC managed to secure support letters from 40 countries of the continent (72%).

b) Analogue to Digital Terrestrial Television Transition

153. The deadline to switch-off the analogue broadcasting in Africa is 17 June 2015. The AUC launched a project to promote the digital transition process.

c) Cyber Convention

154. The African Union Convention on Cyber-security aims at providing guidelines for the development of legislation on electronic transactions, personal data protection, and cybercrime and cyber security to Member States. The draft Convention was adopted by the CIT Ministers conference CITMC4 held on 2 – 6 September 2012 and being submitted for consideration to the Executive Council together with the report on CITMC4 and adoption by the Assembly.

d) Feasibility study for the creation of an African Space Agency (AfriSpace)

155. The final report and recommendations were presented to CIT Ministers conference (CITMC4) held on 2 – 6 September 2012 and were endorsed by the latter. Planning for implementation is underway.

e) African Leadership Program (ALICT)

156. The Commission, the Government of Finland and Global e-Schools and Community Initiative (GeSCI) have signed a tripartite MoU to implement the first phase of the African Leadership in ICT Program (ALICT). 94 participants have been graduated and 200 participants are getting trained.

f) Action plan for the development of Postal Services in Africa

157. The Commission carried out studies on (i), Model and Guidelines on Universal postal service and (ii) Strategies to increase financial inclusion of low-income population in Africa.

g) The Pan African e-Network (PAeN) for Telemedicine and Tele-education

158. As of October 2012, the implementation status is summarized as follows: (i) The Network has been installed in 48 Member States; (ii) more than 8000 Students are pursuing their education through the network, (iii) 3000 medical consultations have been made in two years.

h) Internet Exchange Systems (AXIS) project

159. The African Internet Exchange System project aims at keeping Africa's internet traffic local by establishing National and Regional Internet Exchange Points. The project funded by Luxemburg Development Agency is being implemented by the Commission. Capacity building has been provided so far to 7 AU Member States.

160. Constraints and way forward are identified as follows:

- The main challenges encountered in the implementation of the various activities outlined above are following:
- Insufficient and timely available resources to the department in order to implement and achieve its projects and programs. Notably inadequate financial resources for some of the projects;
- Weak involvement of Regional Economic Communities in the department/AUC meetings, conferences and implementation of projects/programmes;
- Slow integration of the continental and regional adopted policies, strategies and legal frameworks into national legal and regulatory frameworks, including non-ratification of regional/continental policy frameworks which render them ineffective.

161. As a general way forward in the short and medium-term, the Commission will pursue its mission focusing on the following:

- Close monitoring and oversight the implementation of PIDA Priority Action Plan (PAP) projects, to that end contribution of Member States to the Project Preparation Funds is an outstanding issue to be solved;

- Strengthen collaboration with RECs in the framework of the operationalization of the Institutional Architecture for Infrastructure Development in Africa (IAIDA);
- Member States to be urged to speed up ratification and integration of agreed/adopted regional and continental policies into their national frameworks.

III.3 INTEGRATION AND CLIMATE CHANGE AND SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES

1. ENHANCING THE COORDINATION OF ANIMAL RESOURCE DEVELOPMENT INITIATIVES IN AFRICA

162. Animal resources (livestock, fisheries and wildlife) contribute significantly to increased food supply and nutritional security serves as a source of income and a means for capital accumulation, generates employment and supply inputs and services for crop production. About 70% of the rural poor depend on animal resources for their livelihoods. Further, non-market exchanges of livestock represent an important factor for social integration. Gains in per capita income, population growth and urbanization contribute to an increased demand for animal-sourced foods. There are thus opportunities for livestock sector development to contribute to economic growth, food security and poverty reduction. However the potential of the sector is largely untapped due to the challenges ranging from policy incoherence, emerging and re-emerging diseases, and accessibility to quality feed, pasture and water.

163. The Commission, through its technical Offices (AU-IBAR, AU-PANVAC and AU-PATTEC) implemented a number of activities aimed at enhancing the contribution of the animal resources sector to food security, economic growth and wellbeing on the continent. In this respect, the following achievements were attained in 2012:

a) Post Rinderpest Eradication

164. The Commission has developed a strategy to ensure that the continent remains free from rinderpest following the global declaration of freedom from the disease made in 2011. An emergency vaccine stock amounting to 1.5 million doses and 300 units of rinderpest vaccine seed for the production of more vaccines are on standby in a high containment laboratory at the AU-PANVAC.

b) Enhanced Capacity for Disease Control

165. A new technology for the production of two veterinary vaccines, i.e., Contagious Caprine Pleuropneumonia (CCPP) and Contagious Bovine Pleuropneumonia (CBPP) which will increase the production capacity of these vaccines (by ten-fold for CCPP) has been developed in collaboration with international partners.

166. Over 500 animal health experts from Member States have been trained on various aspects of diseases control including animal disease reporting, one health

approach, harmonization of vaccine registration, laboratory diagnosis of animal diseases and tsetse and trypanosomiasis (T&T).

167. At least 100,000,000 doses of various veterinary vaccines were quality certified for animal vaccination by the Commission.

168. Animal health policies and strategies in 47 Member States have been reviewed and analysed for their compliance with the World Organization for Animal Health (OIE) standards, and priority intervention areas have been identified for future interventions. Furthermore, the Commission has seconded one technical staff to each Regional Economic Community to strengthen their capacity to coordinate the control of trans-boundary animal diseases.

c) Animal Resource Management

169. The Commission has established a reform mechanism for policy coherence in the fisheries sector and has initiated the formulation of a pan African fisheries policy framework and its comprehensive reform strategy.

170. About 120,000 hectares of land around trans-boundary protected areas in West and Central Africa have been placed under improved and sustainable management by the local communities, through proper land use planning, to reduce conflicts over natural resources use.

d) Promotion of Trade in Animals and Animal Products

171. The Commission continued to facilitate Member States to achieve common positions in international sanitary and phyto-sanitary standards-setting and has strengthened their capacity for compliance with international standards.

172. The Commission has helped establish a forum for livestock exporting countries to boost intra and inter regional trade of livestock and livestock products on the continent.

e) Mainstreaming Livestock in CAADP

173. The Commission has formulated a tool to assist Member States to mainstream livestock issues into their respective national CAADP compacts and investment plans and organized a sensitization workshop for 30 livestock experts from CAADP Country Teams.

f) New Initiatives

174. The Commission; (a) launched new initiatives aimed at building the continent's capacity to control two trans-boundary animal diseases, namely Newcastle disease and Peste des Petits Ruminants (PPR); (b) successfully negotiated 5 new projects with various partners (on Bee Health, Genetic Improvement, Adaptation to Climate Change, Disease Surveillance for Trade, Standard Methods for Animal Health); (c) coordinated the formulation of a joint Kenya/Tanzania proposal on tsetse and trypanosomiasis

(T&T) interventions in the Mara-Serengeti ecosystem, and (d) engaged various international partners, including the Global Alliance for Livestock Veterinary Medicine (GALVmed), KYEEMA Foundation, the World Organisation for Animal Health (OIE) and the Food and Agriculture Organisation (FAO) in order to enhance cooperation among partners in the field of animal resources.

g) Challenges

175. Despite the above achievements in the animal resource sector, the Commission faced a number of challenges, including the following: inadequate staffing structure and numbers in the various specialized technical Offices of the Commission, despite the ever increasing needs and expectations from Member States and RECs; and inadequate funds to implement their corresponding mandates.

h) Recommendations

176. In light of the foregoing challenges, the following recommendations are made:

- the technical Offices responsible for animal resources need to be restructured in a manner that enhances their capacities to adequately address their respective mandates;
- the animal resource sector, being a sector that significantly contributes to income generation, employment, food security and peace on the continent, requires an increased allocation of resources and it is recommended that resource allocation to this sector be increased.

2. SUSTAINABLE MANAGEMENT OF THE ENVIRONMENT AND NATURAL RESOURCES

177. The Commission's work in the areas of Environment and Natural Resources supports Member States to achieve the goals of sustainable development through the coordination of policies and programmes in the sectors of water, land, climate change, disaster risk management, and environment.

a) Water Sector

178. Work on the water sector was focused on advancing the Africa Water Vision 2025 by implementing the following Assembly Decisions and Declarations:

- i) **The 2004 Sirte Declaration on integrated development of agriculture and water [Ex/Assembly/AU/Decl. 1(II)]** for which the "2012 Status Report on Integrated Approaches to Water Resources Management in Africa" was launched at the 11th Session of the African Ministers Council on Water (AMCOW) General Assembly in Cairo, Egypt in May 2012. The report constituted Africa's distinctive reporting at the Rio+20 UN Conference on

Sustainable Development (UNCSD) on its progress in implementing Chapter 18⁴ of Agenda 21’;

- ii) **The 2007 Addis Ababa Declaration on Climate Change and Development in Africa [Assembly/AU/Decl.4 (VIII)]**, producing a strategic framework for Water Security and Climate Resilient Development was launched together with the *Water, Climate and Development Programme (WACDEP) for Africa* currently being piloted in eight countries and five basins/aquifers;
- iii) **The 2008 Sharm El-Sheikh Declaration for Accelerating the achievement of Water and Sanitation Goals in Africa [Assembly/AU/Decl.1(XI)]** in partial fulfilment of which an African owned and led framework for monitoring, evaluation and regular reporting to the Assembly on progress in implementing commitments on water and sanitation has been established. An initiative that is developed for the establishment of an *African Water and Sanitation Information and Reporting System* has received a commitment, from the African Water Facility, of two million Euros for a two year project to implement Phase 1 of the programme.

b) Disaster Risk Management

179. Substantial progress has been achieved towards enhancing the capacities of Member States in disaster risk management. African Risk Capacity (ARC) has been established by Assembly Decision (Assembly/AU/Dec.417(XIX)) in July 2012 as a Specialized Agency of the African Union, and progress in operationalization of this Decision is underway. ARC is a ready and concerted African effort to tackle drought with modern finance and technology, providing cost effective contingency funding triggered by severe droughts. Journalists and government officials covering 20 Member States and 15 officials from RECs were trained on risk and vulnerability assessments. A resource mobilization drive for the implementation of the African regional DRR Strategy and Programme of Action has been put in place – including negotiations with African, Caribbean and Pacific (ACP) Secretariat for up to 80 million Euros.

180. The AU’s collaborative efforts with partners on the RIO+20 agenda achieved significant milestones in the course of the year. The Africa Consensus Statement endorsed by the Assembly in January 2012, to address the advent of the green economy and the institutional framework, mobilized the African Leadership to speak with one voice and support Africa’s common position on sustainable development.

c) Climate Change

181. Work related to updating of the African Common Position on climate change and facilitation of coordination for Africa to continue to speak with one voice in global climate change negotiations has been the hallmark of the Commission’s work. The African

⁴ Protection of the quality and supply of freshwater resources: application of integrated approaches to the development, management and use of water resources.

Ministerial Conference on Environment (AMCEN) held in Arusha in September 2012 adopted the updated African Common Position on climate change. The Committee of African Heads of State and Government on Climate Change (CAHOSCC) that meets on the margins of the Doha Climate Change Conference in December 2012 was expected to consider AMCEN's report and provide further guidance. The preparation of the African Strategy on Climate Change is at an advanced stage and is expected to be completed in the course of 2013.

182. Building on the experiences gained in climate change negotiations, AMCEN resolved to put in place a coordination mechanism on biodiversity to prepare Africa to speak with a unified voice at international negotiations. Through the Africa Environment Day, the Wangari Maathai award has been institutionalized to recognize significant contributions in the field of environment by an individual or institution.

183. Major strides have been achieved on the Great Green Wall Initiative. A harmonized regional strategy for implementation; a resource mobilization initiative; as well as implementation plans and portfolio have been developed and validated. Further, three cross-border projects have been formulated and their investment plans prepared, including the capacity building strategy and program.

184. The African Monitoring of Environment for Sustainable Development (AMESD) programme has achieved significant results in five areas: capacity building, policy advocacy, continentalization, cross fertilization, and enhanced delivery of earth observation data in 48 Member States and five RECs. The project is winding up by June 2013, and the successor programme Monitoring of Environment and Security in Africa (MESA) will commence in January 2013 with a financial support from the European Union of 37 million Euros.

185. The Commission's efforts through implementation of the Multi-lateral Environmental Agreements (MEA) project has contributed towards enhancing the capacities of African negotiators of the UN Convention to Combat Desertification (UNCCD) and the Intergovernmental Negotiating Committee on Mercury, with the result that African interests are increasingly being taken on board in such negotiation fora. A strategy on post registration of pesticides, especially those regulated under the Rotterdam and Stockholm Conventions, was developed for the Sahel region. Multi-stakeholder collaboration strategies were developed for 10 Member States to facilitate implementation of MEAs. A colloquium held for African Parliamentarians on mainstreaming MEAs resulted in the production of a Sourcebook for Parliamentarians. A declaration issued from this colloquium was tabled at the September 2012 AMCEN session in Arusha, which adopted a decision for parliamentarians to closely collaborate with Governments on MEAs. Journalists from over 40 Member States were trained on MEAs and a publicity materials have been produced to sensitise the general African public. A database of African experts on MEAs was established and currently the roster holds list of experts from over 30 Member States.

d) Challenges

186. Progress on Member States implementation of Decisions and Declarations

adopted by the Assembly has been lagging behind.

187. There has been limited allocation of funding from Member States, hence excessive dependence on partners funding, to support the Commission's work in implementation of programmes, posing questions and concerns over ownership and commitment of those programmes.

188. The current staff strength provided by the structure of the Commission has been stretched to its limits, and is far less commensurate with the volume of tasks.

e) Recommendations

189. Full support of Member States particularly as it relates to fulfilling existing public investment commitments is required to assure success in formulating and implementation of African owned and driven initiatives.

190. There is an urgent need to beef up the human resources requirements of the Commission.

III.4 INTEGRATION AND DEVELOPMENT OF FINANCIAL MARKET AND ASSETS

1. THE FINANCIAL INSTITUTIONS

191. The Protocol establishing the African Investment Bank (AIB) was adopted by the Assembly of Heads of State and Government in February 2009. As at July 13, 2012, nineteen countries had signed the Protocol. These are: Angola, Benin, Burkina Faso, Côte d'Ivoire, Comoros, Congo, Democratic Republic of Congo, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Libya, Niger, Senegal, Sierra Leone, Sao Tome and Principe, Togo and Zambia. Two countries, Libya and Congo, have ratified the Protocol. Fifteen ratifications are required for the Protocol to enter into force. Member States are urged to ratify the Protocol to allow for the establishment of the AIB. The resources that the AIB would mobilise would go a long way in bridging the finance gap that currently persists in the continent.

192. The Protocol for the African Monetary Fund (AMF) was considered by the January 2011 AU Summit which recommended that it be reviewed by Ministers of Justice before adoption. There was an Experts' meeting held in Yaoundé, Cameroon, in October 2012 to finalise the Statute and Annexes of the AMF. The text will be submitted to Member States experts for consideration in February 2013 and to the Joint AU/ECA Conference of African Ministers of Finance, Planning and Economic Development in March 2013, before submission to the May 2013 Summit for adoption.

193. Some progress has been made on efforts to establish the African Central Bank. The Joint AUC/Association of the African Central Banks (AACB) draft Strategy has been produced. It is envisaged that the draft strategy will be submitted to the Bureau of the AACB at their February 2013 meeting for discussion and to the Joint AU/ECA Conference of African Ministers of Finance, Planning and Economic Development in

March 2013 for consideration. It will then be submitted to the Assembly of the Union in May 2013 for adoption.

194. Regarding the Pan African Stock Exchange, a technical study was carried out and validated by independent experts in October 2012. The study will be submitted to Member States Experts in February 2013 and to the Joint AU/ECA Conference of African Ministers of Finance, Planning and Economic Development in March 2013 before submission to the Assembly in May 2013 for adoption. The study was carried out based on Decision EX.CL/Dec. 464 (XIV) of the 14th Ordinary Session of the Executive Council.

2. ALTERNATIVE SOURCES OF FINANCING THE AFRICAN UNION

195. It is in recognition of the need for reliable and predictable resources to implement the programmes of the African Union, the Heads of State and Government, at their Lusaka Summit of 2001, directed the OAU Secretariat to undertake studies on Alternative Sources of Funding the African Union ((Decision (AHG/Dec. 1 (XXXVII))). Subsequent to this, numerous other Decisions were taken on the same subject at both Executive Council and Assembly levels. These include the June 2006 Banjul Decision (EX.CL/Dec.285 (IX)), the July 2007 Accra Declaration (Assembly/AU/Decl.2 (IX)), the January 2011 Executive Council Decision EX.CL. (EX.CL/Dec.643 (XVIII)) and the July 2011 Assembly Decision Assembly/AU/Dec.364 (XVII), many of which highlighted the need to identify alternative sources of financing the activities of the Union.

196. In May 2006, the Commission convened an experts meeting in Addis Ababa, Ethiopia, where eight funding options, were considered. These are levy on imports, levy on insurance premiums, levy on international travel, levy on exports, levy on hydrocarbon exports, community levy, tourism tax, private sector funding and sundry income. Experts discussed the principle, advantages, disadvantages, collection mode, conditions of success and recommendations for each of the options considered.

197. Following this, at the subsequent AU Summit held in Banjul, The Gambia, in June/July 2006, the Executive Council took note of the Experts' report and mandated the Commission to undertake further analytical work to evaluate the impact of the various proposals on the economies of Member States and decided that the outcome of the analytical work should be submitted to CAMEF for consideration (EX.CL/Dec.285 (IX)).

198. A High Level Panel led by President Olusegun Obasanjo, former President of the Federal Republic of Nigeria, was set up to consult with Member States and come up with recommendations to implement the option identified in the study. The Panel report was presented to the July 2012 Summit, which requested the Commission to undertake a comprehensive study of all options to provide quantifiable data on the expected impact on all Member States. The Commission is in the process of carrying out that study and the findings will be presented to the next Joint AU/ECA Conference of Ministers of Finance, Planning and Economic Development.

III.5 INTEGRATION AND DEVELOPMENT OF PRODUCTION CAPACITIES

1. **IMPLEMENTATION OF THE COMPREHENSIVE AFRICA AGRICULTURE DEVELOPMENT PROGRAMME (CAADP) AND OTHER FLAGSHIP PROJECTS IN SUPPORT OF FOOD SECURITY AND RURAL DEVELOPMENT**

a) **Progress on Implementation of CAADP**

199. As of October 2012, 30 countries have signed national CAADP compacts as a demonstration of a strong joint commitment by governments, private sector, civil society, farmers and development partners to a common vision and strategy for respective agricultural sectors. 24 countries have completed CAADP-based National Agriculture and Food Security Investment Plans and 17 conducted independent technical reviews and organized business meetings with a view to enlisting implementation partnerships and mobilizing finance for implementation. The countries that organized business meetings have also increased respective budgetary allocations to the agricultural sector, thereby progressively striving to meet the pledges Member States made in Maputo for a 10 per cent budgetary allocation.

200. The progressive rise in the commitment of African governments towards their agricultural sector has also attracted increased global attention. For instance, in 2012 alone, five countries – Burundi, The Gambia, Malawi, Senegal and Tanzania – secured a total of \$160.5 million grants from the public window of the Global Agriculture and Food Security Programme (GAFSP). GAFSP was established by G20 in April 2010 and represents a global effort to support sustainable development and lift people out of hunger and poverty. In Africa, GAFSP considers alignment behind CAADP and quality of investment planning processes as the main criteria for allocating funds. Both the establishment of GAFSP as well as the significant drive towards embracing CAADP at Member States levels constitute results of the considerable political engagement and technical oversight that the commission – in close collaboration with the NEPAD Agency and Regional Economic Communities (RECs) – undertaken over the years.

201. At the regional level, IGAD is at an advanced state in the formulation of its regional Compact with a strong focus on resilience building to address the challenges associated with Arid and Semi-Arid Lands and the management of associated risks. EAC, ECCAS, SADC and COMESA have started elaborating their regional agricultural priorities that will provide the bases for regional Compacts and later into regional investment Plans. Given the importance of agriculture in the economies of Member States as well as in cross-border and inter-regional trade activities, such REC-specific processes are considered vital for accelerating the pace of regional integration in Africa.

202. In view of the relatively limited engagement of the private sector with the CAADP process, the AU partnered with the World Economic Forum (WEF) to mobilize global, regional and national private sector companies to invest in a series of opportunities created by Member States Governments. Building on initial partnership models piloted by the WEF, the AU and WEF established an Agriculture Growth and Investment Task Force (and a scheme popularly known as 'Grow Africa') to support governments in

engaging private sector partnerships to finance national priorities identified under CAADP. By October 2012, seven Member States (considered as first “wave countries”) have been supported to develop investment blueprints that are being used to rally private sector companies to engage with government and sign investment deals in specific agricultural value chains. So far, Burkina Faso, Ethiopia, Ghana, Kenya, Mozambique, Rwanda and Tanzania have developed these CAADP-aligned investments blueprints in specific agricultural growth corridors and food basket geographical regions. Currently, Cote d’Ivoire and Nigeria are at an advanced stage of joining this Initiative.

203. CAADP also shaped the 2012 G8 Summit focus, which was on Africa’s Food Security and Nutrition and how the private sector could be better mobilized in support of Africa’s agricultural agenda as defined in CAADP. Through CAADP, over US\$30 billion have been mobilized to support these efforts in selected initial countries to implement CAADP under the New Alliance for Food Security and Nutrition. Over 28 international companies and 21 domestic companies across Africa have raised a catalytic financing of up to US\$ 3 billion within the Framework of Grow Africa and New Alliance as instruments of CAADP to engage the private sector in Agriculture.

b) Progress with other key food security and rural development flagship initiatives

204. With regard to Food Safety and Hygiene, the Commission has been active in raising awareness about, and creating platforms for, the advancement of food safety and hygiene as integral components of the drive towards food and nutrition security that CAADP espouses. In this respect, a number of activities were undertaken in a demand-driven manner. Of particular note is the development of the Referential Guidelines and Framework on harmonization of food hygiene practices to facilitate intra-African and global trade. Furthermore, the Partnership for Aflatoxin Control in Africa (PACA) was successfully launched and a Steering Committee, under the leadership of the Commission, was constituted to manage the partnership. On the other hand, in collaboration with the EAC, SADC and COMESA, the Commission supported capacity building initiatives targeting farmers involved in organic food farming on standards and certification systems. An important consideration in the enhancement of the food security agenda is the engagement of Regional Fisheries Bodies (RFBs) with RECs and the Commission, with the latter having played a critical role in the establishment of a Think Tank platform to advance the issues of fisheries in this context of CAADP.

205. The Commission has embarked on a series of awareness and advocacy programmes to underscore the importance of investing in food safety and food and nutrition security. In this regard, and as part of implementation of the decision of the January 2010 AU Summit, the Commission successfully commemorated the Africa Day for Food and Nutrition Security under the theme ‘Ensuring Access to Safe and Nutritious Food’.

206. Popularization of common policy frameworks and advancement of farmers’ engagement with CAADP: As part of its mandate of policy harmonization, and in response to Summit decisions, the Commission had developed several policy

frameworks and guidelines. During the reporting period, significant emphasis was placed on the popularization of these policy documents among Member States and on strengthening of the voice of farmers' organisations in their engagement with the CAADP agenda. To this end, the Commission developed comprehensive resource mobilization strategies for rolling out the policy frameworks on Pastoralism and Land Policy. A comprehensive report on Land and Conflict in Africa was prepared and presented at an appropriate forum. Furthermore, the Commission mobilized US \$400,000.00 to support the establishment of the Secretariat of the Pan African Farmers Organization (PAFO).

207. As regards the rural livelihoods in semi-arid zones, the AU/SAFGRAD has conducted important activities in the area of agricultural research and knowledge management in the semi-arid zones. In particular, series of training sessions on the impact of climate change on agriculture and food security were conducted to young researchers from Member States heavily affected by desertification and other physical vulnerabilities to different climatic shocks. It is expected that as and when the ongoing work on the AU/SAFGRAD strategic plan that focuses on building resilience in semi-arid zones is finalized and validated, the Commission will be in a better position to address issues of vulnerabilities in moisture stressed parts of Africa.

c) Challenges

208. While significant progress has been made since 2003, engagement with CAADP is yet to lead to increased agricultural productivity and subsequent economic growth and food security. Africa is still plagued with chronic food insecurity and its agricultural sector is as vulnerable to the challenges of climate change and climate variability. It is important to realize that, about 40 per cent of the Member States have not yet signed CAADP compacts and half of these are yet to embrace CAADP as a vehicle for agricultural renewal. In addition, several Member States that did sign compacts have yet to meet the key principles and targets, including budgetary allocations and meaningful engagement of the wider civil society in the elaboration of investment plans. While there is perceptible progress with the above in a number of AU Member States, there is greater need for political leadership and engagement at country, regional and continental levels to ensure full compliance with the CAADP agenda.

209. There has been insufficient human and financial resource capacity in relation to the portfolio and mandate of the Commission. Clearly, the extensive mandate of the commission and the need for addressing food and nutrition insecurity and the challenges of food safety in a comprehensive manner require deployment of sufficiently qualified staff and allocation of commensurate programme budget, which often are critical constraints that need addressing.

d) Recommendations and way forward

210. With the focus now on implementation of CAADP investment plans to achieve results and impact, there is now an increased call to strengthen the policy and institutional environment at country level to provide the required incentives to translate investment plans into outcomes related to growth, food security and increased incomes.

Furthermore, agriculture in Africa is being affected significantly by the forces of globalization including food price hikes and renewed attention to Africa's land and water resources. Thus, the Commission in close consultation with the NEPAD Agency and RECs, has embarked on an initiative called 'Sustaining the CAADP Momentum' so as to inform a longer-term strategy for CAADP implementation in line with changing realities. It is therefore essential that Member States appreciate this renewed drive and support its realization.

211. There is need for increased human and financial resource capacities of the Commission. There is an urgent need to review and improve the current structure to better address the capacity of the Commission for enhancing Africa's agriculture production, productivity, trade and food security.

2. INTEGRATION AND DEVELOPMENT OF PRODUCTION CAPACITIES

212. Economic diversification and the building of productive capacity of African countries are important for the improvement of trade performance and the attainment of sustainable economic growth and development. Hence, many actions of the Commission have been targeted towards the achievement of this objective. Such actions relate mainly to the effective implementation of the Action Plan for the Accelerated Industrial Development of Africa (AIDA), the African Agribusiness and Agro-industry Development Initiative (3ADI), and the Africa Mining Vision (AMV). The local processing and addition of value to our natural resources to generate income and employment for African countries and peoples, instead of exporting them in raw form to power growth of other regions of the world, is the underlying objective of the economic diversification and productive capacity building efforts of the Commission. In this regard, the Commission has organized the Conference of Ministers of Industry (CAMI) and the Joint Conference of Ministers of Agriculture and trade.

213. In pursuit of the agenda of implementation of AIDA, a meeting of the Bureau of CAMI-19 was organized at the Ministerial level in Algiers, Algeria in March 2012, while another CAMI Bureau meeting was held in Addis Ababa in June 2012. An AU/UNIDO Conference on Economic Diversification and Manufacturing in Africa was also organized also held in Addis Ababa in June 2012. These meetings have resulted in proposals on modalities for the implementation of AIDA, the consideration of draft AIDA project proposals submitted by the RECs, the finalization of the Pharmaceutical Business Plan to be launched on the margins of the January 2012 Summit (in collaboration with UNIDO), and specific and practical recommendations on how to promote economic diversification in Africa with a focus on investment in the pharmaceutical and agribusiness sectors.

214. The January 2012 Summit had also endorsed a recommendation by the Second Conference of Ministers, Responsible for Mineral Development to establish an African Mineral Development Center (AMDC). The First Bureau Meeting of Ministers, Responsible for Mineral Resources Development met in Addis Ababa in October 2012 to discuss a Draft Business Plan, developed by the AUC, ECA and AfDB, and directed the AUC and ECA to pursue further work on the legal framework for the operationalization of the AMDC. The business plan conceived at USD 65 million as a

five-year project has received a USD 5 million pledge from the Australian Government, while negotiations are ongoing between the ECA and Canada on a USD15.5 million as a Canadian support to the AMDC.

215. The Commission also organized, jointly with the UNECA, the Eighth African Development Forum in October 2012 on the theme “Governing and Harnessing Natural Resources for Africa’s Development” which provided, among others, an opportunity to engage stakeholders on how to prioritize the African Mining Vision as a critical vehicle for sustainable development in countries endowed with mineral resources. The outcome statement contains some recommendations for consideration in the next AUC Strategic Plan.

a) Challenges and Recommendations for a way forward

216. In the pursuit of Africa’s trade and production capacities building agenda for the attainment of sustainable economic development, the Commission has continued to encounter a number of constraints. A major challenge is the limited capacity of the Trade and Industry Department, the focal point of the AU on trade and industry issues. The manpower and financial resources available to this Department are inadequate for the size of its expanding mandate. There are also constraints at the levels of Member States and the Regional Economic Communities. Quite often, trade and industry decisions taken at the regional and continental levels fail to be implemented at national levels. And at all levels, there is the inadequacy of institutional arrangements and monitoring and evaluation (M&E) mechanisms for the implementation of trade-related programs and activities. It is to deal with these constraints that the Strategic Framework proposed for the implementation of the BIAT/CFTA initiative has provided for the establishment of appropriate institutional arrangements, including M&E mechanisms.

217. As a way forward, the following recommendations are proposed:

- Mainstreaming of trade (especially intra-Africa trade) and industry issues into the development strategy of AU Member States;
- Effective implementation by Member States of agreed trade-related initiatives and programmes (BIAT, CFTA, AIDA, 3ADI, PIDA, AMV, CAADP, etc.);
- Allocation of adequate resources for the development of trade and industry.
- Enhancement of the capacity of the Commission Department to cope with its mandate in these areas;
- Harnessing the resources of Aid for Trade initiative and the support of development partners for the implementation of trade agenda, especially the building of Africa’s trade capacity;
- Strict adherence of Member States to Africa’s common positions in international trade negotiations;

- Engagement by African Heads of State and Government of their EU counterparts to unblock the EPA negotiations.

III.6 INTEGRATION AND TRADE CAPACITY BUILDING

1. *INTRA-AFRICAN TRADE*

218. In the current era of globalization in which trade has become a key driver of economic growth and development, the promotion of sustainable economic development in Africa and playing a rightful role in the global economy require that the continent improves its trade performance and enhances its share of global trade, which currently stands at just 3 per cent. Critical to meeting this challenge are: (i) the building of trade-related capacity of African countries (productive capacity and economic diversification, soft and hard infrastructure development, trade facilitation, trade finance); (ii) the better management and harnessing of Africa's rich endowment of natural resources ; (iii) the promotion of intra-Africa trade and the acceleration of Africa's trade integration to take maximum advantage of the continent's large and growing population and market; (iv) the effective coordination of African regions and countries to have common positions in trade negotiations for the attainment of a balanced and development-friendly global trading system; and (v) the development of beneficial trade relations with Africa's traditional partners of the North and emerging powers of the South. In each of these areas, actions have been taken and achievements recorded by the Commission.

219. Reflecting the importance of trade as a vehicle for lifting Africa from poverty and attaining sustainable economic growth and development, the theme of the AU Summit for the whole of 2012 was the boosting of Intra-Africa trade. At the 18th Ordinary Session of the Summit that was held in Addis Ababa, Ethiopia, in January 2012 the Assembly took the historic decision to establish a Continental Free Trade Area (CFTA) for Africa by an indicative date of 2017. It endorsed an architecture (including a High-Level African Trade Committee (HATC) comprising of Heads of State and Government) to fast-track the establishment of the CFTA by acting as its champions and unblocking any impediments to the realization of the initiative. In addition, the Assembly also adopted a seven-cluster Action Plan for Boosting Intra-Africa Trade (BIAT) that is targeted towards the removal of the major constraints on Africa's trade performance, especially intra-Africa trade. The HATC was inaugurated at the 19th Ordinary Session of the Assembly of the Union held in July 2012. By taking their historic decision on the CFTA and the Action Plan for boosting intra-Africa trade, the Heads of State and Government have shown great commitment to use trade as an instrument for the promotion of economic growth and development. The challenge remains the effective implementation of the Assembly Decisions. The July 2012 Summit called for the development of trade related infrastructure and productive capacity building programmes and an enabling policy and legal framework by the AUC, RECs and Member States.

220. Subsequent to the 18th and 19th Ordinary Sessions of the Assembly, the Commission has undertaken a number of actions in furtherance of the implementation of

Assembly Decisions on the CFTA and BIAT. In collaboration with the UNECA and ADB, the Commission organized the Second Africa Trade Forum (ATF). The ATF was endorsed by the Assembly as part of the architecture of the CFTA, to serve as a platform for trade stakeholders and constituencies across Africa to dialogue on trade issues. Many proposals for effective implementation of CFTA/BIAT initiative were made by the ATF.

221. The ATF process is broadening the ownership and legitimacy of the CFTA/BIAT initiative. As directed by the Assembly, the Commission, in collaboration with UNECA, has developed a Strategic Framework for the implementation of the Action Plan for boosting Intra-Africa Trade and for establishing the CFTA. The ATF proposals and the Strategic Framework document were submitted to the last session of AU Conference of Ministers of Trade held in Addis Ababa, Ethiopia in November 2012, for consideration and endorsement. The Commission has had consultations with a number of technical partners, many of which have indicated their preparedness to collaborate with the AU in setting up the organs of the CFTA architecture such as the African Trade Observatory, and in implementing the BIAT Action Plan. For greater effectiveness and strategic reasons, it is recommended that some of the organs be established in collaboration with partners such as the UNECA, African Development Bank and RECs with a semi-autonomous status in order to facilitate institution building with the scope to involve the African private sector, civil society, and the Diaspora.

222. Within the context of the work program on the BIAT/CFTA, the Commission organized in September 2012 the fourth meeting of the African Union Sub-Committee of Directors General of customs to deliberate on the role of customs on boosting inter-African trade, and also established a Working Group for the harmonization of rules of origin, building on the experience of the tri-partite FTA rules of origin. Other trade-related activities undertaken by the Commission include a workshop on interconnectivity of computerised customs clearance system in November 2012, a Custom Trade Facilitation Forum in collaboration with the EC in December 2012, a Workshop on Issues of Integrity and Ethics in Custom, a Workshop (in collaboration with COMESA, AfDB, and ILEAP) in March 2012 on Trade in Services. These meetings have yielded valuable recommendations for moving Africa's trade agenda forward.

223. While the boosting of intra-Africa trade and the acceleration of Africa's market integration now constitute the top priority of the AU in the area of trade, the Commission has continued to implement actions aimed at improving the performance of African countries in global trade and redressing imbalances against developing countries in the multilateral trading system. Hence, in compliance with the July 2003 Maputo Summit Decision, the Commission has been coordinating and harmonizing the positions of African countries in major international trade negotiations, especially the Economic Partnership Agreement (EPA) negotiations with the European Union and the Doha Development Round WTO negotiations. Although these negotiations have been on-going for over a decade, they are yet to be concluded: the latter because of disagreement among the major players in the global trading system (especially the USA, the EU and China), and the former due to the failure of the EU to satisfactorily address the concerns of African countries for EPAs to be development-oriented as agreed in the Cotonou Partnership Agreement.

224. The major challenge facing African countries in both the EPA and WTO negotiations is to remain united and speak with one voice in defense of their common positions. The Commission will continue to provide support for the development of the common positions. With regard to the EPA negotiations, there is a need for political intervention at the highest level (e.g. Africa-EU Summit) to unblock the negotiations.

225. As part of possible way forward towards improving Africa's trade with the EU and other OECD countries, the Commission, in collaboration with the UNECA and the ACP Secretariat, has developed a proposal for improved and enhanced trade preferences for low income and least developed countries. The proposal, which was endorsed by the 18th Ordinary Session of the Assembly, is currently being refined as directed by the Summit before submission to the G8 meeting. Also, with a view to enhancing the flows of trade and investment between Africa and the USA, the Commission, in collaboration with UNECA, organized a preparatory meeting for the effective participation of African Trade Ministers in the Africa Growth and Opportunity Act (AGOA) Forum that was held in Washington. A major achievement for the continent in the AGOA process has been the extension of the Third Country Fabric provision to 2015. The AUC and ECA are currently developing a strategic framework for Post-AGOA Africa-US trade and economic partnership, as directed by AU Conference of Ministers of Trade.

III.7 ROLE OF ALL ACTORS IN STRENGTHENING THE INTEGRATION PROCESS (PUBLIC SECTOR, PRIVATE SECTOR, CIVIL SOCIETY, DIASPORA)

1. INTEGRATION

226. The implementation of the integration agenda is an issue of major concern to the Commission. Even though much has been done, a lot still needs to be done. For instance, with regard to the Abuja Treaty, some RECs have made progress in terms of free movement of persons and interconnectivity of infrastructure and trade. The Commission commends all RECs that are progressing towards the implementation of the Abuja Treaty, namely the East African Community (EAC) that has achieved its common market and ECOWAS which has made free movement of persons, goods and services possible. Other RECs are also encouraged to endeavour to implement the Abuja Treaty.

227. The key challenges in the integration process remain financial constraints, sovereignty and governance. The Commission would therefore like to invite Member States to take necessary measures to address these challenges. The solution proposed by the Commission is "alternative sources of funding" in order to find a lasting solution to the problem. On the other hand, sharing of sovereignty could also fast track the political and economic integration whilst good governance in the integration agenda is crucial to the implementation of Decisions taken by the Assembly of the Union, rationalize the partnership with the rest of the world and deal with integration through solidarity. The Commission would like to call upon Member States to integrate the proposed solutions into their national planning and development.

2. STATISTICS

228. One of the major challenges facing Africa is the evaluation of its own performance using relevant statistics produced by African Statisticians. Without appropriate statistics, it will be difficult for Africa to develop relevant economic planning. Relevant statistics can assist in identifying the challenges facing the continent. Africa cannot handle its destiny by relying on statistics produced outside the continent.

229. To deal with this challenge, the Commission has developed the African Charter on Statistics and strategy on harmonization of statistics which have already been adopted by the Assembly. So far, the African Charter on Statistics has not been ratified and the Strategy has not yet been implemented by Member States. The Commission would like to call upon Member States to ratify and implement them. Ratification has no financial implication. The advantage is to provide legal framework and statistical tool to African statisticians thus allowing them to perform better in their daily activities and provide relevant statistics to academicians and African economists and political decisions makers, among others. While calling upon Member States that have not yet done so, to ratify the African Charter on Statistics at their earliest convenience, the Commission would like to commend those countries that have ratified it.

3. PRIVATE SECTOR DEVELOPMENT

230. The Commission would like to invite Member States to provide enabling environment to foreign and domestic investors by creating conditions which would attract Foreign Direct Investments and encourage domestic investors. There is need to deeply transform African economies which is a prerequisite for allowing the private sector to play its role in the promotion of economic growth and employment creation. The Commission has developed a Plan of Action on Micro- Finance and it is calling upon Member States to integrate it in their national development and planning. This would assist Small Medium Enterprise (SMEs) in their activities.

4. AFRICAN CITIZENS AND DIASPORA

231. The Commission has established a strong foundation and framework for effective CSO and Diaspora participation, interaction, influence and impact on the AU programmes and activities. As can also be expected, it has fuelled a phenomenon of rising expectations and avid interest of non-state actors and allies outside the continent that perceive the CSO space within the AU as an opportunity for self-enhancement and to gain leverage and influence the Union activities in a desired direction. The challenge and tension is to facilitate and afford increasing spaces and contribution of CSO in a manner that supports the Pan-African values of the AU without pandering to external control and demands.

a) Development and Consolidation of the Diaspora Initiative

232. The Commission guided the process that led to the development of the AU's Diaspora Initiative through the global framework of discussions which set the pace for the Organization of a Global African Diaspora Summit that would elaborate the vision

and purpose of the initiative, its programmatic agenda and implementation mechanism. The process of preparation bore remarkable results as the AU brought together the largest ever gathering of Leaders of the African continent and the Diaspora in Sandton, South Africa on 25 May 2012 in the first ever Global African Diaspora Summit.

233. The Summit adopted a Declaration that would serve as the Magna Carta or fundamental law for the Diaspora Programme. The Declaration had three main aspects. The first was the political memorandum on the broad objectives of the Diaspora Initiative, the second was a program of action identifying specific areas in which the objectives must be pursued and practical measures that are required to support them. Third was the implementation Mechanism containing instruments and facilities required to actualise the objectives of the programme and five legacy projects that would give urgent practical expression to the objectives and programmes and stand as their emblem.

234. The five legacy projects adopted are the following:

- 1) The production of a Skills Database of African Professionals in the Diaspora;
- 2) The establishment of the African Diaspora Volunteers Corps;
- 3) The African Diaspora Investment Fund;
- 4) Programme on the Development Marketplace for the Diaspora, as a framework for facilitating innovation and entrepreneurship between Africans and the Diaspora;
- 5) The African Remittances Institute.

235. The Summit was fully attended by all Member States of the Union and Leaders from the various continents and regions of the world as well as representatives of the African Diaspora. About 89 countries participated in the Summit.

236. The outcomes of the Summit was further endorsed by the Assembly through Assembly/AU/Dec.443 (XIX) of July 2012 that requested the Commission and the Republic of South Africa to continue their process of active cooperation to achieve the objectives of the Summit along with other regional champions that are willing and able to contribute to the implementation of Summit outcomes. The Decision also stipulated that further emphasis continue to be put in place to facilitate organizational processes including the setting up and consolidation of regional networks.

237. However, among others, the Decision requested the Commission, the PRC and the Executive Council to strengthen the responsible structures within the Commission in human resources and material terms to support the implementation of the Diaspora Plan of Action.

238. In the aftermath of the Summit therefore, the Commission programmatic agenda has been focused on implementation of Summit Declaration with emphasis on

consolidating preparatory project documents for the Legacy Projects, establishing and setting criteria for effective Diaspora presence and participation in AU structures and organs and the organization and consolidation of regional networks that would service as interlocutory mechanisms for the AU.

b) Civil Society Programmes

239. The Commission will continue to push for enhanced civic and Diaspora participation and input in the affairs of the AU and will build cumulatively and with innovations on platforms of engagement that it has already established. The focus in the medium and long term would be to strengthen the framework of consultation with civil society groups in the continent and to consolidate the framework for effective Diaspora contribution to the development and integration agenda of the continent. Current key projects and objectives that are designed to enable this include the following:

- a) Mapping of African civil society organizations to develop a database of African civil society organizations that will serve as a repository of information on these organizations which will facilitate the identification and utilization of expertise that abound within this group across the continent. The database will also support the process of ECOSOCC elections by identifying key CSOs that qualify for membership and help to harness the expertise of the civil society to the demands of the African Union;
- b) Workshop on Understanding the African Union to facilitate the understanding of the African Union, its organs, key structures and decision making processes by key civil society across the continent with a view to ensuring their effective participation in the activities of the Union;
- c) Support for Inter-continental CSO consultation partnerships: AU-EU, FOCAC, etc. The objective of these consultations are to ensure that African civil society organizations make regular input into the various partnership process in order to reinforce people-to-people interaction across the world to support Africa's integration and development agenda. Of particular importance here is the Africa-EU intercontinental CSO engagement;
- d) Sectoral Dialogues - AU/OATUU Trade Union Partnership Forum and African Union Interfaith Dialogue to promote serious and critical interactions with key sectoral groups in support of Africa's integration and development agenda.

c) Challenges

240. The wide dispersal of civil society and Diaspora groups within the continent and throughout the world is a major challenge of the Commission's programmatic agenda. Furthermore, differing priorities and levels of connection to Africa among the Diaspora continually challenges its efforts to promote common goals and values as well as ownership of the AU's agenda.

241. Secondly, civil society participation in AU processes are still evolving from a foundation stage and though a lot has been achieved, the requirements of appropriate institutional behaviour remains a learning experience for the African civil society community. While the framework of advisory opinion that ECOSOCC is required to support is still in the making, there have been debates among civil society as to whether or not civil society has the right to lead the AU process and oversee its development. The norms of behaviour in a policy-making process is one that African civil society must cultivate against an historical background where activism is misunderstood as implying that members of civil society must always stand against governments. Foreign influence remains a critical factor in Africa as several civil society organizations rely on financial support from outside Africa that often impels them in some instances to pursue foreign agenda and interests. This makes it difficult to sustain healthy relationships between governments and civil society and to keep regular positive interaction with them. Moreover, traditional misconceptions that stipulate that civil society should focus mainly on political activism neglects the need to effectively use CSOs as a framework for important development agendas and mobilize them for development initiatives. Beyond this, there is an extremely competitive atmosphere among CSOs for finance and recognition that makes it difficult to ensure consistency of solidarity among CSOs in support of Pan-African values.

242. Fourthly and at an operational level, there is a need to strengthen the staff component and capacity of structures in charge of implementing this important programme. There is also the need to increase its resource base to accomplish its mission and facilitate the integration of the broad spectrum of civil society agenda of the Union across the range of institutions to enable a very coherent profile, as reflected in the Assembly/AU/Dec. 443 (XIX) of July 2012.

III.8 PARTNERSHIPS AND RELATIONS WITH THE WORLD

1. ON-GOING PARTNERSHIPS

a) Africa/EU Dialogue

243. Since the Africa-EU Cairo Summit in April 2000, two Africa-EU Summits have been organized. In 2007, the Lisbon Summit adopted the Joint Strategy which is a long term framework of cooperation between Africa and EU and that was to be implemented under a three-year plan of action. The first plan of action was adopted at the Lisbon Summit in November 2007. The second Summit held in Tripoli in 2010 adopted the Second Plan of Action. Although much has been done in implementing them, there are still some challenges, namely the financial constraints and the involvement of some stakeholders such as RECs, civil societies, private sectors and parliamentarians. In solving the funding issue, the two continents agreed to put in place a Pan African Fund to finance the Plan of Actions of the joint strategy. To this end, the EU is planning to put in place a Pan African Programme which is a fund dedicated to the Plan of Action of the Joint Strategy. In this regard, one billion Euros has been committed by the European Union Commission. EU Member States through the EU Parliament have adopted the Pan African Programme.

244. The Commission, while commending the EU for this action, calls upon African Member States to contribute to the Fund as initially agreed that the two continents will co-finance this Fund. Pending the adoption of alternative sources of funding, the Commission would like to invite Member States to approve that a percentage (to be determined) of the AU budget is allocated to support the Pan African Programme.

245. It will be recalled that, in line with Decision Dec.CL/Dec.646 (XIX) of the Executive Council adopted in Malabo, Equatorial Guinea, in June 2011, a new Division under the Office of the Chairperson has been established to coordinate with relevant Departments the various Strategic Partnerships and to support the policy organs in charge of multilateral cooperation.

246. Accordingly, the Commission made every effort to ensure that all partnerships arrangements are geared towards the implementation of the already approved Africa flagship programs and initiatives such as PIDA, AIDA, CAADP, to name a few. Efforts were also made to translate the various Action Plans into implementation matrixes, further elaborating priority projects and activities contained in the continental programs and initiatives.

b) Third Africa-Arab Summit

247. Preparations for the 3rd Africa-Arab Summit, planned to take place in November 2013, in the State of Kuwait, has begun in earnest. In this regard, the Commission, in collaboration with the League of Arab States and the Host Country, has convened a number of meetings of the Coordination Committee of the Africa-Arab Partnership, which is entrusted to monitor and guide the preparation process of the Summit.

248. The Commission is of the view that the 3rd Africa-Arab Summit should be more focused and should concentrate on the most viable areas of cooperation such as trade and Investment, in addition to the continued engagements in the areas of peace and security. The Commission also expects the Summit to take initiatives aimed at enhancing the role and participation of the African and Arab private sector and civil society in the partnership process.

249. The Commission, in collaboration with the League of Arab States, has also taken practical steps towards the establishment of an Africa-Arab Technical and Coordination Committee on Migration. Consultations are also under way on the establishment of an Africa-Arab Migration Center.

250. The Commission will exert every effort to make the 3rd Africa-Arab Summit a great success. It shall also ensure that the interest of the African side is adequately reflected in the working and final documents of the Summit.

c) Cooperation with Gulf Cooperation Council (GCC)

251. In line with the recommendation of the 2nd Africa-Arab Summit, the Commission has resumed preliminary discussions with the Gulf Cooperation Council (GCC) to

formalize relationships between the two sides. Accordingly, a Memorandum of Understanding between the African Union and the GCC was drafted by the Commission and forwarded to the Secretariat of the GCC for their consideration. Many Gulf countries are establishing diplomatic Representations to the African Union.

252. The cooperation with GCC, which is an Organization of six Gulf countries, is intended to focus primary on expanding trade and investment, Agriculture, Food Security cooperation between Africa and the Gulf countries with specific support to the private sector. The cooperation will also involve mobilization of resources for AU flagship programs.

253. The Commission will take subsequent actions to develop strategic partnership with the GCC and other Organizations and countries in the Arab world in keeping with mutual benefit principles.

d) Third Africa-South America Summit

254. On the margins of the UN General Assembly, the meeting of the Africa-South America (ASA) Coordination mechanism at Ministerial level was held on 27 September 2012 and came up with an agreement setting the date of the holding of the 3rd ASA Summit to take place in Malabo, Equatorial Guinea, during the second half of February 2013.

255. The meeting considered the status of the preparations for the holding of the 3rd ASA. It also considered the documentation for the Summit and the Ad Hoc Working Group on ASA Financing Mechanism. The Ad Hoc Working Group on ASA Financing Mechanism is still yet to carry out a study on the financing of the Permanent Secretariat and on the establishment of a Trust Fund for the implementation of projects.

256. The Commission, in collaboration with the PRC Sub-Committee on Multilateral Cooperation, will speed up the preparations for the holding of a successful 3rd ASA Summit in Malabo, Equatorial Guinea, taking into account the proposal from the latter to hold the said Summit from 20 to 23 February 2013.

e) Fifth Ministerial Conference of the Forum on Africa-China Cooperation

257. The Fifth Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC) was held in Beijing, China, in July 2012, under the theme to “Build on Past Achievements and open up New Prospects for new Type of China-Africa Strategic Partnership”. The Ministerial Conference reviewed the status of implementation of the 4th FOCAC Action Plan 2009-2012, adopted in Sharm El Sheikh, Egypt, in 2009. It also adopted the Beijing Declaration and Plan of Action 2013-2015.

258. In adopting the Plan of Action, the two sides committed themselves to develop cooperation in various domains such as Peace and Security, Agriculture and Food security, Investment and Enterprise Cooperation, Infrastructure, Trade, Finance and Banking, Energy and Resources, Information and Communication, Transportation,

Tourism, Human Resource Development, Poverty Reduction, Medical Care and Public health, Climate Change and Environmental Protection, Culture and Education. They also agreed to intensify institutional cooperation between China and the African Union and Sub-Regional Organizations in Africa. Furthermore, China has confirmed its commitment to provide USD 20 billion of line of credit to African countries to assist them develop their infrastructure, agriculture, manufacturing and small and medium-sized enterprises.

259. The Commission, in collaboration with Member States and Regional Economic Communities will, therefore, make every effort to ensure that all the necessary requirements are met for the effective implementation of the Beijing Declaration and Plan of Action 2013-2015. It will also work to secure its right place in the FOCAC process and to enhance the operations of FOCAC for better returns. The follow up mechanism should also be strengthened and expanded to include the PRC Sub-committee on Multilateral Cooperation and the African Diplomatic Corps based in Beijing.

f) Fifth Tokyo International Conference on African Development (TICAD V)

260. The Tokyo International Conference on African Development (TICAD) was initiated in 1993, with the objective of promoting a high-level policy dialogue between African leaders and development partners. The Conference is held every five years in Japan. The past four conferences were co-organized by the Government of Japan, UNDP, World Bank and the United Nations Office of the Special Advisor on Africa (OSAA).

261. Some innovations were brought to the TICAD process as to allow African side to play more significant role. The first one being that the African Union Commission was shifted from Observer status to that of Co-Organizer. In this capacity, and this is the second innovation, the African Union Commission, in collaboration with the African Diplomatic Corps based in Tokyo and the PRC Sub-Committee on Multilateral Cooperation, worked on the Zero draft of the Yokohama Declaration and Plan of Action of TICAD-V presented by the Government of Japan and produced the Zero plus one draft of the two documents, which were presented for the consideration of the TICAD-V Senior Officials meeting in Ouagadougou, Burkina Faso. The third innovation lies in an agreement to set up a joint drafting committee including representatives from all co-organizers to finalize draft TICAD V Declaration and Action Plan to be tabled at the Ministerial meeting, which will take place in Addis Ababa, Ethiopia, from 15 to 17 March 2013 and which would be eventually endorsed by the TICAD V Summit to be held in Yokohama, Japan on 1-3 June 2013.

262. The Commission, in collaboration with Member States, the PRC Sub-Committee on Multilateral Cooperation, is determined to work out concrete projects to be featured into the TICAD V Plan of Action, geared towards the strengthening of continental integration and enhancement of living conditions across the continent.

g) Third Africa-Korea Forum

263. The Third Africa-Korea Forum was held in Seoul, Republic of Korea, from 16 to 17 October 2012 at both Senior Official and Ministerial levels in keeping with the Banjul Format. The Forum adopted the Seoul Declaration which took note of the flagship African continental projects such as PIDA, CAADP, PAU, AIDA, etc. while the role of NEPAD Planning and Coordination Agency (NPCA) was highlighted as part of the Coordination Mechanism. It also adopted an Action Plan 2013-2015 indicating some commitments from the Korean side such as scaling up of ODA to Africa, supporting the Pan-African University, contribution to modernization of agricultural technology, market access for African LDCs, financial contributions to the African Union Peace Fund and cooperation in the field of combating terrorism.

264. The Executive Council is expected to endorse the Action Plan as well as the proposal to hold the Africa-Korea Forum every two years, instead of three and alternately in Korea and Africa.

h) Africa-India Forum

265. The 2nd Africa-India Forum Summit took place in Addis Ababa on May 2011 and came up with a Plan of Action for cooperation for the period 2011-2014. Indian side agreed to establish six Institutions in Africa under the Africa-India Partnership, which are as follows: (i) India-Africa Food Processing Cluster; (ii) India-Africa Integrated Textile Institute; (iii) India-Africa Institute of Life and Earth Sciences; (iv) India-Africa Institute of Agriculture and Rural Development, (v) India-Africa Civil Aviation Academy, (vi) India-Africa Centre for Medium Range Weather Forecasting. Pursuant consultations among the Regional Deans of the African Union, the process of allocation of these Institutions has been completed and countries to host those institutions are now known.

266. Furthermore, African side and India reached an agreement on bracketed paragraphs of the 2010-2014 Action Plan. The draft Action Plan will be soon tabled to be endorsed by both sides. As soon as it is endorsed, its implementation will start.

267. It is worth recalling that the Mwalimu Nyerere African Union Scholarship Scheme (MNAUSS) has received support under the Africa-India strategic partnership for some special school scholarships in the field of Agriculture for the year 2013.

i) Third AU-USA High Level Officials Meeting

268. The 3rd High Level Officials meeting between the African Union Commission and the United States of America was held in Washington from 28 to 30 November 2012 and covered a full range of mutual priorities, including strengthening democratic institutions and good governance, spurring prosperity through trade, investment, and regional economic integration, advancing peace and security, including in several current conflict situations and promoting opportunity and development by improving health conditions and educational opportunities in Africa, and enhancing agriculture and bolstering the infrastructure of the continent, as well as by empowering women and youth in all spheres of life.

269. While reminding of President Obama four priorities on Africa as spelled out in his policy directive, the USA Administration sees tremendous opportunities in the Continent and expressed her readiness to advance AU priorities. The importance of having a framework of cooperation that structures the relationship between the USA and the AU was highly endorsed by the two sides. The Framework elaborates specific areas of cooperation under the broad categories of peace and security, social, economic and human development, integration and cooperation, shared values and capacity building and communications.

j) Africa-Turkey Summit

270. The Government of Turkey, under the framework of the Joint Implementation Plan of Africa-Turkey Partnership 2010-2014, has positively considered six projects out of the 16 submitted by the Commission. The approved projects are in the areas of Trade and Investment, Agriculture, Agribusiness, Rural development, Water Resource Management, SME's and Peace and Security for financing. The Commission is working out modalities geared toward launching the implementation process.

271. According to agreement reached during the First Ministerial review Conference of the Africa-Turkey Partnership held in Istanbul in 2011, the Summit should be held alternately in Turkey and Africa. The 2013 Summit should then take place in Africa. However, Turkey has made a request to host this Summit in Ankara for specific reasons.

2. REPRESENTATIONAL OFFICES

(1) NEW YORK OFFICE

272. The African Union Permanent Observer Mission to the United Nations continued to implement its mandate and, in that context provided support and guidance to facilitate the effective participation of the Commission delegation to the High Level Segment of the 67th Session of the UN General Assembly under the leadership of the outgoing Chairperson and included, the in-coming Chairperson of the Commission, as well as other Senior Officials.

a) Peace and Security

273. In the area of peace and security, the Mission monitored and reported on developments at the level of the Security Council with particular attention paid to observing the extent to which the positive political momentum generated by the various peace and security related High Level Meetings was brought to bear in follow-up consultations and actions by the UN Security Council guided by a common understanding of critical issues at stake as well as a shared vision on the way forward. Important lessons learned : (i) the need for better harmonization and coordination of efforts/decisions between the region, the commission and the United Nations (ii) the need take cognizance of Africa's ownership and leadership, and promote regular consultations between all actors (iii) the need to ensure, to the extent possible, the synchronization of meetings and processes of the African Union Peace and Security

Council with those of the UN Security Council to facilitate closer alignment of efforts and decision-making.

274. The upcoming Final Conference on the Arms Trade Treaty (ATT) to be held in March 2013 will once more provide a unique opportunity to generate awareness about the African Common Position on ATT but more importantly its circulation as an official document of the United Nations. The Commission is considering the best way for ensuring the adoption by the Assembly of the African Common Position.

b) Development, Integration and Cooperation:

275. In the area of development, the Annual NEPAD week and related activities spearheaded by the NEPAD Planning and Coordination Agency was facilitated and supported by the Mission in close collaboration with the Office of the Special Adviser on Africa. Interaction with the Regional Economic Communities (RECs) offered a unique platform of inter-phase between the RECs, OSAA and NEPAD Agency as a precursor to the ensuing fruitful General Assembly Joint Debate on: *“New Partnership for Africa’s Development: progress in implementation and international support: causes of conflict and the promotion of durable peace and sustainable development in Africa.”*

276. In pursuance of its coordinating mandate, the Office played a catalytic role in shaping the African Group’s vision for advancing Africa’s interest and priorities on issues of development during the 67th Session with specific focus in the following strategic areas: *Implementation of the Rio+ 20 outcome; Placing the special needs of Africa at the center of the Post-2015 Development Agenda, the UN Secretary-General’s special initiatives on Energy and Education.*

277. The AU Summit may wish to consider providing political guidance and direction for a common African position to be the guiding principle on the basis of which the African Group in both New York and Geneva would advance Africa’s collective interest.

278. In the area of cooperation, the strengthening of cooperation between the African Union and the United Nations in general and, as well as the strategic partnership between the African Union and the United Nations in matters of peace and security were given priority by the Mission. The Mission guided the African Group in the process of adopting, by consensus, the African Group’s biennium General Assembly Resolution on Cooperation between the UN and Regional Organizations. It is to be noted that indications from the Report of the UN Secretary-General on this matter highlight the need for the Commission to do more in order to project co-ownership and management of the cooperation agreement both in terms of activities and inputs to the said report. By way of recommendation, consideration could be given to the inscription of an item on Cooperation between the AU and the UN on the agenda of AU Summit every other year to enable the AU Policy Organs to undertake a review and assessment of the cooperation on the basis of a Report by the Commission.

279. The Mission also closely monitored the follow-up and implementation by the UN Security Council of the Reports of the Chairperson of the African Union on the Partnership between the African Union and the United Nations on Peace and Security:

Towards a Greater Strategic Political Coherence” as well as The Prodi Report on UN Support to AU-Led Peacekeeping Operations. The Mission observed that while both the African Union Commission and the United Nations at the institutional level continue to invest serious efforts in the implementation of recommendations contained in these reports, in reality, those efforts did not often translate into tangible results at the level of the Security Council neither in terms of promoting greater political coherence nor in the provision of predictable funding and sustainable support package to African Union led peace support operations. The recent Security Council decision on the implementation of the mandate of AMISOM was a striking example.

280. In the area of **shared values**, the Permanent Memorial Slavery Project is a global project with the African Union at the vanguard of the intergovernmental process to give practical effect to this project. The issue of voluntary contributions currently dictates the slow pace of the project. Africa’s leadership in this matter at the highest political level is indispensable.

281. In the area of **Institutional Capacity Building**, the expectations of an increased role and visibility of the African Union in the multilateral arena requires the requisite technical, financial and human resources to be aligned with the new exigencies to be assumed by the Mission.

(2) GENEVA OFFICE

282. The activities of the Representational Office in Geneva are grouped into five main areas, namely: issues relating to Political Affairs (Human Rights and Humanitarian Affairs), Economic Affairs and Trade, Social Affairs and the Coordination of the African Group.

283. With regard to human rights, the various sessions of the Human Rights Council (HRC) and other related activities were marked primarily by the Universal Periodic Review (UPR) of several countries, including a score of African countries. In general, it should be noted that much progress has been made on the continent despite the challenges that lie ahead in the field of Human Rights. Given the importance of the challenges and limited capacity of African states, the mobilization of technical and financial support both continental and international as a matter of urgency is crucial to carry out the process of implementing the recommendations emanating from this exercise.

284. In 2012, the activities of the HRC were marked by the adoption of numerous thematic Resolutions directly relevant to Africa, including the fight against racism and xenophobia, the right to development and the achievement of the Millennium Development Goals (MDGs) within the context of the resolution relating to the reduction of maternal mortality and morbidity.

285. The human rights specific-situations of certain countries (Mali, South Sudan, Sudan, Madagascar, Eritrea, Somalia, DRC), are the subject of a permanent review, examination and follow up within the African Group. The Geneva Office contributed to the discussions and conducted arbitrations based exclusively on the decisions taken by

the policy organs of the African Union. Within the HRC framework, most Resolutions concerning Africa and African countries are the actual brainchild of the African Group and this contributed to improving the working atmosphere between the African Group and Western countries.

286. The final version of the Draft Guiding Principles on Extreme Poverty and Human Rights was finally adopted in 2012 during the 21th session of the HRC. These principles reflect the interdependence and indivisibility of human rights and emphasize the fundamental role of international cooperation. In the same vein and on the initiative of the African Group, the HRC, despite resistance from Western countries, has also adopted a Resolution on the negative impact of the non-repatriation of funds of illicit origin to the countries of origin.

287. The African Group maintains an ongoing dialogue with the other Regional and political Groups through the various seminars, think tanks and symposiums which enabled discussions on diverse thematic issues. This approach allowed for a significant reduction of the differences between the various Regional Groups, as was the case in the past.

288. The humanitarian situation in Mali and the Sahel is of major concern to the international community and the Geneva Office, in conjunction with the African Group, organized a conference on the humanitarian situation in the Sahel in June 2012. This conference saw a great participation of the international community leading to recommendations in terms of solidarity, cooperation and international assistance.

289. The entry into force, in December 2012, of the African Union Convention on the Assistance and the Protection of Internally Displaced Persons in Africa, commonly referred to as the “Kampala Convention”, is good achievement in this area, on the part of Africa. Nonetheless, additional efforts are still necessary if one is to obtain the widest possible ratification of this pioneering instrument.

290. On other important issues within specialized institutions (WIPO, WHO, WMO, ITU, UPU, UNAIDS, UNCTAD, ITC, UNHCR etc.) including the WTO and IOM, the Office contributed to strengthening the capacity of the African Group by organizing workshops and seminars that enabled the latter to adopt common positions reflecting the priorities and strategies for the relevant sectors.

291. Concerning the ILO, it should be noted that the institution has a new CEO in the person of Mr Guy Ryder (UK) elected during the last General Assembly. Three African candidates were vying for this position, which greatly undermined Africa's chances in this election. The African Union needs to consult more among its Member States so as to ensure that Africa maximizes its chances in such elections.

292. The AUC and the WHO signed a new cooperation agreement in 2012, based on the previous 1969 and 1982 agreements between the WHO and the Organization of African Unity (OAU).

293. The new agreement reflects the functions and structure of the African Union and identifies areas of collaboration such as the strengthening of health systems, upgrading human resources and strengthening the surveillance systems of communicable and non-communicable diseases in accordance with the priorities of the 2007 - 2015 AU Africa Health Strategy.

294. In the field of International Trade, the Office is following up on developments in the negotiations within the WTO and the Economic Partnership Agreements which are both bogged down hampering the promotion of trade development on the continent and the competitiveness of Africa, despite its vast economic potential.

295. In the follow-up to the AU relevant decisions, the Geneva Office facilitated a meeting the African Group and the former Minister of Trade of Ghana, H.E.M. John Alan Kyerematen Kwadow and candidate for the position of DG of the WTO. The vacancy was opened in December 2012.

296. Regarding the MDGs, although there has been some progress regarding some goals, there are serious concerns regarding three (3) major objectives, namely Eradicate extreme poverty and hunger (Goal No 1) reduce child and maternal mortalities Goals (No. 4 & 5). The Office, under the guidance of the Commission, will continue to develop partnerships with agencies of the United Nations system and the various institutions of the international system with a view to addressing these challenges.

297. Moreover, it should be noted that the international community recognizes the primacy of African candidates for certain international positions. But the multiplicity of candidates causes Africa to lose opportunities. The case of ILO is still present in all minds. The case of the WTO and UNCTAD are looming large and one will need to demonstrate wisdom to ensure that at least one them is given to Africa.

298. In conclusion, it can be said that the African Group, with the support of the Permanent Delegation of the African Union covering various activities in Geneva, has helped demonstrating that Africa is increasingly present in different areas. The Initiatives of the African Group on African issues demonstrate increased awareness over the responsibility of Africa on the international stage. Today, the African Group contributes to the implementation of the new concept of Afro-Responsibility, with a view to departing from such previous concepts as known as the Afro-optimism and Afro-pessimism.

(3) BRUSSELS OFFICE

299. During the period under review, the Permanent Mission in Brussels executed the tasks contained in its activity program for the year 2012. These activities are mainly focused on the implementation of the cooperation instruments existing between Africa and the European Union namely: the Africa-EU Joint Strategy and the ACP-EU Cotonou Agreement, in addition to the facilitation of the activities of the Group of African Ambassadors in Brussels, the monitoring of regular working relations with the EU institutions and the conduct of other representational tasks.

a) **Follow up on the implementation of the Joint Africa EU-Strategy (JAES)**

i) Coordination Meetings

300. The Mission, in close collaboration, with the European Commission facilitated and participated in all coordination meetings between the AU and the EU, particularly the Joint Task Force meeting held in March 2012, and ensured that the recommendations of these meetings are effectively implemented.

ii) Funding the Joint Strategy

301. One of the main recommendations put forward to remedy the situation of the weak results achieved in the implementation of the Joint Strategy, was the establishment of an Africa-wide financial instrument specifically dedicated to the Joint Strategy. In this regard, the Mission organized in November 2012 a Workshop on the funding of the Joint Africa-EU Strategy and the related Plans of Action. The Mission avails this opportunity to sensitize the African Group of Ambassadors, the European Institutions on the need for specific financial instrument. The establishment of an adequately funded Pan African financial instrument constituted value added to the Africa-EU Partnership and an essential element to enhance its visibility.

iii) Harmonizing the positions of the African Group of Ambassadors on issues related to Africa-EU partnership

Partnership 1 - Peace and Security

302. As part of the activities conducted within the framework of the implementation of the Partnership No.1 on Peace and Security, the Mission actively participated in the meeting of the AU Peace and Security Council (PSC) of the EU Peace and Security Committee (EUPSC), held in Brussels in May 2012. Similarly, the Mission continued to regularly monitor the AU-EU peace and security working relations, including execution of the operations conducted within the framework of the EU-AU Peace Facility.

Partnership 2 - Democratic Governance and Human Rights

303. The Mission contributed in the process leading to the adoption of the modalities and the launching of the Africa-EU Platform for Dialogue on Governance and Human Rights, as agreed in the framework of the 2008-2010 Action Plan Joint Strategy. This process included establishing an operational dialogue framework between Africa and the EU, specifically focused on governance and its Human Rights related aspects. As a follow up of this process, the Mission facilitated and participated in the various sessions of the AU-EU Dialogue on Human Rights held in Brussels and Geneva during the period.

Partnership 6 - Environment and Climate Change

304. The Mission worked to promote and popularize common African positions in relation to the JAES and international negotiations, with a view to ensuring that Africa is considered as a single and indivisible entity. In this regard, the Mission mobilized the Group of African Ambassadors to popularize AU Common positions in the area of sustainable development, environment and climate change, which fall under partnership 6 under the JAES. This was the goal of the workshop on “Africa’s Preparation in the Run-up to the United Nations Conference on Sustainable Development (Rio+20): Common Position and Strategy” and the Briefing on Africa Common Position on Climate Change ahead of the 18th session of the Conference of the Parties to the UNFCCC (COP18) that took place respectively in March and November 2012. Overall, these initiatives enabled the African Group of Ambassadors in Brussels to get well acquainted with the relevant African positions and as a result, African Ambassadors were in return able to influence discussions at ACP level and thus adopt positions similar to AU within the ACP group.

Partnership 7 - Migration, Mobility and Employment

305. The Mission actively participated in the negotiations for the establishment of the African Institute for Remittances under the guidance of the Commission. It also ensured harmonization between actions taken in the framework of implementation of the Migration, Mobility and Employment Partnership and those deriving from application of Article (13) of the ACP-EU Cotonou Partnership Agreement on Migration. The Mission also organized a conference to mobilize the African Diaspora in Europe to enable it play an effective role in the implementation of the Africa-EU Strategic Partnership.

b) Implementation of the ACP-EU Cotonou Partnership Agreement

i) The ACP-EU Economic Partnership Agreements (EPA) negotiations

306. The EPA negotiations have not registered good progress during the period. There is a concern about the impact of the European Commission’s (EC) proposal to remove, as from January 2014, countries from the list of beneficiaries of Council Regulation 1528/2007, which provides free access to the European market to countries which have initialled an Interim Agreement. This deadline will probably be extended to January 2016 but there is no guarantee that what could not be agreed upon in 10 years will be done in 3 years. In the current situation, only a high-level political dialogue may allow progress in the negotiations. The issue of negotiations should be included in the agenda of meetings under the Joint Africa-EU Strategy as this provides the overall framework of cooperation with the EU.

ii) ACP and ACP-EU parliamentary assemblies

307. The Mission took regularly part in the sessions of the ACP Parliamentary Assembly and those of the ACP-EU Joint Parliamentary Assembly. The Mission seized the occasion to contribute to harmonizing the positions of African Member States on these institutions with those adopted by the AU.

(4) CAIRO OFFICE

308. The Second Africa-Arab Summit held in Sirte, Libya in October 2010, has given an important momentum to the Africa-Arab Cooperation, by adopting the following documents:

- i. An Africa-Arab Partnership Strategy;
- ii. A Plan of Action for the period 2011-2016.

309. The financing of the Plan of Action for the implementation of the Partnership Strategy, as defined by these documents, is a collective responsibility of all stakeholders, including the African and Arab Governments and their national and regional financial institutions, the private sector and civil society, as well as bilateral and multilateral partners.

310. In compliance with the Africa -Arab partnership Strategy, the Mission is, under the guidance of the Commission, working closely with the League of Arab States General Secretariat (LAS-GS) towards the implementation of the Joint Action Plan 2011-2016, focusing on:

- Strengthening existing institutional mechanisms, and initiating new ones, setting technical committees and working groups in various areas;
- Mobilizing resources for the implementation of the Joint Action Plan.

311. In the area of political cooperation, the Mission has been following up on the establishment of Africa-Arab groups of Ambassadors in Geneva, Brussels, New York and Washington to facilitate the adoption of common positions on issues of common interest in international forums. The Draft Framework is already prepared by AUC and LAS for the endorsement by the 3rd AU/LAS Summit, due to be held in Kuwait in 2013.

312. The Mission has also contributing to the establishment and promotion of cooperation between Africa and Arab Peace and Security Councils: a Memorandum of Understanding will be signed in December 2012.

313. In the area of economic and financial cooperation, the Office has assisted in the following activities:

- i) *Implementing the Joint Action Plan on Agricultural Development and Food Security:*

314. The first Africa/Arab Ministerial meeting on Agricultural Development and Food Security held in Sharm Al Sheikh, Egypt in Feb, 2010 adopted a Joint Action Plan (JAP) focusing on the following priority areas:

- Agricultural Intensification (the Food Supply Shifters) Initiative;
- The Food Reserves Initiative;
- Infrastructure and Trade Initiative;
- Agricultural Research Development and Technology Transfer Initiative; and
- Climate Change and Capacity Building as cross cutting issues to attain agricultural development and food security in both regions.

315. The meeting also adopted an implementation and follow up Mechanism for JAP. Therefore, the main ongoing activities in this area are:

- Establishing a Facilitation Unit for the implementation of the JAP;
- Organizing the 2nd Africa Arab Ministerial meeting on Agricultural development and food security in Riyadh, Saudi Arabia at the end of 2012 or early 2013.

ii) Implementing the Joint Action Plan on Investment Promotion

316. In this area, the following steps have been initiated:

- Establishing an Africa Arab Center to explore and promote investment opportunities;
- Establishing an Africa Arab Association for Businessmen to promote Investment;
- Establishing an Africa Arab preferential Trade Area.

317. The outcome of these activities will be submitted to the 3rd Africa-Arab Summit.

iii) Promoting Africa- Arab trade

318. The main activity envisaged under this programme is the organization of the 7th edition of the Trade Fair in Morocco in 2013. Member States are invited to attend this important Trade Fair.

iv) Promoting cooperation relations between the African Union and the Gulf Cooperation Council (GCC)

319. As explained earlier in this report, the Commission has launched, early this year, the process of establishing cooperation relations between AU and GCC. In this regard, an official invitation has been sent to the Chairperson of the Commission by the Gulf Cooperation Council to hold a first meeting in Riyadh, Saudi Arabia, as soon as possible. I intend to honour this invitation at the convenient time for both Organizations.

320. In the area of socio-cultural cooperation, the following activities are planned:

i) Establishing an Africa Arab Disaster Response Fund:

321. In this regard, the Commission has requested BADEA to undertake a feasibility study on this issue. An Africa-Arab Experts meeting will be convened during the first half of 2013, the outcome of which will be submitted to the 3rd Africa-Arab Summit.

ii) Transforming the Africa Arab Cultural Institute (AACI) in Bamako, Mali, into an Africa Arab Institute for Cultural and Strategic studies (AAICSS):

322. A consultative meeting is planned for the end of the year in Addis Ababa, Ethiopia, to address the major difficulties facing the Institute (management and finance).

iii) Establishing and promoting an Africa-Arab Development Forum:

323. The 1st edition of the Forum will be held during the year 2013, in The Sudan. The preparatory meeting of the Forum will be held on 17-18 December 2012.

iv) Establishing and promoting an Africa-Arab Film Festival:

324. The framework of this activity, which was launched by the AUPD, has been adopted by the two institutions and it is expected that the first edition will be organized during the year 2013.

v) Establishing and promoting an Africa-Arab Sports Tournament:

325. Consultations between AU, LAS and specialized African and Arab agencies are planned to be held at the end of 2012.

vi) Promoting Africa-Arab Strategy on Migration:

326. A first AUC-LAS Working Group meeting was convened at the AU headquarters on 21-22 April 2012, to consider a Concept Note on Africa-Arab Cooperation on Migration.

327. A second meeting was held on 4th November 2012, in Addis Ababa to consider the Terms of Reference of the Africa-Arab Technical and Coordination Committee on Migration.

328. Other meetings are planned, in order to finalize the documents that will be submitted to the 3rd Africa-Arab Summit.

vii) Organizing the Third Africa-Arab Summit:

329. The 3rd Summit will be held in Kuwait in 2013. As explained in this report before, the preparation of this Summit was launched by the 1st meeting of the Africa-Arab

Coordination Committee on 5th November 2012 in Addis Ababa, Ethiopia. This Committee is composed of Representatives of the Troika (outgoing, current and incoming), Chairmen of the African Union and the League of Arab States Summits, as well as, the AUC Chairperson and LAS General Secretary.

330. The preparation of the Summit will involve the others elements of the Africa-Arab Cooperation Mechanism.

(5) LILONGWE OFFICE

331. The African union Southern Africa Regional Office (AU-SARO) was established in 2001. Its mandate is to develop and maintain constructive and productive relationships between the AU Member States within the Southern Africa region, as well as SADC and COMESA as well as to support. The implementation of policies, programs, and strategies that promote and support regional economic development and integration initiatives of SADC and COMESA in line with the African Union's continental integration agenda.

332. In this framework, the Office is monitoring political, economic, social and cultural developments in the fifteen (15) Member States of SADC and COMESA as well as the integration and development process in the Southern Africa, working closely with Member States and intergovernmental organizations in the region, including the UNECA and the AfDB.

333. For the period under review, the Office has been organizing jointly with UNECA Southern Africa, UNECA Eastern Africa, COMESA and SADC, regional workshops. Most notable initiatives include the Development of the Sub- Regional Coordination Mechanisms Business Plan for East and Southern Africa and the first Planning Workshop on Securing Land and Water, Rights for Women and other Marginalized Groups for Livelihood, Enhancement and Climate Resilience in Southern Africa. The business plan was presented to the 13th Session of Regional Coordination Mechanism at which AU-SARO was an active participant.

334. Preparations for next year's Workshop on The Socio-Economic Impact of Piracy have already been completed. This workshop will be held back to back with the International Maritime Security and Piracy Workshop to be hosted by the Republic of Seychelles.

335. The AU-SARO, for the first time, organized the celebration of the African Union Day in Lilongwe, Malawi. This was done through a day long series of sporting events involving schools, youth clubs, local communities as well as diplomatic missions in Malawi.

336. AU-SARO Quarterly Information Bulletin continue to be produced and distributed to all members of the PRC and other international organizations within the Southern Africa region as part of AU-SARO's popularization and advocacy initiatives.

337. Among some challenges faced are:

- The low level of representation of Member States in Lilongwe where only 4 are represented. This does not facilitate contacts with all member States in the Region and the two RECs they do belong;
- The current staff complement and annual program budget is very limited in relation of the scope of mandate and core functions of AU-SARO;
- Staff income has been significantly reduced by the high cost of living in Malawi which is exacerbated by rising inflation which is the highest in Southern Africa. AU-SARO is the only among AU Representational Offices (6 around the world) for which the Housing Allowances, Installation entitlements has not been revised since its inception in 2000;
- Office space is limited. Consultations with the host country are on-going to address this issue.

IV. SHARED VALUES

IV.1 DEMOCRACY, ELECTIONS AND GOVERNANCE

1. GOVERNANCE AND DEMOCRACY

a) Launch of the African Governance Platform

338. The Commission has officially launched the African Governance Platform (AGP) on June 15, 2012 in Lusaka, Zambia. The launch was pursuant to Decision (EX.CL/Dec.525 [XVI]) of the 16th AU Summit on Shared Values. The Eighteenth Ordinary Session of the Executive Council endorsed the strengthening of the African Governance Architecture (AGA), through the launch of the Governance Platform as an informal and non-decision making mechanism to foster exchange of information, facilitate the elaboration of common positions on governance and strengthen the capacity of continent to speak with one voice on matters related to governance, democracy and human rights (EX.CL/Dec.619 (XVIII)). The Decision also requested the Commission to undertake periodic reviews and coordinate the monitoring of compliance with AU instruments on Shared Values.

339. The AGA is a framework aimed at defining the necessary norms, institutions and processes that facilitate policy and programme convergence on Governance amongst Member States as a means to accelerate deeper integration. It consists of three pillars: (i) a vision supported by a governance agenda and norms; (ii) a set of governance institutions/actors; and (iii) concrete processes/relationships to promote synergies, common agendas and greater impact including the need to establish an African Platform on Governance as the motor for the AGA.

340. The AGP is an articulation of governance issues in Africa as contained in the various instruments of the AU and RECs. The AGP is meant to address the uncoordinated and lack of convergence among AU organs, institutions and RECS

working on governance. As a coordinating arm of the AGA, the role of the Platform is to facilitate information flow, exchanges, dialogue, synergies and joint action between the various African governance actors. The long term strategic objective of the Platform is to act as the central coordinating mechanism for monitoring Member States' compliance and implementation of agreed governance norms and standards as embodied in the African Charter on Democracy, Elections and Governance.

b) First Meeting of the African Governance Platform

341. Following the launch of the African Governance Platform (AGP) on June 15 2012 in Lusaka, Zambia, the Commission organised a Consultative Meeting on the Action Plan and Rules of procedures of the AGP from 7 to 8 August 2012, in Lomé, Togo. The objective was to strengthen the work of the platform and to enhance synergy among AU organs and institutions with a governance mandate. The Consultative meeting was also aimed at developing strategies to speed up the ratification of the African Charter on Democracy, Election and Governance. In attendance were representatives from the AUC, AU organs and institutions, RECs, UN agencies, Civil Society Organizations and independent human rights experts.

342. It was agreed that the Platform will operate on the basis of thematic clusters which are being proposed for the programmatic work of the AGP. Participants proposed to streamline the number of clusters to four (4) taking into consideration the various areas of: Democracy and Governance; Elections; Human and Peoples' Rights and Transitional Justice; Public Service and Administration; Anti-corruption; Decentralization and Local Governance; Humanitarian Issues and Free Movement.

343. It was also proposed that the terms of reference of the Platform and its various clusters be harmonized and closely linked with and reflect the core functions of the Platform; the need to clarify the structure, purpose and content of the AGP Report that requires quite intensive collation of data and will complement existing reports of the AU Organs. The Rules of Procedures have been revised and adopted by the meeting.

344. The AGP again met on 26-27 November 2012 in Dakar to discuss the way forward to implement the recommendations and rules of procedure that were adopted during the Meeting in Lome.

c) High Level Consultation on Governance and Democracy in Africa: Trends Challenges and Prospects

345. A High Level Consultation on Governance and Democracy in Africa: Trends, Challenges and Prospects, was convened by the Commission in Dakar, Senegal, from 28 to 30 November 2012. The consultations provided participants with the opportunity to exchange views on:

- i) The state of governance and democracy in Africa;
- ii) Regional trends on governance and democracy in Africa;

- iii) Challenges and prospects on governance and democracy in Africa;
- iv) The monitoring of Member States compliance with AU instruments on governance, human rights and democracy.

346. The key outcomes of the consultation include:

- (v) The AGA framework should be employed to enhance greater synergy, collaboration and coordination with the African Peace and Security Architecture (APSA) to ensure good governance and democratisation, prevent conflicts, and foster sustainable peace and development. The two frameworks should also be applied in a complementary manner on matters of mediation and post conflict reconstruction and development;
- (vi) Affirming that the democracy and good governance momentum in Africa is critical in consolidating appropriate African owned and driven indicators, standards and benchmarks on compliance with shared values norms and standards and setting into place effective monitoring and evaluation practices that complement the African Peer Review Mechanism (APRM)
- (vii) The imperative to accelerate regional integration through for instance facilitation of free movement of African peoples across the continent and to enhance local governance as a way to build citizen identity as part of the wider process of promoting democracy, peace and security;
- (viii) Affirming that the youth and women of the Continent are now significant actors in shaping the direction of the democratic processes; hence it is imperative for political institutions, especially parliaments, to evolve in order to ensure more inclusive political and economic participation opportunities for young people and women in Member State and continental affairs.

d) Public Service and Administration

347. The African Charter on the Values and Principles of Public Service and Administration was adopted on 31 January 2011. Various opportunities were used to popularize the Charter. These include the Eastern Caucus Pan-African Parliament meeting in March 2012 in Mombasa, Kenya, and the Africa Governance Institute (AGI) meeting on the relationship between Public Finance Reform and Public Administration Reform in July 2012 in Praia, Cape Verde. The Commission also worked with the (RECs), Schools of Public Administration and African Think Tanks in May 2012 in Bujumbura, Burundi, to develop an Action Plan for the popularization of the Charter. In accordance with these two Executive Council Decisions [cf. EX.CL 561 (XVII) and EX. CL. 675 (XX)], the Commission took the necessary steps and operationalized the Secretariat of the Conference of African Ministers of Public Service within its structures.

348. The efficiency and effectiveness of the African Public Service and Administration have been undermined by several violent conflicts on the continent. This underscores the relevance of the holding in Bujumbura, Burundi, on 13 -19 December 2012 of a

workshop on Post Conflict Reconstruction of Public Service and Administration in Africa. The Commission is therefore resolved to support all post conflict countries to rebuild their public service and administration as they are key conditions for recovery, rehabilitation and development. The AU Commission has conceptualized and has now a comprehensive program and a coordinating mechanism to drive the continental efforts to assist in the efforts of building capable developmental states that will deliver social and economic public goods.

e) Decentralization and Local Governance

349. In January 2012, the Executive Council adopted a Decision on the All Africa Ministerial Conference on Decentralization and Local Development (AMCOD). As a follow up to the decision, the Commission convened an Expert Meeting on the Development of the African Charter on the Values and Principles of Decentralization, Local Governance and Development in May 2012 in Yaoundé, Cameroon. In close collaboration with the Ministerial Conference, the Commission contributed to the review of the zero draft of that Charter and led the process of its finalization and adoption. The Commission also met with the African Ministers in charge of Decentralization and Local Development in some countries at different time in 2012, including Zambia, Congo, Ghana, and Senegal on how to effectively implement the above decision.

350. The draft Charter will be submitted to the Policy Organs for consideration in due course to the Policy Organs as well as proposal on the establishment of a High Council of African Local Authorities within the framework of the African Union. These two initiatives will strengthen the African Governance Architecture to set norms for local governance and create enabling conditions for the voice of African people, particularly at the local level to be heard.

351. The AU January 2012 Summit approved every 10th of August as the African Day on Decentralization and Local Development. In this regard, the Commission invited all Member States through an official statement to join in the celebration of the first ever African Day on Decentralization and Local Development. The theme of the Day for 2012 was “Financing decentralization, public services delivery and local development”. Member States urgently need to seize this opportunity and be more responsive to the legitimate needs of Africans and local communities and authorities.

f) Anticorruption Activities

352. To achieve these strategic objectives of the African Governance Platform (AGA); harmonization, complementarity, coherence and greater synergy among the various African Union organs and institutions with governance mandate, the Commission convened a meeting for those working on anti-corruption in September 2012 in Dakar, Senegal. Amongst others, this meeting recommended the development of an African Union Framework for the establishment of credible national anti-corruption bodies to strengthen anti-corruption institutions, and a Continental Integrity and Accountability Framework for Public Servants at the National and Local levels to prevent and combat corruption in Public Service in Africa. A meeting organized by the Commission in December 2012 worked on these documents and intends to finalize them in 2013.

These initiatives are part of the popularization and implementation of the African Union Convention on Preventing and Combating Corruption which still need to be ratified by nineteen (19) countries. This is an opportunity to recall that this year will mark the tenth anniversary of the adoption of that Convention. All Member States are expected to demonstrate the collective commitment towards the effective implementation of that important instrument.

2. ELECTIONS AND ELECTION OBSERVATION

353. The Commission has pursued its mandate in this area by facilitating and promoting election management practices within Member States with regards to electoral disputes resolution mechanisms, voter registration and the introduction of ICTs in the electoral process, among others. It should also be noted that the Commission is charged with the responsibility of providing direct technical assistance to national EMBs, strengthening and improving AU's observation standards and methodologies, coordinating election observer missions to ascertain if elections are conducted in line with AU guiding principles and standards of election as well as taking action on the recommendations pertaining to the observer mission reports, especially regarding the observance of election standards.

354. On elections observation, the objective was to observe all elections to be held on the continent during the year 2012. This is in line with democratic principles enshrined in the African Charter on Democracy, Elections and Governance and the OAU/AU Principles Governing Democratic Elections in Africa. The Commission coordinated AU Observer Missions to Senegal, Algeria, Libya, Congo-Brazzaville, Angola, Sierra Leone, Burkina Faso, and Ghana. A total of 480 observers selected from the Pan-African Parliament, Election Management Bodies (EMBs), human rights experts, and civil society groups from Member States, most of whom trained by the AU were deployed in all these elections. Elections observer reports on all countries concerned, were sent to the AU Chairperson and subsequently to Member States concerned, drawing special attention on areas that require improvement in those processes.

355. Within the context of strengthening AU observation standards and methodologies, the Commission organized an Inter-Departmental workshop on elections Observation in September 2012 to help improve the coordination machinery and review of some of the coordination methodologies. The Commission also completed the training of AU Elections Observers for the five AU Regions with the last one organized in South Africa for the SADC region in September 2012. In addition, the Commission developed long term observation methodologies which aim to transform AU's current methodological approach to election observation from one based on pre-election assessments and election-day observation to long term election observation based on the electoral cycle approach. This transformation will afford early engagement in the assessment of electoral processes and identification of aspects and areas of the electoral process which the AU observation must cover.

356. On building partnerships with EMBs of AU Member States, the second Continental EMB forum was held in Lusaka, Zambia from 11 to 13 June 2012 under the theme "Strengthening the relationship between the African Union Commissions and

EMBs for Capacity building”. The meeting brought together chairpersons and delegates from EMBs in Africa and afforded the Commission the opportunity to unveil its programmes of electoral assistance to the EMBs. It also permitted the EMBs to make inputs into the Commission programme for the rest of the year and 2013.

357. On capacity building for EMBs, the Commission continued with regional and national BRIDGE trainings for EMBs. Under the regional programmes, 40 EMBs were trained in different electoral management areas. Under the national programme, five countries (Cameroun, Nigeria, Botswana, Malawi and Kenya) benefited from a “train the facilitator” (TtF) workshop which is designed to transfer facilitation skills and knowledge to a select number of EMB staff from these countries as BRIDGE facilitators who can deliver electoral trainings in their own countries. Two BRIDGE modular workshops were also held in November 2012 for Botswana and Nigeria respectively under this scheme.

IV.2 HUMAN RIGHTS

358. Africa, through the leadership of the African Union (AU), has developed a number of initiatives aimed at promoting and protecting human rights in Africa. Historically, the African political and legal order has always been driven by the need to promote human dignity and protect human and peoples’ rights in Africa. This concern expressed itself in the 1963 Charter of the Organization of African Unity, in the African Charter on Human and Peoples’ Rights adopted in June 1981, in the Constitutive Act of the African Union adopted in Lomé in 2000 and more recently, in the African Charter on Democracy, Elections and Governance, 2007. The four documents indicate the distance covered by the African regional political order in the formulation of principles and standards to guarantee human dignity and rights in Africa, and the development of appropriate mechanisms responsible for securing adherence to and enforcement of those principles and standards.

a) Africa-EU Joint Workshop on the Fight against Racism, Racial Discrimination, Xenophobia and Related Intolerance

359. The African Union and the European Union are engaged in a strategic partnership covering eight pillars, in particular a strategic pillar on governance, democracy, and human rights. In this context, both AU and EU, including respective Member States, affirmed the high importance they attach to the fight against racism, racial discrimination, xenophobia, and related intolerance. In September 2010, in Addis Ababa, within the framework of the 4th meeting of the Implementation Joint Expert Group (IJEG), both parties agreed that racism, racial discrimination, xenophobia, and related intolerance will constitute a general theme for their future meetings not only in the frame of the said IJEG but also within the newly established platform of dialogue. The workshop was held in Geneva on 5 June 2012.

360. The General objective of the workshop was to create a space for informal dialogue and consultations between the two Organizations and their respective Member States represented in Geneva.

b) The 6th DGHR IJEG Meeting

361. The 6th Africa-EU DGHR iJEG meeting took place on 6-7 June 2012 in Geneva to ensure better synergies with Africa-EU cooperation in international fora, back-to-back to the Africa-EU Workshop on Racism. The meeting was attended by more than 50 participants, including African and EU Member States, African Union and European Commissions and EEAS representatives, AU representatives in Brussels and New York, members of AU ECOSOCC and EU Civil Society. The meeting was co-chaired by Egypt, Chair of the African Implementation Team, and Germany and Portugal, co-Chairs of the EU Implementation Team.

c) Consultation with Relevant AU Organs and Experts on Transitional Justice

362. This Consultation was held in Lome, Togo, on 3-4 August 2012 as a follow up to a number of consultations on the role of the African Union in Transitional Justice in Africa held in Banjul, The Gambia, and Cape Town, South Africa.

363. In order to guide and provide input into the development of a holistic and comprehensive African Transitional Justice Policy Framework, the AUC, the UN Women and the Centre for the Study of Violence and Reconciliation, South Africa (CSV) facilitated this thematic consultation on gender and transitional justice among national and regional actors, including inter alia, representatives from AU Organs and institutions, experts working in the area of transitional justice and gender justice, as well as other relevant stakeholders to review, and make specific inputs including further amendments to the draft African Transitional Justice Policy Framework. The consultation further proposed specific sections and language on gender and ensure mainstreaming of gender throughout the Draft Policy Framework.

d) The NGOs Forum

364. A delegation from the Commission participated in the NGOs Forum, which was held in Yamoussoukro, Côte d'Ivoire, on 5-8 October 2012 on the margins of the 52nd Ordinary Session of the ACHPR. Participation in the Forum is aimed at ensuring closer working relationship with the African CSOs.

e) The 52nd Ordinary Session of the African Commission on Human and Peoples' Rights (ACHPR)

365. The 52nd Ordinary Session of the African Commission on Human and Peoples' Rights was held in Yamoussoukro, Côte d'Ivoire marking the 25th anniversary of the African Commission on Human and Peoples' Rights.

366. A delegation from the AUC participated in this Session. The main objective of this participation is to enhance the working relationship between the AUC and the ACHPR in efforts to implement the Action Plan of the Human Rights Strategy for Africa.

f) Commemoration of Africa Human Rights Day

367. On 21 October 1986, the African Charter on Human and Peoples' Rights came into force. Each year on 21 October, Africa commemorates Africa Human Rights Day, a day to reflect and recommit to the solemn undertaking by African leaders and the African peoples to promote and safeguard human rights in Africa.

368. This year, the Commemoration of Africa Human Rights Day was held in Banjul, The Gambia on 21st October 2012 under the theme: “**Celebrating the 25th Anniversary of the African Commission on Human and Peoples’ Rights**” in collaboration with the African Commission on Human and Peoples’ Rights (ACHPR), the African Court on Human and Peoples’ Rights (AfCHPR) and the African Committee of Experts on the Rights and Welfare of the Child (ECRWC).

g) 9th AU-EU Human Rights Dialogue

369. The 9th AU-EU Human Rights Dialogue took place in Addis Ababa on 8 November 2012 in a constructive atmosphere, allowing an exchange of views on a number of human rights issues of concern to both sides such as the protection of human rights defenders, democratic transitions and human rights. The two sides agreed on the importance to enhance the exchange of information between the mechanisms of the African and the European human rights systems and to continue efforts to associate non-governmental organisations to their work.

370. The meeting took note of recommendations of the 3rd Africa-EU CSOs Seminar on Human Rights, which was held in Brussels on 21-22 November 2011. The Seminar discussed the African and European CSOs views on the Rights to Housing and Post-Election Conflict. This is in addition to reviewing the implementation process of the recommendations made at the 2nd CSOs Seminar.

h) Commemoration of the International Day for Tolerance

371. Tolerance is the recognition and appreciation of others, the ability to live together with and to listen to others taken as a sound foundation of any civil society and of peace. Member States committed themselves to promoting tolerance and non-violence through programmes and institutions in the fields of education, science, culture and communication. And in order to generate public awareness, emphasize the dangers of intolerance and react with renewed commitment and action in support of tolerance promotion and education, they solemnly proclaimed 16 November the “International Day for Tolerance” which will be observed annually on that day with activities directed towards both educational institutions and the wider public (resolution 51/95 of 12 December).

372. Every year since then, the observance of the International Day has provided an opportunity for a critical reflection on progress and subsequent steps to be taken in activities and performances to make the world a more tolerant place for every human being especially the most vulnerable members of the community at large.

i) Commemoration of the International Human Rights Day

373. The formal establishment of Human Rights Day occurred at the 317th Plenary Meeting of the UN General Assembly (UNGA) on 4 December 1950, when the UNGA adopted Resolution 423(V), inviting all Member States and any other interested organizations to celebrate the Day and to exert increasing efforts in the field of human progress. The Day is celebrated annually on December 10 as part of a common effort to bring the Declaration to the attention of the peoples of the world.

374. The Commission commemorated the event in collaboration with the UN-Office of the High Commissioner for Human Rights- East Africa Regional Office (UNOHCHR-EARO) and the National Human Rights Commission of the Federal Democratic Republic of Ethiopia.

j) The 1st meeting of the Human Rights Cluster of the African Governance Platform

375. This meeting was held in Nairobi, Kenya on 20-21 December 2012 as part of the activities of the African Governance Platform.

376. The purpose of the meeting was to strengthen the African human rights system to deepen the culture of democracy and human rights in conformity with the objectives of the African Charter on Human and Peoples' Rights and other relevant instruments. The Cluster meeting came as part of the implementation process of the Action Plan of the Human Rights Strategy for Africa, which seeks to address the current challenges of the African human rights system in order to ensure effective promotion and protection of human rights on the continent.

k) 4th Conference of the African National Human Rights Institutions

377. The Commission, in collaboration with the Network of African National Human Rights Institutions organized the 4th Conference of National Human Rights Institutions (NHRIs) in Nairobi, Kenya, on 17-19 December 2012.

378. The Conference is a follow up to the first African Union Conference of NHRIs for Human Rights held from 18-21 October 2004 in Addis Ababa, Ethiopia, which called upon the AUC to consider holding the Conference of NHRIs on a biannual basis, and the second Conference of NHRIs held from 12 to 14 May 2006 in Banjul, The Gambia, and the Third held on 8-10 November 2009 in Banjul, The Gambia, in collaboration with the OHCHR and the Secretariat of Network of the African NHRIs. The main objective of the meeting as stipulate in the Human Rights Strategy for Africa, is to enhance the working relationship between the NHRIs and the AU Organs with a human rights mandate, namely; the ACHPR, the AfCHPR and the ACEWRC.

l) Strengthening the Resource Centre for Democracy, Governance and Human Rights

379. The Resource Center for Democracy, Governance and Human Rights continues

to make progress in the areas of acquisition of relevant publications through purchase and donations, cataloguing and classification of these publications, official visits from potential donors and interested organizations, acquisition of audiovisual materials, access to free Internet facilities.

IV.3 GENDER AND DEVELOPMENT

380. The Commission, through its Directorate in charge of Women, Gender and Development is mainstreaming Gender as a cross-cutting issue under the AU Four Pillars.

a) The AU Pre Summit on Gender on “Boosting intra-Africa Trade”

381. In order to incorporate women and gender concerns into the outcome of the overall theme of the 19th Ordinary Session of the Assembly of the Union whose Theme was: “*Boosting intra-Africa Trade*”, the Commission convened the 6th AU Gender Pre-Summit from 5 to 7 July 2012 in Addis Ababa, Ethiopia.

382. The AU Gender Pre-Summit examined the important role that African women traders and producers currently play and the potential growth that could be reaped from a more effective integration of gender into trade policies and regional economic integration strategies across Africa.

383. The recommendations from the meeting included, among others: Making trade policies more gender sensitive and popularizing them among all sectors of the population, building capacity and awareness of women traders about trade issues, empowering and building capacity of women traders and women in the informal sector.

b) Organization of Briefing sessions at the margins of the 56th Session of the CSW

384. On the margins of the 56th Session of the UN Commission on the Status of Women in New York, USA, the Commission organized briefing sessions from 1 to 3 March 2012 at the AU Permanent Observer Mission.

385. The purpose of the sessions was to take advantage of AU Member States’ presence at the CSW (CSW) to discuss pertinent issues related to theme of the CSW and the African Women’s Decade (AWD). The 2012 AWD Theme of “*Agriculture and Food Security*” was closely connected to the CSW’s theme of “*Empowerment of Rural Women and their Role in Poverty and Hunger Eradication, Development, and Current Challenges*”. The following were the meetings organized:

i) Meeting of AU Experts from Ministries responsible for Gender and Women’s Affairs:

386. The meeting was held on 1st March 2012 and considered the report of Committee of 30 on African Women’s Decade and Steering Committee on the Fund.

ii) Ministerial Committee of 10 of the African Women Decade:

387. The meeting which was held on 2 March 2012 considered and approved projects submitted by Member States and NGOs for funding under the Fund for African Women.

iii) Ministerial Dialogue held on 3rd March 2012:

388. In the context of the 2012 Theme for the African Women's Decade which is "Agriculture and Food Security" and its link with the CSW's theme on "Empowerment of Rural Women and Their Role in Poverty and Hunger Eradication, Development, and Current Challenges", the Commission convened a Ministerial Dialogue on these issues. The Dialogue was held between AU Ministers of Women Affairs and Gender and invited Ministers of Labour and Employment. The meeting was also attended by invited rural women and those participating in the 56th CSW. The Dialogue addressed the theme of "Equal access to economic opportunities through employment or self-employment for rural women". Five (5) African grassroots women were invited by the AUC and had the opportunity to interact on this theme during the Dialogue.

c) Participation of the Commission at the 56th Session of CSW

389. The AUC delegation participated at various sessions of the CSW where it made a Statement expressing the views of the AU on the Theme of the Session: "Empowerment of Rural Women and their Role in Poverty and Hunger Eradication, Development and Current Challenges".

d) Training of Trainers for AU Peace and Security Members, AU ECCOSOC Peace and Security Cluster and Representatives from Troops Sending Countries

390. The Commission organized the Training of Trainers for AU Peace and Security Members, AU ECOSOCC Peace and Security Cluster and Representatives from Troops Sending Countries on the Training Manual on Gender for AU Peace Support Operations. The training was held in Accra, Ghana from 14 to 16 May 2012.

391. The objectives of the workshop were to train participants as trainers and impart knowledge to the 15 members of AU Peace and Security Council, AU ECOSOCC Peace and Security Cluster and Representatives from Troops Sending Countries. Given that the participants had relevant expertise in Peace and Security matters, the training made them to be champions and advocate for gender equality and women empowerment on the continent.

e) Training of Trainers for Members of African Peace Support Trainers' Association (APSTA)

392. The Commission organized in Mombasa, Kenya, from 23 to 26 August 2012 the Training of Trainers (TOT) for Members of the African Peace Support Trainers' Association (APSTA) on the AU Gender Training Manual for AU PSO. The TOT was aimed at sensitization for the ownership of the Gender and TOT Manual by African

Peace Support Trainers' Association (APSTA) members.

f) Joint AMISOM/WGDD Gender initiatives for new Somalia Women Parliamentarians

393. In order to strengthen Somali Women Post Conflict Reconciliation efforts and to support the new Somali Women leadership to enhance their capacity in legal rights and media so that they can start drawing benefits of their long struggle for peace and gender justice in Somalia, the AMISOM Gender Unit and the Commission, have undertaken the following activities:

i) Workshop on enhancing Somali Women Female MPs Capacity on Laws and Media:

394. The workshop was conducted to enhance the capacity of the Somali women parliamentarians to increase their awareness and their understanding of the laws including the Somalia Federal Constitution, regional and international treaties on women's rights, research and messaging by Somali Women parliamentarians.

ii) Formation, launch and support of a Somali Women Parliamentary Caucus:

395. The first Somali Women Parliamentary Caucus (SWPC) was established due to the joint initiative of the Commission and AMISOM Gender Unit. The SWPC will provide a platform beyond party lines to build consensus on priority issues concerning women in Somalia. It highlights women's perspectives within and outside the Parliament to ensure that gender concerns are addressed through legislation, policies and programmes.

396. These initiatives provided a platform for Somali Women to empower themselves and take leadership in the reconstruction of Somali and in leading and rebuilding their own lives and that of their family.

g) The Fund for African Women

397. The Commission convened the 3rd Appraisal of the Applications by the technical Committees (Steering Committee of the Fund and Committee of 30 of AWD) from 20 to 21 February 2012 in Midrand, South Africa, to appraise both proposals for the Fund for African Women and NEPAD Spanish Fund projects, in line with the Ministerial decision in this regard.

398. The Commission convened the AU Experts of Gender and Women's Affairs on 1st March 2012 in New York at the margins of CSW, they considered the appraised proposals for the 2nd batch and recommended them for the consideration and adoption by the Ministerial Committee of 10 on 2 March 2012. Ministerial Committee of 10 recommended them for approval for funding to the Conference of Ministers, which approved 53 projects from 27 Member States on 3 March 2012 out of a total of 106 projects submitted.

399. Following the approval, the Commission prepared and secured necessary approval, signature and bank details. Original MOUs were sent to concerned Member States through the Embassies in Addis Ababa for their appropriate action.

400. During the July Pre-Summit, the Commission convened a meeting of all the beneficiaries to provide them with AU financial and reporting rules and guidelines, audit requirements with a view to agreeing with them on an implementation plan, reporting deadlines and timeframe for midterm and final evaluation as well as the AU Audit schedules.

401. Between August and September 2012, the Commission has made the transfer of the funds to approved projects based on the full submission of banking and accounting details. By 30 September 2012, an amount of US\$251,000. had been disbursed to 28 projects in 15 Member States.

h) The AU Heads of State and Government Luncheon to Popularize the African Women's Decade Themes and Fundraise to Support the Fund for African Women Focus on Agriculture and Food Security for 2012

402. On the occasion of the 19th Ordinary Session of the assembly of the African Union, the Commission organized the first Heads of State and Government Luncheon to popularize the African Women's Decade (AWD) Themes and fundraise to support the Fund for African Women's Decade focus on the 2012 Theme on Agriculture, Food Security and Environment, on 14 July 2012, in Addis Ababa, Ethiopia, at the New African Union Building Complex.

403. The aim of this Luncheon was to popularize the AWD themes and mobilize additional financial support from Member states, development partners and corporate sector to support the Fund for African Women.

IV.5 CULTURE

404. The cultural development field is constituted by four main axes of intervention: the support and promotion of African Cultural Institutions; the promotion of cultural industries; the coordination and harmonization of cultural policies and programmes; and the promotion and protection of African cultural heritage. In 2012, the Commission has produced two important frameworks for action, which have been adopted by the Conference of Ministers of Culture, namely: (a) Framework for Action on Combatting Harmful Traditional Practices (HTP) and (b) Framework for Action for the Promotion of Culture as a Tool for Socio-Economic Development.

405. It is important to mention the slow pace of the ratification of the Charter for African Cultural Renaissance (adopted in 2006), which has prevented the entry into force of the Charter. Only four Member States have ratified the Charter – Mali, Nigeria, Senegal and Congo (Brazzaville). Its entry into force is subjected to two-thirds of Members States' ratification. In 2012, as the Organization approaches the 50th Anniversary of the OAU/AU with the theme of Pan-Africanism and African Renaissance, it is imperative that Member States proactively manage their process of ratification and

ensure the entry into force of this important continental legal instrument.

406. The Executive Council is invited to urge Member States to proactively manage the process of ratification of the Charter for African Cultural Renaissance and ensure its speedy entry into force as soon as possible.

IV.6 LEGAL MATTERS (LEGAL ARCHITECTURE OF THE UNION)

407. The Office of the Legal Counsel in addition to providing services to the other Departments within the Commission to ensure legality in all decision-making has continued to deploy efforts to ensure strengthening of the Institutional framework of the Union. In this regard, it has carried out a number of activities aimed at i) consolidating harmonization of laws of Member States and ensuring that the Union fights impunity with a view to accelerating the integration process; ii) strengthening the Commission but also other Organs of the Union with a view to making them more effective and efficient.

a) Harmonization of Laws

i) Depositary Functions

408. Since its inception in 1963, the policy organs of the Organization of African Unity (OAU) and the African Union (AU) have adopted forty-two (42) treaties, the most recent being the African Charter on the Values and Principles of Public Service and Administration adopted by the Assembly in Addis Ababa, Ethiopia, in January 2011. Twenty-eight (28) of these treaties have entered into force, the most recent one being the African Union Convention for the Protection and Assistance of Internally Displaced Persons in Africa (Kampala Convention) (6 December 2012). Furthermore, two (2) additional treaties namely: the African Maritime Transport Charter (1994) and the Constitution of the African Civil Aviation Commission (revised version) (2009) are in force provisionally in conformity with the provisions of the respective treaties which allow for provisional entry into force. The remainder are in various stages of signature and ratification or accession.

409. Additionally, the Republic of South Sudan, as the 54th Member State of the African Union since 15 August 2011, is called upon to start the process of signature and ratification or accession to OAU/AU Treaties thus becoming a State Party to those treaties and participating fully in the activities of the Union and the realization of its objectives.

410. Furthermore, since the submission of the last report in July 2012 and at the time the report was submitted, Member States have continued to make efforts to sign, ratify and or accede to OAU/AU Treaties. It should be pointed out that the pace of signature has been much lower than during the previous reporting period while ratifications/accessions have been higher. Indeed, it should be noted that only nine (9) new signatures were appended to the treaties as compared to forty-one (41) and thirty (30) instruments of ratification/accession were deposited against nineteen (19) during the previous reporting period.

411. Against the above, attention should be drawn to the fact that a lot remains outstanding and that it is important for Member States to give utmost priority, as we enter into the celebration of the 50th Anniversary of the Organization, to signing and ratification of or accession to treaties adopted under the aegis of the OAU/AU, which by definition address issues of specific concern to Africa would underline the commitment of Member States to be bound by the common principles, values and standards of the Union and thus contribute to the realization of its objectives.

b) Fight Against Impunity

i) *Information on progress made in the organization of the Trial of Mr. Hissene Habré*

412. As part of preparations for the trial of Mr. Hissene Habré, pursuant to the different Assembly decisions, the African Union Commission and the Government of the Republic of Senegal carried out a number of activities between July and December 2012. The salient points of the period under review were the following:

- a) The holding in Dakar, Senegal from 20 to 24 July 2012 of the 3rd AU-Senegal Consultative Meeting with a view to negotiating the Draft Agreement between the AU and Senegal on the establishment of Extraordinary African Chambers within the Senegalese Judicial System;
- b) The signing on 22 August 2012 in Dakar of an Agreement between the AU and Senegal on the establishment of Extraordinary African Chambers within the Senegalese Judicial System;
- c) The meeting in Dakar on 24 August 2012 between the AU, Senegal and donors interested in financing the trial of Mr. Hissene Habré. On that occasion, donors confirmed their pledges made in November 2010;
- d) The holding from 15 to 16 October 2012, in Addis Ababa, Ethiopia of the 4th AU-Senegal Consultative Meeting on the budget of the Extraordinary African Chambers and the modalities for the management of funds;
- e) The meeting held from 29 to 31 October 2012 in Dakar between the AU, Senegal and partners on the budget of the Extraordinary African Chambers and the modalities for the management of funds;
- f) The meeting held in Dakar from 26 to 30 November 2012 between the AU, Senegal and partners with a view to negotiating and finalizing the Draft Joint Agreement for financing the Extraordinary African Chambers.

413. Furthermore, it should be pointed out that the Government of Senegal had already initiated the process for the adoption of the legislative and regulatory measures required for the implementation of the Agreement signed with the AU on 22 August 2012. Considering the progress made in the establishment of the necessary institutional, regulatory and financial mechanisms for the holding of the trial, the investigative phase

of the trial could begin before long.

414. This report is merely designed to brief Council on progress made in the preparations for the trial of Mr. Habré. Consequently, the Commission does not recommend the adoption of any decision on the issue.

c) Strengthening of the Commission

i) The Administrative Tribunal

415. Council would recall that the Administrative Tribunal of the African Union Commission (the Tribunal) was established in 1966. According to Article 2 of the Statute of the Tribunal, it has competence to adjudicate disputes between staff members or their beneficiaries and the Union.

416. The Commission would like to bring to the attention of Council that the Administrative Tribunal has been encountering financial and staffing challenges for several years. Also, the Tribunal was been affected by its elected Members States falling under sanctions. During the Preparatory meeting of the Tribunal that took place from 23 to 25 November 2011, one of the judges (from Madagascar) was under sanctions. Accordingly, the Tribunal was not able to review cases due to the absence of that Judge.

417. Following the Decision by the Executive Council to replace the said judge, Council nominated the Republic of Mauritania. The process of holding a session to review cases was once again hindered due to the sanctions on the Republic of Mali. In replacement, the Executive Council, during its 21st Ordinary Session held in Addis Ababa, Ethiopia, on 12 and 13 July 2012, nominated the Republic of Mauritius to designate a judge for the Administrative Tribunal for a term of four (4) years, [Decision EX.CL/Dec. 711(XXI)].

418. By virtue of the Council decision, the Republic of Mauritius designated Honorable Mrs. Shaheda Peeroo Puisne, Judge for the Supreme Court of the Republic of Mauritius. The other two (2) Judges of the Tribunal are Honourable Justice Andrew K. C. Nyirenda from Malawi and Honourable Mr. Souleymane Ould Alioune Diarra from Mauritania.

419. The Administrative Tribunal held a preparatory meeting with the three (3) Judges from 19 to 24 November 2012 in Debrezeit, Ethiopia. The main objectives of the said meeting were to review pending cases, the draft Statute and the Rules of procedure of the Tribunal. The meeting recommended, among other things, the establishment of a permanent administrative tribunal and adequate staffing of its secretariat to assist in the delivery of its mandate.

420. The Judges proposed to hold an Administrative Tribunal hearing in the first quarter of 2013 to start consideration of cases.

ii) Meeting of Legal Advisors of the African Union and Regional Economic Communities

421. Council will recall that since 2009, the Legal Advisors of the African Union and the Regional Economic Communities (RECs) have been meeting once a year in order to exchange views on best practices and on, particularly, the respective roles of the legal advisors of AU and RECs in promoting synergies and effective cooperation between the respective organizations and thus contributing to the continental integration agenda.

422. The meeting of Legal Advisors of the AU and RECs is an important activity for both the Commission and RECs as it the forum for coordination and harmonization of legal standards and procedures both at the AU and RECs level. As such, the Legal Advisors can contribute in resolving the legal challenges facing the integration process.

iii) Critical Issues

423. The critical issues are twofold. The meeting of Legal Advisors between the AU and RECs has not been institutionalized and consequently, the policy organs of the Union do not refer some matters to the Legal Advisors for analysis and advice. Secondly, the activity has been funded exclusively by partners. During the reporting period, the Commission regrets to inform Council that the meeting of legal advisors was postponed indefinitely due to budgetary constraints.

iv) Way Forward

424. For the activity to take place at least once every year, the Commission would like to recommend that the activity be funded by Member States as a sign of commitment to the continental integration agenda. Secondly, Council might need to refer some legal issues to the Legal Advisors for analysis in order to make it more relevant.

d) CURRENT STATUS OF THE COOPERATION BETWEEN AU AND ICC

425. In 2006, the AU and ICC started the negotiation of a Memorandum of Understanding with a view to strengthening their cooperation within the framework of the unflinching commitment of both organizations to the fight against impunity as enunciated in the Constitutive Act of the African Union and the Rome Statute. However, this negotiation has been stopped following the indictment by ICC of President Bashir of the Sudan in March 2009.

426. Following the indictment of the President of the Sudan, the Assembly and the Peace Security Council of the Union adopted various decisions requesting the United Nations (UN) Security Council to activate the provisions of Article 16 of the Rome Statute with a view to deferring the proceedings initiated against President Bashir of the Sudan, in the interest of peace as well as justice in this country. In view of the fact that the request by the African Union has never been acted upon, the Assembly decided in July 2009 that the AU Member States would not cooperate pursuant to the provisions of Article 98 of the Rome Statute of the ICC relating to immunities, for the arrest and surrender of President Omar El Bashir of The Sudan. In the same vein, the Assembly

rejected in July 2010 the request of ICC to open a Liaison Office to the AU in Addis Ababa, Ethiopia.

427. Despite this situation, the Commission and the ICC have maintained high level political dialogue through various visits to the Headquarters of the African Union undertaken in 2010, 2011 and 2012 by the President of the Assembly of States Parties to the Rome Statute of the ICC (ASP-ICC), the President of ICC and Mrs. Bensouda the former Deputy Prosecutor (current Prosecutor) as well as the Registrar of ICC. During their respective visits, the said senior Officials of the ICC met the Chairperson of the Commission and the Office of the Legal Counsel. In the same vein, the Commission through the Office of the Legal Counsel attended various sessions of the Assembly of States Parties to the Rome Statute in the framework of the implementation of various decisions of the Assembly on the ICC.

428. To date, the Commission and the ICC maintain political dialogue and technical cooperation through the visits of officials and the convening at the AU Headquarters of an annual Joint Seminar on the technical aspects of the Rome Statute and the practice of ICC. These activities have been encouraged and welcomed by AU Member States which are Parties to the Rome Statute. Furthermore, no objections have been registered from Member States which are not yet Parties to the Rome Statute.

429. Additionally, OLC wishes to draw the attention of Your Excellency to the request made by UN for the disclosure to ICC of certain documents collected by the Panel of Experts on the Sudan following the attack against the African Union Mission in Sudan (AMIS) in September 2007 in order to prove that AMIS was neutral in the discharge of its mandate and that it was not a legitimate target as is being advanced by the lawyers for the rebels.

430. Since this request was made in the interest of justice for AU and its Peacekeepers who died or injured during this attack, OLC recommended by Memo BC/OLC/23.22/5566.12 of 16 January 2012 (attached) the authorization of the outgoing Chairperson of the Commission to release the Joint Report to the ICC. However, the request and OLC's recommendation were referred to the Peace and Security Department for further consideration by the Chairperson. UN is still waiting for the reply of the Commission on the request of disclosure. In this regard, OLC wishes to recommend that the Commission communicate to the UN its position on this matter whatever its nature.

431. Against the above, OLC is of the view that the political dialogue and technical cooperation between AU through the Commission and ICC should continue to ensure that the concerns of the AU and its Members States are properly addressed by the Assembly of States Parties to the Rome Statute and the UN Security Council. We welcome the election of the new Prosecutor, Mrs. Fatou Bensouda as the Prosecutor of ICC, one of our own and the first woman in that position. It is important to note that the objectives of peace and justice are interconnected, mutually dependent and equally desirable.

e) Strengthening of Other Organs of the Union**i) Implementation of Assembly Decision Assembly/AU/Dec.223 (XII) on the Review of the Protocol Relating to the Pan-African Parliament**

432. Council would recall that the Assembly vide Decision Assembly/AU/Dec. 223 (XII) on the Review of the Protocol relating to Pan African Parliament (PAP), requested the Commission to initiate the review process of the Protocol in accordance with its Article 25 taking into account the views of PAP and in consultation with the Permanent Representatives' Committee (PRC) and make appropriate recommendations thereon to the African Union (AU) Policy Organs.

433. Council, in its decision EX.CL/Dec.707 (XXI) adopted in July 2012 in Addis Ababa, Ethiopia '*Approve[s] the draft Protocol to the Constitutive Act of the African Union Relating to the Pan-African Parliament except the provisions of Article[s] 8.1 (a) and 8.2 of the draft Protocol relating to the legislative and oversight powers which should be deferred for consideration to a later stage taking into account the progress in the integration process*'.

434. In this regard, the draft legal instrument on the revision of the Protocol Relating to the Pan African Parliament was submitted to the Assembly for consideration and adoption. Following the presentation of the *draft Protocol to the Constitutive Act of the African Union Relating to the Pan-African Parliament* by the Commission, the Assembly deferred consideration of the instrument to its 20th Ordinary Session in January 2013.

ii) Actions taken

435. In conformity Rule 8 (2) (a) of the Rules of Procedure of the Assembly, the Commission has placed the matter on the draft agenda of the forthcoming Summit of the Assembly.

iii) Issues for determination by the Assembly

436. The critical issue for the determination of the Assembly is on the legislative and oversight powers of PAP as contained in Articles 8(1) and 8(2) of the draft Protocol.

437. As regards, Article 8(1)(a) of the draft Protocol, the Commission would like to draw the attention of the Assembly that Article 2(3) of the existing PAP Protocol is similar to Article 8(1)(a) of the draft Protocol. Article 2(3) provides that the ultimate aim of PAP is to evolve into an institution with full legislative powers, whose members are elected by universal adult suffrage. Article 8(1) (a) of the draft Protocol provides that PAP shall exercise legislative powers as shall be determined by the Assembly, i.e. the Assembly shall still decide on the matter.

438. Regarding Article 8(2) of the draft Protocol on the consultative and oversight powers of PAP, the Commission notes that the powers in sub paragraphs (c) to (k) are already being exercised by PAP except (i) on the submission of opinions on draft treaties and other international agreements. In this regard, the Commission would like to

inform the Assembly that only Articles 8(2)(a) and 8(2)(b) as well as Article 8(2)(i) are new.

439. In light of the above information, the Assembly is requested to decide whether to adopt the whole PAP Protocol as recommended by the Government Experts and Ministers of Justice/Attorneys General or to endorse the recommendation by the Executive Council i.e. to adopt the Protocol except the provisions of Articles 8.1(a) and 8(2) of the draft Protocol relating to the legislative and oversight powers which should be deferred for consideration to a later stage taking into account the progress in the integration process.

iv) Implementation of Assembly Decision Assembly/AU/ Dec.213(XII) on Granting Competence to the African Court Of Justice and Human Rights to deal with International Crimes

440. Council will recall that the Assembly vide Decision Assembly/AU/Dec. 213 (XII) adopted during its 12th Ordinary Session in Addis Ababa, Ethiopia in February 2009 requested the Commission in consultation with the African Commission on Human and Peoples' Rights, and the African Court on Human and Peoples' Rights (AfCHPR), to examine the implications of the Court being empowered to try international crimes such as genocide, crimes against humanity and war crimes.

441. During its 19th Ordinary Session in July 2012, the Assembly in considering the draft Protocol on Amendments to the Protocol on the African Court of Justice and Human Rights, vide Decision Assembly/AU/Dec.427(XIX) took note of the recommendations of Council and requested the Commission in collaboration with the AfCHPR to prepare *a study on the financial and structural implications resulting from the expansion of the jurisdiction of the African Court on Human and Peoples' Rights and submit the study along with the Draft Protocol on Amendments to the Protocol to the Statute of the African Court of Justice and Human Rights for consideration by the policy organs at the next summit slated for January 2013.*

442. In addition, the Assembly, in the above mentioned Decision, stressed the need for the AU to adopt a definition of the crime of unconstitutional change of government and, in this regard, requested the Commission in collaboration with the AU Commission on International Law (AUCIL) and the AfCHPR to submit this definition for consideration by the policy organs in January 2013.

v) Actions taken

443. The Commission elaborated a draft Protocol on Amendments to the Protocol on the African Court of Justice and Human Rights expanding the jurisdiction of the Court to include international crimes. Prior to submitting the draft legal instrument to the Assembly in July 2012, a meeting of Government Legal Experts followed by a meeting of Ministers of Justice/Attorneys General in October/November 2011 and May 2012, respectively was convened to consider and review the draft legal instrument.

444. The Commission, in implementing decision Assembly/AU/Dec.427(XIX),

convened a Workshop attended by representatives of the Commission, AfCHPR, AUCIL and experts on international criminal justice and constitutional law to review a study on the structural and financial implications as well as the definition of the crime of unconstitutional change of government for consideration by the Policy Organs at this Summit.

vi) Critical Issues

445. In brief, there are three (3) critical issues for consideration by the Assembly:

- a) Financial Implications: In granting criminal competence to the Court, the Assembly will need to consider the cost implication as it relates to investigations, detention facilities, expanded chambers, additional staff in the Registry, additional judges, creation of the Office of the Prosecutor, etc.;
- b) Structural Implications: In light of the expansion of the jurisdiction of the Court, the Assembly will need to consider the institutional framework and structure of the Court as it relates to the Chambers of the Court, Office of the Prosecutor, number of judges, additional Departments and Divisions for the registry and additional staff contemplated in an expanded Court, etc.;
- c) The Definition of Unconstitutional Change of government: The critical issue for the Assembly to determine are the elements constituting an "unconstitutional change of government" especially as it relates to 'popular uprisings'.

vii) Issue for determination by the Assembly

446. Council would need to advise the Assembly on the need to grant competence to the Court to try international crimes, taking into account the financial and structural implications as well as reaching a consensus on the definition of the crime of unconstitutional change of government.

viii) Accreditation

447. The Commission has continued to ensure that the relationship with others is done bearing in mind the supreme interest of the Union. In this regard, in accordance with Part II, Section II (3) of the Criteria for Granting Observer Status and for a system of Accreditation within the African Union (the Criteria), adopted by the Executive Council in July 2005, the Commission has continued to receive and consider requests for accreditation from various non-African States and Organizations. Since the last reporting period, eleven (11) non-African States and three (3) international organizations were accredited in line with the provisions of Part II, Section II (3) of the Criteria for the granting of AU Observer Status and a System of Accreditation within the AU. The names of the representatives accredited since the last report and their respective States/organizations are listed in the table below:

NON-AFRICAN STATES/ ORGANISATIONS		
No.	Name & Title	Country
1	H.E. Māris Selga Ambassador Extraordinary and Plenipotentiary of the Republic of Latvia in Cairo	Latvia
2	H.E. Hor Nambora Ambassador Designate of the Kingdom of Cambodia to Ethiopia and AU in London	Kingdom of Cambodia
3	H.E. Ramli Sa'ud Permanent Observer of the Republic of Indonesia to the AU	Indonesia
4	H.E. Rodrigo Chiari Permanent Representative of the Republic of Panama to the AU	Panama
5	H.E. Nikolaos Protonotarios Ambassador Extraordinary and Plenipotentiary of the Republic of Greece to the Federal Democratic Republic of Ethiopia	Greece
6	H.E. Juan Alfredo Miranda Ortiz Permanent Observer of the United Mexican States to the AU	United Mexican States
7	H.E. Ghulam Dastgir Permanent Representative of the Islamic Republic of Pakistan to the AU	Pakistan
8	H.E. Ali Bahreini Ambassador Extraordinary and Plenipotentiary of the Islamic Republic of Iran to Ethiopia	Iran
9	H.E. Ms. Brigitte Collet Ambassador Extraordinary and Plenipotentiary of the Republic of France to Ethiopia	France
10	H.E. Mr. David Usher Permanent Representative of Canada to the African Union	Canada
11	S.E. Mr. Juan Manuel Rodriguez Vazquez	Cuba

NON-AFRICAN STATES/ ORGANISATIONS		
No.	Name & Title	Country
	Ambassador of the Republic of Cuba	

REGIONAL INTEGRATION AND INTERNATIONAL ORGANISATIONS		
1	Dr. Stephen Omollo Representative and Head of IFRC Delegation to AU	International Federation of Red Cross and Red Crescent Societies (IFRC)
2	Mr. Bruce Mokaya Orina. Observer of ICRC to the AU and Head of ICRC Delegation to the AU	International Committee of the Red Cross (ICRC)
3	Ms. Jeanine M. Cooper Observer of UNOCHA to the AU	UN Office for the Coordination of Humanitarian Affairs (UNOCHA) to the AU

448. The total number of non-African States and international organizations accredited to the Union is now eighty-four (84); i.e. sixty-nine (69) non-African States and fifteen (15) Regional Integration and International Organizations.

V. STRENGTHENING THE INSTITUTIONS

V.1 THE COMMISSION - AUC INSTITUTION CAPACITY BUILDING PROGRAMME (ICBP)

a) Introduction

449. Since 2008, the Commission embarked on an ambitious approach in the Institutional Capacity Building as well as organizational reform. The focus has been on strengthening processes and procedures for policy and programme planning and development, budgeting, human resource development and management, financial management, other administrative services including Information and Communication Technology, procurement and travel, and facilities management, the management of meetings and conferences, the delivery of medical services, as well as, partners and stakeholder management, all within the overall objectives of the Institutional Capacity Building Programme - Pillar 4 of the Strategic Plan 2009-2012.

450. This document highlights achievements made so far and building that it indicates the way forward in terms of priorities and actions to be taken.

a) Objectives

451. The objectives of the Institutional Capacity –building programmes are to:

- a) Drive high performance and operational efficiency within the Commission;
- b) Improve working relations with all AU organs including PRC;
- c) Improve working relations with members states and RECs; and
- d) Develop strategic partnerships in support of Africa’s integration agenda.

452. In order to advance the above, the Commission was set out to do the following:

- (1) Ensure that the AUC’s core system for Human Resource, Financial and other Administrative, Management, as well as Strategic Planning and Budgeting are established and strengthened in line with international standards;
- (2) Eliminate waste and enhance cost effectiveness by rationalizing resource utilization;
- (3) Ensure that the Human resource capacities are developed and expanded;
- (4) Enhance service delivery and client satisfaction;
- (5) Ensure that the AUC Resource Mobilization strategies are strengthened to support result based programme approach;
- (6) Improve stakeholder communication and information management;
- (7) Promote increased strategic partnership and Institutional integration between the AUC, the ECA, AfDB, REC’s and other Global partners to ensure that Africa’s role in global matters is properly articulated and promoted.

b) Approach

453. In addition to the ICBP, the Commission engaged extensively to enhance productivity through a set of reforms which are structured around five main elements. These are:

- i) **Support and Strategies** - Improving the internal environment focused on effective strategic development and implementation by aligning the overall objective of the Commission;
- ii) **Operational systems** - improving the procedures, processes and information flow for enhanced performance and delivery on AUC mandates;
- iii) **Institutional structures** -Reviewing in accordance with the directives by the Assembly, the way the commission is structured in order to make it more responsive to its goals and mandates;
- iv) **Human Resource Development** - Providing the conditions for staff to develop and align their technical and organizational skills and competencies in order to create the right workforce capable of providing the services required to effectively support the AU;
- v) **Organizational development** - Improving organizational culture and change management capability to deal with constantly changing internal and external environment.

c) Achievements

454. Since the above initiatives have been taken under the ICBP, progress and significant gain is made across the Commission. As indicated in the past, the process has been on-going and shown steady improvement. The following are the achievements on the focus of service providing Departments:

d) Priority Areas for Medium - Term

- i) Drive performance and operational efficiency;
- ii) Pursue financially operational efficiency;
- iii) Promote synergies with AU organs and RECs;
- iv) Enhance stakeholder participation and inclusiveness;
- v) Strengthening Monitoring and Evaluation system .

e) Way Forward

455. An assessment of these initiatives shows that significant and real progress has been attained in the Institutional Capacity Building in terms of transforming the organization into a more efficient and effective institution. Nevertheless, plenty remains to be done. Going forward the initiatives and actions taken need to be consolidated and the momentum sustained and enhanced. The Commission has identified a number of additional steps. In this regard, its proposed priorities are:

- i) To enhance Performance based evaluation and contracting. Definition of results and selection of key indicators is still in its infancy. Monitoring and evaluation as a key element in this drive should be firmly developed and instituted;
- ii) Need for modern and effective administration and service delivery practices to be ingrained in the day-to-day operations; in that regard the Commission needs to fine-tune SAP implementation in order to derive the full benefit from the software;
- iii) To complete the reform agenda currently taking place in the Commission, focusing on the creation of a Union-wide Strategic Plan 2012-17, capacity building, and increased collaboration with development partners based on mutual accountability and transparency.

456. To this end, two particular actions stand out. The need to strengthen Financial Management at the Commission has never been stronger. This should be coupled with higher standards of accountability and service delivery. The Commission proposes to adopt and implement International Public Sector Accounting Standards (IPSAS).

457. In addition, to attain the set down of proposed goals in the medium-term, the Commission will focus on improved governance, leadership and management as a pre-requisite to an enabling environment to achieve AU objectives. The Commission will take special actions to enhance its profile in a leadership and management skills within its human capital.

1. PROGRAMME PLANNING AND BUDGETING

a) Results-Based Planning

458. Until 2009, the Commission's annual plans and budgets were focused on activities without clear results. In 2009, the results based approach was introduced as the basis for planning and programme implementation. This led to the introduction of the Logical Framework Approach and the Medium Term Expenditure Framework (MTEF), which now is the framework for multi-year results, based planning and budgeting.

b) Results-Based Management (RBM)–

459. RBM has been introduced to improve performance and implementation management within the Commission. This is tied to a new performance appraisal system and the introduction of Continuous Improvement (Kaizen) methods in selected Departments to remove waste and enhance service delivery. The process is on-going and will be supported in the coming years.

c) Change in Budget Cycle

460. One of the most significant and far reaching reforms has been the change of planning and budgeting cycle from January to June. While the fiscal year will continue to

start from January, the budget approval will be in June/ July of the preceding year. This process started in 2011 and was successfully completed in 2012 starting with the 2013 Budget. This gives ample time to prepare for implementation and will greatly enhance both the budget absorption capacity and the execution rate.

d) Linking budgets to priorities - The Budget Framework Paper

461. Prior to the introduction of the planning and budgetary reforms, the AUC budget covered a wide range of projects and sub projects with no clear outcomes or results. As part of the reform of planning and programming within the commission, a rigid measure of prioritisation was introduced. This led to the reduction of projects from 251 in 2009 to the current levels of around 70. Amongst these projects, the Commission further identified flagship programmes, which are of top most priority. These are contained and discussed in a Budget Framework Paper that was introduced for the first time in 2011 and guide the framework for prioritisation and resource allocation. Currently, there are 12 flagship programmes and these include amongst others, the African Peace and Security Architecture, CAADP, PIDA, the Pan African University (PAU), the Decade of Women and the African Governance Architecture.

e) Enhanced Programme Approach

462. The introduction of the enhanced programme approach has reduced transaction costs; improve aid effectiveness, increase transparency, accountability, reliability and predictability in line with the Paris and Accra principles for international aid administration. It has also helped to consolidate the migration from activity based planning to results based programming and implementation.

f) Monitoring & Evaluation (M & E)

463. The African Monitoring and Evaluation Tool (AMERT) have been transformed from an activity based tool into a results based computerised platform for M & E. However, there is still the need for a comprehensive results based monitoring & evaluation framework to be developed as a primary source for sound management decisions. This will also complete the reforms initiated in the planning cycle.

g) Regional Coordination Mechanism (RCM)

464. Originally conceived as a platform for bringing together UN agencies to deliver as one in working together in support of Africa, this forum has over the last three years developed a common agenda and implementation strategy. Accordingly, it brings together not only the high-level representatives of the Commission, but also other organs, NEPAD Planning and Coordinating Agency (NPCA) and RECs. The RCM focus is on how to strengthen the implementation of the comprehensive work programme of UN support for AU Capacity Building (2012). AU plays a lead role in the process to implement the Ten Year Capacity Building Programme (TYCBP). A comprehensive Capacity Building Programme elaborated based on AU Strategic Plan, priorities and various departmental work plans. A plan for funding various programmes in the AU Departments, on the basis of the needs-assessment exercise was finalized in July 2012.

2. HUMAN RESOURCES MANAGEMENT

a) Current status of AUC Staff

465. By December 2012, the Commission established positions which were approved by the Member States at 1262 and is broken down as follows:

February 2012	= 1168
July 2012(Including NEPAD Planning & Coordination Agency)	= 94

466. The current number of staff at post on the regular positions is 698. The gender breakdown is as follows:

Male Staff Members	= 474
Female Staff Members	= 224

Total vacant positions = 566 (Commission 470 + NPCA 94)

467. In addition, AUC Short Term Staff working on Projects and Peace keeping are as follows:

Male =	493
Female	241

a) Recruitment and Selection Prioritization

468. The Commission has been able to meet its recruitment targets for the years 2010 and 2011. It has been able to meet and indeed surpass the recruitment target of 48 staff budgeted for 2010 by appointing three (3) Directors, thirty-four (34) professionals and seventeen (17) General Service Category members of staff, totaling fifty-four (54) appointments.

469. In 2011, the allotted recruitments went even further than this in appointing 66 personnel, 45 Professional and 21 General Service. Two (2) of these were appointments of Director, Programming, Budgeting, Finance and Accounting (PBFA) as well as Director for Trade and Industry.

470. In order to improve on the recruitment process, the Commission launched an electronic recruitment system in 2011. The Human Resource Division developed the modalities for the implementation of E-Recruitment through a blue-print with the view to enhancing efficiency, accuracy and transparency of the AUC recruitment process. This system was developed in-house with the assistance of the AUC-Management Information Systems Division within the Directorate of Administration & Human Resource Management. The following statistics illustrate the successful usage of the system to date:

- i) # of Accounts created = 18900
- ii) # of Applicants who Provide(filled) their Personal Information = 15917
- iii) # of Non-AUC applicants who created their profile = 15917
- iv) # of AUC Staffs who created accounts = 665
- v) # of Posts advertised = 231
- vi) # of Profiles (accounts) who have applied to the posts is 25653.

471. For 2012, the recruitment target is to fill 70 positions. 29 Appointments have already been made and the rest are anticipated later in the year. This is due to the Management decision to stop recruitment until the assumption of duty of the new Commission elected in July 2012.

472. For 2013, The Commission is anticipating implementing the SAP E-Recruitment system. This is being done to enable all Human Resource Systems to be linked within the Commission as SAP is the operating system being used organization-wide. To prepare for this process, the Commission RM is currently carrying out an extensive exercise on cleaning and verifying employee data. With this system in place, talent management and career development will be managed systematically.

473. Among the Administrative Guidelines developed and is under active consideration by the Commission. This policy will standardize the recruitment process in a fair, expeditious and transparent manner, once approved.

474. The Appointments and Promotions Board (APROB) which moderates all regular recruitments before the contracting process has assisted the Commission in reaching recruitment targets set at the beginning of the year. APROB meets weekly and chaired at a high level by the Deputy Chairperson of the Commission. APROB has actively observed gender parity, regional distribution and strictly adhered to the quota system. There is, however, some room for improvement in the area of gender parity. The traditional views that women do not apply for certain “male oriented” positions still prevails but more active strides in the area of outreach are being taken to ensure that all qualified African women apply for advertised vacancies.

b) Human Resources Management for Peace and Security (PSD)

475. The Commission developed a draft document on Human Resource Policy Framework on the recruitment and deployment of civilian personnel for peace and security operations. The document covers development of specialized administrative directives, supporting rules and regulations, standard operating procedures, standardized job description templates and other supporting mechanisms. The operationalization of the policy framework would greatly facilitate and expedite recruitment of civilian staff for peace and security programmes of the Commission. A separate Human resources unit in AHRM is being put in place with the support of partners to provide quick responses to the recruitment needs of the AU Peace and Security operations.

c) Staff Performance Appraisal

476. Monitoring and evaluation is central to results oriented management. The appraisal of staff performance in the Commission is underpinned by the Performance Management and Accountability Framework (PMAF) directive which was endorsed two years ago but awaiting final adoption. The directive provides for a unified performance appraisal cycle that requires all staff of the Commission to set targets and deliverables at the beginning of the year, carry-out a mid-term performance review and a final performance at the end of the year. The main objective the staff performance review is to ensure objectivity, goal-oriented activities and equitable distribution of the workload. Currently, all staff contracts renewal is processed through the staff appraisal system. This process is fully electronic (using the SAP ERP) at the Headquarters, AU-IBAR and AMISOM offices in Nairobi. The other Offices will be brought on board when the SAP software is rolled-out to them. Although many supervisors have adopted the new Staff Performance Appraisal System (SPAS), the majority have yet to do so and they are always reminded to be part of the process.

d) Training and Staff Capacity Building

477. Dictated by the ever-changing technologies and emerging concepts and practices, skills upgrading of staff is on-going. Training activities in the Commission involve group courses for cross-cutting skills areas, individual training courses for technical skills, language courses in all AU official languages and attachments to the European Commission through the AU/EC Staff Exchange Program totals to 558 staff.

e) Staff Welfare

i) Pension Matters

478. In implementation of Decision EX.CL.Dec.415 of the Executive Council taken in July 2008 in Sharma-El-Sheikh, Egypt, regarding the Establishment of an AUC Pension Fund, draft Pension Regulations and Rules were drafted by the working group on Pension Fund and sent to the AUC Staff and AU Organs for comments and inputs. Inputs and comments were received and included in the draft Regulation and Rules which will be submitted to the executive Council in May 2013.

ii) Insurance Improvements: Medical Insurance for Short Term Staff at Headquarters

479. The AUC reinstated the medical insurance due to illness, in the current Life Insurance contract, for the Short Term staff.

iii) Travel Insurance for Regular and Short Term Staff

480. Discussion are ongoing between the concerned Departments within the Commission to put in place a travel insurance plan for all staff (Regular and short Term Staff). This plan will allow the Medical Services Directorate to save resources which will be used for the medical evacuation of the staff and/or their dependents.

iv) Permanent Partial or Total Disability (ptd or ppd) due to sickness of AUC staff

481. Due to the fact that the AUC Life Insurance contract with ALICO gives the AUC the opportunity to declare staff on permanent total or partial disability due to sickness for a long period, a process of declaring concerned staff on Permanent Total Disability in order for them to benefit from a monthly pension or a Lump Sum was established with the Insurance Company and implemented in the cases of two (2) staff members.

v) Staff Salaries

482. AUC salary scale is not currently competitive with sister organizations (UN, AfDB, REC's). A Decision has been taken by the Executive Council to review the salaries every three years. In accordance to the Decision in January 2012 AUC Staff Salary review should have been effective. However, it is now in December 2012 that the PRC is considering the review. Once the decision passed, the salary scale is expected to be effective from January 2012.

f) Structural Reforms of the Commission and the Union Organs

i) The Commission:

483. In its continuing efforts to strengthen and streamline the structure of the Commission, proposals were made to reorganize and strengthen the AUC administrative and facilities management functions taking into account the needs and requirements of the new conference facilities and the other requirements of the AUC planned buildings. A new division combining the administrative and the facilities management functions was established and provided with the necessary human resources to discharge its functions. Executive Council Decision EX.CL/dec.668 (XX) endorsed the new proposals providing additional 18 positions to address the expanded responsibilities of the Commission. The Commission will continue to review its structures and propose to the policy organs adjustment and refinements to ensure the efficient discharge of the growing responsibilities entrusted to it.

ii) The other AU Organs

484. During the year under the review of the Commission, in collaboration with the other AU Organs, successfully prepared and finalized the Structures for the Pan African Parliament (PAP), The NEPAD Planning and Coordinating Agency (NPCA), Adjustments and new additions to the Structure of the African Court on Human and Peoples Rights (AfCHPR), the AU Board on Corruption and the African Energy Commission (AFREC). The Executive Council, by its Decisions EX.CL/Dec.668 (XX) and EX.CL/Dec.721(XXI) approved all these structures together with their implementation plans and financial implications. The Commission is currently working with the African Peer Review Mechanism (APRM) to finalize structural proposals for submission to the policy organs for approval.

3. OTHER ADMINISTRATIVE SERVICES

a) Administration and Facilities Management

i) The AUC Conference Complex

485. In July 2012, 80% of the staff of the Commission moved to the new complex. It hosts currently apart from the Chairperson and the Deputy Chairperson Offices, seven Commissioners with their respective Directorates. As a result, the cost for the lease of office spaces decreased tremendously. A technical agreement was signed between the Chinese Government and the AUC for the two years and maintenance cost is not reflected on the current budget. In the meantime, plenty of interest has been shown from both among Member States and external private institutions for the use of the Conference Center which will generate an income for the Commission.

i) Peace and Security Building

486. The construction work is ongoing and is scheduled to end by May 2013. Pending the completion of the PSC building and in compliance with the PRC directives that the AUC stop renting of facilities, a small temporally building with a capacity of 62 staffs was built within the compound.

ii) African Observatory for Science, Technology and Innovation (AOSTI) Malabo

487. Following the acceptance by Head of states for Equatorial Guinea to host the AOSTI headquarters at Malabo, Equatorial Guinea; AUC presented architectural drawings to the Equatorial Guinea Authorities. The drawings were approved and the construction phase will start in 2013.

iii) Renovation and Upgrading Works

488. All old buildings of AUC are in process to be renovated. Some buildings, such as building C, Main gate and the Clinic are in process to be renovated and a renovation global master plan will soon be presented.

iv) Record Management System

489. The Commission initiated an African Union Electronic Records Management System known as the "AURES" project. The aim of the project is to computerize and digitalize all the AUC documents and makes them available through the AUC local LAN. Under this project, the records management system of the Commission which is currently paper based, manually managed, will be automated and all records shall be in electronic form. Records Management policies, including Retention Manual, have been prepared. Procurement of equipment such as Servers, Storage devices and digital scanners that are needed for the project were completed and new software was internally developed. It is expected that the new AU Electronic Records Management System will be rolled out in AUC Departments by the end of 2012, beginning 2013. It will

then be extended to cover the Regional and Representational Offices in 2013. Staff Members, both at Headquarters and the Regional/Representational Offices shall receive the necessary training in the use of the new system which is intended to make the management of the records in the AU efficient and in line with international standards.

v) Continuous Improvement Programme

490. The Continuous Improvement programme commenced in 2009 and has as its objective eliminating of waste, improving productivity, and achieving sustained continual improvement in targeted activities and processes of the Commission. The focus has been on the reduction of waste for achieving operational efficiency and organizational excellence through physical workplace improvement; process improvement; policy Improvement; and people involvement. The first phase of the programme was completed. The focus during this phase was on the four main service Departments of the Commission namely, Administration and Human Resources Development; Programming, Budgeting, Finance and Accounting; Conference Management and Publications and Medical Services. A second phase of the programme will implement a number of process improvement recommended from the first phase and to extend the Programme to all other Departments and Offices of the Commission including the field offices.

vi) Information and Technology Management

491. The Management Information System (MIS) has been in the forefront to ensure the Commission enjoys well managed, cost effective and consumer driven ICT Services and Applications to support AUC core businesses. This has seen the Commission begin embracing new emerging ICT to enhance operations, productivity and to save costs. This year has seen several milestones and targets achieved by MIS which include the following:-

- Strengthening of SAP for better services and control

492. This has given a positive impact and improved image to the Commission especially from Member States and partners. There is now enhanced visibility into AUC operations, better and timely accountability of funds, improved alignments of operations and performance. There has also been marked reduction of wait times, fraud and audit queries.

- Enhancement of Data Center

493. The enhanced data center has better network infrastructure that has enabled reliable, secure, high availability services with minimal downtimes.

- Improved Voice, Video and Data Communication

494. An increased number of Regional Offices was connected to headquarters enabling easier, cheaper and unified communication.

- High level of security for systems and infrastructure

495. Security was enhanced to protect the Commission's information and assets. Disaster recovery measures have been put in place to ensure SAP and other applications can be recovered in case of any disaster. Full Business continuity remains a priority and MIS is working with other key stakeholders to ensure full Business continuity is achieved in a couple of years.

- Upgrading of skills MIS IT Technicians and Staff in the Commission

496. Efforts were made to upgrade skills of technicians to enable them to give better support services. All Staff in AHRM and PBFA are currently undergoing training to advance their skills in Microsoft Office 2010 Suite (word, excel, outlook, access, project)

- ICT Roadmap and Review

497. An ICT roadmap for the next 5 years is now in place and will guide implementation of future and emerging ICT to match the ever changing requirements and needs of the commission.

vii) New Projects

498. MIS is also in final stages to have the following change initiative projects that will assist the Commission to move to the "Paperless world" to gain competitive advantage in relation with other similar Organizations and emulating best practices:

- Implementation of SAP document Access by open text to have all key supporting documents of SAP processes are scanned and stored in the system. This will reduce paper work, manual processes and duplication of effort;
- Full E-learning system that will help easy deployment of blended e-learning materials to users regardless of their geographical location;
- Implementation of tools that will allow access of key services and applications such as SAP from anywhere at any time;
- Introduction of full Collaboration space that will enable the commission's staff engage each other constructively via blogs, chats and discussion forum.

a) Security and Safety Services

499. The Security and Safety Services (SSS) successfully serviced the 18th and 19th Sessions of the Assembly of the Union at the new Conference Complex of the AUC. It also serviced many ministerial and high level meetings during the reporting period. The Security Services continues to provide assistance to staff through its revamped Wardens services and to provide continuous updates on security issues through the

AUC internal email site and to regularly brief Management on security and safety issues.

i) Development of Security related policy Documents:

500. A Comprehensive Security Assessment has been developed and submitted as part of the overall assessment of security status of the AUC. As part of that exercise, an AUC Security Policy was developed and submitted to the management for approval. Uniform and Appearance Policy to govern security etiquette on wearing uniforms and maintaining appearances of security and safety officers was also developed. The SSS also drafted Other Policy Tools for different functions within the Service: A project on Fire Wall and IT Security for better access Control are the process of being implemented.

ii) Revised Structure of the SSSD

501. In response to directives of the Executive Council, structure proposal to beef up the AUC Security and Safety Services were developed and are being submitted to the appropriate sub-Committees of the PRC for consideration.

4. FINANCIAL MANAGEMENT AND ACCOUNTING

502. In 2012, the Commission has developed immediate, short - and medium-term measures in planning and budgeting, financial management and procurement. PBFA has led the AU Commission's process of modernization its accounting system and practices under the Institutional and Capacity Building Program (ICBP).

503. Measures have been taken to move to a full accrual-based accounting system. The Annual Financial Statement complies with to an extent with internationally accepted accounting standards on modified accrual basis.

504. The Commission envisages bringing our accounting practices in line with international best fit practice and is in the process of seeking formal decision of the Assembly of Heads of States in January 2013 to adopt International Public Sector Accounting Standards (IPSAS) as the official standards to be implemented across the Union. The successful adoption and implementation of IPSAS by January 2015 will ensure improved quality, comparability and credibility of AUC financial statements to Member States, donors and staff, thereby promoting an enhanced accountability and transparency.

a) SAP/ERP

505. The Commission also replaced its accounting ERP (Peachtree) system with SAP in 2010. The transition to SAP system in the Commission has improved its financial management capability and reduced delays in meeting the statutory deadlines set for the preparation of annual financial statements on an accrual basis.

506. The system has reduced the financial year-end close process from six to two months. As a result, development partner reports are generated faster and with higher

levels of accuracy. Automating budget tracking has eliminated the risk of budgetary overruns. The financial year-end process, budgetary control and administrative activities such as leave have improved. Further, 87 % of the users surveyed indicated the system is better than the previous one. Thus, the AUC has derived some benefits from its investments in the SAP system.

507. The Commission's external auditors have been very largely satisfied with the progress made. The work on modernizing the accounting system is however not yet complete. There has been an improvement in the quality of accounting information and controls; however, the overall internal control environment, financial reporting and risk management framework needs to be improved in order to bring it to the level of comparable Organizations.

508. Achieving a fully integrated Management system is a process which takes time and as a result, processes and procedures will continued to be developed alongside full compliance with IPSAS accounting standards. We will continue to fine-tune SAP implementation in order to derive the full benefit from the software.

509. It is noteworthy to state that SAP ERP system has been rolled out to IBAR and AMISOM offices both in Kenya which covers the largest operation outside the Headquarters and preparation is underway to cover other Representational offices in Geneva, Brussels, New York and Washington DC. in 2013.

510. As a recognition and appreciation for the much improved prudent financial stewardship, both the Member States and AU Development Partners have been more willing and forthcoming in increasing budget provisions to the Union for the last four years. For example, in 2008, the total approved budget was 140million, out of which Member States contributed US\$107.6million and our Partners shared US\$32.4million. By 2012, this figure had risen to US\$274 million or 95% increase, out of which Member States were assessed US\$122.4million (an increase by 14%) and the balance of US\$151.7 million contributed by Partners (371% increase). All these increases in budget and funding for the last four years reflect the welcome growing confidence and satisfaction by both Member States and Partners in financial management and accountability of the resources entrusted to the Commission.

b) Procurement

511. In 2009, an AU Procurement manual for the first time aligned AU practices to internationally accepted standards and best practices was launched. It brought under one roof all AU procurement policies and procedures that were found in different documents. The Manual which gained universal approval of stakeholders sent a positive message about the intentions of the new Commission. A New Procurement, Travel and Store Division was put in place in 2012 and an Annual Procurement Plan was implemented.

c) Budgeting

512. The Commission will continue to improve on the quality, content and presentation

of the annual budget as had been witnessed and commended by Member States during past budget Sessions. It has worked assiduously with the PRC to ensure Executive Council Decision of change of budget calendar was accomplished starting with 2013 budget.

513. The approval of budgets in July instead of January will ensure better program implementation planning and in turn translate into improved budget execution. PBFA is also working closely with SPPRMME to ensure an improved integrated process of planning, programming and budgeting in all sectors of the programme budget of the Commission, preparation of budget performance reports as well as coordinated effort at revised or supplementary programme budget proposals.

d) Partners' Fund

514. As stated above, the Commission has attracted remarkable interest and increase in contributions from our development Partners towards the programme budgets. This is definitely a welcome recognition of the Commission's concerted and tireless quest for total improvement in the financial management of funds. However, the increased contributions have also come along with increased demands for prompt reporting and accountability that the current staff structure and strength is finding difficulty in coping.

515. It is noted that with the support of our partners, two Divisions namely, the Peace and Security (PS) Finance Division and External Resource Management Division were established and have already moved in providing improved management and accountability of partner funds. It has also contributed in clearing outstanding partner issues, including audits. The Commission sincerely commends its partners for responding to the financial needs by coming together in arranging Joint Financing Arrangement (JFA) of Peace and Security Department and AU Liaison offices staff salaries.

516. Furthermore, through the development partner's support, the Commission has strengthened the Directorate of PBFA in establishing a Division that specifically handles the Partners funds. This Division has now been mainstreamed into the AUC structures though without the full staff complement and a call is hereby made to policy organs to address this structural and staffing problem.

e) AMISOM (African Union Mission In Somalia)

517. AMISOM started operations in May 2007 with a total budget allocation of Euro 15million mainly from European Commission. To date, that budget has shot up to Euro 239m. Since its inception, a lot of work has been done to improve its financial management on several fronts, e.g. a Head of Finance was appointed and other qualified support staff recruited, SAP was successfully rolled over to replace inadequate Peachtree software and administrative systems, including procurement, have been strengthened.

518. As a result, an improvement has been made and documented in administrative and financial management of AMISOM. Improved quality reports, both financial and

narrative, on the utilization of donor contributions are sent regularly as per Fund Agreements. The European Commission which is the major contributor to AMISOM, has formally commended the Commission in this regard and is now releasing pipeline funding on time.

5. CONFERENCE MANAGEMENT AND PUBLICATIONS

519. During 2012, the Commission has continued to perform its duties of translation, interpretation, documentation, room allocation, etc. in addition to the overall planning for, and servicing of, AU meetings in close collaboration and coordination with the organizing Departments/Offices of the Commission.

520. In providing technical service and backup to the requesting Departments/Offices, the various language Units of the Directorate have translated a total number 26,545 pages which have then gone through the various stages of processing to the level of reproduction.

521. In like manner, total number 493 meetings have been processed as per requests of the Departments/Offices concerned. Out of this figure, 258 meetings were provided with interpretation service and 235 without such service.

522. In the same vein, the Printing Unit of the DCMP has printed 80 documents, including those related to the Summit Meetings as well as documents for Ministerial Meetings, done 10,500 copies of 3 books with an average of 60 pages in full colour, and completed the processing of similar job requests, including visiting cards, ballot papers, invitation cards, badges, name plates, posters, magazines, newsletters, pamphlets, etc.. This activity involves pre-press, press, post-press, typesetting, binding, laminating, etc. as the case may be.

523. The Printing Unit has recently acquired a number of modern equipment that helped boost its production capacity and improve the quality of its output whilst allowing it to have greater ability for meeting deadlines in the processing of the plethora of requests it receives virtually on a daily basis.

524. In this area, the Commission has registered the following achievements during the period under review:

- i) Development of a Task Assignment Software incorporated into the DCMP home-grown Conference-Web. This software is used for report generation;
- ii) Introduction of sms alerts to translators and interpreters to inform them of their assignments wherever they are;
- iii) Multi-screen planting for use by Revisers, Translators, Translation Assistants, etc. for comparing between two texts, has been introduced;
- iv) A policy for evaluation and ranking of online Translators is now at its final stage. It is intended to enable the DCMP establish a reliable directory of

competent and credible online Translators in the various AU working languages whose services could be used on a need basis;

- v) DCMP security-features have also been immensely improved upon, whilst Web-Pages for documents were created and DVDs containing documents produced and distributed to Diplomatic Missions of Member States in Addis Ababa, among other clients;
- vi) A comprehensive Five-Year Reform Policy within the context of the DCMP modernization drive, is also being crafted and discussed among the various stakeholders of the Directorate, and will soon be finalized. Once that is done, the said document intended to transform the Directorate into an ultra-modern conference planning, organization and servicing outfit, will be submitted for consideration and approval at the Top-Management level;
- vii) The process of finalizing the home-grown terminology software at the level of the respective Language Units is well underway and once completed, the DCMP will have its own terminology data bank driven by such state-of-the-art tools and software as Multi-Trans, Align Factory, Trados, etc.;
- viii) As indicated earlier, a database containing information, including names and CVs of Interpreters and Translators across the Continent has also been established for of screening and evaluation purposes and final inclusion in the DCMP Roster of Freelance Translators and Interpreters which could be readily used as and when their services are required;
- ix) In the field of printing and reproduction, a modern management system through sharing of best practices has been created;
- x) Work on the development of costing and estimation software for the Printing Unit has been set in motion;
- xi) An effective waste management control system is also being implemented.

525. In a bid to keep pace with recent developments in the areas of translation, interpretation and documentation, among other things, and to further intensify interaction with like-minded organizations and institutions, staff of the DCMP actively participated in various events. This included active participation in the Annual Meeting of IAMLADP at the UN Headquarters in New York, USA, from 25 – 27 June 2012, Meeting on Translation and New technologies in London, from 28-29 November 2012, and other professional meetings and events. During these meetings, staffs of the DCMP were able to exchange views and experiences with their counterparts on issues of common concern, share best practices with them and acquire new skills and competencies.

526. Parallel to the above-mentioned engagements with sister organizations were training courses that staff of the various Units of the DCMP underwent within the context of capacity building, human resource development within the Directorate and the overall modernization drive embarked upon a couple of years ago. The training courses thus

undertaken covered a wide range of areas, including retour training, training on electronic record keeping and web security, latest conference technologies, language events, etc..

527. Notwithstanding the success of the above, there remain some challenges that have to be resolved to consolidate the gains made in order to improve service delivery and transform the AUC into the centre of excellence in the service of the African integration and development agenda.

528. A perennial challenge remains that of both financial and human resources to the Union. In terms of financial, the operational aspects of the Budget are financed through assessed contributions of Member States. 75% of these are sourced from 5 states. This is not sustainable in the long run in the future if contributions from either of these state where to be withheld. It also poses great challenges in terms of ownership and growth of the Union.

529. In the programme area, over 98% of the Budget is financed by development partners. This means that the ownership of AU programmes by the Member States is almost non-existent. This is neither healthy nor sustainable. Proposals have been made over the year on Alternative Sources of funding, but the consideration has been rather slow. A high level panel led by former Nigerian President Olusegun Obasanjo presented a preliminary report at the July Summit with a number of options. More work is being done in this area and it is hoped that it can be finalised and a solution found sooner rather than later.

530. The human resources of the Commission on its part are another key challenge. Both in qualitative and quantitative terms. The approved structure was not developed scientifically. Appointments and recruitment have generally improved, however quite a large number of staff remain ineffective and unused leading to many frustrated and disgruntled employees. The lack of available staff that are adequately trained and experienced impedes the efficiency and growth of the Commission as a whole.

6. MEDICAL SERVICES

531. The AUC Health Center has undertaken key development projects geared towards enhancing the effective provision of medical care to AUC staff and Diplomatic missions accredited to the African Union. Key improvements for 2012 include:

- i) *Radio imaging equipment in the x-ray and dental units:* The equipment's are functioning and time spent for waiting of results has been reduced. This new Digital X-Ray equipment replaced the analogue type that was obsolete and time consuming in preparation and reporting of the x-ray films. The New Dental Chair and panoramic dental x-ray equipment have been installed and functional;
- ii) *MAMOMAT* radio imaging equipment that is used in the screening of breast cancer installed and commenced;

- iii) *Bone Densitometer* has been installed and expected to be fully functional in January 2013;
- iv) A new elastic medical *waste incinerator* has been installed and functional;
- v) The laboratory unit for basic test order increased for 10% to 97% following acquisition and installation of new equipment;
- vi) *Telemedicine* equipment's have been installed which has helped the medical centre to communicate with medical experts elsewhere and reduced the number of medical evacuations;
- vii) *Electronic Medical Record System*: The software has been installed to the PCs of different end users. Data entry and cleaning is complete. Hard wares are being purchased as a final phase of the project which will reduce patient time spent at the hospital. The system will be fully functional by March 2013;
- viii) The on-going building renovation and extension created a number of Medical Services which includes office space, stores, reception, X-ray and Dental rooms completed. Additional offices, specialized clinics, laboratory, and eight hospital beds space is due to complete in March 2013;
- ix) In the last three years, the Medical Services (MSD) has improved the quality of services rendered to its customers. This is evidenced by increased in the number of customers utilizing or showing interest to use its services. The number of consultations has increased from 13,082 in 2010 to 24073 in 2011. The data for May 2012 showed a figure of 8,542 patients which corresponds with the figure of 8,406 patients recorded at the same period in 2011. Although the number of AUC new employees has increased over the same time period, the observed increase in the number of consultations is too large only to be attributed to new staff;
- x) It is worth noting, that most of these patients are managed onsite without a need for referral. This is critical in saving organization's resources and staff time thereby indirectly improving the commission's performance;
- xi) About 62.5% of regular staff has attended different training programs to update their knowledge and skills and to deliver quality health care to their esteemed customers;
- xii) KAIZEN workshops and seminars were conducted which improved the work place and the way of doing things;
- xiii) New well-equipped ambulance was purchased and is being used.

532. The purchase of Medical equipment for 2012 is near completion. The tender documents are being evaluated and the equipment will start to arrive and installed from January 2013. The funds from this activity were sought from Member States as well from

Joint Financial Agreement-JFA (Development Partners).

7. INTER-DEPARTMENTAL COORDINATION

533. The Office of the Secretary General of the Commission (OSGC) has pursued its activities as the focal point of the Commission in the discharge of its responsibilities as Secretariat of the Union. It will be recalled that the Office:

- i) Serves as Secretariat for meetings of the AU policy-making Organs, in particular the PRC, the Executive Council and the Assembly by producing draft agendas, coordinating the submission of relevant documents by concerned Departments, and producing reports for these Organs' meetings;
- ii) Assists the leadership of the Commission and the said Organs in the planning and successful conduct of their respective meetings;
- iii) Provides all necessary information as a point of entry to the Member States, the other AU Organs, the RECs and the AU Partners;
- iv) Assists the Chairperson of the Commission in monitoring and ensuring the implementation of the Decisions of the Union's Policy Organs;
- v) Provides technical advice to all Commission structures on how the working documents and draft decisions and recommendations are prepared with a view to ensuring quality and coherent documents in line with the standards set and in a result and action-oriented manner;
- vi) Serves as an Institutional memory for the Commission and Other AU Organs.

534. In carrying out such responsibilities, the OSGC has facilitated the accessibility of all Decisions and Strategic Documents to all users and publishes every semester the Official Journal of the Union encompassing all Decisions from all AU Organs and ensuring its wide dissemination among Member States, AU Organs and other Stakeholders.

535. The OSGC has continued to provide support to the Commission's weekly meetings (43 sessions out of 191 meetings held since 2008). These policy coordination meetings enable the leadership of the Commission to coordinate and rationalize efforts deployed by all Departments and Offices to fulfil respective mandates in a coherent and organized manner. Through these high-level consultations, the Commission provided effective political and strategic guidance to all its structures. These guidelines are widely disseminated on a weekly basis to the entire staff at Headquarters and Regional/Representational and Field Offices through communiqués on the various decisions taken by the Commission and follow up actions required by all in this regard.

536. The Office has facilitated regular interdepartmental meetings of the Commission where relevant issues are addressed to ensure common approaches to technical issues

such as preparations and servicing of meetings of the policy organs, guidelines and standards for submission of official documents, etc.

537. One of the important activities carried out recently was the preparation and facilitation of a Retreat of the Commission which was held in Debrezeit on 24-26 November 2012. Indeed, the new Commission, inaugurated on 15 October 2012, used the opportunity to devise ways and means of rendering the Commission an effective and efficient Institution and to define together its plan of action for the period of its mandate (2012-2016) (2012-2016) and come up with an outcome of 8-point priority programme for the term of its mandate as follows:

- i) Build Africa's human capacity through the prioritisation of Primary Health Care and Prevention; Education, Higher education, skills development and investment in Science, Research and Innovation;
- ii) Expand Agricultural production, developing the Agro-processing and businesses sectors, increase market access and attain Africa's collective Food security and nutrition;
- iii) Promote inclusive economic development and industrialisation through the acceleration of infrastructure development projects that will aid economic integration, expand intra-Africa trade and global market access, value addition, enhanced private sector engagement, effective and sustainable utilization of the continent's mineral and other natural resources;
- iv) Promote peace and stability, good governance, democracy and human rights as a foundation for inclusion, security and the development of the continent and its people;
- v) Mainstream the participation of women and the youth in all priorities and activities of the Union and the continent;
- vi) Implement strategies of resource mobilization, including alternative sources of funding, to enable Africa to finance its programmes and development;
- vii) Build a People-centred Union through active communication of the programmes of the African Union, the branding of the Union and participation of all stakeholders in defining and implementing the African agenda;
- viii) Strengthen the institutional capacity of the AUC, the RECs and other organs, and its relations with strategic and other partners.

538. The Office has been overseeing the planning, organizing and servicing of all major AU Conferences and Meetings as well as mobilizing the contributions of all relevant Departments and Service Providers; while establishing horizontal linkages for smooth coordination of activities and timely implementation of decisions.

539. Though some efforts have been made in the recent past, this Office still faces an acute shortage of staff and needs to be supported with adequate structure and commensurate financial support to effectively fulfil its mandate. Proposals have been made to the Sub-Committee on Structural Reforms in this regard, but due to financial constraints, they could not be granted in a substantial manner. There is now a critical need to establish a second Division dealing with internal coordination matters, in addition to the existing one dealing with relations with Member States, AU Policy Organs (PRC and its Sub-Committees, Executive Council and Assembly), other Organs, RECs and Partners.

8. STRATEGIC POLICY PLANNING, MONITORING AND EVALUATION, AND RESOURCE MOBILIZATION (SPPMERM)

a) Planning, Monitoring and Evaluation

540. The Commission successfully prepared the 2013 Programme Budget which was approved during the July 2012 Summit. This followed the change of the Budget cycle which hitherto ran from September to December for approval in January to the present cycle which now runs from January to May for approval in June.

541. In order to facilitate planning and budgeting, the Commission also prepared a cost catalogue that has helped to standardize the costing elements of the budget. This has also been shared with all other AU Organs.

542. The Commission has spearheaded efforts to develop a new AUC Strategic Plan 2014-2017 as a successor to the AUC Strategic Plan 2009-12 which expired in December 2012. In preparing for the new Strategic Plan, efforts have been made to incorporate lessons learned from the review of the AUC Strategic Plan 2009-12. A draft of the new Strategic Plan has been submitted to the organs. It has taken a bit longer to develop and finalise the Strategic Plan for 2014-17 because we are trying to make it more outcomes based and to build in monitoring and evaluation mechanisms.

543. The African, Monitoring, Evaluation and Reporting Tool (AMERT) which is an in-house computer-based tool used to aid Planning, Budgeting, Monitoring and Evaluation and tracking programme implementation is now functional and has since been used to produce the 2012 Mid-term delivery report for the fiscal year 2012. It is now intended to roll out AMERT to Regional Offices and Member States.

b) Knowledge Management

544. The African Union Commission Archives serves as a repository that represents the history and heritage of this continental organization. In this realm, the Commission efforts have entailed binding of documents as well as acquisition of acid free boxes for the old frail documents, improvement of the Digitized items database with an upgrade of the software as well as training to support the operating systems (Ubuntu, Linux) and; developing a blue print for the archives forward looking plan. The aim is to attain comprehensive archival collections as well as adequate equipment to facilitate the collection, management and preservation of all archival materials for posterity as well as

to improve controlled public access to the wealth of information and knowledge held within the repository.

545. Through a web based Portal (KMS) which is already fully operational, the Commission strives to create a tool to progressively transform the AUC into a Knowledge-creating Organization. Although not much activity has, this far, been recorded, the KMS is fully accessible within the Headquarters as well as at regional offices.

546. The Library is now located on the 3rd floor in the new AUC complex and occupies an area of about 1000m² and designated as an e-library. It is now at par with similar world-class libraries in terms of organization and equipment and hence reflects the image of the continental organization. Among other resources, the Library boasts of about 2000 e-journal articles, over 1000 books and 3500 periodicals, all accessible either as full-text or bibliographic data. The Commission continues to train its Library staff for increased efficiency and effectiveness.

c) Resource Mobilisation

547. The Commission has facilitated the adoption of Mutual Accountability Framework, which sets out the overall principles and practical working modalities that are guiding the AUC and its Partners in the Planning, Implementation and Reporting of External Resources, provided to implement the AUC Strategic Plan. The Framework is in line with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.

548. The Commission has initiated and developed Joint Programme Arrangements (JPAs). Under these arrangements, management and coordination of funds has been streamlined, thereby significantly reducing transaction costs of accounting and reporting. It has also improved the quality of meetings and has reduced the number of bilateral meetings. Cash flow problems have been minimised. So far, two JPAs for Institution and Capacity Building (ICBP) and Shared Values Programmes have been signed. To date, 12 partners have signed while others have expressed interest to join. Negotiations are on-going to form JPAs for the other four Programmes of the AUC, i.e. Peace and Security, Development, Integration and Cooperation.

549. The AUC spearheaded efforts for the extension of the AU Fund Agreement and the development of the second programme under the 10th European Development Fund (EDF).

550. The Commission also engaged the African Capacity Building Foundation (ACBF) in the development of the second phase of the ACBF support.

d) Policy Analysis and Research

551. The Commission is leading the process of the preparation of the African Union Strategic Framework 2063 which will chart Africa's growth trajectory for the next 50 years. This exercise will be linked to the celebrations of the 50 years of existence of the Organization of African Unity (OAU) and the African Union (AU) whose theme for 2013

is “Pan Africanism and the African Renaissance”. This work will involve taking stock of what has been achieved over the last fifty years, lessons learnt, and where Africa should be in the next 50 years and how to achieve that desired end state.

552. The Commission continued its exercise of establishing a database of African Centres of Excellence in the field of Research, Policy analysis and formulation with a view to establishing and strengthening collaboration between the AUC and reputable Centres of Excellence on the continent. This is to enhance interaction between the AUC and the research networks to keep abreast of contemporary research agenda and to design and implement a focused policy research and analysis programme.

553. A Strategy for Policy Analysis and Research has been developed to guide and enhance collaboration in the area of policy analysis and research at the AUC.

9. AUDIT ACTIVITIES

554. The role of the Office of Internal Audit (OIA) is to provide assurance and consultancy services to the management of the Commission. The Office also supports Management towards the effective discharge of their responsibilities by furnishing them with analyses, appraisal, and recommendations on the activities reviewed.

555. In accordance with Article 70 of the AU Financial Rules and Regulations, OIA is mandated to carry out review of transactions/activities of the Commission in order to determine whether they are in compliance with the Financial and Staff Rules and Regulations, Resolutions of the Council of Ministers and other administrative instructions issued from time to time.

556. Furthermore, the mandate of OIA was expanded to include other AU Organs following the decision of the Executive Council (EX.CL/Dec.455 (XIV)) during the January 2009 Summit that *gave the Office the additional mandate to periodically audit the accounts of all other AU organs.*

557. During the 10 months review period, the OIA carried out various audit projects on financial, compliance, operational/performance audits, IT audits, and investigations based on the approved audit work plan for the year 2012.

a) Accomplishments of the Work Plan

558. During the year 2012, OIA obtained approval to conduct 41 audit projects, 17 at the Commission’s Headquarter and 24 at Outstations (AU Organs, Field Missions, Regional Offices and AU Specialized Agencies). Out of the 17 planned audit projects at the Headquarter, 6 were successfully completed representing a percentage achievement level of 35 per cent by end of October 2012.

559. Out of the planned 24 Outstations audit projects, 14 were successfully completed representing a percentage achievement level of 58 percent. The remaining ten (10) are at various stages of the audit cycle and are expected to be undertaken or completed by the end of the year. The Directorate also completed three Performance Audit Projects

on PBFA, PSD and PATTEC which were part of last year's audits.

560. Additionally, the OIA received Management request on two projects (AULOS CAR and NEPAD –IT Audit), both of which were successfully conducted and audit reports issued.

561. The Table below further gives the summary:

Category	Planned	Completed	% Achievement
Headquarter	17	6	35
Outstations	24	14	58
Performance/Operational Audit	3	3	100
Management Request	0	2	100

562. Four (4) projects (Transport & Vehicle Maintenance, Cash & Cash Management, Procurement Process and EC 55 Million) are being finalized whilst nine (9) projects (Budget & Budget Execution, JPA Capacity Building, NEPAD, PAP, AU-IBAR, AMISOM, Burundi Office, Banjul Office and AfCHPR) are commencing and are expected to be finalized by the end of the year.

b) Improvement areas

563. During the period under review, major milestones were made in the areas of effective reporting and independence of the OIA. By the Assembly Decision Assembly/AU/Dec.416 (XIX) of July 2012; the African Union Internal Audit Rules and Regulations were formally adopted. Additionally, by Decision EX.CL/Dec.697 (XXI) of July 2012, the Executive Council called for the establishment of the PRC Sub-Committee on Audit Matters as well as an Internal Audit Progress Committee within the Commission itself. Pursuant to this Decision, the Commission has developed the Terms of Reference (TORS) for both Committees, expected to greatly enhance its independence and objectivity. PRC is being seized with the TORs for its Sub-Committee on Audit matters, for its consideration.

564. With Management support, notable improvements have continued to be made in the areas of staff development. OIA staff attended a number of trainings, exchange programs, international conferences and workshops in order to comply with the requirements of the Institute of Internal Auditors (IIA) as well as to keep abreast with international best practices. The enhancement in staff resources and capacity building initiatives enabled the OIA to conduct more performance related audits and to effectively review operations of projects and programmes.

c) Major Challenges and Way Forward

565. The Commission will continue to support OIA in its work, especially on the following issues:

- i) *Formal Risk Management Function* – Implementing in particular the recommendations of the workshop held in January 2010 for the AUC Senior Management and the Bureau of the PRC-Sub-Committee on Financial & Admin. Matters for the setting up of a task force to guide the implementation of a risk management system in the organization;
- ii) *Implementation of Audit Recommendations* – In particular, the establishment of the Internal Audit Progress Committee to follow on these audit recommendations;
- iii) *Delays in Receiving Management Responses* – To ensure timely submission of responses from concerned Departments/offices.

10. INSTITUTIONAL CAPACITY BUILDING

OPERATIONALIZATION OF THE SPECIALIZED TECHNICAL COMMITTEES (STCs)

566. The Specialised Technical Committees (STCs), which constitute an important technical organ of the Union, were established under Article 25 of the African Economic Community Treaty (the Abuja Treaty). With the transformation of the OAU into the AU, the STCs were carried over by the Constitutive Act of the African Union under Articles 14 to 16.

567. The STCs are expected to work in close collaboration with the various departments of the Commission so as to provide well-informed inputs in their areas of specialisation to the work of the Executive Council. They should also, be involved in monitoring programme development and implementation by the AU and RECs on behalf of the Executive Council.

568. By Decision Assembly/AU/Dec.365(XVII), the Assembly adopted, *inter alia*, the detailed activities of the STCs and requested the Commission in collaboration with the Permanent Representatives' Committee (PRC) through its Sub-Committee on Administrative, Budgetary and Financial Matters to determine the financial implications of meetings of each STC. In the same vein, the Assembly decided that the Commission be responsible for convening and servicing all the meetings of the STCs in order to ensure synergy with other Organs and in particular with the Executive Council as well as other institutions and requested the Commission to operationalize the STCs from January 2013 and that thereafter the Sectoral Ministerial Conferences be abolished".

569. Despite the above Decision, the STCs were not yet operationalized. Indeed, The Commission (elected Officials) decided at its 164th meeting held on 27 March 2012 to constitute a Committee on the operationalization of the Specialized Technical Committees (STCs).

570. The Committee recommended that the implementation of the Assembly decision on the operationalization of STCs be postponed to allow for deeper reflection on practical modalities and on roles and functions of the STCs. This recommendation was

submitted to the Executive Council in July 2012 which adopted Decision EX.CL/Dec.701(XXI) deferring the operationalization of the STCs to January 2014 and requesting the Commission to submit a report on the practical modalities for their operationalization to the January 2013 Assembly.

571. It should be noted that a briefing note on STCs was prepared by the Office of the Legal Counsel (OLC) following the request made by the AUC Chairperson during the meeting of the Commission held on 23 October 2012. This briefing note was also presented to a meeting of the Commission which requested the Departments having difficulties to operationalize STCs to make proposals for consideration by AU Policy Organs.

Conclusion and Way Forward

572. Taking into account the delay in the implementation of various instruments and decisions on STCs, the Office of the Legal Counsel (OLC) would like to underline that it will be very difficult to request to the Assembly to reconfigure again STCs before implementing the previous decisions. Indeed, when the issue was raised in June 2011 during PRC meeting before Malabo Summit, the arguments of some Members States were how the Commission may request the reconfiguration of STCs before their operationalization. It seems critical to operationalize STCs and to assess them after, with a view to making recommendations to the AU Policy Organs.

573. Additionally, some difficulties relating to the current configuration of STCs may be addressed by their Rules of Procedure to be developed by them as provided by Article 16 of the Constitutive Act.

AU Communication and Advocacy Strategy - 2014 - 2017

574. For the African Union to pursue its vision, it is imperative that the Commission and other Organs inform and communicate adequately on what the AU is doing, not only to foster accessibility and transparency, but also to consistently promote the AU's achievements regularly and strategically to various stakeholders through diverse channels. Thus, the need to support the actions of the AUC leadership with a good Communication and Advocacy Strategy to reach out all its Member States and their peoples, as well as various stakeholders and partners.. The more the AU's work and achievements are publicized and well known, the more it will enhance the visibility and promote the image of Africa.

575. A consultant – Expert in Communication was contracted to produce a Communication Strategy of the African Union (AU) under the supervision of the Directorate of Information and Communication (DIC).

576. A workshop on the validation of the draft produced by the Consultant was organized on 3rd to 5th October 2012 at the AU Headquarters, bringing together communication officers from some AU Organs, Regional Economic Communities (RECs), Regional and Representational Offices and AU Specialized Agencies, Departments of the AU Commission, the NEPAD Agency among others to brainstorm on

how to have an all-inclusive Communication Strategy for the Commission as the umbrella of the other structures to ensure that communication activities are well coordinated, effectively managed and responsive to the diverse information needs of the AU's various stakeholders.

577. Another workshop was organised on 1 and 2 October 2012, with Press Attaches and focal persons of Communication of the Embassies of the AU Member States to discuss ways to widen outreach by working in collaboration with them. The outcome of this workshop was also considered during the workshop on communication strategy.

578. As a way forward, it was agreed that the AU Communication Strategy must defend and promote the trust and confidence that stakeholders have in the integrity and impartiality in the AU and its Commission as well as the right to information and respect for Human Rights. It must provide its stakeholders and public with timely, accurate, clear, objective and complete information about its policies, programmes, initiatives and achievements, in real time and in all the working languages of the AU.

579. The Communication Strategy should as well ensure that institutions of the Commission are visible, accessible and accountable to the public they serve, identify and address communication needs and issues in the development, implementation and evaluation of policies, programmes, services and initiatives. It must ensure that all institutions of the AU and the Commission work collaboratively to achieve coherent and effective communication with the public and undertake working together with the RECS to facilitate the flow of information

580. The Communication Strategy has identified some important activities, which will need external funding given the limited budget allocated to communication programme. The technical aspect of internal communication will require the cooperation of all other relevant services within the Commission to ensure well-managed internal communication, through intranet, TV monitors around the compound, electronic notice board, harmonized AUC web management and avoidance of multiple websites from various Departments and other structures which may lead to duplication and in some cases uncoordinated approaches within the system.

a) Branding Campaign "I'm African, I'm the African Union"

581. The AU branding campaign is guided by the decisions of the Assembly of the AU, in particular Assembly Decision Assembly/AU/Dec.151 (V111) on the organization of a competition to launch a new flag, and Assembly/AU/Dec.267 (XIII) which requested the Commission to take all necessary measures to reproduce the new flag with all the islands represented, distribute it to all Member States and popularize it among partner countries and other parts of the world. It is also guided by the mandate of the Commission to popularize the African Union and its activities.

582. In implementing Decision Assembly/AU/Dec.267 (XIII), the Commission will popularize the AU as an institution i.e. the name of the institution, its vision, colours, and flag. To date, this has been through the installation of billboards in Addis Ababa, through the AU website and the social media. Such a campaign will raise awareness about the

existence of the organization and what it aims to do at a global level. A slogan, “I am African, I am the African Union” was coined to promote the campaign.

583. Going forward, the AU branding campaign aims to respond to issues raised in the Strategic Plans 2009-2012 and 2014 – 2017. The draft AUC Strategic Plan 2014-2017 has already identified a need to make communication one of the key priorities so as to effectively project the true image of Africa and its continental Organization. Therefore, the medium and long-term campaign will aim at mainstreaming the correct use of the symbols within the AU itself. This will include production and wide dissemination of a branding toolkit to inform all AU offices of the correct logo, flag, font, use of pictures, etc. It will align all stationery to the correct visual identity of the AU.

584. At the same time as the visual branding is going on, the implementation of a strong communication strategy will be crucial. The Commission is collecting positive stories where its policies and actions have impacted lives on the ground with a view to disseminating this information to the wide public. Only when people know what the AU does will they support it and recognize its crucial role in the integration efforts in the continent. At this stage the branding campaign will focus its advertising on themes of the AU, according to the pillars and strategic priorities of the Commission.

585. The major challenge facing the AU brand is that it is not well known by Africans and outsiders. Little is known about what the AU does and how it does it, outside the area of peace and security. Similarly, little is known about the visual symbols of the AU. They are not well used even within the AU itself as evidenced by the different logos that are used by staff members, different font sizes, and the haphazard adoption of new identities for projects- that may have little or no relation to the official symbols.

586. The second challenge faced is that of the tools to properly communicate. The Commission does not have the studios to send out radio or TV messages to Member States and media. Radio is the most widely accessible means of mass communication. Thirdly, there is a lack of resources to fund the campaign. The 2012 and 2013 budgets for example, do not have any element of branding, as the activity was deferred. In terms of human resources, a professional company is required to popularize the branding campaign. A few billboards in Addis Ababa will not suffice. A more aggressive and widespread campaign, utilizing all necessary media, is required. In addition, there is need for additional manpower to sustain the campaign.

587. The effective implementation of a holistic communication strategy will sustain the dissemination of impact based information to as many people as possible, through general and targeted methods. The availability of the tools of communication such as radio and television studios will help the AU talk directly to the African and international audiences.

588. The Communication Directorate, in collaboration with the Peace and security Department, has also contributed to the capacity building in relation with the African Peace and Security Architecture (APSA), through an annual high level workshop for journalists in order to familiarize them with the African Peace and Security Architecture (APSA), a high level workshop for journalists in order to familiarize them with the APSA.

589. Initiated in 2011 (2 - 4 November in Addis Ababa, Ethiopia), this activity does not only aim primarily at promoting the culture of peace through African media, but also seeks to encourage media professionals to inform the world of events unfolding on the continent from an African perspective. One of the first results of the initiative was the launching of the Network of Journalists for Peace and Security in Africa (NetPeace). Comprising 63 members, the network is a bridge between the African Union, the African media community and the African population. Its inaugural activity involved a visit to Mogadishu in Somalia from 25 to 30 April 2012. The visit enabled the journalists to know that life had returned to normal in the Somali capital thanks to the work accomplished by AMISOM and the Somali transitional government forces.

590. The second edition of the workshop which will take place in Dakar, Senegal from 3 to 5 December 2012, will aim at consolidating the gains made in 2011. The workshop will focus on the operationalization of the African Standby Force (ASF) by 2015. It will also provide a platform to reflect on the future of the Network regarding new membership and the activity programme for 2013, a year during which the 50th Anniversary of the Organization will be commemorated.

591. In addition to its annual activity, and to further build the capacity of African journalists, DIC, in collaboration with ISS, has taken steps to introduce a course in French and English on the coverage of dangerous zones. The course was organized from 10 to 15 December 2012 for 20 seasoned journalists selected from 250 applicants from various Member States.

592. It would difficult to get African and international media to focus on the activities of the African Union without proposing concrete activities that can inspire their stories or articles. The media coverage of the trip to Somalia attests to the importance of field experience. However, due to limited resources, the Commission could not replicate this rich and promising experience. The lack of resources also hampered the implementation of all the recommendations made at the end of the workshop in Addis Ababa, especially those relating to the participation of African journalists in the activities and meetings of the Organization, at least the statutory meetings.

593. To address the issue of inadequate resources, the Commission has embarked on the development of partnerships with research institutions such as ISS, Research Network on Peace Operations and CICR with a view to cooperating on all relevant issues.

VI. CONCLUSION

594. This report provides a comprehensive account of the activities carried out by the Commission from January to December 2012. It is also the first report that I am presenting to the executive organs of our noble Union since I assumed office as Chairperson of our Commission on October 15, 2012. It should also be noted that this is the first time the Commission is producing an annual report instead of the twice-yearly reports we were used to producing.

595. Efforts have been scaled-up towards the full operationalization of the APSA through, among other things, strengthening our working with Regional Economic Communities (RECS)/Regional Mechanisms on Conflict Prevention, Management and Resolution, as well as strengthening the capacities of the Continental Early Warning System (CEWS). Efforts are also on-going to ensure that the Africa Standby Force fully becomes operational by 2015. We are taking strides towards strengthening our relations with RECS/RMs, specifically with the deployment of liaison officers to COMESA, EAC, ECCAS, IGAD and SADC.

596. We remain fully committed to peace and security on the continent. This has necessitated the launch of the “Make Peace Happen” campaign, which was tailored towards promoting peace and stability on the continent. Nevertheless, we call on our leaders and the international community to remain engaged in our hotspots and areas of conflict including the DRC, Mali, CAR, Sudan and South Sudan, Eritrea and Ethiopia, and Eritrea and Djibouti. I should observe that measured progress has been achieved in Somalia with the inauguration of a federal government and the scaling down of warfare. We remain seized with the situation in that country and call on world leaders to support peace efforts and reconstruction in the country.

597. We hope that the Assembly’s endorsement of the Declaration on the Implementation of the AU Border Programme (AUBP) would help us address those intractable border-related conflicts and skirmishes, and create the necessary pre-conditions for integration and development of the continent.

598. We remain committed to Post-Conflict Reconstruction and Development as a pre-condition for sustained development. The draft Security Sector Reform AU Policy Framework has been developed and is due for adoption by Member States. The Commission looks forward to its implementation. We are committed to the Control of Illicit Proliferation, Circulation and Trafficking of Small Arms and Light Weapons as well as the implementation of the Chemical Weapons Convention.

599. The Summit in July 2012, adopted the theme for 2013 as *Pan Africanism and the African Renaissance*. The theme coincides with the 50th Anniversary of the founding of the OAU and the AU, and was therefore adopted as the theme for the celebrations. The celebration is a time for stock-taking of the achievements and key milestones that have been recorded over the past 50 years and to project to the futures towards an African Agenda 2063. Africa must reaffirm its Renaissance and take bold steps to achieve peace, sustainable growth and development.

600. The AU Harmonization Strategy for higher education is being implemented. We are pursuing integration through infrastructure development in collaboration with the NEPAD Planning and Coordination Agency (NPCA), RECs, AfDB, UNECA, Member States, Specialized Institutions, Regional and Development Partners.

601. In the period under review, the PIDA Priority Plan was aligned with REC Regional Master Plans for Infrastructure with PIDA. Attention is also being given to climate change and sustainable management of natural resources, development of financial

markets and assets, alternative sources of financing the AU, integration and development capacities, including the implementation of CAADP and other flagship projects in support of food security and rural development as well as trade capacity building. Furthermore, the Commission continues to strengthen the framework of consultation and participation of civil society organizations in the development and progress of the continent.

602. The African Union must improve the implementation of decisions adopted by the executive organs of our Union. On our part, the Commission will continue to collaborate with Member States and all key stakeholders to promote the culture of results, internal good governance and meticulous and transparent management of the Organization's modest resources, through the use of effective tools that ensures transparency and accountability. In addition, the Commission will continue to reinforce its cooperation with other organs of the Union, and Member States in order to improve the working methods and forge a common approach in finding solutions to challenges that confront our Union.

603. It is my firm belief that this report will be considered by Member States so that the Union may take appropriate decisions that addresses our current challenges. Let me end by drawing attention to the paucity of funds in our Union and the urgent need for collective attention to address this challenge which has the potential of crippling our activities and programmes. I have no doubt that the Assembly will find ways and means of providing the Union adequate resources to attain the overarching goals and objectives of our continental Organization.

EX.CL.755(XXII)
Annex

REPORT OF THE COMMISSION
ON
THE OFFERS BY MEMBER STATES TO HOST THE
AFRICAN INSTITUTE FOR REMITTANCES (AIR)

ABBREVIATIONS AND ACRONYMS

AFI	Alliance for Financial Inclusion
AFRITAC	Africa Regional Technical Assistance Center
AU	African Union
AUC	African Union Commission
AfDB	African Development Bank
AIR	African Institute for Remittances
BoM	Bank of Mauritius
CBD	Central Bank of Djibouti
CBE	Central Bank of Egypt
CBK	Central Bank of Kenya
COMESA	Common Market for Eastern and Southern Africa
EC	European Commission
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
IMF	International Monetary Fund
IOM	International Organization for Migration
ITRS	International Transactions Reporting Systems
KICC	Kenyatta International Conference Centre
KSMS	Kenya School of Monetary Studies
MoF	Ministry of Finance
MFA	Ministry of Foreign Affairs
MFIs	Microfinance Institutions
MNOs	Mobile Network Operators
OECD	Organization for Economic Co-operation and Development
PRC	Permanent Representatives Council
RSPs	Remittance Service Providers
SACCO	Saving and Credit Co-operatives
UNECA	United Nations Economic Commission for Africa
WB	World Bank Group

REPORT OF THE COMMISSION ON THE OFFERS BY MEMBER STATES TO HOST THE AFRICAN INSTITUTE FOR REMITTANCES (AIR)

Introduction and Background

1. The African Institute for Remittances (AIR) project is an initiative of the African Union Commission (AUC) funded by the European Commission (EC) and the World Bank in which they and selected development partners (the African Development Bank, and the International Organization for Migration) are collaborating to facilitate the creation of AIR.

2. A preparatory project for AIR was launched on June 8, 2010 with a grant from the EC. Thus far the project has accomplished several consultative and technical assistance activities outlined in various reports to AU Policy organs, including the AU Assembly, the Executive Council and the Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and United Nations Economic Commission for Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development. The following decisions emanating from these organs provide the necessary mandate for the AIR project:

- a) AU Executive Council, (Dec.EX.CL/683 (XX)) whereby the AUC was requested to submit a final report on the implementation of the preparatory project and recommendations pertaining to the establishment of the AIR as a specialized institution of the AUC to the 5th Joint AU-ECA Ministerial Conference, March 22 – 27, 2012 Addis Ababa, Ethiopia;
- b) Resolution 3, (Resolution 892(XLV)), of the Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development whereby the Ministers took note of the decision of the Executive Council (EX.CL/Dec.683(XX)) on the establishment of AIR as a Specialized Institution of the AUC and requested the AUC to submit the proposed mandate of the Institute and its organizational structure to the AU Permanent Representative Committee (PRC) through its relevant subcommittees;
- c) Declaration of the Global African Diaspora Summit, Johannesburg, South Africa, 25 May 2012 (Diaspora/Assembly/AU/ /Decl. (I)) by which AIR was endorsed as one of the 5 Legacy Projects;

- d) AU Assembly Decision (Assembly/AU/Dec. 440(XIX)) by which the Assembly endorsed the establishment of AIR and requested the AUC to work on the modalities for its structure and location, and submit a Report to relevant organs to facilitate its early operationalization.

Offers from Member States to Host AIR

3. Formal hosting offers for AIR were received from four AU Member States: Djibouti, Egypt, Kenya and Mauritius. The Republic of Mauritius submitted a written offer during the 5th Joint AU-ECA Conference of Ministers of Finance from 22 to 27 March 2012, while the Arab Republic of Egypt submitted its bid on 14 May 2012. The Republic of Kenya submitted its written offer to host the Institute on 31 May 2012. Although, the Republic of Djibouti had expressed verbal interest in hosting the Institute during the 5th Joint AU-ECA Conference of Ministers of Finance in March 2012, the AU Commission sent Note No. DSA/AIR/54/1245.12 dated 1 August 2012 to remind that the Commission was still awaiting a formal written offer from the country. The written offer from the Republic of Djibouti dated 30 October 2012 was received on 8 November 2012.

4. Pursuant to operative paragraph 6 of Executive Council Decision EX.CL/195(VII) Rev.1, a fact-finding Mission was sent to three countries – Egypt, Kenya and Mauritius – from 10 to 20 November 2012 for an in-depth assessment of their offers according to pre-established criteria. Djibouti was not included due to the fact that their written offer sent under cover of Note Verbale Ref: 1086/12/A.N./ADJ/AA dated 30 October 2012, was received on 8 November 2012, two days before the commencement of the fact-finding mission. To facilitate a detailed review of the offer from the Republic of Djibouti, additional information was requested vide the Commission's Note Verbale No. DSA/AIR/54/1742.12 dated 9 November 2012. As at the time of this report, no response has been received.

Methodology:

5. The methodology adopted is two-fold: a desk-review of the written offers and the fact-finding mission to correlate the offers.

Desk Review

6. A desk review of the written offers from the Member States was conducted using the criteria contained in Executive Council Decision (EX.CL/195(VII) Rev.1) and complemented by the subsequent fact-finding Mission to elaborate upon these offers. Specific criteria were developed for juridical and legal matters, financial arrangements,

logistical and administrative support, suitability of location, as well, technical criteria related to remittances.

Fact-finding Mission:

7. The fact-finding Mission was led by Director of Social Affairs Department, African Union Commission (AUC), and included representatives from the AUC, International Organization for Migration (IOM), European Commission (EC) (only to Egypt and Kenya), African Development Bank (AfDB) (only to Egypt and Kenya), and two independent consultants assigned by the World Bank up on the request of the AUC for provision of technical experts on the area of remittances.

8. The Mission conducted the assessment in accordance with its Terms of Reference (ToR), a checklist sent to the Member States to help in their preparation, and a series of indicative questions relating to remittances were provided in advance to enable the Member States to provide additional information.

9. The fact-finding mission visited the Arab Republic of Egypt 11-12 November 2012, the Republic of Kenya 13-14 November 2012, and the Republic of Mauritius 16-17 November 2012. From an operational viewpoint, it is likely that most activities of the AIR will be with Central Banks, but from budget and leveraging of remittance for socio-economic development approach, it is clear that strong links with the Ministries of Finance are desirable. Hence, an important issue is the degree of autonomy the Central Bank may have with respect to the Ministry of Finance in each country. Similarly, issues concerning the legal personality, privileges and immunities impact on the operational capability of the AIR. Thus, during the Mission, discussions were held with top officials of the Central Bank, Ministry of Finance (MoF), Ministry of Foreign Affairs (MFA), Ministry of Justice/Attorney General's Chamber, National Bureau of Statistics, as well as inspection of offices/buildings earmarked for AIR.

10. The resulting Report does not serve to rank the offers from the four Member States; rather, it seeks to confirm and validate important features of each offer. In this way, the purpose of this technical report is to facilitate consideration and decision by the AU Executive Council regarding which Member State should be selected to host the AIR.

Juridical and Legal Matters:

11. With reference to paragraph 4 of Executive Council Decision EX.CL/195(VII) Rev.1, *"the Member State hosting or wishing to host any of the organs of the Union*

should have ratified the *General Convention on Privileges and Immunities of the OAU, the Vienna Convention on Diplomatic Relations of 1961 and the Vienna Convention on Consular Relations*". Among Member States, only Kenya confirmed in its written bid that both these conventions had been signed and ratified.

12. Based on additional information provided by the respective Member States during the Mission, and subject to confirmation by the Office of the Legal Counsel, the current ratification status of the offering countries is as follows:

- **Djibouti:** The Republic of Djibouti signed the OAU Convention on 15/11/2005 but has apparently not yet ratified it. As the fact-finding Mission was unable to visit Djibouti, this could not be verified. The written offer from Djibouti indicated its experience in hosting international organizations such as the Inter-Governmental Authority for Development (IGAD) and foreign military bases. The offer states inter alia: *"the geostrategic position of Djibouti which makes it at the crossroads between the Middle East and the Horn of Africa, has attracted several foreign military bases (France, United States, and Japan). Their strong presence makes Djibouti a stable country vis-à-vis its neighbours"*.
- **Egypt:** The Arab Republic of Egypt signed the OAU Convention on 25/06/1965, and ratified and deposited it on 24/12/1968, as verified by the Deputy Assistant Minister for Protocol, Ambassador Amr El Henawy to the Mission. Additionally, the two UN Vienna Conventions – 1961 Convention on Diplomatic Relations and the 1963 Convention on Consular Relations have been signed and ratified by Egypt. Details of the privileges and immunities to the AIR and its staff would be negotiated as part of the Host Country Agreement. The Deputy Assistant Minister indicated Egypt's good tradition in hosting international organizations and that the privileges and immunities to be enjoyed by the AIR will originate from the 1961 Vienna Convention on Diplomatic Relations and the OAU Convention.
- **Kenya:** The Government of Kenya signed the OAU Convention on 25/06/1965, and ratified and deposited it on 24/12/1968, as verified by Ms. Dorcas Achapa, Deputy Solicitor General, State Law Office. Additionally, the two UN Vienna Conventions – 1961 Convention on Diplomatic Relations and the 1963 Convention on Consular Relations have been signed and ratified by Kenya, as confirmed by Mr. Thuita Mwangi, Permanent Secretary of the Ministry of Foreign Affairs. The three international legal instruments have been domesticated and encapsulated in the country's Privileges and

Immunity Act, which over the years has facilitated the development of a strong tradition by Kenya in hosting diplomatic missions and international organizations. Both the Ministry of Foreign Affairs and the State Law office re-affirmed the readiness to recognize the legal personality and capacity of the AIR to discharge its functions and to protect its interest. The Host Agreement will further spell out the privileges and immunities as well as administrative issues pertaining to the functioning of the Institute.

- **Mauritius:** According to the Attorney General's Office, both the UN and Vienna Conventions have been signed and ratified, though not all parts of the Conventions have been domesticated. Mauritius succeeded to the 1961 Vienna Convention of Diplomatic relations in July 1969 and acceded to the 1963 Vienna Convention on Consular Relations on 30 May 1970. Mrs. P. Goordyal-Chitto, Ag. Deputy Attorney General, made it clear that the Republic of Mauritius has neither signed nor ratified the OAU Convention. However, she indicated that Part V of the Mauritius Diplomatic and Consular Act of 1976, which domesticated parts of the two Vienna Conventions, could be applicable to the OAU Convention. She added that tax exemptions are not included in the Act and they have to be discussed with the Ministry of Finance. Both the Deputy Attorney General and the Foreign Secretary informed that Mauritius is host to a few Regional Bodies including the Indian Ocean Commission.

Financial Arrangements

13. The following financial offers have been made:

- **Djibouti:** The official offer of the Republic of Djibouti does not provide any details on financial contributions.
- **Egypt:** The official offer of the Arab Republic of Egypt does not provide any details about financial contributions. It was confirmed during discussions with officials of both the Central Bank and the Ministry of Finance that the Government has no current plans to specifically allocate additional administrative or program resources for the Institute beyond the provision of office space. However, the officials were optimistic that in future, there exists the possibility of co-financing projects with the Institute.
- **Kenya:** The Government of Kenya, in addition to office space and facilities, has offered to set aside US\$ 5 million for the administrative and operational

costs of AIR, starting with US\$1 million for the fiscal year 2012/13. In addition, Kenya offered up to US\$2 million for equipment such as computers, servers and telecommunications. During the Mission, Mr. Joseph Kinyua, Permanent Secretary of the Ministry of Finance confirmed their commitment to seek subsequent annual budget disbursements of US\$1 million.

- **Mauritius:** The Government of Mauritius has officially offered to “underwrite” certain budget and administrative costs; and to guarantee additional funding, if other donors cannot be sufficiently mobilized. During the discussion with Mr. Ali Mansoor, Financial Secretary of the Ministry of Finance, both the concept and details of the proposed underwriting were further explained to the Mission. Accordingly, the Government of Mauritius would cover \$200,000 in 2013 and up to \$250,000 for 2014 and up to \$150,000 for 2015, depending upon availability of other donor financing. Moreover, pending the formal recruitment of staff by the AUC, Mr. Mansoor indicated that Mauritius could second appropriate professional staff as requested by the Institute to facilitate the beginning of operations.

Logistical Support

14. With reference to paragraphs 3a) and 3b) of Executive Council Decision EX.CL/195(VII) Rev.1, the offers from the respective Member States provide the following:

- **Djibouti:** The Government of the Republic of Djibouti offers equipped premises for AIR.
- **Egypt:** The Mission visited both options available to house AIR. The first is within the original Central Bank building, now under restoration, in the old center of Cairo. The second is within a modern state-owned National Bank building, currently under construction as a business-continuity backup facility in the New Cairo section, a vast residential/commercial/financial development outside the city’s main center.
- **Kenya:** The Government of the Republic of Kenya offers a floor at the Kenyatta International Conference Centre (KICC) in the Nairobi Central Business District, close to all government offices. In addition, Kenya offers to provide the Head/Chief Executive of AIR with an appropriately furnished and equipped Official Residence. During the Mission, the Central Bank of Kenya

also suggested the Kenya School of Monetary Studies (KSMS) ultra-modern campus as an alternate location for AIR; the COMESA Monetary Institute is also hosted there. The fact-finding mission visited both places.

- **Mauritius:** The Government of the Republic of Mauritius offers to host AIR in the premises of the very modern Bank of Mauritius building, downtown Port Louis; AFRITAC is also housed there, and fund the first year of the Executive Director's housing. During the Mission, the Ministry of Finance also suggested a floor in a state-of-the-art building under construction in Cyber City area as alternative space for AIR. The fact-finding mission visited the two proposed office spaces.

Technical Issues Related to Remittances

15. In seeking to focus on the local policy environment in which the proposals would eventually materialize, and based largely on the information provided by the Member States(except indicated otherwise) either in the formal written or as presented during the fact-finding mission, this section reviewed each country's experience with remittances and the institutional structures for dealing with issues in this field, as well as specific efforts to (i) improve the measurement of remittance flows, (ii) lower remittance costs, and (iii) seek ways to maximize their socio-economic development impact. A short description is provided for each country, complemented by a more detailed table in which the main aspects are summarized.

General Overview: Importance of Remittances

Parameters	Djibouti	Egypt	Kenya	Mauritius
Volume of remittances (2011e)*	\$35 million	\$14.2 billion	\$2.5 billion	\$249 million
GDP (2011e)**	\$2.2 billion	\$519 billion	\$71.2 billion	19.3 billion
Remittances as % of GDP	1.6%	2.7%	3.5%	1.3%

* Source: Migration and Remittances Fact Book 2011, World Bank.

** Source: World Economic Outlook Database, IMF, October 2012

Country Overview

A. Arab Republic of Egypt:

16. Egypt has a strong international banking tradition and a long experience in remittances. Currently among the largest market for remittances to Africa, and can point to one of the lowest-cost corridors in Africa (Egypt-Gulf corridor with about 2% cost). The Egyptian Diaspora represents about 4.4% of its population, constituted mainly by migrant workers in the Middle East and Gulf regions and complemented by more permanent migration to the United States and Europe. Remittances to Egypt are approximately equal to the sum of net FDI plus ODA, and represent about 2.7% of GDP.

17. The Central Bank of Egypt (CBE) has produced an ambitious operational vision for the proposed AIR, including some suggestions for its governance and structure that would steer it closer to the field of influence of central banking. With regard to the proposed activities, it is in broad agreement with the AIR initiative. There is an additional and powerful suggestion to work on “the Right to remit”, defined as the immigrants’ right to support their families at home without prejudice to their legal status, economic condition or political sympathy.

18. From a market structure viewpoint, it appears that there is sufficient participation of different types of service providers to enable a competitive environment, although improvements to the regulatory system could provide for a wider variety of products fostering the goal of financial inclusion. With respect to its record in tracking remittances, more resources could be assigned to the task of closing the gap between official statistics and external estimates of remittance flows.

19. From an institutional viewpoint, close coordination will be required between CBE and the Ministry of Finance (MoF), should the decision be taken to locate AIR in Cairo. The MOF’s support for the proposal will have to be translated into active participation, especially in aspects pertaining to the legal and regulatory framework for remittance markets. The Ministry of Foreign Affairs is also very supportive of the bid and already experienced in providing immunities and privileges to 216 diplomatic missions and international organizations in Cairo.

B. Republic of Kenya:

20. Remittances to Kenya reached US\$ 2.5 billion in 2011, equivalent to 3.5% of GDP. As such, they represent an important source of improvement in living standards to a significant proportion of the lower-income segments of the population, especially in

rural areas. At about 3 million strong, the Kenyan Diaspora represents approximately 7% of the population.

21. The Kenyan government has taken a cabinet level decision to submit its candidacy to host AIR, channeled through the Ministry of Finance (MoF). The proposal emphasizes the similarity of goals between the AIR initiative and the national priorities for the financial sector, especially with respect to increasing access and improving efficiency. Kenya believes that a drive to leverage remittances for socio-economic progress – as envisioned by AIR – fits into its long-term development plan, VISION 2030. Finally, in view of the gap between official and external flow estimates, the authorities recognize that Kenya could benefit from improvement of remittance measurement methodologies.

22. The authorities also consider that their remittance-friendly regulatory framework, which promotes broad coverage of rural areas by enabling smaller financial intermediaries and non-financial institutions to participate in the market, could provide a useful regional testing ground for innovation and the adoption of best practices. In this context, special mention should be made of Kenya's innovative stance in the field of mobile money transfers – resulting from partnerships between the four domestic telecommunications operators and remittance service providers (including international MTOs) – which have lowered costs to around 20 million subscribers. In addition, Kenya is already working closely with the Alliance for Financial Inclusion (AFI) on regulatory modifications to promote access to financial services.

23. While the Kenyan bid has been spearheaded by the MoF, the Mission noted the highly coordinated involvement of the Central Bank of Kenya (CBK) in elaborating all aspects of the proposal. This is not only because of formal reasons – CBK has an autonomous constitutional mandate for monetary policy, financial stability and financial inclusion – but also because AIR's envisioned activities in statistics, regulatory frameworks and payments systems fall directly under its responsibility. Additionally, both CBK and MoF are joint founders of the KSMS which has been mentioned as a possible site for the AIR premises.

C. Republic of Mauritius:

24. The economy of Mauritius is relatively prosperous by the continental standards, thus diminishing the economic incentive to migrate. At US\$ 249 million in 2011, the net inflow of remittances amounted to 1.3% of GDP in an economy where per capita GDP stood close to US\$ 15,000. While in the past there was migration (mainly to Madagascar, the U.K., France and Canada), recent years have seen an inflow of

migrant workers to the expanding Mauritian economy (estimated at about 40,000 persons) which may imply a reversal in the net trend for future years.

25. The Mauritian proposal emphasizes two aspects: the adoption of an Africa Strategy aimed at closer regional integration with the Continent, and its reliance on the modern and dynamic financial sector on the country to create innovative products that could leverage the impact of remittances on financial inclusion and development. In keeping with the first aspect, Mauritius now hosts AFRITAC, a regional technical assistance center under the auspices of the International Monetary Fund. In line with the second objective, the Bank of Mauritius (BoM) is providing software hosting and settlement services for participating countries from COMESA, the Common Market for Eastern and Southern Africa.

26. The banking sector in Mauritius provides modern payment systems to the market, including card-based remittance-friendly modalities. Regulatory authority and the responsibility for financial stability are with BoM, and appear to be deployed with sufficient flexibility to attract major international and regional financial institutions. The authorities emphasized that the financial markets in Mauritius had been recognized by the FATF (Financial Action Task Force) as complying with OECD standards.

27. In Mauritius the effort to attract AIR has been led by the Ministry of Finance with strong support from BoM, who has offered premises in its building for the location of AIR, where it is already housing AFRITAC. The BoM has operational autonomy for monetary policy and the mandate for financial stability, as well as budget autonomy.

D. Republic of Djibouti:

28. In the written offer from Djibouti, the country indicated that its macroeconomic environment has significantly improved during the last five years with an average economic growth rate of 4.8% as against 2.7% for the 2000-2005 period. The real GDP growth was achieved due to the dynamism of the agricultural production which increased by 79%, the Building and Public Works Sector by more than 12%, the Telecommunications Sector with an annual average growth of 8.9% and Water and Electricity Sector with a growth rate of more than 3.5%. The investment rate estimated at 24.3% of the GDP in 2005 rose rapidly to 46.7% in 2008 before stabilizing at around 35% in 2009-2011, under the combined effect of the acceleration of both Foreign Direct Investments (FDI) and public investment financed from foreign resources.

29. During the last five (5) years, the financial sector experienced an extraordinary increase in the number of financial establishments as well as the credit accorded to the economy. The Republic of Djibouti has a stable, freely convertible national currency with fixed dollar parity at 177.721 Djibouti francs since 20 March 1949. The number of banks increased from 2 in 2002 to 12 banks to date and the number of exchange intermediaries and money transfer also increased, with 13 agencies operating in 2011. The financial sector, revitalized and diversified by the arrival of these new operators, was an accompanying growth factor marked by the expansion of the domestic liquidity, thus visibly improving the banking sector. Money transfers are quite huge, representing on the average 50 billion Djibouti francs per annum.

TECHNICAL TOPICS RELATED TO REMITTANCES

NOVEMBER 2012

	DJIBOUTI	EGYPT	KENYA	MAURITIUS
Data Collection	At an estimated 1.6% of GDP remittances do not present an important influence on the economy, although recent growth in immigration due to unrest in neighboring countries is liable to swell this figure. While the government reported inward transfers of US\$ 280 million for 2010, the lack of classification does not allow for further breakdown but nevertheless suggests that remittances are growing.	Remittance flow compilation in Egypt relies mainly on International Transactions Reporting Systems (ITRS) by the commercial banks. Estimates for 2012 vary from US\$ 9 to 14 billion. It is unclear whether direct MTO reporting is used, and if so, netted against ITRS. Informal channels are not quantified (e.g. via household surveys), although unofficially estimated at 15-20% of total flows.	The Central Bank of Kenya (CBK) compiles monthly data from formal channels (authorized RSPs) leading to a current official estimate of US\$ 1.2 billion for 2012. Informality is not taken into account and is estimated to be at least as large as the officially reported flows. CBK acknowledges room for improvement in measurement and will act accordingly.	Net remittance flows to Mauritius do not have a large economic impact and consequently no special efforts appear to have been made to quantify this Balance of Payment (BoP) item. However, a growing influx of foreign labor may lead to a future review of the situation.
Remittances Market	With a population of 0.8 million, the size of the remittances market is clearly limited in absolute terms. The recent arrival of commercial banks, exchange intermediaries and MTOs, however, suggests that market competition may be	Egypt represents the largest remittance market in Africa, based mainly on transfers from migrant workers in the Gulf region. While this corridor is very cost efficient, the others also operate at reasonable prices. The formal delivery system is dominated by commercial	The formal remittances market in Kenya combines the presence of commercial banks, authorized MTOs, postal services, savings & credit cooperatives (SACCOS), microfinance institutions (MFIs) and mobile phone transfer companies, usually in some	Mauritius has a vibrant and growing financial system that provides good geographical coverage of the island for banking and associated services, including the sending and receiving of remittances. Money Transfer Operators (MTOs) are also present in

	improving (although one MTO remains dominant). Renewed interest in Djibouti's commercial and services potential may attract further players to the market.	banks, MTOs and agents supported by a robust payments system; there is also participation by the Post Office, exchange houses and other non-bank financial institutions.	form of association to provide a wide coverage network for the rural sector. While remittance costs have fallen, there is scope for further reduction.	the market. Payments systems are robust, and provide the international settlement mechanism and software host for COMESA.
Financial Inclusion	Since an important part of the population lives in the capital (76%), physical access to the banking system does not pose a major problem, unlike the countryside. Available statistics, however, report that only 12% of adults nationwide hold a bank account. Since Djibouti's offer accords high priority to the promotion of remittances, it would follow that financial inclusion must also be promoted by the authorities.	While the Egyptian proposal emphasizes the use of innovative instruments such as pre-paid cards and mobile telephony for remittances disbursement, together with other distribution channels, there does not yet appear to be widespread local adoption of inclusive technologies.	Kenya presents a strong track record in using remittances to promote financial inclusion. This includes: a) a strong expansion by commercial banks into rural areas and neighboring countries; b) a fivefold increase in the number of bank accounts in less than ten years; c) further licensing of SACCOS, DTMs (Deposit-taking MFIs) and bank agents, and d) the successful introduction of mobile money transfers and banking services (e.g. MPESA).	In keeping with a more prosperous economy, Mauritius shows a strong trend towards innovation in the financial sector, although geared more towards corporate financial services, capital markets and the more traditional market segments for individuals.
Ownership	The Djibouti proposal is submitted by the Ministry of Economy and Finance	The driving force behind the Egyptian proposal is the Central Bank of Egypt	The Kenyan bid for AIR is led by MoF in close coordination with CBK,	In Mauritius the effort to attract AIR has been led by the Ministry of Finance with

	<p>(Responsible for Industry and Planning). The mandate for supervision of the financial sector lies with the Central Bank of Djibouti (CBD).</p>	<p>(CBE), supported in its bid by the Ministries of Finance and Foreign Affairs. Although CBE has an autonomous mandate for monetary policy, the MoF retains responsibility for financial stability (including bank regulation). This implies that both institutions would be involved in remittance related initiatives requiring modifications to the regulatory framework.</p>	<p>whose constitutional mandates specifically include promoting financial inclusion. In view of AIR’s envisioned areas of activity (statistics, payments systems, regulatory framework), precise teamwork will be required between MoF and CBK. Furthermore, both MoF and CBK are the main sponsors of the Kenya School of Monetary Studies, whose campus has been offered as a possible location for AIR.</p>	<p>strong support from the Bank of Mauritius (central bank). BoM has offered premises in its building for the location of AIR, where it is already housing AFRITAC (a regional technical assistance center set up in cooperation with the IMF). The BoM has operational autonomy for monetary policy and the mandate for financial stability, as well as budget autonomy.</p>
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AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

UNIÃO AFRICANA

Addis Ababa, Ethiopia

P. O. Box 3243

Telephone: 5517 700

Fax: 5517844 / 5182523

Website: www.au.int

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Addendum

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**REPORT OF THE COMMISSION ON THE HUMANITARIAN
SITUATION IN AFRICA**

REPORT OF THE COMMISSION ON THE HUMANITARIAN SITUATION IN AFRICA

INTRODUCTION

1. Since the last report to Council in July 2012, the current synopsis gives an account of the current general humanitarian situation and analyzes the situation of refugees, returnees and internally displaced persons (IDPs) and to some extent natural and man-made disasters on the Continent. The report focuses on the regional highlights, as well as the steps taken by the African Union Commission in implementing the decisions and instruments of the AU, the challenges and the way forward.

2. It shall be recalled that the Executive Decision EX.CL/Dec.462 (XIV) of January 2009 requested “Member States to provide the Commission with up-to-date statistics on refugees, returnees and internally displaced persons in order to enable the Commission to reflect the true picture of the humanitarian situation in their countries”, however, at the time of reporting, the Commission had not received information from Member States and had to rely mostly on data provided by AU Conflict Management Centre and AU Partners.

GENERAL OVERVIEW OF THE HUMANITARIAN SITUATION IN AFRICA

3. With ongoing conflicts and persistent instability and food insecurity in some regions of the Continent, thousands of African people continue to find themselves fleeing their homes and seeking protection within their countries and asylum in displacement camps in neighboring countries or outside Africa. Additionally there is a serious issue of protracted cases of refugees which sometimes leads to disagreement on issues such as the invocation of Cessation Clause between host countries and refugee populations. There are also victims of natural and human-induced disasters across Africa which affected mainly the West, Central, and Southern regions. The Commission therefore, has continued to advocate with Member States to reaffirm their commitments to combating the root causes of forced displacement and extend their hospitality to the victims of forced displacement crossing over into their countries to seek asylum. These people are in need of assistance in rebuilding their lives and their damaged infrastructures since it is linked to sustainable livelihoods.

4. Another major challenge on the humanitarian situation is the challenge of mixed migration which has far reaching consequences since it impacts on displaced populations. Unlike the refugees, migrants do not fit in any category of population needing protection. However, refugees and asylum seekers are sometimes involved in movements within the Continent and far beyond, in an irregular manner, thus putting them at risk of being denied protection.

5. In accordance with various decisions of the Executive Council and Declarations of the AU Assembly of Heads of State and Government humanitarian aid agencies have continued to synergize their programmes and to work in close collaboration with

governments, despite the numerous challenges they face. Donor fatigue and the struggle for developed countries to manage their own economic crises have led to dwindling funds towards humanitarian action on the Continent. In October 2012, the UN High Commissioner for Refugees stated that UNHCR which has the global mandate for refugee matters had less than half the money it needed to look after a large number of refugees, carry out voluntary exercises and assist in resettling the returnees back to their communities.

6. AU Member States hosting refugees are more and more taking on much of the burden of providing for refugees and asylum seekers within their countries as humanitarian aid agencies fall short of receiving the much needed funding to implement their programmes and meet the needs of the displaced populations. It is in this context that the solidarity shown by Member States in hosting refugees and in offering financial assistance to those in need is recognized, especially since many African countries are themselves burdened by the responsibility of caring for their own nationals.

REGIONAL ANALYSIS

NORTHERN REGION

7. Since the last reporting period, positive developments in the humanitarian situation in the Northern Region continued to take place. Thousands of Libyans who were in the region are now resettled back home.

8. On the other hand, the situation in Algeria has not changed as the country continues to host 165,000 Sahrawi refugees who have been living in Tindouf refugee camps for over three decades. Additionally, the country received about 30,000 Malian refugees since January 2012, according to government sources.

9. The refugees in Egypt is estimated to be over 40,000 of whom the majority are Sudanese and others are from Somalia, Eritrea, and Ethiopia. The country continues to advocate for refugee policies in order to provide for durable solutions to the problem including protracted refugee situations.

10. Mauritania was one of the countries that experienced food insecurity, occasioned by severe drought. It is instructive to also note that the Malian crisis have also contributed to the refugee situation in Mauritania, with over 100,000 refugee in Mbeera Camp in Eastern Mauritania. The majority of the refugees are women and children with 63.4% being children. Due to the swelling number of arriving refugees, the UNHCR has established a second camp to accommodate the new arrivals. The existing camp was full and could hardly accommodate new arrivals and with the conflict across the border festering rather than abating. The number of refugees increased from 104,109 to 108,953 in October 2012.

WESTERN REGION

11. The Western Region which constitutes many countries of the Sahel Region continued to experience security and stability issues, dwindling rains, food insecurity and malnutrition, conflicts especially in Mali and Northern Nigeria and as a result contributed to forced displacement. At the last reporting in June, the number of affected people who were in need of food were about 16 million and today it accounts for more than 18 million with 1.5 million children under five years are at risk of severe acute malnutrition. The most affected countries in the region are: Burkina Faso, the Gambia, Mali, Mauritania, Niger, Nigeria and Senegal. It was also reported that since 2007, the number of affected people by floods in the region was on the rise, particularly in Nigeria, Niger and Senegal and is often the same number that is already vulnerable due to the food security and nutrition crisis in the Sahel. The region is also taking care of the influx of Malian refugees numbering about 208,306 in six countries while thousands of others are internally displaced in Mali. On the other hand, voluntary repatriation of mainly Liberians and Ivorian refugees continued.

12. ECOWAS together with the AU Commission and humanitarian agencies have made great efforts to deal with the complex situation in the region at different levels such as assisting the forced displacement populations, promoting resilience within Member States, improving mitigation and preparedness as well as integrating humanitarian and development actions.

13. A joint AU Commission and United Nations Office for the Coordination of Humanitarian Affairs (OCHA), in partnership with the Organization of Islamic Cooperation (OIC), and the UN Regional Humanitarian Coordinator for the Sahel organized a high level Member States' visit to Niger, Mali and Burkina Faso from 14 to 21 October 2012. The team also included ECOWAS and various development partners as well as interested organizations and countries for Sahel Region. It met Government authorities, UN officials, civil societies, humanitarian agencies, and donor representatives.

14. In Burkina Faso, the mission reported that the crises in Cote d'Ivoire, Mali and Libya have affected thousands of migrant workers who have returned to the country and, in the process, depriving families of remittances and placing economic burden on the communities they are returning to. The mission was informed that close to 34,877 refugees from Mali had been registered in the country as of 3 October 2012. The number however increased to 35,859 by end of October 2012.

15. The team visited Mentao refugee camp and interacted with some Malian refugees, and also observed the FAO and Plan projects within the camps. While ongoing initiatives from both UN agencies and partners were laudable, especially in the areas of food, water and education, refugees in the camp complained about limited supplies of food, water as well as the loss of their livestock during their displacement. The conditions around the camp were very challenging, particularly in an arid environment which is difficult for the cultivation of crops and availability of water.

16. In Mali, the team was briefed about the fighting in the north which resulted in the displacement of several Malians within and beyond its borders with a total of 5.05 million affected by the crisis. More than 200,000 fled to neighboring countries and over 200,000 are internally displaced. Drugs and small arms trafficking, as well as other crimes were mentioned as the major causes of the conflict and further complicated by the divisions in Government as well as humanitarian disaster occasioned by severe drought in the region.

17. The African Union responded to the food insecurity in the Sahel by providing relief food items to the tune of US\$450,000.00 through the World Food Programme to four countries, namely, Burkina Faso, Mali, Mauritania and Niger.

18. A symbolic hand-over ceremony was organized by the World Food Programme in Niger. The ceremony took place in the village of Winditan, in the Commune of Baleyara, located 90 Km North-East of Niamey. The component of the donation that got to Niger secured the purchase of 137 metric tons. The food assistance reached about 1166 households or 7611 beneficiaries, composed of 4017 men and 3594 women. It was in recognition of the dire situation subsisting in the region that the token gesture was made.

19. Niger also experienced serious flooding during the reporting period which led to the displacement of about 35000 persons who were temporarily relocated in primary schools around the city. The African Union will in the near distance future be responding to the request of that country under the Special Emergency Assistance Fund.

CENTRAL REGION

20. The main focus in the Central Region is on Central African Republic, Democratic Republic of Congo, (DRC) and Chad. These countries continue to be affected by the problem of forced displacement as thousands of people are on the move either as refugees or as internally displaced. This is mainly due to disasters, military operations occasioned by the activities of Lords' Resistance Army (LRA) and the insurgency of the M23 Militias.

21. In October 2012, Central African Republic had a refugee population of close to 19,000 from Sudan and the DRC as well as asylum seekers from different parts of the Continent. The IDPs are about 51,679 and out of that number over 26,000 were internally displaced in 2012. On the other hand, about 12,000 returned home from Chad and Cameroon while 50,000 IDPs returned to their communities. The situation witnessed a reversal with the renewed insurgency by rebels. This led to fresh cases of both refugees and internal displacement. Over 155,000 of the country's nationals are still in exile mainly in neighboring countries.

22. Chad is one of the most affected countries by food insecurity and nutrition crisis in the Sahel Region since the beginning of 2012. The problem has been compounded by floods which started in August 2012, the worst since 1962. Since then about 700,000 have been affected in 16 of the country's 22 regions. Additionally, there was loss of 255,720 hectares of cropland, 94,211 houses, over 1,000 schools destroyed and about 70,000 people were internally displaced. Furthermore, the country is also experiencing the growing threat of desertification and locust invasion which is a great threat to crops.

23. In the case of the Democratic Republic of Congo (DRC) the humanitarian situation has not improved much since the last reporting. The main factors that contribute to the situation are persistent insecurity mainly caused by armed groups, military operations in particular the recent fighting between government forces and soldiers of former rebel group called M23, LRA activities, poverty and epidemics. As of 1 October 2012, about 2.4 million people were internally displaced compared to 1.7 million at the beginning of 2012, with a large number of them displaced more than once. The most affected areas are in the North, South Kivu and Katanga. Approximately 250,000 people are new cases of IDPs in North Kivu and 339,000 in South Kivu. At the same time 17,000 refugees from the Republic of Congo returned home. The number of refugees from DRC in neighboring countries is estimated to be 463,000. Humanitarian aid workers face the problem of funds and limited access to help thousands of people who are in need of aid.

EASTERN REGION

24. After a devastating drought and famine in 2011, there was great improvement in the area of food security in the Eastern Region with the exception of Somalia. The Commission together with its partners continued to follow up on the situation and disburse the funds received from the Pledging Conference of August 2011 in Addis Ababa.

25. As the region is trying to recover from the drought and famine, the ongoing conflicts in DRC, Somalia, Sudan and South Sudan have once again produced mass movements of new cases of thousands of refugees and IDPs, thus undermining the voluntary repatriation of some refugees and IDPs. A large number of Eritreans also continue to seek asylum mainly in Ethiopia. However, there is hope that some refugees and IDPs in both the Sudan and South Sudan will opt to go back home due to the signing of a range of agreements in September 2012 in Addis Ababa between Sudan and South Sudan.

26. Ethiopia was host to 372,096 refugees at the end of August 2012. Somali refugees in the south-east are in the majority numbering 209,214 (61.16%) followed by Sudanese 67,140 (19.63%) in the West and Eritrean refugees 61,703 (18.04%) in the Tigray region. There were 3,000 new cases of refugees mainly from Somalia, Eritrea and Sudan in the last six months. The fighting between Sudan and South Sudan has contributed to the flight of 34,500 refugees into the country in September 2012.

27. The Representative of the Government of **Kenya** reported to the 67th Session of the UN General Assembly in November 2012 and drew attention to the international community that Dadaab refugee camp which is the largest in the world and the third most populous human settlement in the country after Nairobi and Mombasa which hosts over 600,000 and the majority are Somalis. This is in addition to the other refugees in urban areas.

28. Kenya pointed out three factors that has impacted on the country because of the influx of refugees namely; degradation of the environment, competition for scarce resources and deterioration of security. Due to the protracted nature of the refugee situation, the Government of Kenya suggested to provide safe and secure havens inside Somalia since the security situation has improved. While reiterating the country's commitment to her international obligations and responsibilities to protect refugees, it stated that this scenario cannot continue and called upon the international community to "further explore new options to build a more equitable, efficient and effective international refugee burden sharing regime with practical solutions that are implementable immediately and aimed at relieving Kenya and other neighbours of the burden".

29. **Somalia** is still gripped with ongoing conflict and insecurity. This is coupled with the severe drought and famine which continue to threaten the livelihoods of thousands of people since 2011. Almost one million Somalis are refugees in seven Member States, in particular the neighboring countries and close to 1.4 million internally displaced. Between July and September about 8,300 people moved from Lower Shabele and Lower Juba regions into Mogadishu and Afgooye looking mainly for food, shelter and protection even though the population in Mogadishu is in need of food aid.

30. In the case of **Sudan**, as late as October 2012, after the signing of agreements in September, fighting between Sudan and South Sudan has abated. However, internal strife and violence continue to affect civilians in South Kordofan and Blue Nile States which has led to a number of new refugees fleeing from the two areas. According to UN information received from the Government, as of June 2012 there were 275,000 affected persons of whom 207,000 were in South Kordofan and 68,000 in Blue Nile State. On the other hand, other sources reported that in the SPLM-N controlled areas 420,000 people were affected. It was reported in August 2012, that some 1,250 people who earlier returned to South Sudan went right back to Sudan (South Darfur) and over 350,000 South Sudanese are still in the Sudan with a majority of them in Khartoum.

31. Furthermore, Sudan also faced natural disaster where 240,000 people were affected by floods in many parts of the country especially in Kassala. It was the heaviest flooding in Sudan since 2007. Some people were killed and injured while thousands of houses were destroyed or damaged.

32. Concerning **South Sudan**, as of September 2012, the country had a refugee population of over 175,000 from South Kordofan and Blue Nile States who sought refuge in Upper Nile and Unity States of the country. Other refugees originate from

Central African Republic, DR Congo and Ethiopia. The country also continued to receive its nationals from the Sudan. The total number of people who had returned since January 2012 is estimated to be 126,000.

33. While movements of people were going on, seasonal flooding affected 260,000 people with 44 out of 79 counties affected in the country. Jonglei State was the worst hit with 201,396 people affected followed by States of Lakes (24,600), Warrap (13,352), Unity (8,826 northern Bahr el Ghazal (7,202) and Western Equatoria (3,975). Humanitarian aid workers were faced with the problem of reaching the affected populations due to many impassable roads.

34. With regard to **Tanzania** the Representative of the Government reported to the 67th Session of the UN General Assembly in November 2012 that the country is currently host to about 100,000 refugees mostly from the DR Congo and Burundi. The Representative stated that her country is known for its generosity and hospitality for decades towards the refugees and this remains so. However, the country was facing a challenge with case of 36,000 former Burundian refugees who have had their refugee statuses revoked as a result of the invocation of Cessation Clause and the Government has declared them illegal immigrants as of 1st January 2013.

35. During the period under review, Uganda continued to receive thousands of new arrivals from the DR Congo. They crossed the border to escape the conflict in the North Kivu. It was reported that entire villages and families were living in areas close to the border going back and forth but sleeping in Uganda. Uganda is host to about 175,000 refugees of whom 100,000 are from DR Congo. Furthermore, as one of the durable solutions to the problem of refugees, on World Refugee Day in June 2012 the Government announced its intention to regularize the status of refugees from Rwanda and DRC.

SOUTHERN REGION

36. The Southern Region continues to host thousands of refugees mainly from Burundi, DR Congo, Rwanda and Somalia. Additionally, there were several cases of asylum seekers including mixed migratory movements. A number of countries hosting former Angolan refugees have offered local integration as one of the lasting solutions to forced displacement. On the other hand, about 20,000 returned home in 2012.

37. Furthermore, most of the countries in the region experienced disasters, and severe storms, floods, drought and water borne epidemics which impacted on livelihoods of people. The number of people who were facing food insecurity increased dramatically to more than 8 million. Lesotho, Angola and Malawi together with the humanitarian organizations developed national response plans because of the seriousness of the situation. The most affected countries in the food insecurity area in terms of percentage of their national population are: Lesotho (39%), Namibia (36%), Zimbabwe (19%), Swaziland (11%), Malawi (11 %), and Angola (10%).

38. In Malawi, the food insecurity situation has affected about 1.63 million people of whom 277,000 are children. The country together with its international partners has developed a response plan to address the problem in rural areas and a complementary response for urban areas.

39. With regard to Lesotho, it was estimated at the end of July 2012 that 725,500 people which is 39 percent of the population were food insecure. The cereal production was only 32 percent of the normal harvest and was the lowest in 10 years. The country launched a Flash Appeal to respond to the food security situation which will target the most affected vulnerable people.

40. It was reported in August 2012 that Swaziland was faced with food insecurity as the number of people at risk increased from 88,115 to 115,713. Cultivated area decreased from 61,251 hectares to 52,064 hectares and during the same period there was a cereal deficit of about 83 million tons which partly contributed to chronic malnutrition. Furthermore, the country experienced heavy rains and cold weather in September 2012 which damaged many homes and affected about 652 people and had significant consequences due to limited response capacity.

41. Zimbabwe was hit hard with food insecurity as more than 1.6 million people representing 19 percent of the population were in need of food assistance. Some of the reasons for food insecurity are late and erratic rains, poor agricultural practices, constrained access to inputs and a reduction in cultivated area. The Government was working closely with the UN Humanitarian Coordinator to overcome the problem.

42. As the country was struggling with food insecurity problem, 5,821 refugees and asylum seekers were hosted. The country was faced with the problem of the majority of 769 Rwandese refugees who are supposed to return home in accordance with the Cessation Clause by the Executive Committee of the High Commissioner's Programme (EXCOM) of December 2011 but was reluctant to return to Rwanda.

IMPLEMENTATION

43. The Commission of the African Union together with the PRC Sub-Committee on Refugees, Returnees and Internally Displaced Persons, and in close co-operation with AU Partners and relevant humanitarian agencies implemented programmes and activities in accordance with the Recommendations, Resolutions and Decisions of the Executive Council and Declarations of the Heads of State and Government.

Implementation of the Plan of Action of the Kampala 2009 AU Special Summit on Refugees, Returnees and Internally Displaced Persons in Africa

44. The following activities were carried out in collaboration with Regional Economic Communities (RECs), Partners, Civil Society, the Diaspora as well as other relevant organizations:

45. As a follow up to the implementation of the Plan of Action, consultative meetings and workshops which have been taking place since 2009 have yielded positive results. It is therefore gratifying to report that the African Union Convention for the Protection and Assistance of Internally Displaced Persons in Africa (Kampala Convention) has been signed by 36 Member States and 16 Member States have ratified it, thereby achieving the required number needed for it to come into force. The Convention therefore, came into force on 6 December 2012.

46. Furthermore, the Commission started embarking on the process of domestication and implementation of the IDP Convention. In this regard, in November, 2012 in Kampala, Uganda, the Commission in collaboration with the Norwegian Refugee Council (NRC) the Government of Uganda, the Internal Displacement Monitoring Centre (IDMC) and the World Bank, organized a workshop on the domestication and implementation of the IDP Convention.

47. The workshop brought together legal and development experts, policy makers, and practitioners from across Uganda. The objective of the workshop was to identify practical steps, from legal and development perspectives, in particular for development and legal actors who would take concrete steps towards implementing the Convention in the context of Uganda. The workshop was meant as a pilot project for the implementation of the convention at national level and it is hoped that similar exercises will be carried out in other countries that have ratified the Convention.

Mission of the Joint AU/UN OCHA/ OIC

48. A joint AU Commission and United Nations Office for the Coordination of Humanitarian Affairs (OCHA), in partnership with the Organization of Islamic Cooperation (OIC), and the UN Regional Humanitarian Coordinator, organized a high level Member States' visit to Niger, Mali and Burkina Faso from 14 to 21 October 2012.

49. The objectives of the visit were to raise awareness on the humanitarian crisis in the Sahel region; and to highlight the role of the Multilateral Humanitarian System in supporting national responses in these three countries.

Responses to disasters

50. It should be recalled that the African Union convened a Pledging Conference on Drought and Famine in the Horn of Africa in August 2011 in Addis Ababa. A total amount of US\$350,000 million was pledged by Member States, international organizations and individuals. Out of the funds, US\$300,000 million was pledged by the African Development Bank to be utilized for medium and long term projects at the regional level. The Commission has so far redeemed US\$ 8.2 million as at December 2012. The Commission together with the partners through the Technical Advisory Committee (TAC) recommended to the High Level Resource Allocation has disbursed US\$ 8 million to date. The allocation process will continue as more pledges are redeemed.

51. As a follow up to the recommendations that emanated from the mission of the PRC Sub-Committee on Refugees, financial support of US\$ 50,000 was made to Malian refugees in Niger, Burkina Faso and Mauritania through the UNHCR. This was in addition to the contribution of the AU to Burkina Faso, Mauritania, Mali, and Niger in early 2012 for food aid through the World Food Programme.

Cooperation with Partners

52. The Commission in cooperation with partners carried out several activities in accordance with various agreements. Furthermore, capacity building was provided to the Commission.

53. A Joint AU/UN humanitarian Sub-Cluster preparatory consultative meeting on humanitarian issues was held in October 2012, at the AU Headquarters in preparation for the Regional Coordination Mechanism of the Ten Year Capacity Building Programme between the AU and the UN.

54. In October 2012 in Nairobi, Kenya, the Commission with the collaboration of UNHCR organized a Symposium on the Theme: "Citizenship in Africa: Preventing Statelessness, Preventing Conflict". It was part of implementation of the October 2009 Special Summit on Refugees, Returnees and Internally Displaced Persons held in Kampala, Uganda in which the AU pledged to support UNHCR's efforts in promoting the accession to and implementation of the Conventions on statelessness amongst African Member States as stated in Recommendation 24. The recommendation was further supported during the Ministerial Meeting of States Parties to the Conventions in December 2011 in Geneva.

55. It was in this context that the symposium was held with the aim of raising awareness among member states on the status of statelessness on the African continent and the focus was on key provisions of the 1954 Convention Relating to the Status of Stateless Persons and the 1961 Convention on the Reduction of Statelessness. The meeting was also convened to create a forum for open discussions and suggest solutions to the problems of citizenship and statelessness.

56. In November 2012 in Nairobi, Kenya, the Commission together UNOCHA and with the support of Swedish Government organized an independent expert's workshop on the finalization of the Draft AU Humanitarian Policy Framework and Draft Disaster Management Policy. The draft documents are now finalized and ready for presentation at the next meeting of Ministers in-Charge of Forced Displacement Matters envisaged to take place early 2013.

Meetings

57. The Commission held a meeting in Gaborone, Botswana in December 2012 on the reactivation of A.U. Coordinating Committee on Refugees, Returnees and Internally Displaced Persons (CCAR).

CHALLENGES AND THE WAY FORWARD

58. It is important to recognize the efforts exerted by Member States in addressing the problem of forced displacement and other humanitarian issues which has been given concrete expression with the coming into force of the Kampala Convention. However, there is a multitude of challenges that still confront the Continent and need attention both by Member States and international partners. These challenges range from inadequate resources to respond to humanitarian emergencies both at the short, medium and long term phases.

59. Foremost, amongst these challenges is inadequate funding for emergency response and preparedness. There is a need to diversify the sources of funding beyond Member States. The AU is called upon to engage with the private sector that reaps enormous profit in respective Member States to be part of sources of funding for humanitarian purposes.

60. There is a lack of preparedness within the Commission and at Member States levels which require emergency response capability. In order to address this situation, the Commission and Member States including the RECs are called upon to implement, where it has not been done, the establishment of Emergency Response Mechanisms.

61. A final major challenge is decreasing humanitarian space in some Member States. This situation impedes the delivery of humanitarian relief and curtails the operations of humanitarian workers where they are most needed.

62. In conclusion, the Commission draws the attention of Member States to the importance of signing and acceding to the African Union Convention for the Protection and Assistance of Internally Displaced Persons in Africa in order to achieve a uniform regime of protection for those that are internally displaced.

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